

**AIA Hong Kong**

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Ref.: IL/2012021/MSUS

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20 Nov 2012

Dear Client,

Re: Termination of Morgan Stanley Investment Funds – US Dollar Liquidity Fund “AX” (Code NUD/NUN), (the “Defunct Investment Option”¹)

Background

We are writing to you as a policyholder of polic(ies) with the Defunct Investment Option which is currently linked with the underlying fund named Morgan Stanley Investment Funds – US Dollar Liquidity Fund (the “**Underlying Fund**”).

Under your investment-linked assurance scheme(s) (“**ILAS**”), the Defunct Investment Option is an existing investment choice for:

- I. new subscriptions, switch-in and regular premium allocations (collectively, the “**Subscriptions**”); and
- II. receiving dividend entitlement as well as policy fee refund.

Additionally, the Defunct Investment Option is also the current default investment choice for receiving

- I. start up bonus and loyalty bonus under AIA Asset Accumulator*, AIA Asset Accumulator (Enhanced Death Benefit) *, AIG Capital Builder by AIA*, AIG Capital Saver by AIA*, Asset Whole Life Plan*, Asset Whole Life Plus, SP - Investment Accumulator*, Treasure Accumulator*, Treasure Advantage, Treasure Advantage (Enhanced Protection), Treasure Master* and Treasure Master Select; and
- II. contribution under Treasure Master* and Treasure Master Select, if you as a policyholder elected to take advantage of the product feature regarding dollar-cost-averaging.

The following is a summary of the existing arrangements in respect of dividend entitlement, start up bonus, loyalty bonus, policy fee refund and dollar-cost-averaging contribution (collectively, the “**Entitlements**”) under the applicable ILAS and you should refer to the relevant scheme product brochures for details:

- ◆ Dividend entitlement: In case of cash dividend derived from the underlying fund of any investment option available under your ILAS, we will automatically convert it into units of the Defunct Investment Option at the policy offer price as at the appropriate valuation day as soon as practicable (the “**Policy Price**”, as defined in the relevant product brochures).
- ◆ Start up bonus and loyalty bonus: In order to reward our valued customers, certain bonuses at AIA sole discretion will be credited to polic(ies) subject to conditions and according to product features. Such bonuses will be credited by allocating units of the Defunct Investment Option at the Policy Price.
- ◆ Policy fee refund: To show our appreciation for customers’ commitment to us, we will refund certain policy fees that have been paid at the end of the premium payment period subject to conditions and according to product features. Such policy fee refund will be credited by allocating units of the Defunct Investment Option at the Policy Price after the expiry of the premium payment period.
- ◆ Dollar-cost-averaging contribution: It is a feature in the relevant ILAS which allow lump sum premium payments. This feature allows customers to turn a lump sum investment into equal monthly investments to the investment options selected by whom.

As advised by Morgan Stanley Investment Management Limited (the “**Fund House**”), the Fund House proposes to implement a re-structuring of the Underlying Fund, thus the Fund House will no longer maintain the authorisation of the Underlying Fund by the SFC from 24 Dec 2012 (the “**Effective Date**”) onwards.

Consequential to the proposed withdrawal of authorization of the Underlying Fund, we will terminate the Defunct Investment Option from the Effective Date, pursuant to the provisions applicable to the termination and substitution of underlying funds in your polic(ies). Before this termination, we will have to cease accepting the Subscriptions and all future Entitlements into the Defunct Investment Option after 20 Dec 2012 (the “**Closure Date**”) for operational reasons.

Actions required from you as a policyholder

- If you would like to take action(s), e.g. reallocation for future premiums and/or switch-out of your existing holdings in the Defunct Investment Option to other investment options available under your polic(ies). Please refer to point A below.
- If you would like to take NO action, please refer to point B below.
- Irrespective of whether you would take any action or not, you must be aware that point C below shows the changes that will affect you.

A) To the extent that your existing units of the Defunct Investment Option are currently allocated to your polic(ies), we are at our sole and absolute discretion to offer you an opportunity to switch these units to other investment options² under your ILAS free of charges (including waiver of any switching fee and/or bid/offer-spread). Should you elect to do so, please submit a duly completed switching request to us in the following manner stipulated under Table 1.

