HEALTHIER, LONGER, BETTER LIVES

AIA PHILAM LIFE
ELITE CONSERVATIVE FUND

May 30, 2025

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 Performance[1]

6MOS	1YR	3YRS	5YRS	YTD	Since Inception
-3.68%	2.25%	20.33%	-	-1.06%	**15.20%**

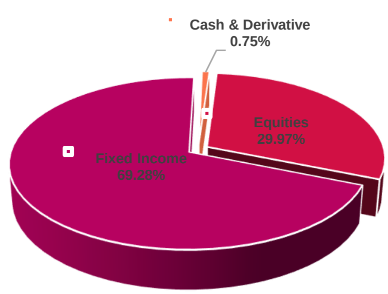
[1] Returns are net of fees. Past performance is not indicative of future returns

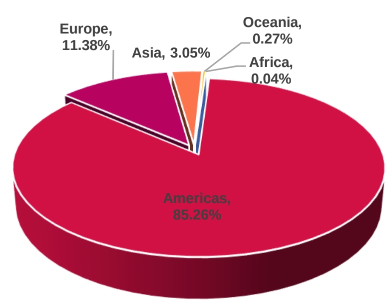
Net Asset Value Per Unit (NAVPU) Graph

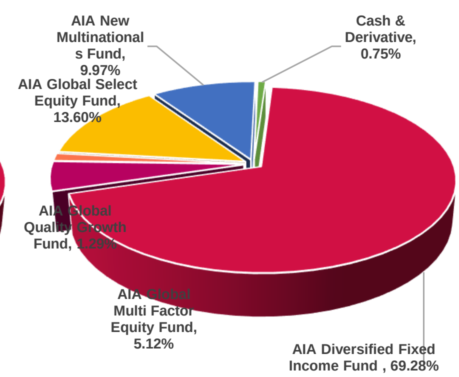
Key Figures and Statistics

NET ASSET VALUE PER UNIT (NA\	1.1517
INCEPTION DATE	18 January, 2021
FUND CLASSIFICATION	Fixed Income Fund
RISK PROFILE	Conservative
FUND CURRENCY	Philippine Peso
DOMICILE	Philippines

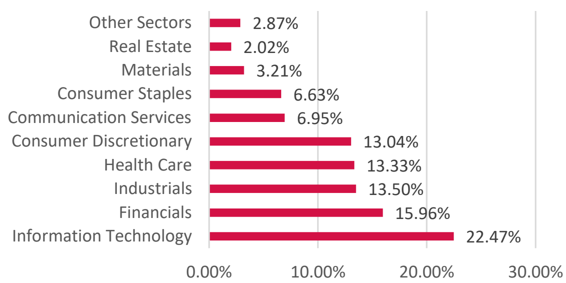
Regional & Asset Allocation



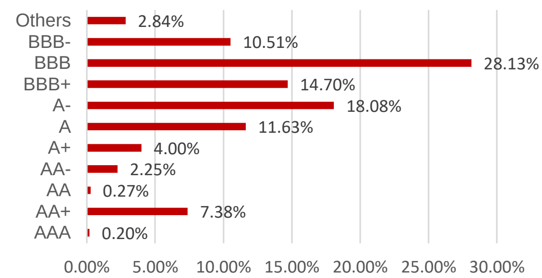




Equity: Sector Allocation



Fixed Income: Ratings Allocation



Top Holdings

Top 5 (Equities)	
Microsoft Corp	0.84%
Taiwan Semiconductor Manufacturing Co Ltd	0.50%
Meta Platforms Inc	0.36%
ASML Holding NV	0.32%
Visa Inc	0.31%

Top 5 (Fixed Income)	
United States Treasury NoteBond 3.875% 30-04-2030	2.27%
United States Treasury NoteBond 3.75% 30/04/2027	1.28%
United States Treasury NoteBond 4.625% 15/05/2044	0.88%
Bank of America Corp 4.979% VRN 24/01/2029	0.77%
Principal Life Global Funding II 4.8% 09/01/2028	0.76%

Commentary:

Macro Review

There were mixed signals on the trajectory of the US labor market in May 2025. In May 2025, private sector employment in the US labor market posted the lowest increase over the last 2 years. However, the Business Employment subindex of both the manufacturing and services index improved in May over April. The overall US manufacturing PMI reading stayed in contractionary territory in May 2025 and has been in contractionary territory for the third consecutive month. Inventory and new export components contracted at a faster rate in May 2025 compared to the previous month. The overall US services PMI reading moved into contractionary territory in May 2025, first time since June 2024. New orders and inventory components changed moved from an expansionary to a contraction reading in May 2025. Economic releases in May 2025 broadly surprised to the upside and Citi's Economic Surprise Index ended May 2025 in positive territory. US inflation for May 2025 increased slightly from 2.3% to 2.4% from the previous month and remained above the Federal Reserve's target inflation rate.

