

FTIF- Franklin Mutual Beacon Fund (the “ILP Sub-Fund”)

This Fund Summary should be read in conjunction with the Product Summary

Structure of ILP Sub-Fund

The ILP Sub-Fund is a feeder fund investing all or substantially all of its assets in the Franklin Templeton Investment Funds (FTIF) – Franklin Mutual Beacon Fund (“the Underlying Fund”), a sub-fund under the FTIF umbrella fund. FTIF is an investment company with limited liability organised as a société anonyme under the laws of the Grand Duchy of Luxembourg and is qualified as a société d’investissement à capital variable.

It is registered on the official list of undertakings for collective investment in transferable securities pursuant to Part I of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as may be amended from time to time (the “Law of 17 December 2010”). FTIF qualifies as an Undertaking for Collective Investment in Transferable Securities (“UCITS”) under Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended.

The units in the ILP Sub-Fund are not classified as Excluded Investment Products.

Information on the Manager

Franklin Mutual Advisers, LLC

Franklin Mutual Advisers, LLC, formed in 1999 in the United States of America, is known for its expertise in the U.S. and European equity markets, specializing in identifying “special situation” investments. Its opportunistic and deep-value style of investing for its Mutual Series Funds focuses on stocks trading at a deep discount to asset value, companies in the midst of change such as mergers and acquisitions, and securities that are distressed or even in bankruptcy.

The managers from Franklin Mutual Advisers, LLC are also known for promoting shareholder activism and being involved in the management of the organisations that they hold so as to effect positive change in these organisations. Franklin Mutual Advisers, LLC has been managing the underlying Franklin Mutual Beacon Fund since 1999. As of 30 June 2016, Franklin Mutual Advisers, LLC has approximately US\$58,780,378,332.08 of assets under management. The regulatory authority is the U.S. Securities and Exchange Commission.

Other Parties

There is no other party who advises the Investment Manager in the management of the Underlying Fund.

Investment Objectives, Focus & Approach

The Underlying Fund’s primary investment objective is capital appreciation. A secondary objective is income. The Underlying Fund pursues its objectives principally through investments in common stock, preferred stock, and debt securities convertible or expected to be convertible into common or preferred stock. No more than 20% of the Underlying Fund’s net assets will generally be invested in securities of non-US issuers.

The opinions of the Investment Manager are based upon analysis and research, taking into account, among other factors, the relationship of book value (after taking into account accounting differences among countries) to market value, cash flow, multiple of earnings of comparable securities, creditworthiness of issuers, as well as the value of collateral securing a debt obligation, with the objective of purchasing equity and debt securities at below their intrinsic value.

The Underlying Fund may also seek to invest in the securities of companies involved in mergers, consolidations, liquidations and reorganisations or as to which there exist tender or exchange offers, and may participate in such transactions. To the lesser extent, the Underlying Fund may also purchase debt securities, both secured and unsecured, of companies involved in reorganisation or financial restructuring, including low-rated and non-investment grade securities. The Investment Manager may take a temporary

defensive cash position when it believes the securities trading markets or the economies of countries where the Underlying Fund invests are experiencing excessive volatility or prolonged general decline or other adverse conditions.

The Underlying Fund may utilise financial derivative instruments for hedging and/or efficient portfolio management. These financial derivative instruments may include, but are not limited to, futures, options, contracts for difference, forward contracts on financial instruments and options on such contracts, swaps such as credit default swaps or synthetic equity swaps. The Underlying Fund may, through the use of financial derivative instruments, hold covered short positions provided that the long positions held by the Underlying Fund are sufficiently liquid to cover, at any time, its obligations resulting from its short positions.

For the purpose of generating additional capital or income or for reducing costs or risks, the Underlying Fund may engage in securities lending transactions for up to 50% of its net assets.

Risks

In addition to the risks stated in the Product Summary, the following are risks specific to the Underlying Fund:

Convertible Securities risk

A convertible security is generally a debt obligation, preferred stock or other security that pays interest or dividends and may be converted by the holder within a specified period of time into common stock. The value of convertible securities may rise and fall with the market value of the underlying stock or, like a debt security, vary with changes in interest rates and the credit quality of the issuer. A convertible security tends to perform more like a stock when the underlying stock price is high relative to the conversion price (because more of the security's value resides in the option to convert) and more like a debt security when the underlying stock price is low relative to the conversion price (because the option to convert is less valuable). Because its value can be influenced by many different factors, a convertible security is not as sensitive to interest rate changes as a similar non-convertible debt security, and generally has less potential for gain or loss than the underlying stock.