To the extent that your future premium allocations to the Defunct Investment Option, please submit a duly completed reallocation request to us in the following manner stipulated under Table 1.

Table 1	Action	Procedure	Deadline of request submission
Switching out request for existing units of the Defunct Investment Option	Switch out from the Defunct Investment Option and switch into other investment options ² available under the relevant ILAS.	Fill in the "Switching Out Request" section of the "Request for Investment-Linked Plan Services" form ³ and submit the duly completed and signed form to us.	16:00 on 20 Dec 2012
Reallocation request for future premiums	Change your investment allocation to other investment options ² available under the relevant ILAS.	Fill in the "Change Investment Allocation" section of the "Request for Investment-Linked Plan Services" form ³ and submit the duly completed and signed form to us.	16:00 on 14 Dec 2012

B) After the Closure Date, the Defunct Investment Option will be no longer available for the relevant ILAS¹.

If there is no instruction received by us at or before the date and time set out in Table 1 above, all existing units of and the future premiums towards the Defunct Investment Option will be automatically allocated to another investment option², namely, AllianceBernstein – Global Bond Portfolio "A2" (Code B01) (the "Default Option") after the Closure Date. A comparison on investment objectives, risk levels and aggregate management fees between the Default Option and the Defunct Investment Option is shown below:

The Default Option	Investment objective	Code	Risk Level**	Aggregate management fee in % p.a. of NAV ⁺
AllianceBernstein – Global Bond Portfolio "A2"	The investment objective of the Default Option is to seek a high total investment return by investing in a global portfolio of investment grade, fixed income securities that may be denominated in various currencies and multinational currency units. The Default Option is not subject to any limitation on the portion of its assets which may be invested in any one country. The Default Option may seek to hedge against interest rate and currency risks through the use of options, futures and currency transactions.	B01/ B1N/ B1D	Low	1.20%



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The Defunct Investment Option	Investment objective	Code	Risk Level**	Aggregate management fee in % p.a. of NAV ⁺
Morgan Stanley Investment Funds – US Dollar Liquidity Fund “AX”	The investment objective of the Defunct Investment Option is to seek to provide liquidity and high current income, to the extent consistent with the preservation of capital, primarily by investing in high quality short-term transferable debt securities that are denominated in US dollars, provided that, at the time of acquisition, their initial or residual maturity does not exceed 397 days. The investment option may also hold up to 49% of its net assets in cash and cash equivalents.	NUD/ NUN	Low	0.50%

Please take note that the Default Option is an investment option indirectly investing in global bond market through the corresponding underlying fund. Thus it can inherit different performance and risk behaviors as compared to the Defunct Investment Option which indirectly invests in money market instruments through the corresponding underlying fund. Please refer to the offering documents of the underlying fund linked with the Default Option for details.

C) After the Closure Date, the following shall apply to each of the Entitlements relevant to the Defunct Investment Option:

I. Declaration and payment of dividends of the underlying funds

Pursuant to the relevant policy contract where dividends are declared and become payable in respect of an underlying fund, we may elect to:

- pay the dividends to you in the manner to be decided by us;
- transfer the dividends into an alternative investment option if the Defunct Investment Option is unavailable; or
- re-invest the dividends into the investment option from which such dividends are made payable.

For the reason that the Defunct Investment Option will be terminated following the withdrawal of authorization of the Underlying Fund, we have decided that any dividends declared in respect of an underlying fund after the Effective Date shall be made payable to you by cheque.

II. Bonuses (including Start up bonus, loyalty bonus and any special bonus)

Where such bonus(es) become(s) payable under the relevant policy contract subsequent to the termination of the Defunct Investment Option, we shall exercise our right under the relevant contract to elect an alternate investment option, namely, the Default Option and allocate the relevant number of units into the account.

III. Policy fee refund

Where there is a refund of policy fee subsequent to the termination of the Defunct Investment Option, we shall exercise our right under the relevant policy contract to elect an alternate investment option, namely, the Default Option and allocate the relevant number of units into the account.

