

AIA PHILAM LIFE ELITE CONSERVATIVE FUND

September 30, 2024

Fund Description

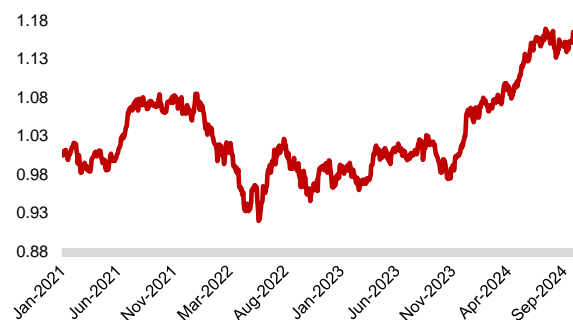
The AIA Philam Life Elite Conservative Fund seeks long-term total return (combination of capital growth and income) and at the same time minimize short term capital risk by investing in a portfolio of equities and fixed income securities. The ILP Sub-Fund's expected average direct and indirect exposure 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
6.40%	16.85%	8.63%	-	9.61%	15.92%

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

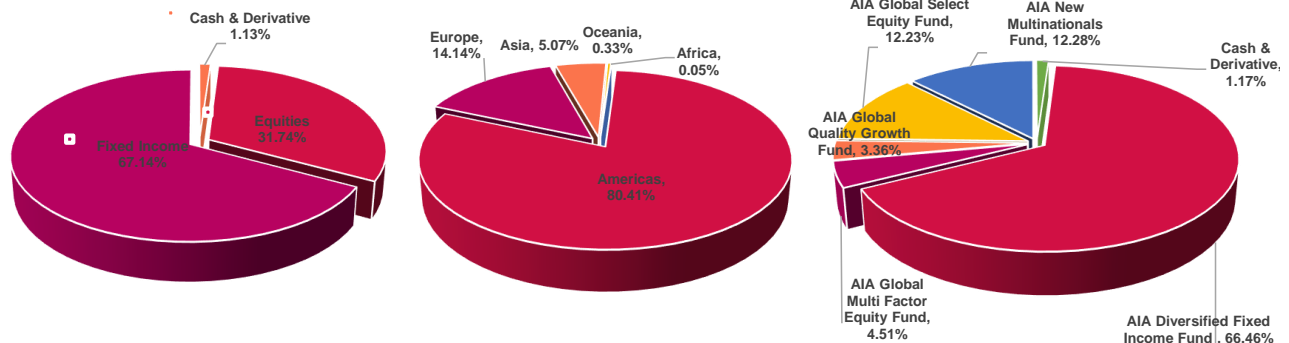
Net Asset Value Per Unit (NAVPU) Graph



Key Figures and Statistics

NET ASSET VALUE PER UNIT (NAV)	1.1592
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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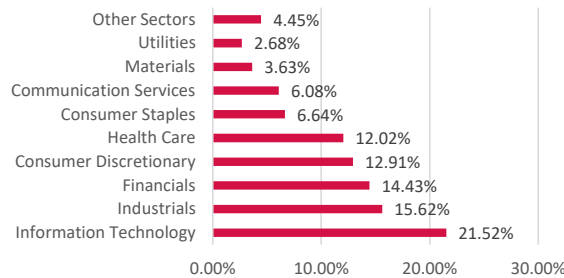
Risk Warning: Past performance is not indicative of future results. Our investment management services relate to a variety of investments, each of which can fluctuate in value. The value of portfolios we manage may fall as well as rise, and the investor may not get back the full amount originally invested. 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.



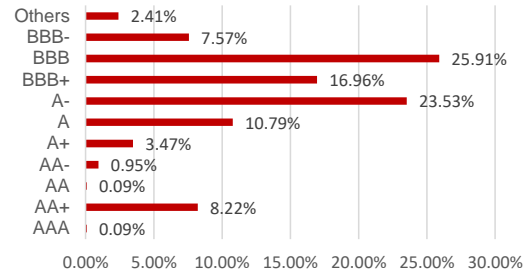
**HEALTHIER, LONGER,
BETTER LIVES**

**AIA PHILAM LIFE
ELITE CONSERVATIVE FUND
September 30, 2024**

Equity: Sector Allocation



Fixed Income: Ratings Allocation



Top Holdings

Top 5 (Equities)