Some convertible securities are issued as so-called contingent convertible bonds (or "coco" bonds), where the conversion of the bond into equity occurs at stated conversion rate if a pre-specified trigger event occurs. This type of convertible became popular following the 2008-2009 financial crisis as a way of triggering conversion of debt to equity in the event of deteriorating financial condition to avoid bankruptcy. As such, issuers of such bonds may tend to be those that are vulnerable to weakness in the financial markets. Because conversion occurs after a specified event, conversion may occur when the share price of the underlying equity is less than when the bond was issued or purchased, resulting in greater potential compared to conventional convertible securities for capital loss.

Counterparty risk

Counterparty risk is the risk to each party of a contract that the counterparty will fail to perform its contractual obligations and/or to respect its commitments under the term of such contract, whether due to insolvency, bankruptcy or other cause. When over-the-counter (OTC) or other bilateral contracts are entered into (inter alia OTC derivatives, repurchase agreements, security lending, etc.), FTIF may find itself exposed to risks arising from the solvency of its counterparties and from their inability to respect the conditions of these contracts.

Equity risk

The value of the Underlying Fund that invests in equity and equity-related securities fluctuate daily. Prices of equities can be influenced and affected by many micro and macro factors such as economic, political, market, and issuer-specific changes. Such changes may adversely affect the value of the equities which can go up and down, regardless of company-specific performance. Additionally, different industries, financial markets, and securities can react differently to these changes. Such fluctuations of the Underlying Fund's value are often exacerbated in the short-term as well. The risk that one or more companies in the Underlying Fund's portfolio will fall, or fail to rise, can adversely affect the overall portfolio performance in any given period and the Underlying Fund investing in equities could incur significant losses.

Growth Stocks risk

The Underlying Fund investing in growth stocks can be more volatile and may react differently to economic, political, market, and issuer-specific developments than the overall market. Historically, the prices of growth stocks have been more volatile than other securities, especially, over short term periods of time. Growth stocks may also be more expensive, relative to their earnings, than the market in general. As such, growth stocks can experience greater volatility in reaction to changes in earnings growth.

Liquidity risk

Liquidity risk takes two forms: asset side liquidity risk and liability side liquidity risk. Asset side liquidity risk refers to the inability of the Underlying Fund to sell a security or position at its quoted price or market value due to such factors as a sudden change in the perceived value or credit worthiness of the position, or due to adverse market conditions generally. Liability side liquidity risk refers to the inability of the Underlying Fund to meet a redemption request, due to the inability of the Underlying Fund to sell securities or positions in order to raise sufficient cash to meet the redemption request. Markets where the Underlying Fund's securities are traded could also experience such adverse conditions as to cause exchanges to suspend trading activities.

Reduced liquidity due to these factors may have an adverse impact on the Net Asset Value of the Underlying Fund and, as noted, on the ability of the Underlying Fund to meet redemption requests in a timely manner. Certain securities are illiquid due to a limited trading market, financial weakness of the issuer, legal or contractual restrictions on resale or transfer, or that are otherwise illiquid in the sense that they cannot be sold within seven days at approximately the price at which the Underlying Fund values them. Securities that are illiquid involve greater risk than securities with more liquid markets. Market quotations for such securities may be volatile and/or subject to large spreads between bid and ask prices. Illiquidity may have an adverse impact on market price and the Underlying Fund's ability to sell particular securities when necessary to meet the Underlying Fund's liquidity needs or in response to a specific economic event.

Market risk

The market values of securities owned by the Underlying Fund will go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting individual issuers, securities markets generally or particular industries or sectors within the securities markets. The value of a security may go up or down due to general market conditions which are not specifically related to a particular issuer, such as real or perceived adverse economic conditions, changes in the general outlook for revenues or corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also go up or down due to factors that affect an individual issuer or a particular industry or sector, such as changes in production costs and competitive conditions within an industry. During a general downturn in the securities markets, multiple asset classes may decline in value.

When markets perform well, there can be no assurance that securities held by the Underlying Fund will participate in or otherwise benefit from the advance. Stock prices tend to go up and down more dramatically than those of debt securities. A slower-growth or recessionary economic environment could have an adverse effect on the prices of the various stocks held by the Underlying Fund.

Smaller and Midsize Companies risk

While smaller and midsize companies may offer substantial opportunities for capital growth, they also involve substantial risks and should be considered speculative. Historically, smaller and midsize company securities have been more volatile in price than larger company securities, especially over the short term. Among the reasons for the greater price volatility are the less certain growth prospects of smaller and midsize companies, the lower degree of liquidity in the markets for such securities, and the greater sensitivity of smaller and midsize companies to changing economic conditions.

In addition, smaller and midsize companies may lack depth of management, be unable to generate funds necessary for growth or development, have limited product lines or be developing or marketing new products or services for which markets are not yet established and may never become established. Smaller and midsize companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans which are floating-rate. These risks are typically increased for securities issued by smaller companies registered or performing a significant part of their activities in developing countries and Emerging Markets, especially as the liquidity of securities issued by companies in Emerging Markets may be substantially smaller than with comparable securities in industrialised countries.

