



HEALTHIER, LONGER,  
BETTER LIVES

# AIA PHILAM LIFE ELITE BALANCED FUND

March 31, 2025

## Fund Description

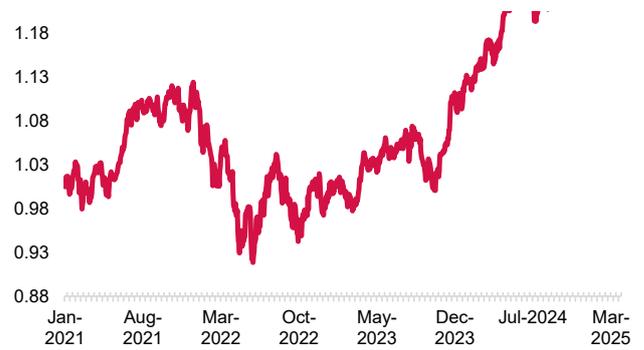
The AIA Philam Life Elite Balanced Fund seeks long-term total return (combination of capital growth and income) with moderate risk by investing in a portfolio of equities and fixed income securities. The ILP Sub-Fund's expected average direct and indirect exposure to equities will be approximately 60% 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 Performance<sup>1</sup>



<sup>1</sup> Returns are net of fees. Past performance is not indicative of future returns

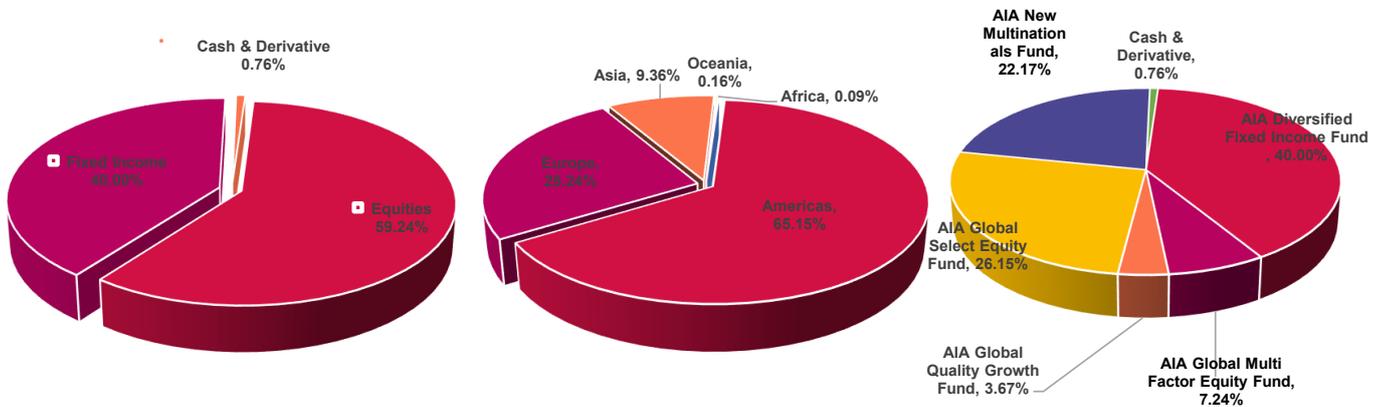
## Net Asset Value Per Unit (NAVPU) Graph



## Key Figures and Statistics

NET ASSET VALUE PER UNIT (NAV)	1.2182
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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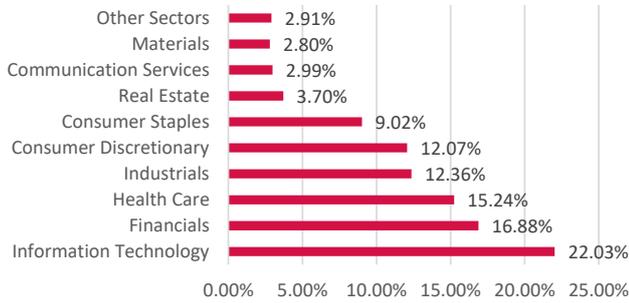
**Risk Warning:** Past performance is not indicative of future results. Our investment management services relate to a variety of investments, each of which can fluctuate in value. The value of portfolios we manage may fall as well as rise, and the investor may not get back the full amount originally 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.



