

This Product Highlights Sheet is an important document.

- It highlights the key terms and risks of the ILP sub-fund and complements the Product Summary.
- It is important to read the Product Summary before deciding whether to purchase the ILP sub-fund. If you do not have a copy, please contact us to ask for one.
- You should not invest in the ILP sub-fund if you do not understand it or are not comfortable with the accompanying risks.

FTIF – Franklin Strategic Income Fund
 (invests in Franklin Templeton Investment Funds - Franklin Strategic Income Fund A Acc USD)

Product Type	ILP Sub-Fund ¹	Launch Date	12 July 2007
Units in the ILP Sub-Fund are Excluded Investment Products²	No	Custodian	Not Applicable
Manager	Franklin Templeton International Services S.à r.l.	Dealing Frequency	Every Business Day
Capital Guaranteed	No	Expense Ratio for the financial year ended 30 June 2016	1.34%-1.35%
Name of Guarantor	N.A.		

SUB-FUND SUITABILITY

WHO IS THE SUB-FUND SUITABLE FOR?

- The ILP Sub-Fund is only suitable for investors who:
 - o seek a high level of current income and prospects of capital appreciation in USD;
 - o seek to invest in debt securities and financial derivative instruments worldwide; and
 - o plan to hold their investment for the medium to long term.
- The principal may be at risk.

The ILP Sub-Fund does not distribute income and where applicable will re-invest any income received from Franklin Templeton Investment Funds - Franklin Strategic Income Fund A Acc USD (the “Underlying Fund”).

Further Information
 Please refer to “Fund Information, Objectives and Investment Policies” of the Underlying Fund’s Luxembourg Prospectus for further information on suitability of the Sub-Fund.

KEY FEATURES OF THE SUB-FUND

WHAT ARE YOU INVESTING IN?

- You are investing in an ILP Sub-Fund that feeds 100% into the Underlying Fund, an open-ended collective investment scheme (referred to as an “undertaking for collective investment in transferable securities” or UCITS) constituted in Luxembourg that aims to provide you with a high level of current income and prospects of capital appreciation in USD, by investing in debt securities and financial derivative instruments worldwide.

Refer to “Investment Objective, Focus and Approach of the Funds” section of the Underlying Fund’s Singapore Prospectus,

¹ For ILP sub-funds that feeds 100% into an underlying CIS fund, some of the information provided below could be similar to the underlying CIS fund.

² In order for units in the ILP sub-fund to be classified as Excluded Investment Products, the investment objectives and investment focus of the ILP sub-fund, and investment approach of the manager have to be stated in the product summary:

- (a) to invest only in deposits or other Excluded Investment Products; and
- (b) not to engage in securities lending or repurchase transactions for the ILP sub-fund.

The definition of “Excluded Investment Product” can be found in Annex 1 to the Notice on Recommendations on Investment Products [Notice No. FAA-N16] at <http://www.mas.gov.sg/Regulations-and-Financial-Stability/Regulations-Guidance-and-Licensing/Financial-Advisers/Notices.aspx>.

