AIA Global Dynamic Income-Paying Fund - Peso

August 30, 2024

Fund Description

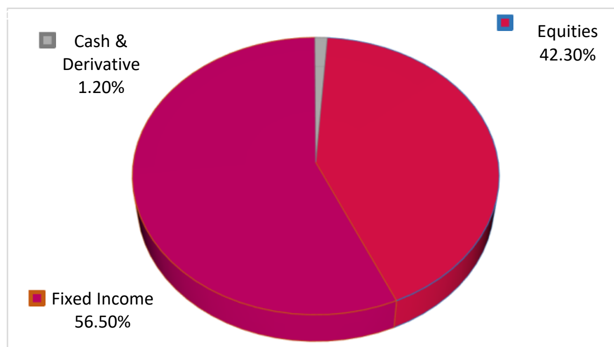
The AIA Dynamic Income Fund seeks to provide regular target income and total return over the long term by investing in variety of income generating asset classes including but not limited to fixed income securities, equities, covered call options and collective investments. Indirect exposure to these asset classes will be achieved primarily through investments in units or shares of the Collective Investmen t Schemes established by AIA including AIA Investment Funds that are managed either by AIA Investment Management or reputable third -party investment managers with proven track records and a disciplined systematic security selection approach to deliver long -term capital growth.

Historical Perf=ormance[1]

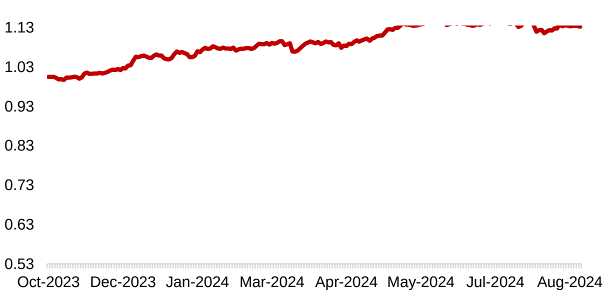
6MOS	1YR	3YRS	5YRS	YTD	Since Inception
3.84%	-	-	-	7.00%	12.80%

[1] Returns are net of fees. Past performance is not indicative of future returns

Fund Allocation



Net Asset Value Per Unit (NAVPU) Graph



Key Figures and Statistics

NET ASSET VALUE PER UNIT (NAVPU)	1.128
INCEPTION DATE	20 October, 2023
FUND CLASSIFICATION	Multi Asset Fund
RISK PROFILE	Moderately Adventurous
FUND CURRENCY	Philippine Peso
DOMICILE	Philippines

Top Holdings

Top 5 (Equities)	0/1/1900
Microsoft Corp	1.36%
NVIDIA Corp	1.29%
Apple Inc	1.15%
Amazon.com Inc	0.83%
Alphabet Inc	0.70%

#REF!	% of Portfolio
United States Treasury NoteBond 4.625% 30/06/2026	1.33%
Morgan Stanley 1.164% VRN 21/10/2025	0.47%
UnitedHealth Group Inc 3.7% 15/12/2025	0.38%
United States Treasury NoteBond 4% 31/07/2029	0.38%
United States Treasury NoteBond 4.625% 15/05/2054	0.35%

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Commentary:

Macro Review

There are signs that the US economy is still growing, albeit at a slower pace. As of August 2024, nowcasting model by the Federal Reserve forecasts positive real GDP growth in the United States. In August 2024, Nonfarm Payrolls continued to be positive, increasing from the previous month but below consensus estimates. The US manufacturing sector continued to be sluggish and has been in contractionary territory for five consecutive months. However, services PMI stayed in expansionary territory in August 2024 after the dip in June 2024. Citi's Economic Surprise Index for the US continued to languish in negative territory in August 2024. US inflation for August 2024 continued to decrease, though remained above the target inflation rate. Policymakers held rates steady in the August 2024 FOMC meeting.

In August 2024, the Eurozone manufacturing PMI continued to languish in contraction territory while the services PMI remained in expansionary territory. Citi's Economic Surprise Index for Eurozone in August 2024 remained firmly in negative territory. Inflation in Eurozone declined in August 2024, though still remained slightly above 2%.

In August 2024, China's manufacturing PMI dipped further in contractionary territory and has been in contractionary territory for the fourth consecutive month. In contrast, the non-manufacturing PMI continued to remain in expansionary territory in August 2024 and increased slightly compared to the previous month. In August 2024, consumer inflation in China increased from the previous month. However, producer price inflation continued to be negative and has been in negative territory since October 2022. Broadly, China's economic releases came in weaker than consensus estimates as Citi's Economic Surprise Index for China ended lower in August 2024 compared to the previous month.

Market Review

Global equities continued to rally in August 2024, recovering strongly from the spike in volatility in earlier in the month. For the month ending August 2024, the defensive sectors of Health Care, Consumer Staples and Utilities led while Energy, Consumer Discretionary and Materials lagged. In terms of investment styles, Minimum Volatility outperformed while Momentum underperformed. Across the major geographic regions, Europe equities led, while China equities lagged.

The fixed income markets also delivered positive returns in August 2024. US Treasuries, Investment Grade and High Yield indices all delivered positive returns in August 2024. Corporate bonds outperformed Treasuries. Treasuries index was up as US 10-year yield declined in August 2024. Credit spreads of High Yield tightened in August 2024 while that of Investment Grade was about flat.

The Commodities markets had mixed performances in August 2024. Gold was up while Oil and Copper were down in August 2024. The US Dollar fell against both DM currencies and Asia currencies in August 2024.

Portfolio Review

• The fund delivered negative returns for the month of August 2024 but positive returns for the inception to date period

• In terms of absolute performance for the month of August 2024, AIA Equity Income Fund, AIA Diversified Fixed Income Fund and AIA High Yield Bond Fund delivered positive returns

• In terms of relative performance for the month of August 2024, AIA Equity Income Fund, AIA Diversified Fixed Income Fund and AIA High Yield Bond Fund outperformed their respective benchmarks

Outlook

The outlook for equities over the medium term remains constructive. While the economy is showing signs of slowing, our base case is that an economic recession is not imminent. Real GDP growth in the US remains positive and above levels in previous recessions. Earnings growth remains intact and is poised to continue its positive trajectory. On the inflation front, there are positive developments as inflation is falling and this gives the Federal Reserve the capacity to cut rates to support growth.

The relatively fast pace which the equity markets rebounded in August is an indication that the equity bull market remains intact. However, markets are entering into a seasonally weak period and investors could be circumspect in risk taking due to the upcoming US elections. Indicators remain mixed with equity breadth improving but below highs seen in the year. Risk appetite is also not strong with high beta stocks underperfoming low volatility stocks. Looking ahead, there is capacity for the Global Dynamic Income Paying Fund to add risk. To that end, we are carefully analysing the markets and will be guided by our balance-of-indicators approach.