

AIA Global Dynamic Income-Paying Fund - Peso

March 27, 2024

Fund Description

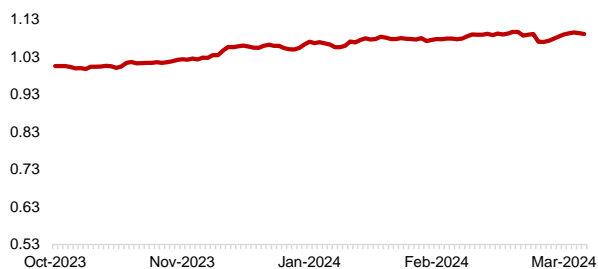
The AIA Dynamic Income Fund seeks to provide regular target income and total return over the long term by investing in variety of income generating asset classes including but not limited to fixed income securities, equities, covered call options and collective investments. Indirect exposure to these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

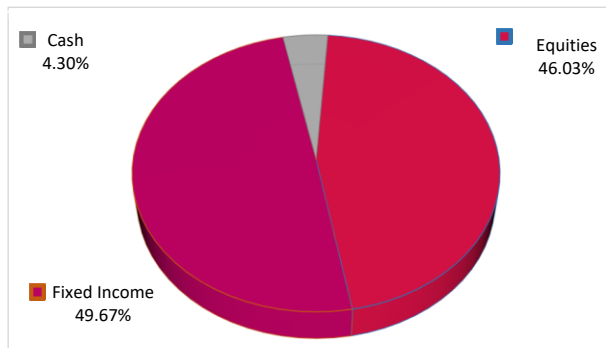


¹ Returns are net of fees. Past performance is not indicative of future returns

Net Asset Value Per Unit (NAVPU) Graph



Fund Allocation



Key Figures and Statistics

NET ASSET VALUE PER UNIT (NAVPU)	1.0854
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)	% of Portfolio
Microsoft Corp	3.13%
NVIDIA Corp	2.36%
Amazon.com Inc	2.06%
Alphabet Inc	1.69%
Apple Inc	1.51%

Top 5 (Fixed Income)	% of Portfolio
eBay Inc 3.45% 01/08/2024	0.97%
Morgan Stanley 1.164% VRN 21/10/2025	0.97%
Equinix Inc 2.625% 18/11/2024	0.92%
UnitedHealth Group Inc 3.7% 15/12/2025	0.80%
TMobile USA Inc 5.375% 15/04/2027	0.71%

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Commentary:

Macro Review

Macro Review

As of March 2024, nowcasting model by the Federal Reserve continues to forecast positive real GDP growth in the United States. March 2024 saw the US manufacturing sector PMI rebounded back to expansionary territory, and with this rebound, both the US services and manufacturing sectors were back in expansionary territory. Broadly, economic releases surprised on the upside for March 2024 as Citi's Economic Surprise Index ended in positive territory. US inflation for March 2024 remained above the target inflation rate. The Federal Reserve held rates steady at the March 2024 FOMC meeting.

In March 2024, the Eurozone manufacturing PMI continued to languish in contraction territory while the services PMI continued to move higher in expansionary territory. Citi's Economic Surprise Index for Eurozone continued to remain positive over the course of March 2024. Inflation in Eurozone eased further in March 2024, continuing to descend from the highs reached earlier in 2022. This paves the way for looser monetary policy for Eurozone.

China's manufacturing rebounded to positive territory in March 2024 after having been in contractionary territory for 5 consecutive months. China headline consumer price inflation number remained positive in March 2024, marking the second month of positive readings. However, producer price inflation continued to be negative in March 2024.

Market Review

Global equities continued to rally in March 2024 and was up the fifth consecutive month. Energy, Materials and Utilities sectors led the rally while the Consumer Discretionary, Consumer Staples and Health Care sectors lagged. Small cap equities outperformed large cap equities in March 2024. In terms of investment styles, Value and Momentum led while Growth and Minimum Volatility lagged. Across the major geographic regions, Europe equities led the advance.

The fixed income markets saw broad-based positive returns in March 2024. Treasuries, Investment Grade and High Yield indices delivered positive returns in March 2024. Treasuries index posted positive returns as US 10-year yield decreased in March 2024 halting the rise in 10-year yield in the first 2 months of the year. Investment Grade Corporate Bonds outperformed High Yield Corporate Bonds, and credit spreads tightened in the month of March 2024.

The broad commodities benchmark also advanced in March 2024. Oil, Copper and Gold were all up in March 2024. The US Dollar appreciated against both DM currencies and Asia currencies in March 2024.

Portfolio Review

- The fund was down for the month, but delivered positive annualised inception to date returns
- 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 absolute return
- In terms of relative performance, AIA High Yield Bond Fund outperformed its benchmark, while AIA Equity Income Fund and AIA Diversified Fixed Income 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. In addition, in terms of cross asset price action, bond yields are up alongside dollar strength – a sign that liquidity conditions could be less favourable.

Given the near-term headwinds, we have brought down allocations to risk assets for the fund. We continue to hold a constructive view over the medium term on equities. For a more sustainable equities rally, it would need to broaden out further.

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