



**HEALTHIER, LONGER,
BETTER LIVES**

AIA PESO CONSERVATIVE FUND

January 30, 2026

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

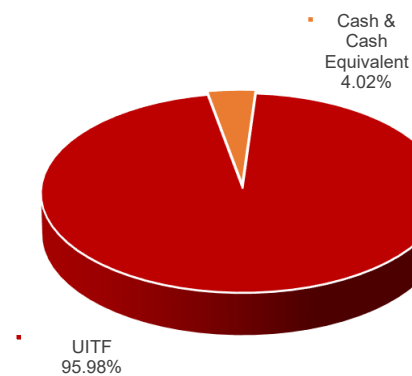
6MOS	1YR	3YRS	5YRS	YTD	Since Inception
2.95%	7.47%	-	-	0.78%	9.45%

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)	1.0945
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	62.42%
AIA PESO MONEY MARKET FUND	UITF	33.55%
CBKCOR DTD 4.9000 02/11/26	MM	3.78%

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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

Economic conditions in January reflected a benign inflation backdrop alongside clear signs of slowing growth, as price pressures remained contained while fourth-quarter output softened further.

Inflation in January accelerated to 2.0%, up from 1.8% in December, driven mainly by higher costs for housing, water, electricity, gas, and other fuels, which rose 3.3%, and by restaurant and accommodation services, which increased 4.0% YoY. Food inflation eased to 0.7%, cushioning the overall rise in prices, while core inflation increased to 2.8% .

Growth momentum weakened sharply in the fourth quarter of 2025 as GDP grew 3.0% YoY, the slowest non-pandemic pace since 2009. The slowdown reflected soft public investment amid ongoing infrastructure-related corruption probes and climate-related disruptions. Full-year GDP growth reached 4.4%, well below the government's 5.5 to 6.5 percent target and the weakest annual performance since 2011.

Bond Market Update

In January, peso bond yields closed mostly lower except on the longer end of the curve, with the 2-year at 5.19% (down by 0.18%), the 5-year at 5.66% (down by 0.13%), the 10-year at 5.99% (down by 0.09%), and the 20-year at 6.51% (up by 0.10%).

Equity Market Update

The PSEi rose to as high as 6,487 (+7.2%), underpinned by strong foreign inflows amidst global investors' improving risk appetite towards emerging markets. However, momentum faded toward month-end amid macro disappointments as 4Q25 GDP hugely missed estimates.

- Headlined foreign inflow for January came in at USD226 million.
- 4Q25 GDP grew by 3%, well below the 3.7% market estimates. The 3.0% print is the lowest (ex-pandemic) since hitting 3.0% back in 3Q11

Positioning, Outlook, and Strategy

Performance: The AIA Peso Conservative Fund returned +0.89% (gross of fees) in January, underperforming its benchmark by 0.37%. The underperformance was mainly driven by the Fund's underweight allocation to equities, which outperformed during the month, as well as drag from equity selection.

Positioning, Outlook, and Strategy: The BSP is approaching the end of its easing cycle, with any further policy adjustments likely to be measured and data-driven. Inflation is expected to remain within the 2-4 percent target range, providing a stable backdrop for fixed income markets. Equity exposure remains underweight, as recent market gains appear disconnected from fundamentals amid subdued growth prospects and ongoing earnings risks. We will closely monitor potential catalysts around mid-year and stand ready to rebuild equity exposure in the second half should clearer signs of recovery emerge. In the interim, the strategy emphasizes flexibility and higher liquidity, with a continued preference for fixed income and money market instruments early in the year.

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