The Eurozone manufacturing continued to remain in contractionary territory in May 2025 but continued to improve from the lows in July 2023, hitting a 33-month high reading. Eurozone manufacturing has been in contractionary territory for more than 2 years. Demand for eurozone goods showed signs of stabilising after a sustained period of contraction, while companies were less aggressive with their cutbacks to employment, input purchasing and stocks. In May 2025, Eurozone Services PMI reading fell into contractionary territory after having been mostly in expansionary territory over the last 1 year. New business continued to decline, stretching the current sequence of decrease to four months. The deterioration in demand for services was the most pronounced in six months, albeit modest. A sharper drop in international orders was partly to blame, with export sales also falling to the quickest degree since November 2024. Citi's Economic Surprise Index for Eurozone increased in May 2025 and ended the month in positive territory. In May 2025, Eurozone inflation was positive though lower compared to the April 2025 reading. Since January 2025, Eurozone inflation readings have been on a downward trend.

In May 2025, China's manufacturing sector picked up compared to April 2025, though remained in contractionary territory. This was the second consecutive month that China's manufacturing sector was in contractionary territory. Output returned to expansionary levels, supported by a trade war truce and the government's on-going efforts to support and stimulate the domestic economy. New orders and employment readings rebounded from April 2025 readings but remained in contractionary territory. China's non-manufacturing PMI remained in expansionary territory in May 2025 and China's non-manufacturing sector has been in expansionary territory since January 2023. China's consumer price inflation remained negative in May 2025 for the fourth consecutive month. China's producer price inflation also ended May 2025 in negative territory. Citi's Economic Surprise Index for China ended May 2025 in positive territory.

Market Review

Despite lingering uncertainty due to tariffs, global equities rallied strongly in May 2025. This was the strongest May for global equities since 2009 and was catalyzed by the 90-day US-China tariff truce that was announced on 12 May 2025. For the month ending May 2025, Information Technology, Industrials, and Communication Services led while Health Care, Consumer Staples and Energy lagged. For May 2025, in terms of investment styles, Growth led while Minimum Volatility lagged. Across the major geographic regions in USD terms, US equities led, while China A equities lagged in May 2025.

The fixed income markets were mixed in May 2025. US Treasuries retreated in May 2025 while US high yield corporate bonds delivered positive returns. US 10-year yield increased in May 2025, halting four consecutive months of decline. US high yield and US investment grade credit spreads tightened in May 2025, with high yield credit spread tightening significantly more than investment grade credit spread.

Broad commodities markets were down in May 2025. Gold was down while growth sensitive Oil and Copper were up in May 2025. The US Dollar depreciated against both DM currencies and Asia currencies in May 2025.

Portfolio Review

Elite Conservative Fund:
• The fund delivered positive PHP returns, outperforming its benchmark for the month of May 2025.
• In terms of currency movements, USD depreciated against the PHP for the month.

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

Outlook

Risk assets experienced a sharp sell-off in early April but has since staged a strong rebound catalysed by the 90-day reprieve announced by the US administration in April 2025 and the 90-day US-China tariff truce in May 2025. The fall in equity markets from peak-to-trough thus far in 2025 is in-line with past slowing growth episodes. While uncertainty lingers, equity markets look ahead and the rebound that we are experiencing could be an indication that market is expressing the view that the worst of the tariff uncertainty is behind us. Past inflection periods in 2009 and 2020 likewise saw equity markets rebound alongside weak fundamentals as equity markets were anticipating a recovery in growth. The situation remains fluid and as such, we remain vigilant and will be closely monitoring for concrete progress on the trade negotiations front as well as growth conditions holding up.

While equity markets and credit markets have recovered to pre-Liberation Day levels, the USD remains weaker. The direction of the USD is an important trend to watch as this development is a departure from recent years where US assets outperformed alongside USD strength. In terms of investment implications, the investment strategy is to prefer non-US equities exposure over US equities because US is at the centre of the uncertainty and valuation of US equities remains relatively expensive compared to other regions. On the Fixed Income front, we prefer Global corporate bonds over US corporate bonds.

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. 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.