AIA Global Dynamic Income-Paying Fund - Peso

HEALTHIER, LONGER, BETTER LIVES

August 29, 2025

Fund Description

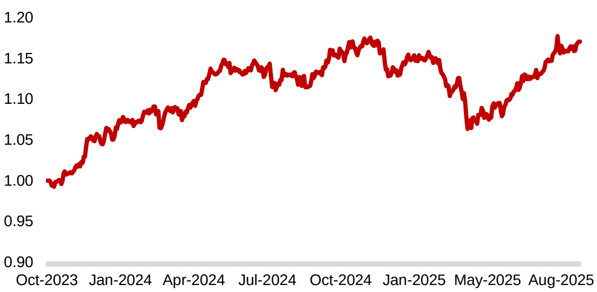
The AIA Dynamic Income Fund seeks to provide regular target income and total return over the long term by investing in variety of income generating asset classes including but not limited to fixed income securities, equities, covered call options and collective investments. Indirect exposure to these asset classes will be achieved primarily through investments in units or shares of the Collective Investment Schemes established by AIA including AIA Investment Funds that are managed either by AIA Investment Management or reputable third-party investment managers with proven track records and a disciplined systematic security selection approach to deliver long-term capital growth.

Historical Performance[1]

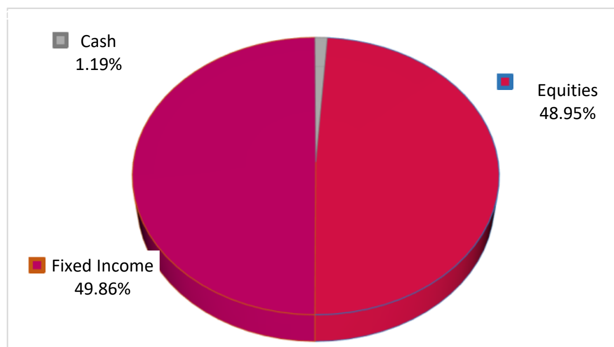
6MOS	1YR	3YRS	5YRS	YTD	Since Inception
2.34%	3.79%	-	-	3.59%	17.08%

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

Net Asset Value Per Unit (NAVPU) Graph



Fund Allocation



Key Figures and Statistics

NET ASSET VALUE PER UNIT (NAVPU)	1.1708
INCEPTION DATE	20 October, 2023
FUND CLASSIFICATION	Multi Asset Fund
RISK PROFILE	Moderately Adventurous
FUND CURRENCY	Philippine Peso
DOMICILE	Philippines

Top Holdings

Top 5 Holdings (Equities)	% of Portfolio
NVIDIA Corp	2.51%
Microsoft Corp	2.25%
Apple Inc	1.84%
Alphabet Inc	1.41%
Amazon.com Inc	1.30%

Top 5 Holdings (Fixed Income)	% of Portfolio
United States Treasury NoteBond 4.25% 15/05/2035	1.00%
United States Treasury NoteBond 3.875% 31/07/2030	0.64%
United States Treasury NoteBond 4.75% 15/05/2055	0.43%
United States Treasury NoteBond 3.875% 15/07/2028	0.40%
Bank of America Corp 4.979% VRN 24/01/2029	0.39%

Commentary:

Macro Review

The US economy in Q3 2025 remains on a growth trajectory, but signs of slowdown in the labour market suggest a more mixed macroeconomic backdrop. The Atlanta Fed's GDPNow model estimates real GDP growth for Q3 at 3.1% quarter-on-quarter (QoQ) annualised as of 10 September 2025, supported by upward revisions in real personal consumption expenditures and private domestic investment. However, the contribution to GDP growth from net exports has slightly weakened. Labor market data points to softening conditions: August 2025 saw a modest nonfarm payroll gain of 22,000, with unemployment rising to 4.3% - the highest since November 2021. Revisions to labour data showed employment shrank in June 2025, which posted the first payrolls decline since December 2020. Job losses were concentrated in manufacturing and the federal government, while health care and hospitality sectors remained resilient.

Sectoral activity continues to diverge. US manufacturing contracted for a sixth consecutive month in August 2025, with the ISM Manufacturing PMI at 48.7 and the factory output sub-index slipping back into contraction at 47.8. Despite this, new orders rose to 51.4, marking the first expansion since the start of the year. In contrast, services activity showed renewed strength: the ISM Services PMI rose to 52 in August 2025, with new orders jumping 5.7 points to 56 and business activity reaching a five-month high of 55. However, service providers continue to face inflationary pressures, particularly in material costs.

