



HEALTHIER, LONGER,
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AIA PESO CONSERVATIVE FUND

September 30, 2025

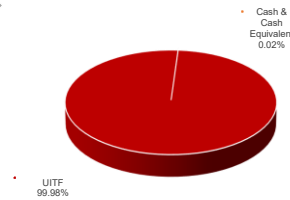
Fund Description

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 (AIAMITF) or reputable third-party investment managers.

Historical Performance¹



Fund Allocation



Net Asset Value Per Unit (NAVPU) Graph



Key Figures and Statistics

NET ASSET VALUE PER UNIT (NAVPU)	1.0769
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	85.03%
AIA PESO MONEY MARKET FUND	UITF	13.67%
AIA PESO EQUITY FUND	UITF	0.39%

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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. 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:

Macro Update

Political risk resurfaced in September, dampening sentiment despite a supportive macro backdrop. Allegations of corruption related to flood control projects raised concerns over governance standards and fiscal transparency.

Inflation remained subdued, with headline CPI at 1.7% YoY, staying below the BSP's 2-4% target for the seventh consecutive month. Food inflation remained manageable despite typhoon-related disruptions, while core inflation eased to 2.6%, reinforcing expectations of a policy pause.

The Bureau of the Treasury (BTr) announced a reduced borrowing plan for 4Q25, cutting monthly bond auctions to Php70 billion, down from an average of Php130 billion in prior quarters. The move reflects stronger cash positions and a cautious funding approach amid fragile sentiment.

Bond Market Update

In September, peso bond yields mostly rose on risk-off sentiment driven by local corruption concerns, despite softer inflation. Benchmark yields ended mixed: 2-year at 5.57% (down by 0.05%), the 5-year at 5.87% (up by 0.06%), the 10-year at 6.03% (up by 0.02%), and the 20-year at 6.44% (up by 0.10%).

Equity Market Update

The PSEI underperformed most equity markets in the region, falling 3.3% MoM and breaching the key 6,000 support level to close at 5,953.46. The decline was attributed to persistent weakness in the Philippine peso and heightened political risk, stemming from the ongoing DPWH corruption investigation, which weighed on investor confidence and risk appetite.

- Philippine peso depreciated by 1.8% MoM to P58.205:\$1, the weakest among Asian currencies for the month.
- Revelations of widespread corruption in the Department of Public Works and Highways (DPWH) linked to agency officials as well as lawmakers have sapped investor confidence and raised expectations of a slowdown in public infrastructure spending. This dented near-term growth prospects, as broader government disbursements are likewise seen tightening as agencies adopt a more cautious stance.

Positioning, Outlook, and Strategy

Performance: The AIA Peso Conservative Fund gained 0.15% (gross of fees) in September, outperforming its benchmark by 0.24%. 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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