IV. Dollar cost averaging

Where you have elected the dollar cost averaging facility under the relevant policy contract and the Defunct Investment Option shall be terminated following the withdrawal of the Underlying Fund, we shall not accept new contributions towards the dollar cost averaging facility unless you agree that such contributions shall be made towards the Default Option.

The costs for the above mentioned arrangements will be fully borne by AIA.

Consequential impact to you as a policyholder

- 1) If you have not submitted any switching and reallocation request at or before the date and time set out in Table 1 above, all existing units of and the future Subscriptions towards the Defunct Investment Option will be **AUTOMATICALLY** switched to the Default Option after the Closure Date. The administrative arrangements in respect of switching will be completed by 31 Dec 2012. A switching confirmation to you will be issued after the switching is completed. Please note that any subsequent switching / reallocation from the Default Option can only be effected after the said switching arrangement has been completed. After the Closure Date, all future Entitlements to the Defunct Investment Option will be **AUTOMATICALLY** allocated to the Default Option **IRRESPECTIVE** of your action(s) pursuant to the provisions in your polic(ies), which have been set out in point C above.
- 2) After the Closure Date, all instructions (whether completed or not) that direct to the Defunct Investment Option will be **replaced** by the Default Option.
- 3) Where the Entitlements shall become payable towards the Defunct Investment Option and your relevant policy contract makes no provision of an alternate investment option on the Closure Date of the Defunct Investment Option, you shall be entitled to accept or reject the Default Option in substitution of the Defunct Investment Option within thirty (30) days from the date of this termination notice. If you accept the Default Option, any such Entitlements shall be paid towards the relevant policy contract by allocating the relevant number of units in respect of the Default Option. Where you elect to reject the Default Option or no selection has been made upon the expiry of the aforesaid period, we shall pay such Entitlements by cheque to you. Please contact your AIA representative, your broker or your financial adviser to make an informed instruction regarding the acceptance of this arrangement on or before the Effective Date.
- 4) Starting from the Effective Date, the Defunct Investment Option will be terminated and removed from our investment option series.

Risk and suitability

Please note that we have not considered the suitability of the Default Option and other investment options² against your individual needs and risk tolerance.

To ensure you understand whether the Default Option or any other investment options² available under the polic(ies) is suitable to your risk profile, please read the relevant offering documents of the underlying funds which can be obtained from your AIA representatives, your broker or your financial adviser, or can be downloaded from our website at AIA.COM.HK.

We are committed to providing you with professional and quality services. Should you have any queries, please contact our AIA Representatives, your broker or your financial adviser. We apologise on the inconvenience caused.

Yours faithfully,

American International Assurance Company (Bermuda) Limited
This is a computer print out and signature is not required

¹The Defunct Investment Option is available under AIA Asset Accumulator*, AIA Asset Accumulator (Enhanced Death Benefit) *, AIG Capital Builder by AIA *, AIG Capital Saver by AIA *, Asset Whole Life Plan*, Asset Whole Life Plus, Better Tomorrow Investment Savings Plan*, Leisure Years Retirement Savings Plan*, SP - Investment Accumulator*, Treasure Accumulator*, Treasure Advantage, Treasure Advantage (Enhanced Protection), Treasure Master*, Treasure Master Select, Wealth FlexiProtector and Wiz Kid Education Savings Plan* only.

² Other investment options may be subject to higher management fees or other fees and charges. Please refer to the relevant product brochure(s) and investment options brochure for details. They can be obtained from our AIA representatives, your broker or your financial adviser, or can be downloaded from our website at AIA.COM.HK.

³ The form can be obtained from our AIA representatives, your broker or your financial adviser, or can be downloaded from our website at AIA.COM.HK.

* These are ILAS that are not available for new subscriptions, and cannot continue to be marketed to the public in Hong Kong.

+Aggregate management fee in % p.a. of NAV of an investment option includes the annual management fee of its underlying fund which being linked plus its maintenance fee (if any) and its distribution fee (if any). NAV hereinabove is the average net asset value of its underlying fund which being linked and its calculations may be different to that of other underlying funds. For details on the fees and calculations of any underlying fund, please refer to the offering documents of the corresponding underlying fund.

**Risk Level is provided by AIA in collaboration with Morningstar Inc. and all data are updated regularly according to market circumstances. This information is for reference only.