Warrants risk

Investments in and holding of warrants may result in increased volatility of the Net Asset Value of the Underlying Fund, which may make use of warrants, and accordingly are accompanied by a higher degree of risk.

Fees and Charges

In addition to the fees and charges shown in the Product Summary, the following fees are also payable through deduction from the asset value of the Underlying Fund.

Fund Name	AMC ¹
FTIF – Franklin Mutual Beacon Fund	1.50%

¹ Please note that the AMC stated above includes the maintenance charge and maintenance charge.

Past Performance : as at 30 November 2016

NOTE: PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.

Cumulative Performance

Funds / Benchmark	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception*
FTIF – Franklin Mutual Beacon Fund /	9.88%	16.82%	68.55%	40.15%	222.47%
S&P 500 Index	8.06%	29.75%	96.33%	94.62%	246.51%

Annualised Performance

Funds / Benchmark	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception*
FTIF – Franklin Mutual Beacon Fund /	9.88%	5.32%	11.00%	3.43%	6.20%
S&P 500 Index	8.06%	9.07%	14.44%	6.88%	6.62%

Source: Franklin Templeton Investments

*FTIF – Franklin Mutual Beacon Fund A Acc USD: Incepted on 7 July 1997

Expense Ratio and Turnover Ratio

Funds	Expense Ratio	Turnover Ratio
FTIF – Franklin Mutual Beacon Fund	1.83%	48.22%

The expense and turnover ratios stated in the table above are for the period 30 June 2016.

The expense ratio is calculated in accordance with the Investment Management Association of Singapore guidelines on the disclosure of expense ratios. It does not include (where applicable) brokerage and other transaction costs, performance fee, interest expense, foreign exchange gains /losses, front or back-end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. It is calculated by dividing expenses by daily average NAV, and multiplied by the appropriate factor to annualise the figure and is disclosed as a percentage.

The turnover ratio is calculated based on the lower of purchases and sales expressed as a percentage of the daily average net asset value.

Soft Dollar Commissions or Arrangements

Consistent with obtaining best execution, brokerage commissions on portfolio transactions for FTIF may be directed by the Management Company and/or the Investment Managers to brokers/dealers in recognition of research services furnished by them as well as for services rendered in the execution of orders by such brokers/dealers. The receipt of investment research and information and related services permits the Management Company and/or the Investment Managers to supplement their own research and analysis and makes available to them the views and information of individuals and research staffs of other firms. Such services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payment, which are paid by the Management Company and/or the Investment Managers.

The Management Company and/or the Investment Managers may enter, with brokers/dealers that are entities and not individuals, into soft commission arrangements only where there is a direct and identifiable benefit to the clients of the Management Company and/or the Investment Managers, including FTIF, and where the Management Company and/or the Investment Managers are satisfied that the transactions generating the soft commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interest of FTIF. Any such arrangement must be made by the Management Company and/or the Investment Managers on terms commensurate with best market practice. The use of soft commissions shall be disclosed in the periodic reports.

Conflicts of Interest

The Management Company and/or the Investment Managers may hold shares in the Underlying Fund for their own account. In the event of any conflict of interest arising as a result of such dealing, the Management Company and/or the Investment Managers will resolve such conflict in a just and equitable manner as they deem fit. There may be instances where purchase or sale orders, or both, are placed simultaneously on behalf of two or more funds/accounts managed by the Management Company and/or an Investment Manager. Orders for such securities may be aggregated for execution in accordance with established procedures. Generally, for each account, such batched transactions are averaged as to price and allocated as to amount in accordance with daily purchase or sale orders actually placed for such fund/account. Allocations are made among several accounts in a manner deemed equitable to all by the Management Company and/or the Investment Manager, taking into account the respective sizes of the accounts and the amount of securities to be purchased or sold. Orders are aggregated whenever possible to facilitate best execution, as well as for the purpose of negotiating more favourable brokerage commissions beneficial to all accounts. Alternatively, trades may be placed according to an alternating sequence or rotation system in order to seek equitable treatment of Funds/accounts seeking to buy or sell the same securities.

Reports

The financial year-end of the ILP Sub-Fund is 30 June. Aviva Ltd will make available semi-annual report and annual audited report of the ILP Sub-Fund within 2 months and 3 months respectively from the relevant reporting periods.

In addition, Aviva Ltd will make available financial reports of the Underlying Fund as they become available from the Investment Manager. Policyholders can access these reports via the Aviva website at www.aviva.com.sg.

Specialised ILP Sub-Fund

The ILP Sub-Fund is not a specialised sub-fund as set out in MAS Notice 307 on Investment-Linked Policies issued by the Monetary Authority of Singapore.