	and the “Dividend Policy” section of the Underlying Fund’s Luxembourg Prospectus for further information on features of the Sub-Fund.
Investment Strategy	
<ul style="list-style-type: none"> • The Underlying Fund will invest principally in debt securities issued by governments and corporations located in any country, including emerging markets. • It may also invest, amongst others, in (i) shares of other mutual funds (limited to 10% of nets assets), or (ii) securities in default (limited to 10% of assets) (securities are said to be in default when the issuers are not currently making interest payments), or (iii) credit-linked securities (limited to 10% of nets assets), or (iv) mortgage- and asset-backed securities (including collateralized debt obligations). • The Underlying Fund can use derivatives for hedging, efficient portfolio management and/or investment purposes. • The Underlying Fund can invest up to 100% of its net assets in low-rated and non-investment grade debt securities of issuers worldwide. • The Underlying Fund can invest up to 100% of its net assets in securities of companies that are, or are about to be, involved in reorganisations, financial restructurings or bankruptcy. • The Underlying Fund may distribute income gross of expenses. Whilst this might allow more income to be distributed, it may also have the effect of reducing capital. 	Refer to “Investment Objective, Focus and Approach of the Funds” section of the Underlying Fund’s Singapore Prospectus for further information on the investment strategy of the Sub-Fund.
Parties Involved	
<p>WHO ARE YOU INVESTING WITH?</p> <ul style="list-style-type: none"> • The Investment company of the Underlying Fund is Franklin Templeton Investment Funds. • The Investment manager of the Underlying Fund is Franklin Advisers, Inc. • The Management company of the Underlying Fund is Franklin Templeton International Services S.à r.l. • The Custodian of the Underlying Fund is J.P. Morgan Bank Luxembourg S.A. • The Singapore representative of the Underlying Fund is Templeton Asset Management Ltd. 	Refer to “Management and Administration” section of the Underlying Fund’s Singapore Prospectus for further information on the role and responsibilities of these entities.
KEY RISKS	
<p>WHAT ARE THE KEY RISKS OF THIS INVESTMENT?</p> <p>The value of the Underlying Fund and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment.</p>	Refer to “Risk Factors” section of the Underlying Fund’s Singapore Prospectus and “Risk Considerations” section of the Underlying Fund’s Luxembourg Prospectus for further information on risks of the Sub-Fund.
Market and Credit Risks	
<p>You are exposed to both developed and emerging markets.</p> <ul style="list-style-type: none"> o Emerging markets tend to be smaller and less liquid than developed markets as well as being more sensitive to economic, political and regulatory uncertainties. <p>Your investments are subject to interest rate risk.</p> <ul style="list-style-type: none"> o Movements in interest rates may negatively affect the value of the Underlying Fund’s investments in debt securities. Debt securities with longer-term maturities tend to be more 	

<p>sensitive to interest rate changes than shorter-term securities.</p> <p>You are exposed to credit risks of issuers.</p> <ul style="list-style-type: none"> o If an issuer fails to make principal and interest payments when due, the value of your investment in such issuers will be adversely affected. This Underlying Fund invests in a mix of government and corporate securities where there is generally less risk of default for government securities than for corporate securities. o The Underlying Fund may invest in low-rated or non-investment grade debt securities or instruments. Such investments may fluctuate significantly, more so than investment grade securities, and there is a greater likelihood that the issuer may default, subjecting your investment to losses. o The Underlying Fund may invest in defaulted debt securities which have stopped payments on interest and/or principal. Such securities tend to lose much of their value before they default. 	
Liquidity Risks	
<p>The Underlying Fund’s liquidity may be affected during exceptional circumstances.</p> <ul style="list-style-type: none"> o The Underlying Fund may not be able to easily sell securities during an economic event or due to deterioration in the creditworthiness of issuers in which it invests. o Shares of the Underlying Fund may be redeemed on any Dealing Day. However, during a period when trading on relevant exchanges or the over-the-counter market is substantially restricted or when market conditions make it impracticable to dispose of or value any of the Underlying Fund's investments, redemption of the Shares may be suspended. o Redemptions of Shares may be deferred when more than 10% of the value of the Underlying Fund’s Shares are redeemed or exchanged on any one Dealing Day. <p>The Underlying Fund is not listed.</p> <ul style="list-style-type: none"> o The ILP Sub-Fund of the Underlying Fund is not listed and you can redeem only on Business Days. There is no secondary market for the ILP Sub-Fund. All realisation requests should be submitted to Aviva Ltd. 	<p>Refer to the sections “Sale of Shares” and “Suspension of Valuation, Issue, Sale and Switching of Shares” of the Underlying Fund’s Singapore Prospectus for further information.</p>
Product-Specific Risks	
<p>You are exposed to derivatives risk.</p> <ul style="list-style-type: none"> o The Underlying Fund may invest in derivatives which may be purchased on regulated markets or over-the-counter and may have less liquidity than conventional assets, exposing the Underlying Fund to higher risks and potential losses. o The Underlying Fund may invest in structured products and derivatives such as credit-linked securities, credit default swaps, total return swaps, interest rate, index or foreign exchange swaps, futures, forwards, and options, all of which are subject to significant liquidity and counterparty risks. <p>Your investments are subject to prepayment and extension risk.</p> <ul style="list-style-type: none"> o With mortgage- and asset-backed securities, principal is paid back over the life of the security rather than at maturity. Such securities are subject to prepayment risk, when interest rates fall, resulting in a shortening of maturities and foregone future interest payments, as well as to extension risk when interest rates rise, resulting in longer maturities and greater sensitivity to changes in interest rates. <p>You are exposed to collateralized debt obligations risk.</p> <ul style="list-style-type: none"> o Collateralized debt obligations are securities backed by a pool of assets where there is the risk that the underlying securities may not make interest or principal payment, may decline in value, or may be subordinate to other classes of securities that have priority as to payment, causing the value of the CDOs to decline. 	
FEES AND CHARGES	
<p>WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?</p> <p><u>Payable directly by you</u> There is currently no Switching Fee for fund switching. Sales and/or Surrender Charges may be applicable as described in the relevant Product Summary. However, Aviva reserves the right to review and amend the Fees and Charges.</p> <p><u>Payable by the Underlying Fund from invested proceeds</u></p>	<p>Refer to the Fees and Charges Section of the Product Summary for further information of the</p>

