



HEALTHIER, LONGER,  
BETTER LIVES

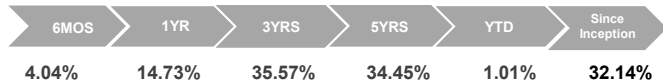
# AIA PHILAM LIFE ELITE CONSERVATIVE FUND

March 31, 2026

## Fund Description

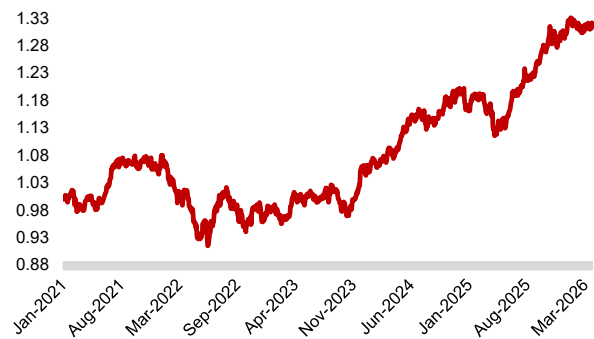
The AIA Philam Life Elite Conservative Fund seeks long-term total return (combination of capital growth and income) and at the same time minimize short term capital risk by investing in a portfolio of equities and fixed income securities. The ILP Sub-Fund's expected average direct and indirect exposure 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>



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

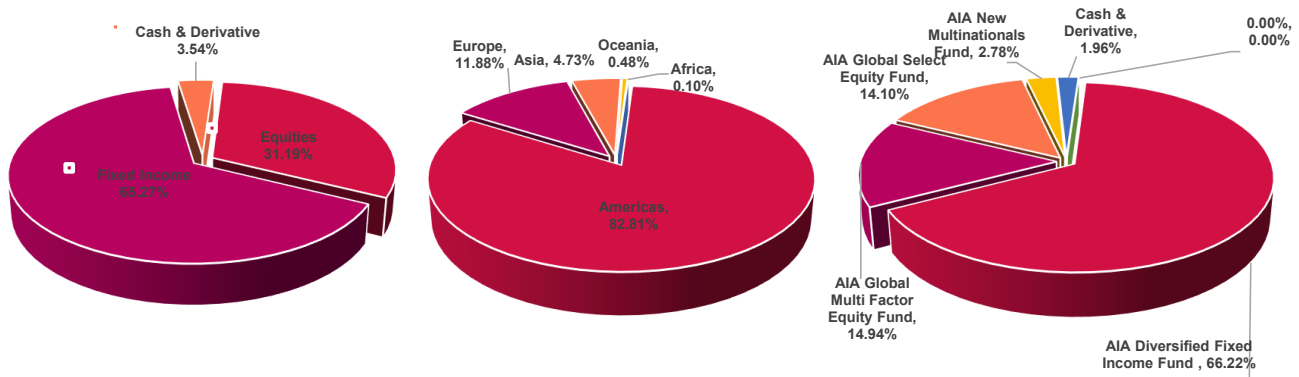
## Net Asset Value Per Unit (NAVPU) Graph



## Key Figures and Statistics

NET ASSET VALUE PER UNIT (NAV)	1.3214
INCEPTION DATE	18 January, 2021
FUND CLASSIFICATION	Fixed Income Fund
RISK PROFILE	Conservative
FUND CURRENCY	Philippine Peso
DOMICILE	Philippines

## Regional & Asset Allocation



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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.

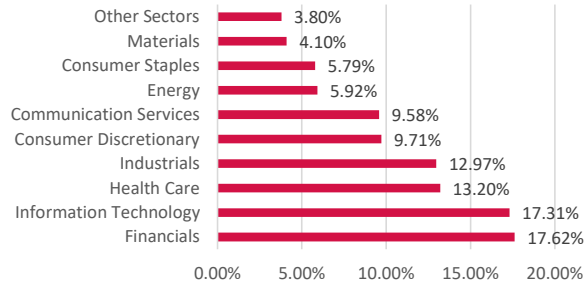
**Risk Warning:** Past performance is not indicative of future results. Our investment management services relate to a variety of investments, each of which can fluctuate in value. The value of portfolios we manage may fall as well as rise, and the investor may not get back the full amount originally 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 Philippines 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.



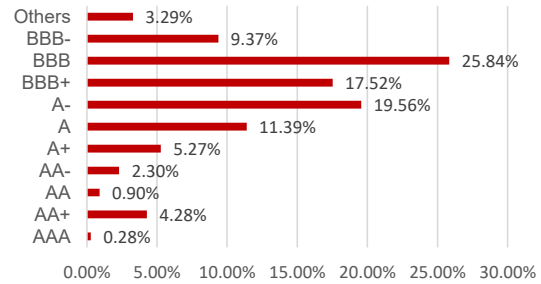
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**Equity: Sector Allocation**



**Fixed Income: Ratings Allocation**



**Top Holdings**

**Top 5 (Equities)**

Alphabet Inc	1.03%
Meta Platforms Inc	0.87%
Taiwan Semiconductor Manufacturing Co Ltd	0.73%
Microsoft Corp	0.67%
JPMorgan Chase & Co	0.49%

