



HEALTHIER, LONGER,
BETTER LIVES

AIA Global Dynamic Income-Paying Fund - Peso

June 30, 2025

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 Performance¹

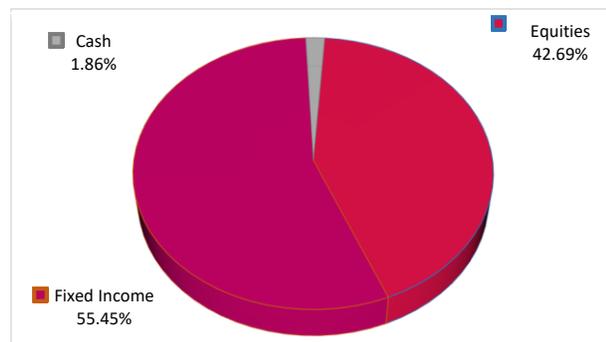


¹ Returns are net of fees. Past performance is not indicative of future returns

Net Asset Value Per Unit (NAVPU) Graph



Fund Allocation



Key Figures and Statistics

NET ASSET VALUE PER UNIT (NAVPU)	1.1249
INCEPTION DATE	20 October, 2023
FUND CLASSIFICATION	Multi Asset Fund
RISK PROFILE	Moderately Adventurous
FUND CURRENCY	Philippine Peso
DOMICILE	Philippines

Top Holdings

Top 5 Holdings (Equities)	% of Portfolio
NVIDIA Corp	2.03%
Microsoft Corp	2.00%
Apple Inc	1.43%
Amazon.com Inc	1.13%
Alphabet Inc	0.95%
Top 5 Holdings (Fixed Income)	% of Portfolio
United States Treasury NoteBond 4% 31/05/2030	0.74%
United States Treasury NoteBond 4.25% 15/05/2035	0.40%
Bank of America Corp 4.979% VRN 24/01/2029	0.40%
Deutsche Bank AGNew York NY 5.414% 10/05/2029	0.36%
Edison International 5.75% 15/06/2027	0.33%

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Risk Warning: Past performance is not indicative of future results. Our investment management services relate to a variety of investments, each of which can fluctuate in value.

The value of portfolios we manage may fall as well as rise, and the investor may not get back the full amount originally invested. The investment risk vary between different types of instruments. For example, for portfolios denominated in foreign currencies, changes in the rate of exchange may cause the value of investments, and consequently the value of the portfolio, to increase or decrease. In the case of a higher portfolio volatility, the realized loss upon redemption may be high, as the investment's value may decline substantially.

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Commentary:

Macro Review

The US economy remained resilient despite tariff uncertainties. Although GDP contracted in Q1 2025 at an annualised rate of 0.5%, driven by relatively broad-based declines in net exports, consumer and government spending, the economy looked to have recovered since Q1 2025 as real GDP growth forecast for Q2 2025 pointed to stronger economic growth in June 2025.

The US labour market remained solid, with June nonfarm payrolls rising by 147k, beating market expectations. Increase in payrolls was driven by state and local government hiring, while private payrolls growth was more subdued. The unemployment rate fell to 4.1%, reflecting both increased employment and a decline in size of labor force. In the US manufacturing sector, the ISM survey reading stayed in contractionary territory in June 2025 for the fourth consecutive month as new orders and employment in the sector continued to weaken. Conversely, the US services sector bounced back to expansionary territory in June 2025, with the ISM services survey reading rising to 50.8, driven by new orders and business activity.

US core PCE rate ticked up slightly to 2.7% in May 2025. Despite core PCE easing significantly from 2022 peak, contributions from housing, healthcare and financial services to core PCE inflation remain elevated. US core CPI rate also increased to 2.9% in June 2025. At the June 2025 FOMC meeting, the Federal Reserve stood pat on monetary policy and held rates steady at 4.25%-4.50%.

