

AIA PHILAM LIFE ELITE ADVENTUROUS FUND

February 28, 2023

Fund Description

The AIA Philam Life Elite Adventurous Fund seeks long-term total return (combination of capital growth and income) with higher risk by investing in a portfolio of mostly equities and a small proportion of fixed income securities. The ILP Sub-Fund's expected average direct and indirect exposure to equities will be approximately 90% over the long-term, however this exposure may vary from time to time. The other 10% will be invested in fixed income or money market instruments.

Historical Performance¹



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

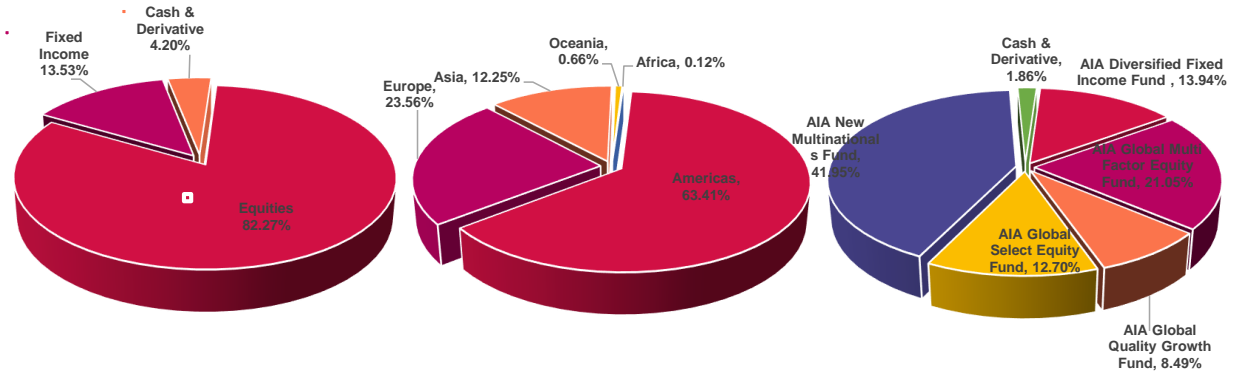
Net Asset Value Per Unit (NAVPU) Graph



Key Figures and Statistics

NET ASSET VALUE PER UNIT (NAV)	1.0187
INCEPTION DATE	18 January, 2021
FUND CLASSIFICATION	Equity Fund
RISK PROFILE	Aggressive
FUND CURRENCY	Philippine Peso
DOMICILE	Philippines

Regional & Asset Allocation



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Opinions: Any opinions expressed in this document may be subject to change without notice. We are not soliciting or recommending any action based on this material.

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. In making an investment decision, prospective investors must rely on their own examination of the merits and risks involved. Unless otherwise noted, all information contained herein is sourced from AIA Philippines Group internal data. The content included herein has been shared with various in-house departments within the member companies of AIA Philippines Group. In the ordinary course of completion, All AIA Philippines Group member companies comply with the confidentiality requirements of their respective jurisdictions. Parts of this presentation may be based on information received from sources we consider reliable.

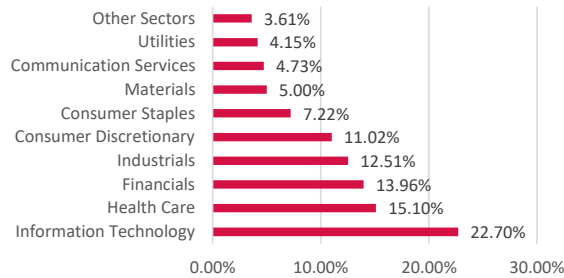


HEALTHIER, LONGER,
BETTER LIVES

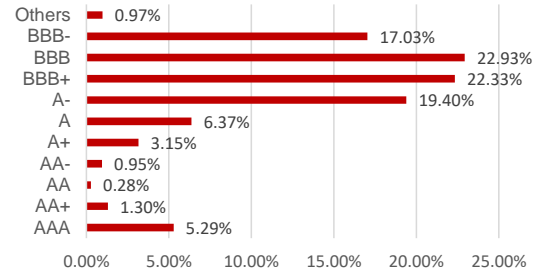
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Equity: Sector Allocation



Fixed Income: Ratings Allocation



Top Holdings

Top 5 (Equities)

Microsoft Corp	3.20%
Taiwan Semiconductor Manufacturing Co Ltd	2.46%
Texas Instruments Inc	1.86%
Visa Inc	1.78%
Novartis AG	1.72%

Top 5 (Fixed Income)

Amgen Inc 5.507% 02/03/2026	0.17%
General Motors Financial Co Inc 6.05% 10/10/2025	0.14%
Apple Inc 3.25% 08/08/2029	0.13%
Boeing CoThe 3.2% 01/03/2029	0.12%
United States Treasury NoteBond 2.875% 15/05/2032	0.12%

Commentary:

Market Review

Global equities softened in February, returning some of the previous month's gains. Robust economic data coming from the US stoked concerns that the Federal Reserve (Fed) might revert to its policy of rapid rate hikes, causing investors to reduce positions and take profits. A combination of stronger than expected US labour market, Consumer Spending and Personal Consumption Expenditure (PCE) point towards an economy that is still strong enough to withstand more policy tightening measures. The MSCI World index lost 2.40% while MSCI Emerging Markets index lost 6.48% for the month of February.

In Fixed Income, January's rally also fell in a reversal as issuances across the credit spectrum returned most of their gains amid a sharp revision in the outlook of policy rates. The realisation that policy makers are likely to stay hawkish for the coming months caused investors to dump almost every financial asset, seeking safety in cash. While stronger data eased concerns about an imminent recession in the near term, it heightened the risk of policy errors and tighter monetary conditions. The Bloomberg Barclays Global Aggregate Corporate Total Returns Bond index lost 3.21% for the month.

Portfolio Review

Elite Adventurous Fund:

- The portfolio lost 0.82% for the month, outperforming its benchmark by 0.38%.
- All underlying funds delivered negative absolute performance in line with markets.
- In terms of relative performance, with the exception of AIA Diversified Fixed Income Fund and AIA Global Quality Growth Fund, all other underlying funds outperformed the respective equity and bond components of the benchmark.

Outlook

We expect a high degree of volatility and uncertainty for global equities in 2023, as persistently high inflation and interest rate rises may lead to a rough landing for the global economy. Global Fixed Income markets head into 2023 with hopes of a long-awaited shift to a new interest rate paradigm, but the transition is unlikely to be smooth.

On the macro front, we think US growth will stall and corporate profits will continue to decline leading to higher unemployment rates as well as a higher probability of a recession sometime near the middle of the year. Equity valuations, on the other hand, may test lower before recovering some ground in the latter half of 2023.

The Elite portfolios continue to place a tactical exposure to Asia Ex-Japan equities as its undemanding valuation offers a good entry point and China's end to its covid policy seems positive. We remain underweight equities (with a preference towards Asia Ex-Japan equities) while adopting a more constructive view on fixed income and advocate a neutral position towards Investment Grade bonds.

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