

AIA Global Dynamic Income-Paying Fund - Peso

FEBRUARY 29, 2024

Fund Description

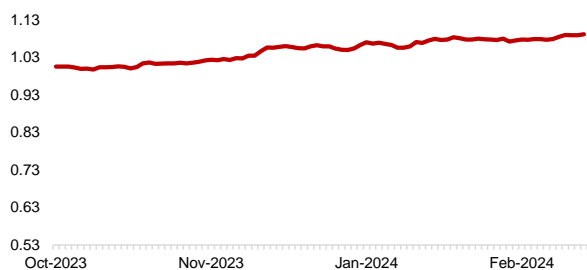
The AIA Dynamic Income Fund seeks to provide regular target income and total return over the long term by investing in variety of income generating asset classes including but not limited to fixed income securities, equities, covered call options and collective investments. Indirect exposure to these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

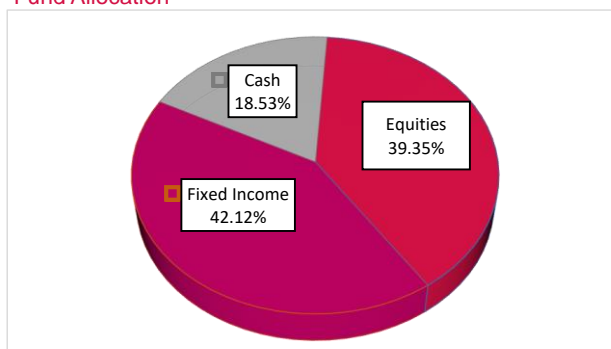


¹ Returns are net of fees. Past performance is not indicative of future returns

Net Asset Value Per Unit (NAVPU) Graph



Fund Allocation



Top Holdings

Top 5 (Equities)	% of Portfolio
Microsoft Corp	2.95%
NVIDIA Corp	2.19%
Amazon.com Inc	2.08%
Apple Inc	1.81%
Meta Platforms Inc	1.63%

Top 5 (Fixed Income)	% of Portfolio
eBay Inc 3.45% 01/08/2024	1.01%
Morgan Stanley 1.164% VRN 21/10/2025	1.00%
Equinix Inc 2.625% 18/11/2024	0.95%
UnitedHealth Group Inc 3.7% 15/12/2025	0.83%
TMobile USA Inc 5.375% 15/04/2027	0.73%

Key Figures and Statistics

NET ASSET VALUE PER UNIT (NAVPU)	1.0863
INCEPTION DATE	20 October, 2023
FUND CLASSIFICATION	Multi Asset Fund
RISK PROFILE	Moderately Adventurous
FUND CURRENCY	Philippine Peso
DOMICILE	Philippines

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Commentary:

Macro Review

As of February 2024, nowcasting model by the Federal Reserve forecasts positive real GDP growth in the United States. February 2024 saw the US manufacturing sector PMI dip further in contraction territory while the US services sector remained in expansionary territory. Broadly, economic releases surprised on the upside for February 2024 as Citi's Economic Surprise Index ended February 2024 in positive territory. US inflation for February 2024 remained above the target inflation rate. The Federal Reserve held rates steady at the February 2024 FOMC meeting.

The Eurozone manufacturing sector and the services sector gave mixed signals for February 2024 as the manufacturing PMI continued to languish in contraction territory while the services PMI bounced to expansionary territory. Citi's Economic Surprise Index for Eurozone continued to trend up steadily over the course of February 2024. Inflation in Eurozone continued to ease in February 2024, continuing to descend from the highs reached earlier in 2022.

China policy makers announced a growth target of around 5% for 2024, similar to the growth target last year. China's manufacturing sector remained in contractionary territory and did not pick up in February 2024. China consumer price inflation saw a surprising rebound into positive territory for the first time since August 2023, while producer price inflation continued to remain negative in February 2024. With the muted economic backdrop in China, market participants will be looking to the policymakers for more concrete measures to support the economy.

Market Review

Global equities continued to rally in February 2024 and was up the fourth consecutive month. Consumer Discretionary, Information Technology and Industrials sectors led the rally while the Utilities, Consumer staples and Health Care sectors lagged. In terms of investment styles, Growth and Quality led while High Dividend Yield and Minimum Volatility lagged. Across the major geographic regions, Asia equities outperformed bouncing back from a difficult January 2024.

The fixed income markets were mixed in February 2024. High Yield index was up modestly while US Treasury index and Investment Grade Corporate Bonds index were down. Treasuries index declined as US 10-year yield increased in February 2024 again for the second consecutive month. Although spreads on US Investment Grade Corporate Bond were contained in February 2024, the asset class was down for the month due to increase in government bond yields.

The broad commodities benchmark was down in February 2024. Oil was up in February 2024 but another growth sensitive commodity, Copper, was down. Gold was up modestly in February 2024 alongside strength in the USD against Developed Market currencies.

Portfolio Review

- The AIA Global Dynamic Income Fund (Peso) was up 0.96% for the month, and inception to date returns at 8.63% (annualized)
- In terms of absolute performance for the month, AIA Equity Income Fund delivered positive absolute return, while both AIA Diversified Fixed Income Fund and AIA High Yield Bond Fund were down
- In terms of relative performance, AIA Diversified Fixed Income Fund outperformed its benchmark, while AIA Equity Income Fund and AIA High Yield Bond Fund underperformed their respective benchmarks

Outlook

Fundamentals continue to hold up with both macro growth and earnings growth poised to continue their positive trajectory. The outlook for equities over the medium term remains constructive. On the technical front, risk appetite is back though not yet at extreme levels. However, there are pockets of exuberance as a small number of stocks have risen sharply since the start of the year. The path of least resistance could be for risk assets to continue to grind up.

The fund is positioned with a calibrated exposure to equities to allow it to benefit should equity market continue on its positive trajectory. The equity rally is likely to be on more solid footing if the rally broadened out to include other sectors or styles that have lagged in 2023, and earnings growth continues its positive trend.

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