

AIA PHILAM LIFE ELITE CONSERVATIVE FUND

July 31, 2024

Fund Description

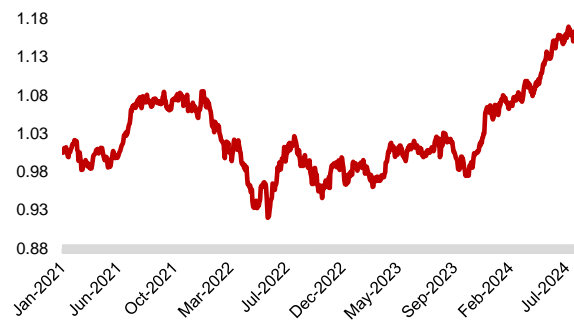
The AIA Philam Life Elite Conservative Fund seeks long-term total return (combination of capital growth and income) and at the same time minimize short term capital risk by investing in a portfolio of equities and fixed income securities. The ILP Sub-Fund's expected average direct and indirect exposure to equities will be approximately 30% over the long-term, however this exposure may vary from time to time. The other 70% will be invested in fixed income or money market instruments.

Historical Performance¹

6MOS	1YR	3YRS	5YRS	YTD	Since Inception
7.68%	14.83%	8.77%	-	9.36%	15.66%

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

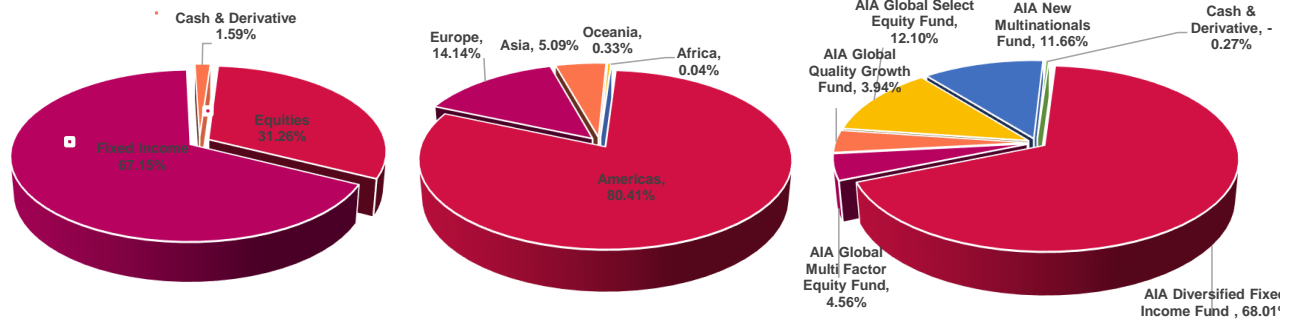
Net Asset Value Per Unit (NAVPU) Graph



Key Figures and Statistics

NET ASSET VALUE PER UNIT (NAV)	1.1566
INCEPTION DATE	18 January, 2021
FUND CLASSIFICATION	Fixed Income Fund
RISK PROFILE	Conservative
FUND CURRENCY	Philippine Peso
DOMICILE	Philippines

Regional & Asset Allocation



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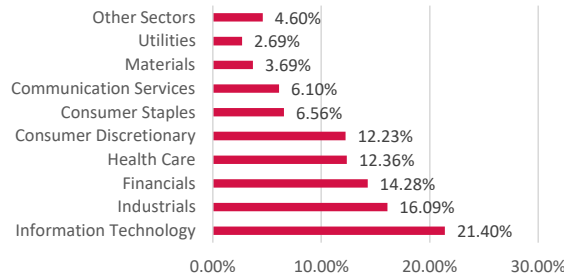
Risk Warning: Past performance is not indicative of future results. Our investment management services relate to a variety of investments, each of which can fluctuate in value. The value of portfolios we manage may fall as well as rise, and the investor may not get back the full amount originally invested.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



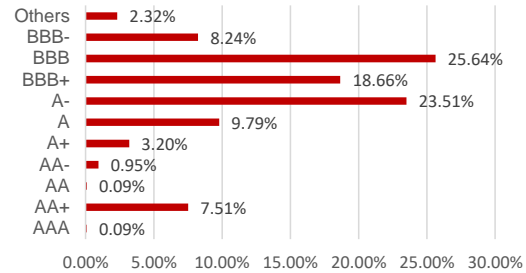
**HEALTHIER, LONGER,
BETTER LIVES**

**AIA PHILAM LIFE
ELITE CONSERVATIVE FUND
July 31, 2024**

Equity: Sector Allocation



Fixed Income: Ratings Allocation



Top Holdings

Top 5 (Equities)

Microsoft Corp	1.49%
Taiwan Semiconductor Manufacturing Co Ltd	0.79%
Texas Instruments Inc	0.58%
Alphabet Inc	0.50%
Recruit Holdings Co Ltd	0.49%

Top 5 (Fixed Income)

