



HEALTHIER, LONGER,
BETTER LIVES

AIA PESO CONSERVATIVE FUND

October 30, 2025

Fund Description

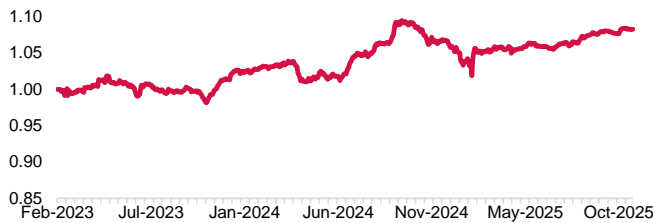
The AIA Peso Conservative Fund (the "Fund") is a Philippine peso-denominated fund created for peso variable life insurance contracts issued by AIA Philippines Life and General Insurance Company Inc., (formerly The Philippine American Life and General Insurance Company). The Fund seeks to achieve long-term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

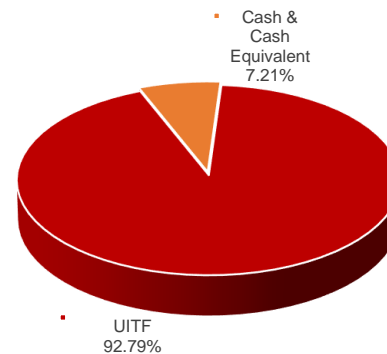


¹ Returns are net of fees. Past performance is not indicative of future returns

Net Asset Value Per Unit (NAVPU) Graph



Fund Allocation



Key Figures and Statistics

NET ASSET VALUE PER UNIT (NAVPU)	1.0827
INCEPTION DATE	20 February, 2023
FUND CLASSIFICATION	Equity Fund
RISK PROFILE	Conservative
FUND CURRENCY	Philippine Peso
DOMICILE	Philippines

Top Holdings

Name	Investment Type	% of Fund
AIA PESO LONG-TERM BOND FUND	UITF	85.23%
AIA PESO EQUITY FUND	UITF	7.55%
RIZBNK DTD 3.9000 11/03/25	MM	7.05%

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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.

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Commentary:
Macro Update

The Bangko Sentral ng Pilipinas (BSP) reduced its policy rates, citing inflation remains below its 2-4% target.

Headline inflation came in at 1.7% y/y, slightly under the market consensus of 1.8%, marking the eighth consecutive month below target. Softer rice prices were the main contributor to the decline.

The BSP surprised markets with a 25 bp rate cut to 4.75%. The Philippine central bank highlighted weaker domestic demand conditions as part of its assessment, signaling a shift from its earlier hawkish stance. Persistently low inflation and moderating growth momentum may provide room for further policy easing before year-end.

Bond Market Update

Peso bond yields declined across the curve in October, driven by the BSP's surprise rate cut and benign inflation. The 2-year ended at 5.39% (down by 0.17%), the 5-year at 5.70% (down by 0.16%), the 10-year at 5.94% (down by 0.09%), and the 20-year at 6.42% (down by 0.02%).

Equity Market Update

The PSEi weakened further in October, staying below 6,000 for a second month. Investor sentiment remained fragile amid peso depreciation and persistent foreign selling. Political uncertainty added pressure, softer economic outlook, with moderating growth risks dampened risk appetite.

The peso weakened by 1.2% month-on-month to PHP58.85:USD, making it one of the worst performers among Asian currencies. Investor sentiment was further hit by a widening corruption scandal involving top officials, which not only dampened confidence but also slowed public infrastructure spending. This pullback in government disbursements is expected to weigh on near-term growth as agencies.

Positioning, Outlook, and Strategy

Performance: The AIA Peso Conservative Fund gained 0.65% (gross of fees) in October, outperforming its benchmark by 0.06%. Outperformance was driven by lower exposures positions in lagging equities and higher allocation in better-performing fixed income.

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 bonds and an underweight in equities.

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