

## **AIA Investment Management (Thailand) Limited**

### **Product Governance and Fair Dealing**

#### **Introduction**

With reference to the Securities and Exchange Commission's issuance of product governance guidelines for asset management products, AIA Investment Management (Thailand) Limited ("AIAIMT") is therefore understanding the important of the policy and establishing a "Product Governance Policy" including the launch and sales of asset management products in order to increase a greater market confidence among investors, to develop the long term interest of the industry, and to place investors' interest at the core of business operation.

#### **Objective**

By establishing The Product Governance Policy, AIAIMT aims to fulfil 6 objectives as follow;

1. The mutual fund product must be designed for consideration for investors' objectives and sustained the best interest of targeted investors.
2. AIAIMT must genuinely understand the characteristics and risks associated to AIAIMT mutual fund products
3. The mutual fund products must be offered and sold to targeted investors through appropriate distribution channels
4. Distributors and sales staff must understand the characteristics and risks associated to AIAIMT mutual fund products and targeted investors
5. Investors must understand the characteristics and risks associated to the funds before making their investment decisions
6. AIAIMT must monitor the mutual fund product and the conducts of AIAIMT's distributors on a regular basis. When problems or undesired events occur, appropriate actions must be in place.

The Policy hereunder is a statement of intent for AIAIMT's fulfilment of Product Governance objectives by adopting the 4 stated principles:

#### **1. Organizational Structure, Role of the Board of Directors, Responsibilities of Senior Management**

The Board of Directors and senior management commit that a good product governance is one of a heart of AIAIMT's corporate cultures and business operations which empower a sustainable business growth and investors' confidences of mutual fund business and product, and benefit of reducing the risk of unintended miss selling and miss buying

1.1 The Board of Directors and senior management emphasize the principles of good product governance, together with setting an appropriate communication and awareness of good product governance principle to all staff within the company with the main objective of placing investors' interest at the core of business operation

1.2. Senior management involves and oversees the launch and distribution of mutual fund products including enabling the supervision process to be systematic, responsive, and valuable towards assessing overall business performance and risk.

## **2. Product Development Process**

AIAIMT has established the appropriate product development process to ensure that the product's design and offer of the company's product will meet the investors' needs. It includes identifying the targeted investors for the mutual fund to be launched with regarding of the investor's profiles, needs, and investment objectives. The product characteristics, features, and risk will be identified, together with product testing in order for the company to understand of product and risk before offering to investors.

## **3. Distributor Selection and Communication**

AIAIMT has established the process of considering and selecting the distributors including distributors communication to ensure that the distributors must be able to perform their duty on understanding of product characteristics and risk and on offering mutual fund product to targeted investor appropriately. The process is to ensure that the distributor appropriately market the mutual fund to respective investors, and a proper communication method must be also established with investors to make sure that investors have sufficient information to understand the product before making an investment decision.

## **4. Product and Distributor Monitoring**

AIAIMT has established product monitoring process to ensure that the product remains suitable for the target group of investors in terms of risks and performances. The analyst and reviewing of the fund for any impact of situations to the fund (if any) are in place. AIAIMT has process the monitoring of distributors in terms of performances and responsibilities to ensure that the distributors properly performance their duties including marketing and offering the mutual fund product compatible with the targeted investors before the investors making investment decisions.