



**HEALTHIER, LONGER,
BETTER LIVES**

AIA PESO BALANCED FUND

November 28, 2025

Fund Description

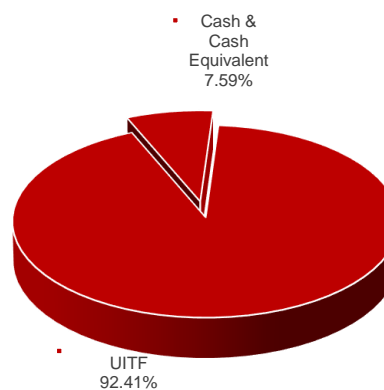
The AIA Peso Balanced Fund (the "Fund") is a Philippine peso-denominated fund created for peso variable life insurance contracts issued by AIA Philippines Life and General Insurance Company Inc., (formerly The Philippine American Life and General Insurance Company). The Fund seeks to achieve long-term total return, which is a combination of income and capital growth with balanced risk and at the same time minimize capital risk by investing in a portfolio comprising primarily of bonds and equities. 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

Fund Allocation



Net Asset Value Per Unit (NAVPU) Graph



Key Figures and Statistics

NET ASSET VALUE PER UNIT (NAVPU)	1.061
INCEPTION DATE	20 February, 2023
FUND CLASSIFICATION	Equity Fund
RISK PROFILE	Moderate
FUND CURRENCY	Philippine Peso
DOMICILE	Philippines

Top Holdings

Name	Investment Type	% of Fund
AIA PESO LONG-TERM BOND FUND	UITF	66.44%
AIA PESO EQUITY FUND	UITF	25.98%
RIZBNK DTD 3.8500 12/01/25	MM	7.06%
CBKCOR DTD 5.1000 12/15/25	MM	0.43%
CBKCOR DTD 3.6500 12/01/25	MM	0.08%

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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.

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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

With inflation below target and growth slowing, expectations have strengthened that the Bangko Sentral ng Pilipinas (BSP) will maintain its easing path.

Philippine GDP grew 4.0% y/y in Q3, down from 5.5% in Q2 and 5.2% a year ago—the weakest pace outside the pandemic since 2011—amid weak investment, softer consumption and government spending.

Inflation fell to 1.5% y/y in November due to lower food prices. This was below the 1.7% forecast and this marked nine straight months under the BSP's 2–4% target. Year-to-date, inflation stands at 1.6%, reinforcing a subdued inflation outlook and supporting an accommodative policy stance.

Bond Market Update

In November, peso bond yields closed lower across the curve, with the 2-year at 5.21% (down by 0.19%), the 5-year at 5.56% (down by 0.15%), the 10-year at 5.87% (down by 0.08%), and the 20-year at 6.38% (down by 0.04%).

Equity Market Update

The PSEi opened the month on a weak note, sliding to a five-year low of 5,584 as markets digested a mix of soft macro data, lackluster Q3 corporate earnings, and heightened political risk. Despite the early slump, the index rebounded and closed 1.6% higher, supported by sustained local bargain-hunting.

- Q3 GDP growth slowed to 4.0%, sharply missing estimates, reinforcing concerns over economic momentum.
- Corporate earnings for Q3 were generally mixed to weak across key sectors, adding pressure early in the month.
- Political uncertainty intensified mid-month as allegations linking senior government officials to a flood-control corruption scandal triggered aggressive de-risking.

Positioning, Outlook, and Strategy

Performance: The AIA Peso Balanced Fund gained 0.89% (gross of fees) in November, underperforming its benchmark by 0.09%. The underperformance is driven by its underweight in outperforming equities and security selection in the underlying equity fund.

Positioning, Outlook, and Strategy: With inflation running below the BSP's target and interest rates likely to remain supportive, real yields—returns adjusted for inflation—continue to look attractive. This reinforces an overweight allocation to fixed income. Meanwhile, equities remain under pressure due to limited fiscal support and governance concerns. Near-term volatility from U.S. policy shifts and inflation risks may trigger market swings. The fund maintains an overweight in fixed income and an underweight in equities.

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