Remarks: "We", "Our", "Company" or "AIA" refers to American International Assurance Company (Bermuda) Limited.



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關於: Morgan Stanley Investment Funds – 美元流動性基金 “AX” (代號 NUD/NUN) (該「撤銷投資選擇」) 停止運作事宜

背景資料

謹此致函通知閣下有關該撤銷投資選擇之連繫基金 Morgan Stanley Investment Funds – 美元流動性基金 (該「連繫基金」) 的相關變動。

閣下所持之連繫壽險計劃 (「該計劃」) 中, 該「撤銷投資選擇」乃現存之投資選擇供以下用途:

- I. 新認購、轉入及定期供款 (統稱「認購」); 及
- II. 接收股息及保單費用回贈。

此外, 該「撤銷投資選擇」亦是現時預設之投資選擇以供接收:

- I. 友邦「財庫之選」投資計劃*、友邦「財庫之選」投資計劃(卓越保障)*、AIG 資本薈萃友邦投資計劃*、AIG 資本匯聚友邦投資計劃*、「財智投資」終身壽險計劃*、「裕富保投資壽險計劃」、「SP – 投投是道」投資壽險計劃*、「卓薈之選」*、「卓智投資計劃」、「卓智投資計劃」(卓越保障)、「卓達之選」*及「卓達智富」之開戶賞金及特別賞金; 及
- II. 選擇「卓達之選」*及「卓達智富」產品特色之平均成本法供款。

以下總覽乃該計劃下有關股息、開戶賞金、特別賞金, 保單費用回贈及平均成本法供款 (統稱「權益」) 的現有安排。詳情請參閱相關計劃的產品小冊子。

- ◆ 股息權利: 如閣下所持該計劃之投資選擇的任何連繫基金產生現金股息, 我們會自動以分配該「撤銷投資選擇」的單位來記入, 並在切實可行的情況下盡快以適當之評估日的單位賣出價計算 (「單位價」, 正如其於產品小冊子內之定義)。
- ◆ 開戶賞金及特別賞金: 為答謝客戶, 我們會在不抵觸保單的條件下, 根據產品特色, 在我們獨有的酌情權下, 保單會分配有特別賞金。該些賞金將會以分配該「撤銷投資選擇」的單位來記入。
- ◆ 保單費用回贈: 為答謝客戶給予我們的承諾, 我們會在不抵觸保單的條件下, 根據產品特色退回客戶在繳交保費年期所繳交的特定保單費用。該些保單費用回贈會於保費年期屆滿後, 會以分配該「撤銷投資選擇」的單位來記入, 並以單位價來計算。
- ◆ 平均成本法供款: 此為該計劃的產品特色, 該產品特色允許整付保費並容許客人安排定額每月分期投資至客戶揀選的投資選擇。

根據摩根士丹利投資管理有限公司 (「基金公司」) 的通知, 「基金公司」建議對「連繫基金」實施重組。因此, 「基金公司」將於 2012 年 12 月 24 日 (「生效日」) 起不再維持證監會授予該「連繫基金」的認可資格。

鑑於該「連繫基金」撤銷認可資格並根據保單契約內適用於終止及替換連繫基金之條文, 我們亦決定自「生效日」起終止該「撤銷投資選擇」。我們將於 2012 年 12 月 20 日 (「終止日」) 起因營運理由不再接受任何於該「撤銷投資選擇」的認購及所有將來之「權益」。

閣下作為保單持有人應採取之行動

- 如閣下採取行動，例如重新分配將來之供款及/或將閣下現持有該「撤銷投資選擇」之單位轉入閣下之投資相連保單內的其它投資選擇，請參閱 A。
- 如閣下不採取任何行動，請參閱 B。
- 無論閣下採取或不採取任何行動，閣下請務必參閱 C 有關對閣下之影響。

A 在我們獨有及絕對的酌情權下，因您的保單現時持有該「撤銷投資選擇」之單位，我們決定給予您選擇權把該些單位按本信件列出之條款免費（包括豁免任何調配費用及/或買賣差價）調配至有關計劃所提供的其他投資選擇²。若您選擇此安排，您必須根據下列方式向我們提交已填妥之投資選擇調配申請，程序如表一所示：

