



HEALTHIER, LONGER,  
BETTER LIVES

## AIA PHILAM LIFE ELITE CONSERVATIVE FUND

February 28, 2025

### Fund Description

The AIA Philam Life Elite Conservative Fund seeks long-term total return (combination of capital growth and income) and at the same time minimize short term capital risk by investing in a portfolio of equities and fixed income securities. The ILP Sub-Fund's expected average direct and indirect exposure to equities will be approximately 30% over the long-term, however this exposure may vary from time to time. The other 70% will be invested in fixed income or money market instruments.

### Historical Performance<sup>1</sup>

6MOS	1YR	3YRS	5YRS	YTD	Since Inception
3.99%	10.62%	18.09%	-	1.92%	18.67%

<sup>1</sup> Returns are net of fees. Past performance is not indicative of future returns

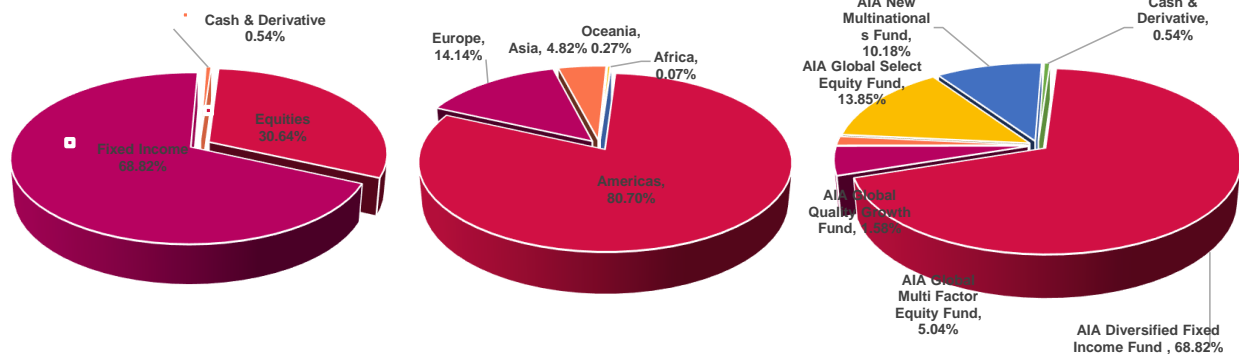
### Key Figures and Statistics

NET ASSET VALUE PER UNIT (NAV)	1.1867
INCEPTION DATE	18 January, 2021
FUND CLASSIFICATION	Fixed Income Fund
RISK PROFILE	Conservative
FUND CURRENCY	Philippine Peso
DOMICILE	Philippines

### Net Asset Value Per Unit (NAVPU) Graph



### Regional & Asset Allocation



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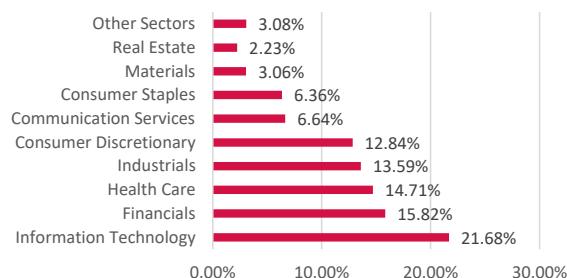
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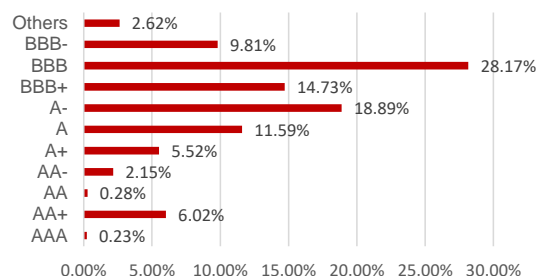
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## Equity: Sector Allocation



## Fixed Income: Ratings Allocation



## Top Holdings

### Top 5 (Equities)

Microsoft Corp	1.37%
Taiwan Semiconductor Manufacturing Co Ltd	0.87%
Novo Nordisk A/S	0.69%
Meta Platforms Inc	0.68%
Visa Inc	0.67%

### Top 5 (Fixed Income)

United States Treasury NoteBond 4.25% 30/11/2026	1.05%
United States Treasury NoteBond 4.25% 15/11/2034	0.94%
Bank of America Corp 4.979% VRN 24/01/2029	0.68%
Principal Life Global Funding II 4.8% 09/01/2028	0.67%
Deutsche Bank AGNew York NY 5.414% 10/05/2029	0.64%

## Commentary:

### Macro Review

The US economy remained resilient with the labor market resilient and unemployment rate anchored. The US manufacturing sector continued to remain in expansionary territory in February 2025. The US Services sector was also in expansionary territory in February 2025. Citi's Economic Surprise Index trended down in February 2025 and ended in negative territory. US inflation for February 2025 cooled off slightly for the first time since September 2024.

