



HEALTHIER, LONGER,
BETTER LIVES

AIA PHILAM LIFE ELITE BALANCED FUND

January 31, 2025

Fund Description

The AIA Philam Life Elite Balanced Fund seeks long-term total return (combination of capital growth and income) with moderate risk by investing in a portfolio of equities and fixed income securities. The ILP Sub-Fund's expected average direct and indirect exposure to equities will be approximately 60% over the long-term, however this exposure may vary from time to time. The other 40% will be invested in fixed income or money market instruments.

Historical Performance¹

6MOS	1YR	3YRS	5YRS	YTD	Since Inception
4.98%	15.36%	23.26%	-	3.11%	29.78%

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

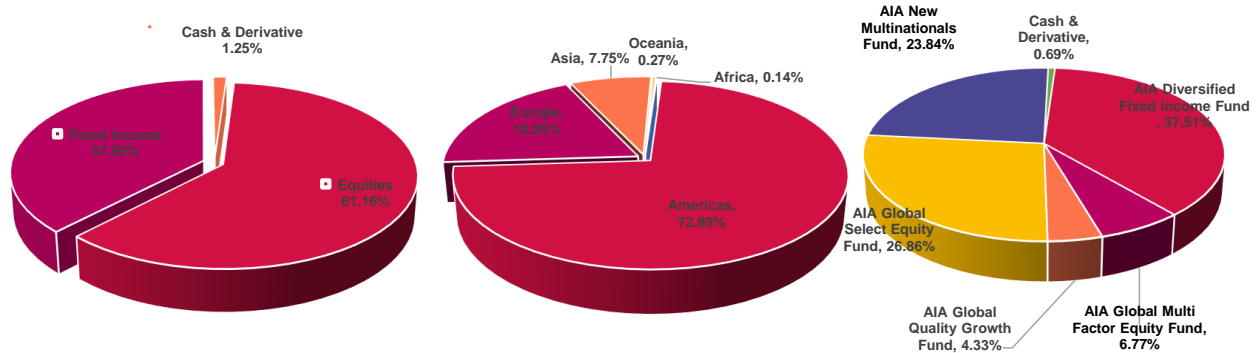
Net Asset Value Per Unit (NAVPU) Graph



Key Figures and Statistics

NET ASSET VALUE PER UNIT (NAV)	1.2978
INCEPTION DATE	18 January, 2021
FUND CLASSIFICATION	Balanced Fund
RISK PROFILE	Moderate
FUND CURRENCY	Philippine Peso
DOMICILE	Philippines

Regional & Asset Allocation



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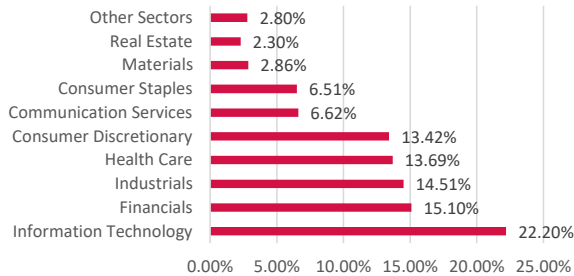
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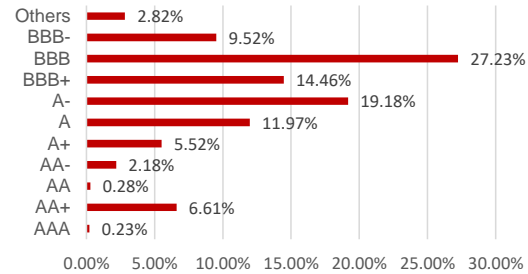
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Equity: Sector Allocation



Fixed Income: Ratings Allocation



Top Holdings

Top 5 (Equities)

Microsoft Corp	2.75%
Taiwan Semiconductor Manufacturing Co Ltd	1.77%
Meta Platforms Inc	1.34%
Visa Inc	1.27%
Novo Nordisk A/S	1.20%

Top 5 (Fixed Income)

United States Treasury NoteBond 3.5% 30/09/2029	0.59%
United States Treasury NoteBond 4.25% 15/11/2034	0.52%
Bank of America Corp 4.979% VRN 24/01/2029	0.39%
Principal Life Global Funding II 4.8% 09/01/2028	0.38%
Deutsche Bank AGNew York NY 5.414% 10/05/2029	0.36%