Economic releases in the Eurozone generally surprised to the upside as Citi's Economic Surprise Index for Eurozone increased in June 2025 and ended the month in positive territory. The HCOB Eurozone Manufacturing PMI reading edged up to 49.5, remaining in contractionary territory for the 35th consecutive month. In contrast, the HCOB Eurozone Services PMI reading rose to 50.5 in June 2025 from 49.7 in the previous month, bouncing back to expansionary territory after having been mostly in contractionary territory over the last 1 year. In May 2025, Eurozone headline HICP inflation declined to 1.9% YoY, driven by services unwinding from the Easter-related boost in April. Although services remains the primary driver of headline inflation, its contribution in May fell to the lowest level in nearly three years.

China's economic releases surprised to the upside overall as Citi's Economic Surprise Index for China ended June 2025 in positive territory. China's manufacturing sector showed signs of improvement as the official PMI reading rose to 49.7 though remained in contractionary territory for the third consecutive month. The increase was driven by gains in production and new orders, pointing to stronger industrial activity and demand. However, factory employment and inventory levels continued to decline. The non-manufacturing PMI reading, which includes services and construction, rose to 50.5 in June 2025, having been in expansionary territory since January 2023. While the services component dipped slightly, the construction sub-index climbed up due to continued momentum of infrastructure projects. China's headline CPI rate edged up to +0.1% YoY in June 2025 vs. -0.1% YoY in May 2025, as non-food goods prices picked up. Headline PPI declined to -3.6% YoY in June 2025 vs. -3.3% YoY in May 2025, due to deeper price declines in upstream sectors.

Market Review

Global equities continued to rally in June 2025 and finished the first half of the year at record high. For the month ending June 2025, Information Technology, Communication Services, and Energy led while Consumer Staples, Consumer Discretionary and Utilities lagged. For June 2025, in terms of investment styles, Value led while High Dividend Yield lagged. Across the major geographic regions in USD terms, Japan equities led, while Europe equities lagged in June 2025.

The fixed income markets also rallied in June 2025. US treasuries, US investment grade corporate bonds and US high yield corporate bonds all delivered positive returns in June 2025. US 10-year yield fell in June 2025, halting the increase in government bond yield in May 2025. US high yield and US investment grade credit spreads both tightened in June 2025, with high yield credit spread tightening more than investment grade credit spread.

Broad commodities markets were up in June 2025. Gold as well as growth sensitive Oil and Copper were up in June 2025. The US Dollar depreciated against both DM currencies and Asia currencies in June 2025.

Portfolio Review

- The fund delivered positive PHP returns for the month of Jun 2025.
- In terms of currency movements, USD appreciated against the PHP for the month.
- In terms of absolute performance for the month of Jun 2025, AIA Equity Income Fund, AIA Diversified Fixed Income Fund and AIA High Yield Bond Fund delivered positive USD returns.
- In terms of relative performance for the month of Jun 2025, AIA Equity Income Fund outperformed but AIA Diversified Fixed Income Fund and AIA High Yield Bond Fund underperformed their respective benchmarks.

Outlook

While equity markets and credit markets have rallied strongly since Liberation Day, the USD remains weaker. The direction of the USD is an important trend to watch as this development is a departure from recent years where US assets outperformed alongside USD strength. In terms of investment implications, the investment strategy is to invest in a diversified portfolio including Asia equities so as not to be too reliant on US equities as the driver of returns. On the Fixed Income front, we prefer Global corporate bonds over US corporate bonds.

We are constructive on the outlook for risk assets over the medium term. The rapid recovery in equity markets since the sharp sell-off in early April 2025 reflects the resiliency of equity markets. Equity markets look ahead and are supported by a benign macro environment with stable growth, moderating inflation and improving liquidity. Despite the benign backdrop, with President Trump at the helm, policy uncertainty is likely to remain elevated and there could be bouts of volatility as market participants react to policy measures announced by the US administration. Stewardship via active management and disciplined risk management is key to navigate the ever-evolving investment landscape.

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