In February 2025, the Eurozone manufacturing continued to stay sluggish in contractionary territory. Eurozone manufacturing has been in contractionary territory for more than 2 years. In contrast, Eurozone Services PMI was in expansionary territory in February 2025 for the third consecutive month. Citi's Economic Surprise Index for Eurozone rebounded further in February 2025 and ended the month in positive territory. Eurozone inflation cooled off slightly but remained above the target rate in February 2025.

In February 2025, China's manufacturing PMI rebounded to expansionary territory, recovering from the contractionary reading in January 2025. China's non-manufacturing PMI was also in expansionary territory in February 2025. Inflation in China declined to a negative reading in February 2025. Producer price inflation also continued to be negative in February 2025 and has been in deflation since October 2022. Citi's Economic Surprise Index for China dipped and ended in negative territory in February 2025.

### Market Review

Global equities dipped in February 2025 giving back some of the gains made in January 2025. For the month ending February 2025, Consumer Staples, Energy, and Financials led while Consumer Discretionary, Communication Services and Information Technology lagged. For February 2025, in terms of investment styles, Value outperformed Growth. For February 2025, across the major geographic regions in USD terms, Europe equities led, while Japan equities lagged.

The fixed income markets rose in February 2025. US Treasuries, Investment Grade and High Yield indices were all up in February 2025. US 10-year yield dipped for the second consecutive month in February 2025. High yield and investment grade credit spreads widened in February 2025.

The commodities markets were mixed in February 2025. Gold and Copper were up in February 2025 but Oil was down. The US Dollar depreciated against both DM currencies and Asia currencies in February 2025.

### Portfolio Review

#### Elite Conservative Fund:

- The fund delivered negative PHP returns, underperforming its benchmark for the month of February 2025. For the month, there was some equity market volatility around month-end closing prices.
- In terms of currency movements, USD depreciated against the PHP for the month

#### SICAV funds

- In terms of absolute performance, AIA New Multinationals Fund, AIA Global Multi-Factor Equity Fund, AIA Global Quality Growth Fund, AIA

Global Select Equity Fund and AIA Diversified Fixed Income Fund delivered negative USD returns for the month of February 2025.

- In terms of relative performance, AIA New Multinationals Fund, AIA Global Multi-Factor Equity Fund, AIA Global Quality Growth Fund, AIA Global Select Equity Fund and AIA Diversified Fixed Income Fund underperformed their respective benchmarks for the month of February 2025.

## Outlook

Uncertainty around US tariffs catalysed a sharp sell-off in broad equity markets in recent weeks. Within the equity complex, the sell off is led by the leaders in 2023 and 2024 such as Magnificent 7 stocks as well as US tech-related stocks.

Drawdowns to the tune of what has been experienced thus far in markets are par for the course of investing in equities. Larger equity drawdowns typically happen in an environment of tightening liquidity or sharp rise in inflation. The current investment landscape is instead one where bond yields are not rising, while both USD and oil price are falling.

The outlook for equities over the medium term remains constructive. On the fundamentals front, the US economy remains resilient with steady job growth, rising wages and positive consumer sentiment. Analysts are also projecting double-digit earnings growth for US companies in 2025. On the policy front, most major central banks are easing monetary policy. Chinese policy makers have indicated plans to increase public spending to support economic growth.

The investment strategy for Elite Funds is to navigate 2025 with a diversified portfolio, relying on different sectors and regions that have different return drivers, rather than a small number of stocks. Such a strategy has mitigated the impact of the drawdown in the US equity market on the Elite Funds as Elite Funds' investments in other regions such as Europe equities and Asia equities have held up better in this environment. Markets are fluid and dynamic asset allocation coupled with disciplined risk management will be relied on to navigate the ever-evolving investment landscape.

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