

Frequently Asked Questions (FAQs)

Your Guide to Aviva's Participating Fund For Accounting Year 2016

1. Why am I receiving this pack from Aviva?

You're receiving this pack containing "The Annual Bonus Statement and Guide to Aviva's Participating Fund" because you own a "Participating policy". The documents will explain the recent performance of Participating policies like yours and the bonuses that are allocated for 2016.

We have also shared some general analysis of the market's future outlook and how it may impact your future returns.

2. What types of bonuses am I entitled to?

There are two types of bonuses that could be added to your Participating policy:

- **Reversionary Bonuses**
These are regular bonuses, usually declared once a year and become a permanent addition to your guaranteed benefits.
- **Terminal Bonuses**
These are non-guaranteed, one-off benefits payable upon maturity, surrender and / or claim.

3. How are bonuses earned?

Bonuses are earned through the performance of the Participating Fund. Aviva operates two Sub-Funds within the main Participating Fund:

- **Participating Sub-Fund 1**
This consists of all single premium policies with the following plan names:
Asset Plan (policies inceptioned on or after 1 October 1996) and MoneySmart (Single Premium).
- **Participating Sub-Fund 2**
For all remaining Participating plans.

Premiums of Participating policies are pooled in the respective Participating Sub-Fund, and are invested in a wide range of assets including equities, fixed-interest securities (such as bonds), property and cash.

In addition to your guaranteed benefits, Participating policies are also entitled to share in profits from the Participating Fund. This amount would depend on investment returns, market outlook, customers' claim experience, lapse experience and Aviva's expenses incurred in managing the Participating Fund.

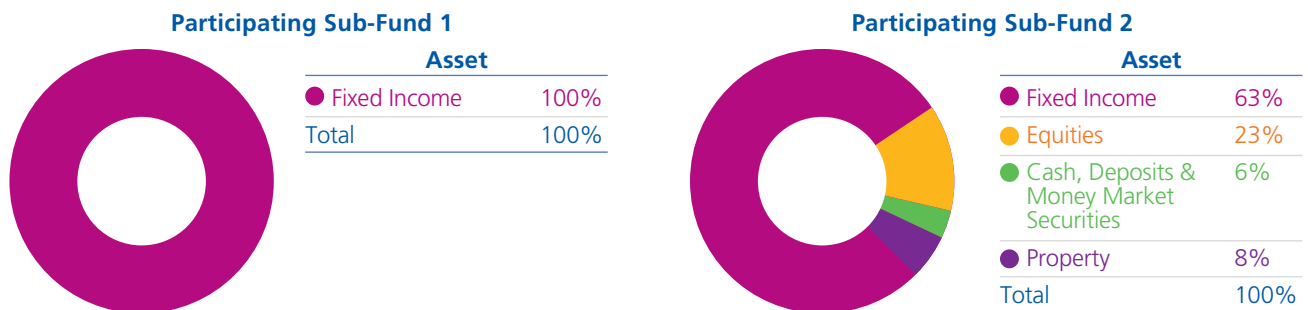
The profits will be given to you in the form of bonuses. These bonuses are approved by the Board of Directors, taking into account the written recommendations of the Appointed Actuary. Latest actuarial investigation of policy liabilities is carried out in line with Section 37(1) of the Insurance Act.

4. What are the key factors affecting the performance of the Participating Fund and level of bonuses?

There are two Sub-Funds within the Participating Fund. The following factors affect the performance of each Sub-Fund and investment pools, and ultimately, the level of bonuses:

a) the Participating Sub-Fund's investment strategy

The Sub-Funds invest in a strategic asset allocation, decided when the Fund was set up. If there are significant changes in the profile of the Fund, the asset allocation would be reviewed. The charts below illustrate the two Sub-Funds actual asset mix as at 31 December 2016:



b) the Participating Fund Performance in 2016

The investment returns in 2016 were higher than the previous year largely due to market's cautious optimism towards post-election United States near the end of the year and steady growth in main markets such as China and Europe. The table on the right shows the investment return for the Participating Fund over the last 3 years.

Year	Participating Sub-Fund 1	Participating Sub-Fund 2*
2016	4.35%	4.30%
2015	2.89%	-0.53%
2014	2.18%	5.42%

* The investment return excludes structured Single Premium products.

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(continued)

b) the Participating Fund Performance in 2016

On the non-investment front, actual claim, lapse and expense experience matched the Company's expectations.

The overall performance of the Participating Fund in 2016 and the adequacy of assets built up within the Participating Fund have allowed us to maintain the bonus rates, i.e. same as last year's for all policies.

We will continue to manage the Participating Fund with a long-term view to deliver stable and reasonable returns for all customers, while maintaining the financial soundness of the Fund.

c) Future Outlook for the Participating Fund

Market Outlook is positive for the global economy for 2017. With global growth probably set to expand at 3% to 4%, we expect the US Federal Reserve to increase interest rates further in 2017. Coupled with potential tax cuts and increased spending in infrastructure, the US economy may receive a further boost.