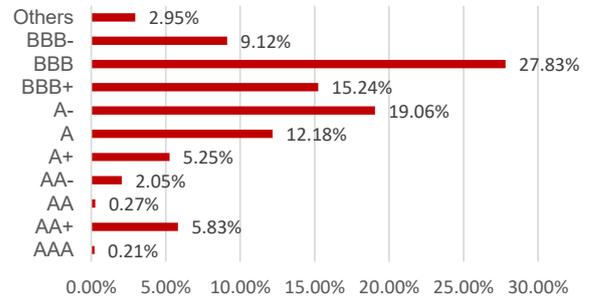
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**Equity: Sector Allocation**



**Fixed Income: Ratings Allocation**



**Top Holdings**

**Top 5 (Equities)**

Microsoft Corp	3.97%
Visa Inc	2.52%
Taiwan Semiconductor Manufacturing Co Ltd	2.25%
L'Oreal SA	2.11%
Merck & Co Inc	1.94%

**Top 5 (Fixed Income)**

United States Treasury NoteBond 4.25% 15/11/2034	0.33%
Bank of America Corp 4.979% VRN 24/01/2029	0.24%
Principal Life Global Funding II 4.8% 09/01/2028	0.23%
Deutsche Bank AGNew York NY 5.414% 10/05/2029	0.22%
United States Treasury NoteBond 3.875% 31/03/2027	0.22%

**Commentary:**

**Macro Review**

The US labor market continued to create jobs in March 2025 and unemployment rate crept up slightly from the previous month. The US manufacturing sector fell into contractionary territory in March 2025 after starting the first 2 months of 2025 in expansionary territory. The US Services sector remained in expansionary territory in March 2025. Citi's Economic Surprise Index continued to be in negative territory in March 2025. US inflation for March 2025 remained positive albeit lower than the reading in the first 2 months of 2025.

In March 2025, the Eurozone manufacturing continued to stay sluggish in contractionary territory. Eurozone manufacturing has been in contractionary territory for more than 2 years. In contrast, Eurozone Services PMI was in expansionary territory in March 2025 for the fourth consecutive month. Citi's Economic Surprise Index for Eurozone declined in March 2025 but still ended the month in positive territory. Eurozone inflation continued to be positive in March 2025, though dipped slightly from the reading in February 2025.

In March 2025, China's manufacturing sector continued to expand as the China manufacturing PMI was in expansionary territory for the second consecutive month. China's non-manufacturing PMI was also in expansionary territory in March 2025. Both China consumer price inflation and producer price inflation were negative in March 2025. Citi's Economic Surprise Index for China rebounded and ended March 2024 in positive territory.

**Market Review**

Global equities dipped again in March 2025 for the second consecutive month and ended 1Q 2025 in negative territory. For the month ending March 2025, Energy, Utilities, and Materials led while Information Technology, Consumer Discretionary and Communication Services lagged. For March 2025, in terms of investment styles, Minimum Volatility outperformed Growth significantly. For March 2025, across the major geographic regions in USD terms, India equities led, while US equities lagged.

The fixed income markets were mixed in March 2025. US Treasuries were up while US Investment Grade and High Yield indices were down in March 2025. US 10-year yield dipped for the third consecutive month in March 2025. High yield and investment grade credit spreads widened in March 2025, with high yield credit spread expanding significantly more than investment grade credit spread.

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

**Portfolio Review**

**Elite Balanced Fund:**

- The fund delivered negative PHP returns, underperforming its benchmark for the month of March 2025. For the month, there was some equity market volatility around month-end closing prices.
- In terms of currency movements, USD depreciated 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 negative USD returns for the month of March 2025.
- In terms of relative performance, AIA Global Multi-Factor Equity Fund and AIA Diversified Fixed Income Fund outperformed while AIA New Multinationals Fund, AIA Global Quality Growth Fund and AIA Global Select Equity Fund underperformed their respective benchmarks for the month of March 2025.

**Outlook**

Risk assets experienced a sharp sell-off since Liberation Day as the tariffs announcements from the US administration were worse than expected. Equities across geographic regions sold off, credit spreads widened significantly, and commodities fell sharply.

Markets could remain volatile as market participants are assessing whether a new world order has been established, where the previous regime of globalization and free trade has been abruptly displaced by a regime where countries erect trade barriers and protectionism takes precedence.

It is a challenging environment to have conviction in forecasts as uncertainty emanates from 2 sources: First, uncertainty whether the tariffs imposed by US are here to stay & the US administration's policy stance; Second, uncertainty on how the other countries would respond.

Over the short term, we remain vigilant and stay on the sidelines. This is because going into the sharp sell-off, risk taking of the Elite Funds has already been brought down and our assessment is that technical conditions remain challenged, sentiment remain depressed and thus volatility is likely to remain elevated.

Notwithstanding the short-term focus on downside risk management, taking a medium-term perspective, growth conditions were benign prior to Liberation Day with Global PMI signalling steady trend-like growth, and 2025 US earnings forecast in double digits. Supportive growth conditions provide a buffer for the global economy to respond to shocks such as the increased tariffs. Equities are arguably on sale at the point of writing and the investment team is actively looking for better entry points. A rebound in risk assets could be catalysed by policy response as past stress episodes typically see policy makers inject liquidity into the financial system. The key is to stick to a disciplined investment process, carefully weigh medium term upsides returns versus downside risks and not be whipsawed by the volatile market environment.

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