

AIA Global Dynamic Income-Paying Fund - Peso

May 31, 2024

Fund Description

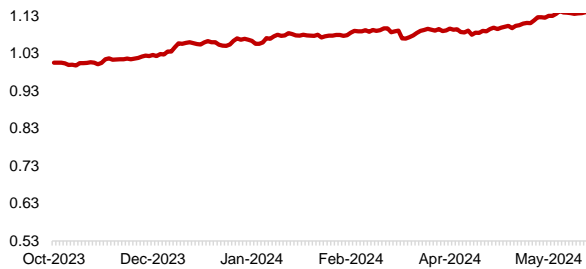
The AIA Dynamic Income Fund seeks to provide regular target income and total return over the long term by investing in variety of income generating asset classes including but not limited to fixed income securities, equities, covered call options and collective investments. Indirect exposure to these 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 Performance¹

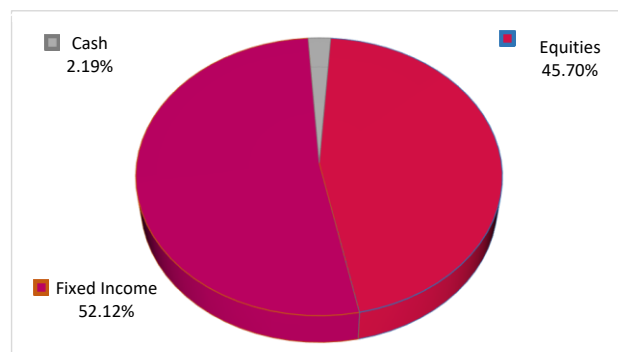


¹ Returns are net of fees. Past performance is not indicative of future returns

Net Asset Value Per Unit (NAVPU) Graph



Fund Allocation



Top Holdings

Key Figures and Statistics

NET ASSET VALUE PER UNIT (NAVPU)	1.1347
INCEPTION DATE	20 October, 2023
FUND CLASSIFICATION	Multi Asset Fund
RISK PROFILE	Moderately Adventurous
FUND CURRENCY	Philippine Peso
DOMICILE	Philippines

Top 5 (Equities)		% of Portfolio
Microsoft Corp		3.29%
NVIDIA Corp		3.07%
Apple Inc		2.42%
Amazon.com Inc		1.95%
Alphabet Inc		1.81%
Top 5 Holdings (Fixed Income)		% of Portfolio
eBay Inc	3.45% 01/08/2024	0.95%
Morgan Stanley	1.164% VRN 21/10/2025	0.94%
Equinix Inc	2.625% 18/11/2024	0.88%
UnitedHealth Group Inc	3.7% 15/12/2025	0.77%
TMobile USA Inc	5.375% 15/04/2027	0.67%

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HEALTHIER, LONGER,
BETTER LIVES

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Commentary:

Macro Review

Macro Review

In May 2024, nowcast for the US GDP continued to show positive growth, though slowing from levels reached earlier in the year. May 2024 saw the US manufacturing sector continue in contractionary territory for the second consecutive month. Citi's Economic Surprise Index for the US continued to decrease in May 2024 and has fallen to negative territory. US inflation for May 2024 continued to remain above the target inflation rate.

In May 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 continued to remain positive in May 2024. Inflation in Eurozone picked up slightly in May 2024. ECB lowered the key deposit rate by 25bps during their June policy meeting but did not offer any clear guidance on the monetary policy trajectory in the Eurozone.

There were mixed signals in China's economic releases for May 2024. China's manufacturing PMI dipped into contractionary territory in May 2024 although the non-manufacturing PMI continued to remain in expansionary territory. Consumer inflation in China continued to remain positive in May 2024 and was positive for the fourth consecutive month, after four consecutive months of negative reading. However, producer price inflation continued to be negative in May 2024. Broadly, China's economic releases came in weaker than consensus estimates as Citi's Economic Surprise Index for China retreated over the course of May 2024 and ended negative.

Market Review

Global equities bounced back in May 2024, recovering the losses in April 2024. For the month ending May 2024, Information Technology, and Communication Services led while Energy, Consumer Discretionary and Consumer Staples lagged. In terms of investment styles, Quality and Growth led while Minimum Volatility and High Dividend Yield lagged. Across the major geographic regions, Europe equities outperformed, while China equities lagged.

The fixed income markets delivered positive returns in May 2024. Treasuries, Investment Grade and High Yield indices delivered positive returns in May 2024. Corporate Bonds outperformed Treasuries. Treasuries index was up as US 10-year yield declined in May 2024. Investment Grade credit spread tightened while High Yield Corporate Bond credit spread widened slightly in May 2024.

The broad commodities benchmark also advanced in May 2024. Copper was up but Oil was down in May 2024. The US Dollar fell against DM currencies and Asia currencies in May 2024.

Portfolio Review

- The fund delivered positive returns for the month of May 2024 and inception to date period
- In terms of absolute performance for the month, AIA Equity Income Fund, AIA Diversified Fixed Income Fund and AIA High Yield Bond Fund delivered positive returns
- In terms of relative performance, AIA Equity Income Fund, AIA High Yield Bond Fund and AIA Diversified Fixed Income Fund underperformed their respective benchmarks

Outlook

Fundamentals continue to hold up with earnings growth poised to continue their positive trajectory. There are signs that economic growth could be slowing though unlikely at recessionary levels. It is likely that the rate hike cycle is behind us and that removes a headwind to risk assets. Dips in equity market seen in April saw a rapid recovery, which is a typical characteristic of an equity bull market. The outlook for equities over the medium term remains constructive. Risk taking for the fund is calibrated and we continue to apply bi-directional risk management.

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