We remain positive on emerging market equities because long term valuations are relatively cheap and interest rates globally will remain low, hence encouraging growth. Within developed markets we prefer European equities as we expect Asian currencies to weaken further against the US dollar. We expect Asian government bond yields to remain low by historic standards.

However, as Chinese policymakers continue to support growth and global interest rates remain low, the current environment should remain positive for Asian equities and corporate bonds; despite underlying political risks due to uncertainty in the US trade policies, especially towards export dependent economies such as Korea, Taiwan and Singapore.

On the non-investment front, we expect the Participating Fund's claim, lapse and expense experience to remain stable.

d) How will the future Participating Fund performance affect my bonuses?

Your future non-guaranteed bonuses are always subject to market unpredictability and may be affected in the event of major shocks in the equity market or hikes in interest rates.

In general, long-term trends and movements are incorporated into the changes in reversionary bonus rates. Variations due to sudden or abrupt market movement and volatility are reflected through the changes in terminal bonus rates.

Smoothing of bonuses to manage large market fluctuations

Although bonuses are not guaranteed, insurers, generally try to avoid large fluctuations in the bonus declared from year to year. This stability is achieved by smoothing (or levelling out) bonuses over time. Bonuses may be held back in years when the performance of the Participating Fund is good so that bonuses are less affected when market conditions are not as favourable. Smoothing is intended to be neutral over the longer term, although it can lead to a profit or loss in the short term.

Other factors that affect your bonus:

- Claim, lapse and expense experience of the Participating Fund
- Participating Fund's tax and regulatory changes

5. Is Aviva Ltd financially sound?

We are financially sound with a capital level comfortably in excess of required levels set by the Monetary Authority of Singapore.

6. Who manages the Fund at Aviva?

The Funds are managed by Aviva Investors. Aviva Investors comprise of award-winning, specialist teams of fund managers. Aviva Investors is wholly owned by Aviva plc, with assets under management in excess of £ 319 billion (as at 30 June 2016).

If you require any further information or assistance regarding your bonus, please call us at (65) 6827 9931 (8.45am to 5.30pm, Monday to Friday) or email us at cs_life@aviva-asia.com.

Aviva Ltd

4 Shenton Way #01-01 SGX Centre 2 Singapore 068807 Tel: (65) 6827 9931 Fax: (65) 6827 7480 www.aviva.com.sg
Company Reg. No.: 196900499K GST Reg. No.: MR-8500166-8

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The information is accurate as of May 2017.

常见问题 Aviva 分红基金指南 2016 会计年度

1. 我为什么会收到 Aviva 发送的这套资料？

您之所以会收到这套资料，是因为您拥有一份“分红保单”。这套资料包含“Aviva 分红基金年度红利报表和指南”。这些文件将向您说明各保单（比如您所持的分红保单）的近期收益表现，以及 2016 年分配的红利。

我们还分享了关于市场未来前景及其对未来回报的可能影响的一些综合分析。

2. 我将有权享有哪类类型的红利？

您的分红保单中可能将包含两类红利：

- **年度继承红利**

这些属于常规红利，通常一年公告一次，并且会成为保证收益的永久附加项。

- **终期红利**

这些属于非保证的一次性收益，在保险期满、退保和/或索赔时进行支付。

3. 红利是如何赚取的？

红利是通过分红基金的收益赚取的。Aviva 在主分红基金内部运作两项子基金：

- **分红子基金 1**

该项子基金包含所有具有以下计划名称的趸缴保费保单：

Asset Plan（1996 年 10 月 1 日或之后开始生效的保单）和 MoneySmart（趸缴保费）。

- **分红子基金 2**

针对剩余所有分红计划。

分红保单的保费被并入相应分红子基金中，并投资于各类资产中，包括股票、固定利率证券（例如债券）、房地产和现金。

除了保证收益外，分红保单还有权获得分红基金分红。分红金额将取决于投资回报、市场前景、客户的索赔情况、终止情况，以及在管理分红基金期间产生的 Aviva 开支。

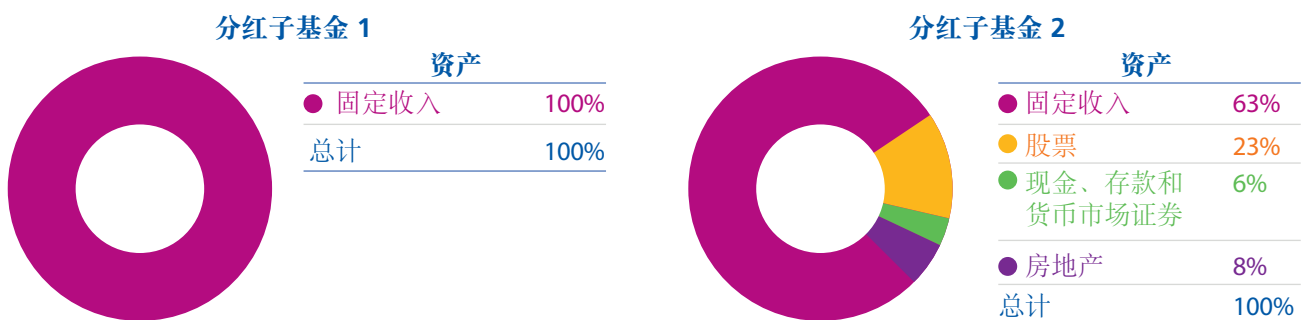
收益将以红利的形式提供给您。董事会在参考委任精算师的书面建议后批准这些红利。我们将按照《保险法》的第 37(1)项规定，执行最新的保单责任精算调查。

