



HEALTHIER. LONGER,
BETTER LIVES

AIA Global Dynamic Income-Paying Fund - Peso

October 30, 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

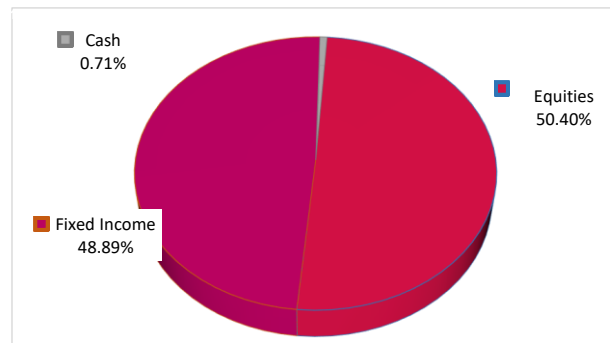


¹ Returns are net of fees. Past performance is not indicative of future returns

Net Asset Value Per Unit (NAVPU) Graph



Fund Allocation



Top Holdings

Top 5 Holdings (Equities)

	% of Portfolio
NVIDIA Corp	2.87%
Microsoft Corp	2.25%
Apple Inc	2.07%
Alphabet Inc	1.82%
Amazon.com Inc	1.36%

Top 5 Holdings (Fixed Income)

	% of Portfolio
United States Treasury NoteBond 4.75% 15/08/2055	0.56%
Beignet Investor LLC 6.581% 30/05/2049	0.51%
United States Treasury NoteBond 3.625% 30/09/2030	0.46%
Eagle Funding Luxco Sarl 5.5% 17/08/2030	0.45%
American Express Co 5.043% VRN 01/05/2034	0.42%

Key Figures and Statistics

NET ASSET VALUE PER UNIT (NAVPU)	1.2196
INCEPTION DATE	20 October, 2023
FUND CLASSIFICATION	Multi Asset Fund
RISK PROFILE	Moderately Adventurous
FUND CURRENCY	Philippine Peso
DOMICILE	Philippines

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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.

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Commentary:

Macro Review

Geopolitical tensions eased slightly after US President Donald Trump and Chinese President Xi Jinping met on 30 October 2025 with both agreeing to a temporary truce. US reduced tariffs on select Chinese imports and China suspended some rare earth export curbs. While this outcome was constructive, core issues in the US-China rivalry remain unresolved. Domestically, the US government shutdown - triggered by a deadlock over healthcare spending—continued through October. The economic impact depends on its duration, as prolonged disruption could weigh on growth. So far, the Atlanta Fed's GDPNow model suggests resilience – it estimated Q3 real GDP growth at 4.0% (seasonally adjusted annual rate) as of 6 November 2025.

Labor market signals were mixed. The official October jobs report was not published due to the government shutdown, but private data showed modest improvement. ADP reported an increase of 42,000 private-sector jobs, the first gain since July 2025, led by education and healthcare. However, other sources such as the Challenger report noted that layoffs surged to around 153,000, the highest October level in 22 years, underscoring cooling momentum in the US labour market. In addition, activity indicators diverged. ISM Manufacturing PMI fell to 48.7 in October from 49.1 the prior month, marking an eighth consecutive month of contraction. Demand components such as new orders improved slightly but remained below 50, while production and employment continued to contract. In contrast, ISM Services PMI rebounded to 52.4 from 50.0 in September, supported by stronger business activity and new orders, though employment stayed weak.

Core CPI moderated from 3.1% YoY in August 2025 to 3.0% YoY September 2025, but overall price pressures remain sticky and above the Fed's target. Headline CPI rose 0.3% MoM in September 2025 after 0.4% MoM in August 2025, while the annual rate edged up to 3.0% from 2.9%. Gasoline prices surged 4.1% YoY for the month, driving most of the monthly gain. Overall, growth remains resilient despite political uncertainty and sectoral weakness, while inflation pressures persist.

The euro area economy marked its strongest expansionary reading since May 2023, potentially signalling a shift from the subdued trend of the past nine months. The HCOB Eurozone Composite PMI rose from 51.2 to 52.5 in October 2025, supported by improved demand as new business grew at the fastest pace in two and a half years. However, growth was uneven and was almost solely driven by the services sector. Manufacturing stabilized, with the PMI edging up to 50.0 (from 49.8 in the prior month). Output rose slightly, while new factory orders stabilized after September's decline, and export demand continued to soften. For the month of October 2025, services PMI climbed to 53.0 from 51.3 in September, marking the fastest expansion in nearly 18 months. Sales growth surged to a 17-month high, and employment growth accelerated to its strongest pace since mid-2024. Germany led the services rebound, while France remained in contraction, reflecting political uncertainty which dampened spending.

EU inflation readings moderated slightly but remains near the ECB's target. Preliminary HICP data showed headline CPI moderated to 2.1% YoY in October 2025 from 2.2% YoY in September 2025. Citi's Economic Surprise Index for the eurozone rebounded into positive territory, reflecting stronger-than-expected activity data. Overall, October 2025 marked a turning point for EU towards modest recovery.

China's economy remained under pressure in October 2025, signalling a fragile recovery amid persistent industrial weakness. The official China Manufacturing PMI remained in contraction at 49.0, marking the seventh consecutive month below 50 as new orders and export demand softened. In contrast, services provided modest support as the Non-Manufacturing PMI edged up to 50.1, driven by an increase in business activity expectations in the construction industry.

Inflation dynamics were mixed in October. CPI rose 0.2% YoY, reversing two months of decline, while core CPI reading rose to 1.2% YoY, suggesting a gradual improvement in domestic demand. In contrast, producer prices remained in deflation at -2.1% YoY, though the pace of decline narrowed and the monthly price growth turned positive for the first time this year.

Market Review

Global equities continued to rally in October 2025 for the seventh consecutive month. Across the major geographic regions in USD terms, Japan equities led, while China A equities lagged in October 2025. For the month ending October 2025, Information Technology, Utilities and Health Care led while Materials, Financials and Consumer Staples lagged. For October 2025, in terms of investment styles, Growth led while Minimum Volatility lagged.

In October 2025, US treasuries, US investment grade corporate bonds and US high yield corporate bonds delivered positive returns in USD terms. US 10-year yield decreased in October 2025 from the end September 2025 level. Both US high yield credit spread and US investment grade credit spread widened in October 2025.

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

Portfolio Review

- The fund delivered positive PHP returns for the month of October 2025.
- In terms of currency movements, USD appreciated against the PHP for the month.
- In terms of absolute performance for the month of October 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 October 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. On the macro front, the Fed has resumed its easing cycle and has delivered 2 rate cuts since September 2025. This provides liquidity support to the markets. On the earnings front, the 3Q 2025 US earnings result is constructive with an elevated percentage of companies reporting positive earnings surprise. Looking forward to 2026, analysts are projecting double-digit earnings growth for US companies. While there are positive signs, there are also potential risks such as the circularity or AI-related capital flows as well as spreading of credit losses and potential resultant concerns on banks. We are watching for signs for improvement in market breadth to 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.

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