The Underlying Fund will pay the following fees and charges to the Investment Manager, Custodian and other parties:

Fees and Charges of this investment

Class of Shares	Annual Investment Management Fee	Annual Maintenance & Servicing Charges ³	Others ⁴
Class A	0.75%	<u>Maintenance:</u> Up to 0.50%	<u>Annual Custodian Fee:</u> 0.01% to 0.14% p.a. <u>Annual Admin Fee:</u> Max. 0.20% p.a. plus additional amount per Investor Holding over one year period

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

All ILP Sub-Funds will be priced based on the frequency of the fund manager's pricing. The fund prices are available at Aviva Ltd's website at www.aviva.com.sg.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

- You can exit the ILP Sub-Fund by submitting a request for withdrawal or fund switching (i.e. switches) to Aviva Ltd.
- If your Policy is newly incepted, you may cancel the Policy by giving us written notice of cancellation provided that such notice of cancellation is received by Aviva Ltd at its Registered Office within the free-look period, which is fourteen (14) days from the date on which you receive the Policy.
 - Upon cancellation of the Policy, Aviva Ltd will sell all units allocated to the Policy at the next appropriate ILP Sub-Fund valuation date and will pay all sums received upon such sale to you on or before the settlement date. No increase in market value of the units allocated to the Policy shall be payable to you. No interest shall accrue or be payable on any sums payable to you pending payment. Any applicable fees and credit card charges deducted from the Policy will be refunded to you and the exit fee (if any) will be waived.
- For subsequent withdrawal/surrender or fund switching, Aviva Ltd must receive your applications by 12 noon (Singapore Time) for the withdrawal/surrender or switches to be based on the same working day's price and currency conversion (if required). Applications received after 12 noon (Singapore Time) will be allocated using the next working day's price and currency conversion. For partial/full withdrawal, exit fee may be applicable.
- The ILP Sub-Fund will have a single "dealing" price used for all switches and withdrawals/surrenders. There is no bid/offer spread, except where the fund house imposes a charge on the Underlying Fund.
- The ILP Sub-Fund will be priced based on the frequency of the fund manager's pricing policy. As units are cancelled using a forward price, the unit price for all switching and withdrawal of units will not be available at the time of receiving your application.

The cut-off time stated is correct as at the time of print. Aviva Ltd reserves the right to change the cut-off time by giving you thirty (30) days' prior notice or any such shorter period of notice as Aviva Ltd may agree with the relevant authorities.

- The Withdrawal Amount you will receive as part of a subsequent withdrawal is illustrated as follows:

Assuming: Policy term of 10 years and the Policyholder wishes to exit in Year 5; Initial Units

Refer to the Pricing of Units & Dealing Deadline, Fund Switching, Withdrawal/Surrender and Free Look sections of the Product Summary for further information

³ Payable to principal distributor, based on the applicable average net asset value

⁴ Payable to custodian, registrar and transfer, corporate, domiciliary and administrative agent (as applicable)

<p>withdrawn = 10,000; Unit price = S\$2; Exit Fee applicable in Year 5 is S\$6,950. Withdrawal Amount = 10,000 X S\$2 = S\$20,000 Amount payable to You = S\$20,000 – S\$6950= S\$13,050</p>	
CONTACT INFORMATION	
<p>HOW DO YOU CONTACT US? Aviva Ltd 4 Shenton Way, #01-01 SGX Centre 2, Singapore 068807 Email: cs_life@aviva-asia.com Website: www.aviva.com.sg Hotline: 6827 9929</p>	