United States Treasury NoteBond 4.625% 30/06/2026	3.28%
United States Treasury NoteBond 4.25% 30-06-2029	0.93%
eBay Inc 3.45% 01/08/2024	0.87%
Morgan Stanley 1.164% VRN 21/10/2025	0.86%
Equinix Inc 2.625% 18/11/2024	0.81%

Commentary:

Macro Review

There are signs that the US economy is still growing, albeit at a slower pace. In July 2024, Nonfarm Payrolls continued to be positive, though lower than the previous 2 months. July 2024 saw the US manufacturing sector fell further in contractionary territory and has been in contractionary territory for four consecutive months. However, services PMI rebounded back to expansionary territory in July 2024 after the dip in June 2024. Citi's Economic Surprise Index for the US continued to languish in negative territory in July 2024. US inflation for July 2024 continued to decrease, though remained above the target inflation rate. Policymakers held rates steady in the August 2024 FOMC meeting.

In July 2024, the Eurozone manufacturing PMI continued to languish in contraction territory while the services PMI remained in expansionary territory though declined from the level in June 2024. Citi's Economic Surprise Index for Eurozone fell further in July and ended firmly in negative territory. Inflation in Eurozone grew slightly in July 2024. As widely anticipated, the ECB held rates steady in the July 2024 ECB monetary policy meeting, taking a pause after the rate cut in the June 2024 meeting.

In July 2024, China's manufacturing PMI remained in contractionary territory for the third consecutive month. While the non-manufacturing PMI continued to remain in expansionary territory in July 2024, there was a slight dip compared to the previous month. In July 2024, consumer inflation in China increased from the previous month. However, producer price inflation continued to be negative for a stretch since October 2022. Broadly, China's economic releases came in weaker than consensus estimates as Citi's Economic Surprise Index for China retreated over the course of July 2024 and ended more negative than June 2024. China's Third Plenum in July 2024 ended with a communique which reiterated the goal of realizing a "high-standard socialist market economy" by 2035 and multiple mentions of "reform" and "development".

Market Review

Global equities continued to rally in July 2024, up for the 3 consecutive months since the drawdown in May 2024. For the month ending July 2024, there was a shift in leadership and saw Utilities, Financials and Industrials led while Communication Services, Information Technology and Consumer Discretionary lagged. In terms of investment styles, leadership also shifted where High Dividend and Min Volatility led while Momentum and Growth lagged. Across the major geographic regions, Europe and Japan equities led, while Asia (excluding Japan) equities lagged.

The fixed income markets delivered positive returns in July 2024. Treasuries, Investment Grade and High Yield indices delivered positive returns in July 2024. Corporate bonds outperformed Treasuries. Treasuries index was up as US 10-year yield declined in July 2024. Credit spreads of Investment Grade tightened modestly in July 2024 while that of High Yield widened.

The broad commodities benchmark fell again in July 2024 for the second consecutive month. Oil and Copper were both down in July 2024 while Gold was up. The US Dollar fell against both DM currencies and Asia currencies in July 2024.

Portfolio Review

Elite Conservative Fund:

- The fund delivered positive returns for the month and YTD July 2024, underperforming its benchmark on the month and YTD July 2024.

SICAV funds

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

Outlook

In recent weeks, markets have been volatile in an abrupt departure from the steady advance that was experienced in 1H 2024. The 3 key drivers of the recent volatility are: first, concerns that the Federal Reserve is behind the curve in loosening monetary policy; second, the unwinding of the yen carry trade that was accelerated by the Bank of Japan hiking rates in July 2024; third, concerns that mega-cap AI stocks that have seen a sharp rise are over-extended.

Despite the recent market volatility, the outlook for equities over the medium term remains constructive. While the economy is showing signs of slowing, our base case is that an economic recession is not imminent. Real GDP growth in the US remains positive and above levels in previous recessions. Earnings growth remains intact and is poised to continue its positive trajectory. For the second quarter of 2024, companies in the US are reporting positive double-digit earnings growth with the percentage of companies beating earnings estimates hitting above its 5-year average. On the inflation front, there are positive developments as inflation is falling and this gives the Federal Reserve room to cut rates to support growth. We thus expect that the recent setback in equities to be contained, and equities to eventually recover the drawdowns suffered thus far.

Elite Funds were well-positioned going into this recent bout of volatility. Prior to the sharp spike in volatility in August 2024, the overall risk taking for Elite Funds was carefully calibrated as the upside potential of equities in a bull market was balanced against signs of caution ranging from the narrow market rally and muted risk appetite in sectors outside the mega-cap tech stocks. In addition, as the Elite Funds were less exposed to the basket of Magnificent 7 stocks (versus the broader global equity indices), the funds were impacted less by the sharp sell-off in this basket of stocks. Looking ahead, there is capacity for the Elite Funds to add risk. To that end, we are carefully analysing the markets and will be guided by our balance-of-indicators approach.

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