

# AIA Global Dynamic Income-Paying Fund - Peso

November 29, 2024

## Fund Description

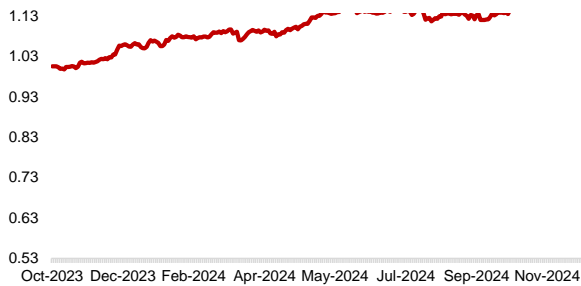
The AIA Dynamic Income Fund seeks to provide regular target income and total return over the long term by investing in variety of income generating asset classes including but not limited to fixed income securities, equities, covered call options and collective investments. Indirect exposure to these asset classes will be achieved primarily through investments in units or shares of the Collective Investment 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 Performance<sup>1</sup>

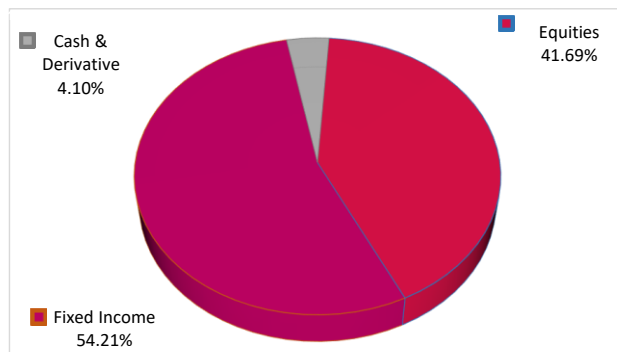


<sup>1</sup> Returns are net of fees. Past performance is not indicative of future returns

## Net Asset Value Per Unit (NAVPU) Graph



## Fund Allocation



## Key Figures and Statistics

|                                  |                        |
|----------------------------------|------------------------|
| NET ASSET VALUE PER UNIT (NAVPU) | 1.1706                 |
| 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)

|                    |       |
|--------------------|-------|
| Apple Inc          | 1.66% |
| NVIDIA Corp        | 1.62% |
| Microsoft Corp     | 1.56% |
| Amazon.com Inc     | 0.94% |
| Meta Platforms Inc | 0.65% |

|   | % of Portfolio |
|---|----------------|
| United States Treasury NoteBond 4.625% 30/06/2026 | 1.33%          |
| Deutsche Bank AGNew York NY 5.414% 10/05/2029     | 0.43%          |
| UnitedHealth Group Inc 3.7% 15/12/2025            | 0.39%          |
| United States Treasury NoteBond 3.5% 30/09/2029   | 0.38%          |
| United States Treasury NoteBond 4% 31/07/2029     | 0.37%          |

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**Commentary:**

**Macro Review**

The US economy remained resilient with the Atlanta Fed nowcasting model forecasting acceleration in GDP growth over the course of November 2024. The US manufacturing sector showed signs of picking up though remained in contractionary territory. In contrast, Services PMI dipped in November 2024 but remained in expansionary territory. Citi's Economic Surprise Index for the US continued to remain in positive territory over November 2024. US inflation for November 2024 picked up modestly. November 2024 also saw conclusive results of the US election with Donald Trump winning a clear mandate from the US voters. The Federal Reserve cut rates by 25 basis points in the November 2024 FOMC meeting.

In November 2024, the Eurozone manufacturing sank further into contractionary territory. The Eurozone Services PMI also fell into contractionary territory in November 2024, halting a run of 9 consecutive months where Services PMI was in expansionary territory. Citi's Economic Surprise Index for Eurozone dropped sharply in November 2024 and ended the month in negative territory. Inflation in Eurozone increased in November 2024.

China's National People's Congress meeting was held in November 2024 and concluded with the Ministry of finance announcing RMB 10 trillion worth of new measures to address local government debt issues. Market response was not positive as markets may have been looking for concrete measures to stimulate consumption in China. In November 2024, China's manufacturing PMI continued to be in expansionary territory for the second consecutive month. China's non-manufacturing PMI dipped slightly in November 2024 compared to the October 2024 level. In November 2024, consumer inflation in China was modestly positive but dipped from October 2024 reading. Producer price inflation rebounded slightly but still in negative territory and has been in negative territory since October 2022. Citi's Economic Surprise Index for China continued to recover in November 2024 and ended the month in positive territory.

**Market Review**

In November 2024, Global equities bounced back from the decline in October 2024. For the month ending November 2024, Consumer Discretionary, Financials and Information Technology led while Materials, Health Care and Utilities lagged. In terms of investment styles, Growth led while Value lagged. Across the major geographic regions, US equities led, while Asia equities lagged.

The fixed income markets delivered positive returns in November 2024. US Treasuries, Investment Grade and High Yield indices all were up in November 2024. Treasuries index was up as US 10-year yield declined in November 2024. Credit spreads compressed in November 2024 with High Yield spreads compressing more than Investment Grade spreads.

The commodities markets were mixed in November 2024. Gold and Copper were down while Oil was up modestly in November. The US Dollar appreciated against both DM currencies and Asia currencies in November 2024.

**Portfolio Review**

- The fund delivered positive PHP returns for the month and YTD November 2024.
- In terms of absolute performance for the month of November 2024, AIA Equity Income Fund, AIA Diversified Fixed Income Fund and AIA High Yield Bond Fund delivered positive USD returns.
- In terms of currency movements, USD appreciated against the PHP for the month.
- In terms of relative performance for the month of November 2024, AIA Equity Income Fund, AIA Diversified Fixed Income Fund and AIA High Yield Bond Fund underperformed their respective benchmarks.

**Outlook**

The outlook for equities over the medium term remains constructive. On the fundamentals front, the US economy remains resilient and earnings growth in 2025 is expected to be higher than that of 2024. On the policy front, central banks around the globe are easing monetary policy. The Federal Reserve is on a rate cut cycle. In addition, Chinese policy makers have also embarked on monetary easing and the Politburo has indicated plans to increase public spending to support economic growth.

Our assessment is that we remain in an equity bull market. The pull-back in October 2024 was quickly bought into and equities bounced back in November 2024. The conclusive results of the US election removed political uncertainty and helped boost risk sentiment. Risk appetite indicators such as high beta versus low volatility improved. In addition, market internals such as cyclical equities versus defensive equities are showing clear signs of improvement. In-line with our constructive view on risk assets, the Fund has calibrated exposure to equities. We continue to closely monitor the markets and would apply bi-directional risk management to the Fund.

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