**Top 5 (Fixed Income)**

TMobile USA Inc 2.625% 15/02/2029	0.96%
United States Treasury Note/Bond 4.25% 31/03/2033	0.95%
United States Treasury Note/Bond 3.5 % 15-Mar-2029	0.82%
Eagle Funding Luxco Sarl 5.5% 17/08/2030	0.80%
Bank of America Corp 4.979% VRN 24/01/2029	0.78%

**Commentary:**

**Macro Review**

Based on nowcasting estimates from the Atlanta Fed, the U.S. economy continued to expand in the first quarter of 2026, though growth momentum moderated. Labour market conditions showed resilience in March 2026, with nonfarm payrolls rebounding from February's decline, while the unemployment rate was stable. Business activity indicators remained supportive with the manufacturing sector in expansionary territory for a third consecutive month, and the services sector continuing to expand, underpinned by solid business activity and new orders, albeit with some softening in hiring momentum. On the inflation front, consumer price inflation reaccelerated in March, driven largely by a surge in energy prices. Despite an uncertain macro environment, analysts continue to project double-digit earnings growth for U.S. corporates in 2026.

In March 2026, eurozone activity remained in expansionary territory, though momentum diverged across sectors. Manufacturing conditions strengthened, with the PMI rising to its highest level since mid-2022, supported by modest gains in production and new orders. Services activity softened, however, as the services PMI fell to a 10-month low amid weaker demand. Inflation pressures picked up according to flash estimates. The expected increase was driven primarily by higher energy prices, with additional contributions from services and food. At the March policy meeting, the ECB Governing Council left key interest rates unchanged and reaffirmed its commitment to price stability over the medium term. Policymakers acknowledged that the war in the Middle East has significantly increased uncertainty, raising upside risks to inflation alongside downside risks to growth.

Despite heightened geopolitical uncertainty from the Iran conflict, China's economy showed resilience in early 2026. While China remains a net oil importer, it is relatively better positioned than many Asian peers due to ample energy stockpiles and diversified energy sources, including coal and renewables. GDP expanded in first quarter of 2026, supported by growth in industrial production and the services sector. Economic indicators also pointed to stabilisation. Manufacturing activity rebounded and the nonmanufacturing PMI was also in expansionary territory, led by services returning to expansion even as construction activity remained weak. Policy support continued to filter through the economy, with credit impulse remaining positive in March, though moderating from earlier in the year and still subdued relative to past easing cycles. Consumer confidence picked up in February from depressed levels. On inflation, consumer prices fell in March, driven mainly by lower food prices, while producer prices rose, pointing to an easing of deflationary pressures amid recovering industrial activity.

**Market Review**

Heightened concerns over the Iran conflict triggered a sharp selloff in global equities in March 2026, reversing the gains accumulated during the first two months of the year. Across regions in USD terms, US equities proved relatively resilient, while Asian equities lagged. At the sector level, Energy, Utilities, and Information Technology outperformed, whereas Materials, Real Estate, and Consumer Staples underperformed. In terms of style, high-dividend strategies led returns, while momentum-oriented stocks lagged.

Rising inflation concerns weighed on fixed income markets, resulting in negative bond returns in March. US Treasuries, investment-grade credit, and high-yield bonds all declined, as expectations for rate cuts in 2026 faded and the US 10-year Treasury yield rose. Credit spreads widened, with high-yield spreads widening more than investment-grade spreads.

Commodities delivered positive returns, driven by a sharp rise in oil prices as flows through the Strait of Hormuz were severely disrupted. In contrast, gold and copper declined during the month. The US dollar emerged as the preferred safe-haven asset, appreciating against both developed and Asian market currencies.

**Portfolio Review**

**Elite Conservative Fund:**

- The fund delivered positive PHP returns, underperforming its benchmark for the month of March 2026.
- In terms of currency movements, USD appreciated against the PHP for the month.

**SICAV funds**

- In terms of absolute performance, AIA Global Systematic Equity Fund, AIA Global Select Equity Fund, AIA New Multinationals Fund, AIA World Quality Fund, AIA Diversified Fixed Income Fund, AIA Global Corporate Bond Fund delivered negative USD returns for the month of March 2026.
- In terms of relative performance (in USD): AIA Global Systematic Equity Fund outperformed the Elite equity benchmark, while AIA Global Select Equity Fund, AIA New Multinationals Fund, and AIA World Quality Fund underperformed. AIA Diversified Fixed Income Fund outperformed the Elite fixed income benchmark, while AIA Global Corporate Bond Fund underperformed.

## Outlook

Global markets started 2026 strongly as investors anticipated fiscal expansion across major economies, with the US set to benefit from stimulus under the One Big Beautiful Bill Act and Europe increasing defence spending. This optimism was reinforced by expectations of solid earnings growth among US corporates in 2026.

More recently, markets have begun to shift from a oneway bullish environment to a more mixed and volatile regime, shaped by two opposing forces. On the positive side, Aldriven capital expenditure could drive long term productivity gains. On the negative side, the Iran conflict poses risks of higher commodity prices and renewed pressure on global growth. In this environment, calibrated risktaking is essential. While geopolitical shocks may trigger sharp shortterm market moves, longterm investors are well positioned to capitalise on opportunities arising from volatility. Given the wider range of macro and market outcomes: broad regional and sector diversification, active management, and disciplined risk control remain key to navigating the evolving investment landscape.

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