Commentary:

Macro Review

The US economy remained resilient with the labor market resilient and unemployment rate anchored. The US manufacturing sector moved back to expansionary territory in January 2025 after more than 2 years in contractionary territory. The US Services sector also remained in expansionary territory in January 2025. Citi's Economic Surprise Index for the US rebounded and ended positive in January 2025. US inflation for January 2025 increased and continued to pick up for the fourth consecutive month. The Federal Reserve held rates steady in the January 2025 FOMC meeting and is on hold till there is further evidence that the disinflationary trend is intact.

In January 2025, the Eurozone manufacturing continued to stay sluggish in contractionary territory. Eurozone manufacturing has been in contractionary territory for more than 2 years. Eurozone Services PMI remained in expansionary territory in January 2025, after the rebound in December 2024. Citi's Economic Surprise Index for Eurozone continued to stay in negative territory in January 2025, though was less negative than compared to December 2024. Inflation in Eurozone increased in January 2025 for the fourth consecutive month.

In January 2025, China's manufacturing PMI dipped into contractionary territory after 3 consecutive months of expansion. China's non-manufacturing PMI remained in expansionary territory in January 2025 albeit decreased from the December 2024 level. Inflation in China rose for the first time in 5 months in January 2025. Producer price inflation continued to be negative in January 2025 and has been in deflation since October 2022. Citi's Economic Surprise Index for China dipped and ended in negative territory in January 2025.

Market Review

Global equities bounced back from the decline in December 2024 and started 2025 on a positive note. For the month ending January 2025, Communication Services, Health Care, and Financials led while Information Technology, Consumer Staples and Utilities lagged. For January 2025, in terms of investment styles, Value led while Growth lagged. For January 2025, across the major geographic regions in USD terms, Europe equities led, while Asia equities lagged.

The fixed income markets rose in January 2025. US Treasuries, Investment Grade and High Yield indices were all up in January 2025. After a significant spike in December 2024, US 10-year yield dipped in January 2025. High yield credit spreads compressed in January 2025 while the move in investment grade credit spreads was much more muted.

The commodities markets rallied in January 2025. Gold, Oil and Copper were all up in January 2025. The US Dollar depreciated against both DM currencies and Asia currencies in January 2025.

Portfolio Review

Elite Balanced Fund:

- The fund delivered positive PHP returns, outperforming its benchmark for the month of January 2025.
- In terms of currency movements, USD appreciated against the PHP for the month

SICAV funds

- In terms of absolute performance, AIA New Multinationals Fund, AIA Global Multi-Factor Equity Fund, AIA Global Quality Growth Fund, AIA Global Select Equity Fund and AIA Diversified Fixed Income Fund delivered positive USD returns for the month of January 2025.
- In terms of relative performance, AIA Global Select Equity Fund, AIA New Multinationals Fund and AIA Global Quality Growth Fund outperformed, while AIA Global Multi-Factor Equity Fund and AIA Diversified Fixed Income Fund underperformed their respective benchmarks for the month of January 2025.

Outlook

The outlook for equities over the medium term remains constructive. On the fundamentals front, the US economy remains resilient with steady job growth, rising wages and positive consumer sentiment. Analysts are also projecting double-digit earnings growth for US companies in 2025.

On the policy front, most major central banks are easing monetary policy. Chinese policy makers have also embarked on monetary easing and the Politburo has indicated plans to increase public spending to support economic growth. This is a different monetary policy backdrop compared to 2022 where the Federal Reserve was on a rate hike cycle and equity markets suffered a significant drawdown.

Equity markets have been resilient thus far to developments ranging from higher bond yields, threat of tariffs and the DeepSeek announcement. January 2025 saw some of the laggards in 2024 deliver solid performance. For example, Europe equities enjoyed a strong rally in January 2025, outperforming the rest of the global regions in January 2025.

The investment strategy for Elite Funds is to navigate 2025 with a diversified portfolio, relying on different sectors and regions that have different return drivers, rather than a small number of stocks. Elite Funds is positioned to benefit from a broadening of the equity rally.

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