US inflation data presented a mixed picture in August 2025. Core Consumer Price Index (CPI) excluding food and energy, rose 3.1% year-on-year (YoY) and 0.3% month-on-month (MoM), in-line with estimates. Core inflation readings in August 2025 were driven by increases in new and used cars, apparel and appliances. Despite lingering inflation, the market has priced in expectations for a rate cut at the September 2025 Federal Open Market Committee meeting. While economic releases have generally surprised to the upside - reflected in the US Citi Economic Surprise Index reaching year-to-date highs as of end August 2025 – the underlying data reveals a more nuanced macro landscape, marked by weak labour data and sector-specific divergences.

The Eurozone economy showed some signs of recovery in August, led by a rebound in manufacturing activity. The HCOB Eurozone Manufacturing PMI rose to 50.7 in August, the first expansionary reading since mid-2022, driven by strong domestic demand and output. Greece and Spain led factory growth in August 2025. Germany's manufacturing activity continue to recover, despite remaining in contraction, posting a 38-month high PMI of 49.8. In contrast, services activity moderated slightly, with the HCOB Eurozone Services PMI easing to 50.5 from July's four-month high of 51. Against this backdrop, the European Central Bank held interest rates unchanged at its September 2025 meeting, as inflation hovered near its 2% medium-term target.

China's macroeconomy remained subdued in August 2025, with economic releases broadly underperforming expectations. The Citi Economic Surprise Index ended the month in negative territory. Manufacturing activity contracted for the fifth consecutive month, with the official PMI rising marginally to 49.4 from 49.3. This weakness in manufacturing has been driven by subdued demand and compounded by ongoing U.S. tariffs. In contrast, the non-manufacturing PMI, which includes services and construction, modestly expanded to 50.3.

Inflation data continues to highlight persistent deflationary pressures. In August, headline CPI declined 0.4% YoY driven by a drop in food prices. However, core CPI rose 0.9% YoY, marking the highest reading since February 2024, supported by price gains in household appliances and clothing. China PPI fell 2.9% YoY, though it remained flat on a MoM basis. This reflected the impact of targeted policy efforts to curb excessive price competition in key industries.

Market Review

Global equities continued to rally in August 2025 for the fifth consecutive month. Across the major geographic regions in USD terms, onshore China equities led, while India equities lagged in August 2025. For the month ending August 2025, Materials, Health Care and Communication Services led while Utilities, Information Technology and Industrials lagged. For August 2025, in terms of investment styles, High Dividend Yield led while Momentum lagged.

The fixed income markets delivered positive returns in August 2025. US treasuries, US investment grade corporate bonds and US high yield corporate bonds delivered positive returns. US 10-year yield decreased in August 2025, reversing a significant part of the increase in the 10-year yield that was experienced in July 2025. US high yield credit spread tightened while US investment grade credit spread widened in August 2025.

Broad commodities markets were up in August 2025. Gold as well as Copper were up in August 2025, while Oil posted a negative return. The US Dollar depreciated against both DM currencies and Asia currencies in August 2025.

Portfolio Review

• The fund delivered negative PHP returns for the month of Aug 2025.

• In terms of currency movements, USD depreciated against the PHP for the month.

• In terms of absolute performance for the month of Aug 2025, AIA Equity Income Fund, AIA Diversified Fixed Income Fund and AIA High Yield Bond Fund delivered positive USD returns.

• In terms of relative performance for the month of Aug 2025, AIA Diversified Fixed Income Fund and AIA High Yield Bond Fund outperformed while AIA Equity Income Fund underperformed their respective benchmarks.

Outlook

We are moderately constructive on the outlook for risk assets over the medium term. While certain macro data indicators such as US industrial production, retail sales and exports point to an uneven recovery, there are other positive signs as Chinese policy makers have pivoted to defend growth, and Europe and Japan are likely to pursue fiscal stimulus. US earnings season has also been strong thus far, with earnings surprising to the upside. Improvement in market breadth would support the thesis of a sustainable equity rally.

With President Trump at the helm, policy uncertainty is likely to remain elevated and there could be bouts of volatility as market participants react to policy measures announced by the US administration. Stewardship via active management and disciplined risk management is key to navigate the ever-evolving investment landscape.