

AIA PHILAM LIFE ELITE BALANCED FUND

March 31, 2023

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



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

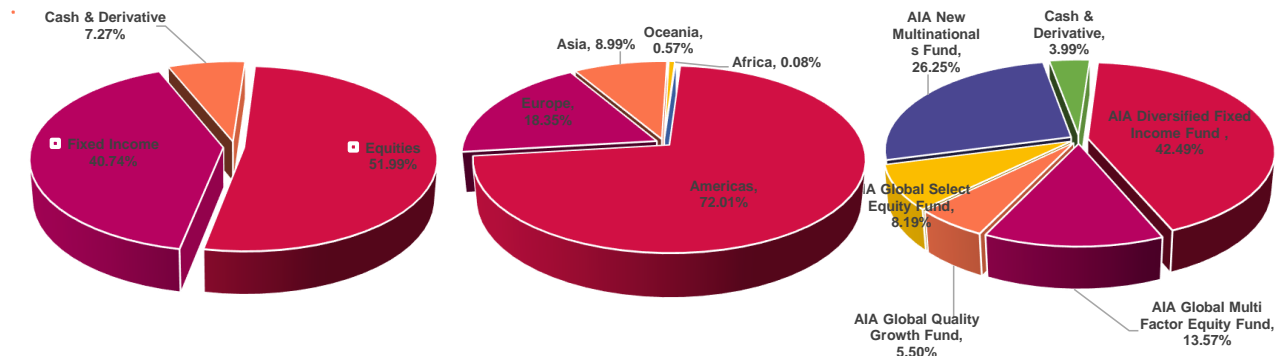
Key Figures and Statistics

NET ASSET VALUE PER UNIT (NAV)	0.9968
INCEPTION DATE	18 January, 2021
FUND CLASSIFICATION	Balanced Fund
RISK PROFILE	Moderate
FUND CURRENCY	Philippine Peso
DOMICILE	Philippines

Net Asset Value Per Unit (NAVPU) Graph



Regional & Asset Allocation



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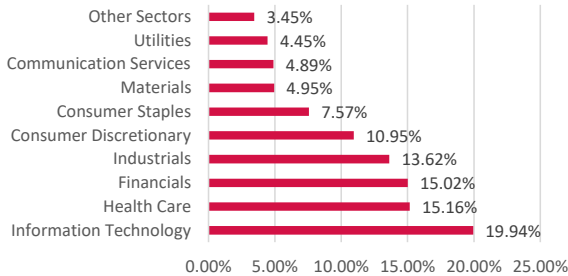
Risk Warning: Past performance is not indicative of future results. Our investment management services relate to a variety of investments, each of which can fluctuate in value. The value of portfolios we manage may fall as well as rise, and the investor may not get back the full amount originally invested.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



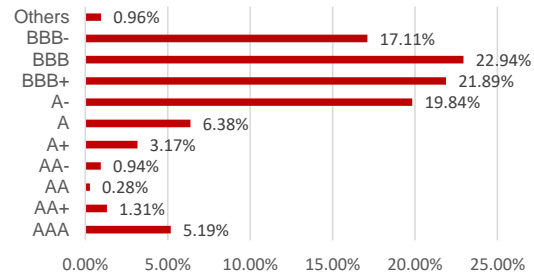
HEALTHIER, LONGER,
BETTER LIVES

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Equity: Sector Allocation



Fixed Income: Ratings Allocation



Top Holdings

Top 5 (Equities)

Microsoft Corp	2.30%
Taiwan Semiconductor Manufacturing Co Ltd	1.49%
Texas Instruments Inc	1.27%
Novartis AG	1.18%
Visa Inc	1.15%

Top 5 (Fixed Income)

Amgen Inc 5.507% 02/03/2026	0.52%
General Motors Financial Co Inc 6.05% 10/10/2025	0.43%
Apple Inc 3.25% 08/08/2029	0.42%
Boeing CoThe 3.2% 01/03/2029	0.36%
United States Treasury NoteBond 2.875% 15/05/2032	0.36%

Commentary:

Market Review

Global equities traded higher in March, despite the Federal Reserve (Fed) hiking interest rates by 25 basis points (bps) and banking turmoil resulting from the collapse of Silicon Valley Bank (SVB), Signature Bank as well as the takeover of Credit Suisse (CS) by UBS Group AG. The US jobs market remained hot with February's Non-Farm Payroll (NFP) increasing by 311,000, signalling that the Fed will continue to adopt restrictive policies to tame the high inflation towards its long-term target of 2%. In China, the weeklong annual National People's Congress (NPC) ended on 13th March 2023 and saw the release of key announcements such as the 5% Gross Domestic Production (GDP) target, plans to expand domestic demand and efforts to stabilise the property market. Additionally, the meeting formally unveiled the list of top government officials who have been appointed to work alongside President Xi Jinping as he begins his unprecedented third term as China's president. The MSCI World Index gained 3.09% while MSCI Emerging Markets Index gained 3.03% for the month of March.

In Fixed Income, the flight to safety from increased financial market volatility has caused Treasury yields to plummet sharply. Additionally, the yield curve continues to be inverted, with long-term rates above short-term rates, which is traditionally a time-tested indicator of an impending recession. The Bloomberg Barclays Global Aggregate Corporate Total Return index gained 2.78% for the month.

Portfolio Review

Elite Balanced Fund:

- The portfolio gained 0.85% for the month, underperforming its benchmark by 0.28%.
- All underlying funds delivered positive absolute performance in line with markets.
- In terms of relative performance, with the exception of AIA Global Select Equity Fund and AIA Asia Ex-Japan Equity Fund, all other underlying funds underperformed the respective equity and bond components of the benchmark.

Outlook

Many of the risks that were present last year such as Russia/Ukraine war, restrictive monetary policy and elevated inflation prints are still present today. We expect markets to enter a deep bottoming phase in the coming months before a rebound in the later part of the year.

The recent stress in the banking system is likely an accelerant of tightening credit conditions that may lead to a further slowdown, which coupled with declining corporate earnings as well as an unswaying Fed determined to tame inflation, has made a recession this year in the US a near-certainty.

The Elite portfolios continue to place a tactical exposure to Asia Ex-Japan equities as its undemanding valuation offers a good entry point and China's end to its Covid policy seems positive. We remain underweight equities (with a preference towards Asia Ex-Japan equities) while adopting a neutral stance on fixed income due to expectations of widening spreads.

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