若您選擇重整往後保費的分配，您必須根據下列方式向我們提交已填妥之更改投資分配申請，如表一所示：

表一	手續	程序	遞交申請之截止日期
調配現有「撤銷投資選擇」之單位	由該「撤銷投資選擇」調配至有關計劃所提供的其他投資選擇 ² 。	在「投資連繫式計劃服務申請表」 ³ 之「調配申請」一欄內填寫所需資料及簽署，並把填妥之申請表遞交給我們。	2012 年 12 月 20 日 下午 4 時正
重整往後保費分配	更改投資分配至有關計劃所提供的其他投資選擇 ² 。	在「投資連繫式計劃服務申請表」 ³ 之「更改投資分配」一欄內填寫所需資料及簽署，並把填妥之申請表遞交給我們。	2012 年 12 月 14 日 下午 4 時正

B 「終止日」後，該「撤銷投資選擇」將不再適用於友邦之相關友邦投資連繫壽險計劃¹。

若閣下於表一所示之截止日期仍未作出任何指示，我們會於終止日後將閣下現有該「撤銷投資選擇」之單位及/或其將來之供款自動調配至另一投資選擇²，即聯博－環球債券基金“A2”（代號 B01）（該「預設選擇」）。「預設選擇」及原撤銷投資選擇的比較如下所列，包括投資目標、風險水平及總管理費用：

「預設選擇」	投資目標	代號	風險類別**	每年總管理費用淨資產值 ⁺
聯博－環球債券基金“A2”	本「預設選擇」投資於世界各地的投資級固定收益證券，以尋求高額總回報為目標。該等固定收益證券可能以不同貨幣和多國貨幣單位計值。本投資選擇對任何一個國家之投資在基金資產中所佔比例不受限制。本「預設選擇」可能尋求利用期權、期貨和貨幣交易對沖利率及貨幣風險。	B01/ B1N/ B1D	低	1.20%

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「投資選擇」	投資目標	代號	風險類別**	每年總管理費用淨資產值*
Morgan Stanley Investment Funds - 美元流動性基金 “AX”	本「投資選擇」投資於美元面值的優質短期可轉換債務證券，但在買入時其首次或餘下到期期限不能超過 397 日，以尋求資金流動性及高流動收益，並符合保本原則。本「投資選擇」可持有至少 49% 相等於現金及現金等值的淨資產。	NUD/ NUN	低	0.50%

敬請留意「預設選擇」乃通過其相應連繫基金間接投資於環球債券市場。因此風險水平及表現可能與該「撤銷投資選擇」不同，因該「撤銷投資選擇」通過其相應連繫基金間接投資於貨幣市場。詳情請參閱預設投資選擇的連繫基金的銷售文件。

C 於「終止日」起，有關該「撤銷投資選擇」之各「權益」之安排如下：

I. 連繫基金之股息公佈及分配

根據相關的保單契約中，有關連繫基金公佈派發股息之條文，我們可全權酌情決定：

- i. 以我們決定的方式支付股息給您；
- ii. 如該「撤銷投資選擇」不再適用，我們可將股息轉撥至另一投資選擇；或
- iii. 將股息金額再投資於派發該股息的連繫基金的投資選擇內。

由於該「撤銷投資選擇」將停止運作及往後該「連繫基金」撤銷認可之考慮下，我們決定於「生效日」後以支票方式支付連繫基金之股息給您。

II. 賞金（包括開戶賞金及特別賞金及其他特別賞金）

根據相關的保單契約，由該「撤銷投資選擇」停止運作後所衍生的任何賞金，我們將行使在相關的合約中的權利，選擇另一投資選擇即「預設選擇」並分配相關數目之單位至戶口內。

III. 保單費用回贈

根據相關的保單契約，由該「撤銷投資選擇」停止運作後所衍生的保單費用回贈，我們將行使在相關的合約中的權利，選擇另一投資選擇即「預設選擇」並分配相關數目之單位至戶口內。

IV. 平均成本法

因該「連繫基金」撤銷認可所導致該「撤銷投資選擇」之停止運作，除非閣下接受將新供款投入「預設選擇」，否則我們將不會接受閣下使用在相關的保單契約內平均成本法並所投入之供款。