4. 影响分红基金效益和红利水平的主要因素有哪些？

分红基金内有两项子基金。下列因素会影响每个子基金和投资池的收益表现，并且最终影响到红利水平：

a) 分红子基金的投资策略

子基金投资于基金设立时确定的战略性资产分配。如果基金概况发生重大转变，则将对该资产分配进行审查。以下几个图表说明了截至 2016 年 12 月 31 日两项子基金的实际资产组合：



常见问题 Aviva 分红基金指南 2016 会计年度

b) 2016 年的分红基金表现

由于年末美国大选后市场的谨慎乐观态度，加上主要市场（如中国和欧洲）的经济稳定增长，2016 年的投资回报明显高于前一年。下表显示了过去 3 年来分红基金的投资回报。

年份	分红子基金 1	分红子基金 2*
2016	4.35%	4.30%
2015	2.89%	-0.53%
2014	2.18%	5.42%

* 投资回报不包括结构性趸缴保费产品

在非投资方面，实际索赔、终止和开支情况符合公司预期。

2016 年分红基金的整体表现以及在分红基金中建立的资产的充足性，使我们能够维持所有保单的红利率。

我们将继续以长远的目光来管理分红基金，从而让客户获得稳定且合理的回报，同时维持基金的财务稳健性。

c) 分红基金的未来展望

2017 年全球经济前景乐观。全球经济的涨幅或将扩大到 3% - 4%，因此我们预计美联储将于 2017 年进一步加息加上潜在的减税措施和基础设施支出的增加，美国经济可能会进一步增长。

我们对新兴市场股票仍持乐观态度，因为这些股票的长期估值仍相对较低，且全球利率保持低位，这些都刺激经济增长。在发达市场中，我们更青睐欧洲股市，因为我们预计亚洲货币将进一步对美元贬值。我们预计亚洲政府债券收益率仍将处于低水平（按历史标准衡量）。

尽管美国贸易政策的不确定性会带来一些潜在的政治风险，特别是对韩国、台湾地区和新加坡等出口依赖型经济体影响较大；但是随着中国决策者继续支持经济增长且全球利率仍然保持低位，因此目前的环境对亚洲股票和公司债券来说仍然是有利的。

在非投资方面，我们预计分红基金的索赔、终止和开支情况将保持稳定。

d) 未来的分红基金表现会对我的红利带来哪些方面的影响？

未来的非保证红利受市场不可预见性的影响，如果股票市场遭到重创或者利率上调，未来的非保证红利可能会受到影响。

一般情况下，长期趋势和变动会合并到年度继承红利率的变化中。因突发市场变动和波动而造成的变动，会体现在终期红利率的变化中。

修匀红利，以便控制较大的市场波动

尽管不保证红利，保险公司一般都会尽量避免每年公告的红利有较大的波动。他们会通过逐步修匀（或者平衡）红利来实现这种稳定性。在分红基金效益良好的年度，红利可能留存积累，因而当市场状况不尽如人意时，红利将会受到较小影响。尽管可能会导致短期内的盈利或亏损，红利维持均衡可在长期内中和此类浮动的影响。

影响红利的其他因素：

- 分红基金的索赔、终止和开支情况
- 分红基金的税收和监管变化

5. Aviva Ltd 的财务状况是否良好？

我们的财务状况良好，资本水平远超新加坡金融管理局规定的所需水平。

6. 谁在 Aviva 负责管理分红基金？

基金由 Aviva Investors 负责管理。Aviva Investors 由备受赞誉的基金经理专家团队组成。Aviva Investors 是 Aviva plc 旗下的一家全资子公司，所管理资产超过 3,190 亿英镑（截至 2016 年 6 月 30 日）。

如需有关红利的任何进一步信息或支持，请致电 (65) 6827 9931（星期一至星期五，上午 8:45 至下午 5:30）或发送电子邮件至 cs_life@aviva-asia.com 与我们联系。

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本档仅供一般参考。若有任何财务建议，请咨询您的财务顾问代表。虽然我们已竭尽全力地提供准确信息，但我们保留修正任何错误或疏忽的权利，且对任何由于使用或依赖本文信息而导致的任何损失概不负责。如果英文版和中文版之间存在任何不一致，请以本手册的英文版为准。发布本手册之时信息准确无误。