Microsoft Corp	1.48%
Taiwan Semiconductor Manufacturing Co Ltd	0.81%
Texas Instruments Inc	0.55%
Meta Platforms Inc	0.54%
Deere & Co	0.53%

Top 5 (Fixed Income)

United States Treasury NoteBond 4.625% 30/06/2026	2.38%
Morgan Stanley 1.164% VRN 21/10/2025	0.84%
UnitedHealth Group Inc 3.7% 15/12/2025	0.69%
United States Treasury NoteBond 4% 31/07/2029	0.68%
United States Treasury NoteBond 4.625% 15/05/2054	0.63%

Commentary:

Macro Review

The US economy remained resilient with upward revision to personal income and savings rate. In September 2024, Nonfarm Payrolls continued to be positive, increasing to a 6-month high and beating consensus estimate. Unemployment rate also edged down in September 2024, and decreased for a second consecutive month. The US manufacturing sector continued to be sluggish and has been in contractionary territory for six consecutive months. However, services PMI stayed in expansionary territory in September 2024 and increased for the second consecutive month. Citi's Economic Surprise Index for the US continued to improve in September 2024 and ended the month just below positive territory. US inflation for September 2024 continued to decrease, though remained above the target inflation rate. Policymakers cut rates by 50 basis points in the September 2024 FOMC meeting.

The Eurozone economy showed signs of the economy slowing. In September 2024, the Eurozone manufacturing PMI decreased further in contraction territory while the services PMI also decreased though remained in expansionary territory. Citi's Economic Surprise Index for Eurozone in September 2024 continued to languish in negative territory. Inflation in Eurozone dipped below 2% in September 2024. Policymakers cut rates in the September 2024 ECB meeting.

There was a decisive shift in policy stance by Chinese policymakers in September 2024. The Chinese policymakers delivered monetary easing policies and also signaled plans to increase public spending. The latest raft of actions by Chinese policymakers were decisive and coordinated, in contrast to previous less comprehensive attempts to stimulate the economy. In September 2024, China's manufacturing PMI remained in contractionary territory and has been in contractionary territory for five consecutive months. In September 2024, consumer inflation reading in China declined from the previous month. Producer price inflation continue to dip further in negative territory and has been in negative territory since October 2022. Broadly, China's economic releases came in weaker than consensus estimates as Citi's Economic Surprise Index for China continued to languish firmly in negative territory.

Market Review

Global equities continued to rally in September 2024, and has delivered 5 consecutive months of positive returns. For the month ending September 2024, Consumer Discretionary, Utilities, Materials and Communication Services led while Health Care, Consumer Staples and Financials lagged. In terms of investment styles, Growth outperformed while Quality underperformed. Across the major geographic regions, Asia equities led, while Europe equities lagged.

The fixed income markets also delivered positive returns in September 2024. US Treasuries, Investment Grade and High Yield indices all delivered positive returns in September 2024. Corporate bonds outperformed Treasuries. Treasuries index was up as US 10-year yield declined in September 2024. Credit spreads compressed in September 2024 with High Yield spreads compressing more than Investment Grade spreads.

The broad commodities markets delivered positive returns in September 2024. Gold and Copper were up while Oil was down in September 2024. The US Dollar fell against both DM currencies and Asia currencies in September 2024.

Portfolio Review

Elite Conservative Fund:

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

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 returns for the month.
- In terms of relative performance, AIA Global Select Equity Fund, AIA Global Multi-Factor Equity Fund and AIA Diversified Fixed Income Fund underperformed their respective benchmarks for the month.

Outlook

The outlook for equities over the medium term remains constructive. Central banks around the world are easing monetary policy. The Federal Reserve embarked on the rate cut cycle in September 2024 with a 50-basis points rate cut. In addition, the Chinese policy makers have also embarked on monetary easing and the Politburo has indicated plans to increase public spending to support economic growth.

The US economy remains resilient and earnings growth in 2025 is expected to remain positive. On the inflation front, there are positive developments as inflation is falling and this gives the Federal Reserve the capacity to further cut rates to support growth. In terms of indicators, post the Fed rate cut, risk appetite has improved with high beta stocks outperforming low volatility stocks, equity breadth improving and signs that the rally is broadening out. The Elite Funds are positioned to be overweight equities.

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