就上述之安排，AIA 將承擔所有有關之費用。

對保單持有人的影響

1. 若閣下於表一內所列之時間或之前未提交任何調配及重整往後保費的申請，該「撤銷投資選擇」的所有現有的單位及往後的認購自「終止日」後將自動調配至「預設選擇」，並於 2012 年 12 月 31 日完成所有調配的行政安排工作。調配確認信將會在調配完成之後發出。敬請注意，當以上所述之調配完成之後，其他「預設選擇」之調配/重整才可生效。自「終止日」後，無論閣下就保單之條文作出任何的行動，所有將來的「權益」將自動調配至「預設選擇」。
2. 「終止日」之後，任何有關該「撤銷投資選擇」的指示（包括尚待確認的交易）都將會由「預設選擇」所取代。
3. 當有「權益」轉入該「撤銷投資選擇」並且相關的保單契約未有在「終止日」指定另一投資選擇以代替該「撤銷投資選擇」，閣下可自此終止通知日期的三十(30)天內選擇接受或拒絕「預設選擇」以代替該「撤銷投資選擇」。如閣下接受「預設選擇」，任何該等「權益」將根據相關的保單契約以相關數目的單位轉入「預設選擇」內。如閣下拒絕「預設選擇」或未有在上述指定的日期內作出選擇，我們將會把相關「權益」用支票方式支付給閣下。為確保客戶能於生效日或前就以上所述之安排作出知會的指示，請聯絡閣下友邦的業務代表、您的經紀或您的財務顧問。
4. 自「生效日」起，該「撤銷投資選擇」將會停止運作並從投資選擇小冊之中移除。

風險及適用情況

敬請注意，公司並無考慮「預設選擇」及其他投資選擇²對客戶個人的需要及風險承受能力的適用情況。

為確保客戶明白該「預設選擇」或任何其他投資選擇²對客戶是否適合，客戶需閱讀有關銷售資料。相關資料可向友邦的業務代表、您的經紀或您的財務顧問索取或在本公司的網頁 AIA.COM.HK 內下載。

我們專誠為閣下提供專業及優質的服務。如有任何查詢，請聯絡友邦的業務代表、您的經紀或您的財務顧問。

美國友邦保險(百慕達)有限公司謹啟

2012 年 11 月 20 日

此乃經由電腦發出之函件，故毋須簽署。

¹「撤銷投資選擇」只適用於友邦「財庫之選」投資計劃*、友邦「財庫之選」投資計劃(卓越保障)*、AIG 資本薈萃友邦投資計劃*、AIG 資本匯聚友邦投資計劃*、「財智投資」終身壽險計劃*、「裕富保投資壽險計劃」、「美好明天」投資儲蓄計劃*、「優悠歲月」退休儲蓄計劃*、「SP - 投投是道」投資壽險計劃*、「卓薈之選」*、「卓智投資計劃」、「卓智投資計劃」(卓越保障)、「卓達之選」*、「卓達智富」、「財富萬用保」及「智多升」升學儲蓄計劃*。

²其他投資選擇可涉及更高的管理費用或其他費用及收費，詳情請參閱有關產品小冊子及投資選擇小冊子。該些小冊子可向友邦的業務代表、您的經紀或您的財務顧問索取或在本公司的網頁 AIA.COM.HK 內下載。

³表格可向友邦的業務代表、您的經紀或您的財務顧問索取或在本公司的網頁 AIA.COM.HK 內下載。

*此乃不接受新認購之申請的投資連繫壽險計劃，且均不能於香港公開銷售。

[†]上述投資選擇淨資產值之總管理費用包括連繫基金每年之管理費及維持費(如適用)及發行費用(如適用)。此處提及之淨資產值是指連繫至連繫基金之投資選擇的淨資產值，其計算方法可能與其它投資選擇不同。欲了解有關詳情，請參閱相關之連繫基金的招股章程。

**風險類別由 AIA 及 Morningstar, Inc. 共同提供，所有數據根據市場情況定時更新。此信息僅供參考。

註：「AIA」或「公司」或「我們」或「友邦」是指美國友邦保險(百慕達)有限公司。