



HEALTHIER, LONGER,
BETTER LIVES

AIA Global Dynamic Income-Paying Fund - Peso

January 31, 2025

Fund Description

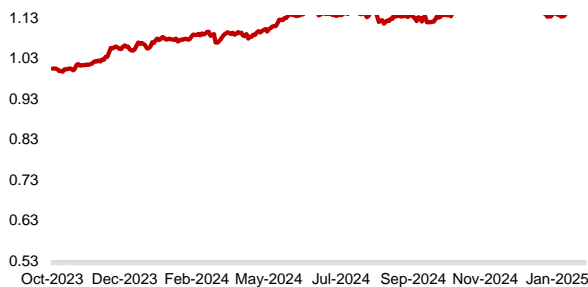
The AIA Dynamic Income Fund seeks to provide regular target income and total return over the long term by investing in variety of income generating asset classes including but not limited to fixed income securities, equities, covered call options and collective investments. Indirect exposure to these 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 Performance¹

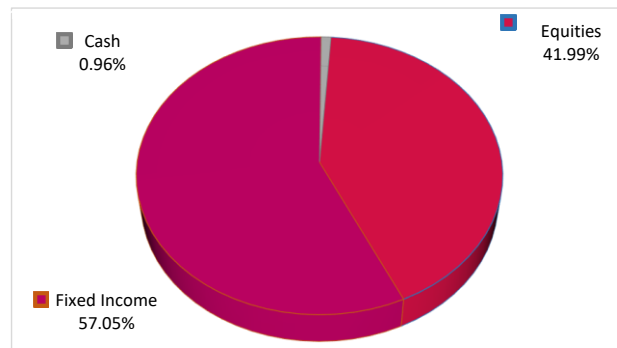


¹ Returns are net of fees. Past performance is not indicative of future returns

Net Asset Value Per Unit (NAVPU) Graph



Fund Allocation



Key Figures and Statistics

NET ASSET VALUE PER UNIT (NAVPU)	1.1541
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
Apple Inc		1.93%
Microsoft Corp		1.61%
NVIDIA Corp		1.60%
Amazon.com Inc		1.19%
Alphabet Inc		1.08%
Top 5 Holdings (Fixed Income)		% of Portfolio
United States Treasury NoteBond 3.5% 30/09/2029		0.59%
United States Treasury Bill 0% 01/05/2025		0.57%
United States Treasury NoteBond 4.25% 15/11/2034		0.52%
Bank of America Corp 4.979% VRN 24/01/2029		0.38%
Principal Life Global Funding II 4.8% 09/01/2028		0.38%

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Commentary:

Macro Review

The US economy remained resilient with the labor market resilient and unemployment rate anchored. The US manufacturing sector moved back to expansionary territory in January 2025 after more than 2 years in contractionary territory. The US Services sector also remained in expansionary territory in January 2025. Citi's Economic Surprise Index for the US rebounded and ended positive in January 2025. US inflation for January 2025 increased and continued to pick up for the fourth consecutive month. The Federal Reserve held rates steady in the January 2025 FOMC meeting and is on hold till there is further evidence that the disinflationary trend is intact.

In January 2025, the Eurozone manufacturing continued to stay sluggish in contractionary territory. Eurozone manufacturing has been in contractionary territory for more than 2 years. Eurozone Services PMI remained in expansionary territory in January 2025, after the rebound in December 2024. Citi's Economic Surprise Index for Eurozone continued to stay in negative territory in January 2025, though was less negative than compared to December 2024. Inflation in Eurozone increased in January 2025 for the fourth consecutive month.

In January 2025, China's manufacturing PMI dipped into contractionary territory after 3 consecutive months of expansion. China's non-manufacturing PMI remained in expansionary territory in January 2025 albeit decreased from the December 2024 level. Inflation in China rose for the first time in 5 months in January 2025. Producer price inflation continued to be negative in January 2025 and has been in deflation since October 2022. Citi's Economic Surprise Index for China dipped and ended in negative territory in January 2025.

Market Review

Global equities bounced back from the decline in December 2024 and started 2025 on a positive note. For the month ending January 2025, Communication Services, Health Care, and Financials led while Information Technology, Consumer Staples and Utilities lagged. For January 2025, in terms of investment styles, Value led while Growth lagged. For January 2025, across the major geographic regions in USD terms, Europe equities led, while Asia equities lagged.

The fixed income markets rose in January 2025. US Treasuries, Investment Grade and High Yield indices were all up in January 2025. After a significant spike in December 2024, US 10-year yield dipped in January 2025. High yield credit spreads compressed in January 2025 while the move in investment grade credit spreads was much more muted.

The commodities markets rallied in January 2025. Gold, Oil and Copper were all up in January 2025. The US Dollar depreciated against both DM currencies and Asia currencies in January 2025.

Portfolio Review

- The fund delivered positive PHP returns for the month of January 2025.
- In terms of currency movements, USD appreciated against the PHP for the month.
- In terms of absolute performance for the month of January 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 January 2025, AIA High Yield Bond Fund outperformed while AIA Equity Income Fund and AIA Diversified Fixed Income Fund underperformed their respective benchmarks.

Outlook

The outlook for equities over the medium term remains constructive. On the fundamentals front, the US economy remains resilient with steady job growth, rising wages and positive consumer sentiment. Analysts are also projecting double-digit earnings growth for US companies in 2025.

On the policy front, most major central banks are easing monetary policy. Chinese policy makers have also embarked on monetary easing and the Politburo has indicated plans to increase public spending to support economic growth. This is a different monetary policy backdrop compared to 2022 where the Federal Reserve was on a rate hike cycle and equity markets suffered a significant drawdown.

Equity markets have been resilient thus far to developments ranging from higher bond yields, threat of tariffs and the DeepSeek announcement. January 2025 saw some of the laggards in 2024 deliver solid performance. For example, Europe equities enjoyed a strong rally in January 2025, outperforming the rest of the global regions in January 2025.

In-line with our constructive view on risk assets, the Fund has calibrated exposure to equities. We continue to closely monitor the markets and would apply bi-directional risk management to the Fund.

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