



HEALTHIER, LONGER,
BETTER LIVES

AIA PESO ADVENTUROUS FUND

August 29, 2025

Fund Description

The AIA Peso Adventurous Fund (the "Fund") is a Philippine peso-denominated fund created for peso variable life insurance contracts issued by AIA Philippines Life and General Insurance Company Inc., (formerly The Philippine American Life and General Insurance Company). The Fund seeks to achieve long-term total return, which is a combination of capital growth and income with adventurous risk and at the same time minimize capital risk by investing in a portfolio of mostly equities and a small proportion of bonds. The Fund will invest in shares of Collective Investment Schemes established by AIA including Unit Investment Trust Funds (UITFs) that are managed by either AIA Investment Management and Trust Corporation Philippines (AIAIM PH) or reputable third-party investment managers.

Historical Performance¹



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

Net Asset Value Per Unit (NAVPU) Graph

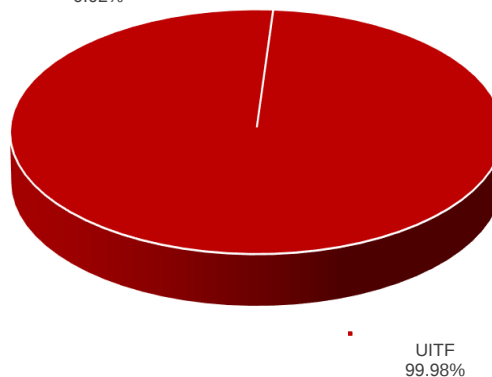


Key Figures and Statistics

NET ASSET VALUE PER UNIT (NAVPU)	1.0351
INCEPTION DATE	20 February, 2023
FUND CLASSIFICATION	Equity Fund
RISK PROFILE	Aggressive
FUND CURRENCY	Philippine Peso
DOMICILE	Philippines

Fund Allocation

Cash & Cash Equivalent
0.02%



Top Holdings

Name	Investment Type	% of Fund
AIA PESO LONG-TERM BOND FUND	UITF	44.47%
AIA PESO EQUITY FUND	UITF	43.50%
AIA PESO MONEY MARKET FUND	UITF	12.01%
Philippine Peso	CC	0.02%

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Opinions: Any opinions expressed in this document may be subject to change without notice. We are not soliciting or recommending any action based on this material.

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 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.



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Commentary:

Market Review

Macro Update

The Bangko Sentral ng Pilipinas (BSP) continued to ease monetary policy as inflation stayed below target and modest economic growth.

The BSP lowered interest rates by 0.25% to 5.00%. August inflation rose slightly to 1.5% year-on-year, higher than consensus of 1.2% but still under the BSP's 2–4% goal. Year-to-date, inflation averages 1.7%, mainly due to a spike in vegetable prices, even as rice prices fell.

Core inflation, which excludes volatile items, also increased to 2.7% from 2.3% in July.

BSP Governor Eli Remolona described the current policy rate as “Goldilocks rate” – a level not too high to stifle economic growth, and not too low to trigger inflation. The BSP also adjusted its inflation forecasts slightly: it now expects 1.7% for 2025 (from 1.6%) and 3.3% for 2026 (from 3.4%).

Meanwhile, the economy grew 5.5% in the second quarter, modestly faster than 5.4% previously.

Bond Market Update

Peso bond yields fell on soft inflation, BSP rate cuts, and robust auction demand. The Bureau of Treasury raised Php 507 billion through the issuance of 5-year Retail Treasury Bonds with a 6% coupon rate. Peso bond yields fell across the curve with the 2-year closed at 5.62% (down by 0.07%), 5-year at 5.81% (down by 0.13%), 10-year at 6.02% (down by 0.18%), and 20-year at 6.34% (down by 0.22%).

Equity Market Update

The PSEI declined by 1.6% in August, breaching the 6,200 key support level. The sell-off was driven by deteriorating risk sentiment following downgrades to the corporate earnings growth outlook, prompting investors to reduce exposure to risk assets.

- 2Q GDP growth came in at 5.5%, supported mainly by a sharp decline in imports, which offset weakness in household consumption, capital formation, and government spending. The underlying data suggests a more cautious domestic demand environment amid persistent macro headwinds.
- 2Q earnings results were broadly disappointing. Several consumer companies revised their earnings guidance downward, citing margin pressures and softer demand. This reflects the impact of inflationary pressures and subdued consumer sentiment on profitability.

Positioning, Outlook, and Strategy

Performance: The AIA Peso Adventurous Fund returned 0.65% (gross of fees) in August, outperforming its benchmark by 1.33%. Outperformance was driven by lower exposures positions in lagging equities, higher allocation in better-performing fixed income, and effective security selection across both asset classes.

Positioning, Outlook, and Strategy: With inflation below the BSP's target and rates likely to remain steady, real yields—returns adjusted for inflation—remain compelling, supporting a fixed income overweight. Equities continue to face pressure from weak earnings and limited fiscal support. Near-term volatility from U.S. policy shifts and domestic inflation risks may cause market swings. The fund maintains an overweight in bonds and an underweight in equities.

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