



## AIA Philam Life Unit-linked Funds Performance Report Full Year 2020



**PHILAM LIFE**

HELPING PEOPLE LIVE HEALTHIER, LONGER, BETTER LIVES

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### **About AIA Philam Life**

The Philippine American Life and General Insurance Company (AIA Philam Life) is the country's premier life insurance company. Established on 21 June 1947, AIA Philam Life has earned the trust of customers for its financial strength, strong brand name, and ability to deliver on its promises.

AIA Philam Life has PHP291.63 billion in total assets and PHP80.20 billion in net worth as of 31 December 2020, while serving over 800,000 individual policyholders and almost 1,000,000 insured group members

AIA Philam Life is a member of AIA Group Limited, the largest independent publicly listed pan-Asian life insurance group.

### **About the Philam Group**

The Philam Group comprises the biggest life insurance group in the Philippines. By putting its customers at the center of its operations, the Philam Group has earned the trust of its stakeholders and has achieved continued growth over the years.

The Philam Group was formed with the mission of racing against risk to empower Filipinos to live healthier, longer, better lives. Through its strong network, it is able to offer financial solutions such as life protection, health insurance, savings, education, retirement, investment, group and credit life insurance, and fund management products and services.

After the establishment of AIA Philam Life in 1947, the Philam Group has since expanded to include other affiliate companies, namely: BPI-Philam Life Assurance Company (BPLAC), Philam Asset Management Inc. (PAMI), and Philam Foundation.

Based on the Insurance Commission results as of 31 December 2020, the combined total premium income of AIA Philam Life and BPLAC is at PHP33.06 billion.

### **About AIA**

AIA Group Limited and its subsidiaries (collectively "AIA" or the "Group") comprise the largest independent publicly listed pan-Asian life insurance group. It has a presence in 18 markets – wholly-owned branches and subsidiaries in Mainland China, Hong Kong SAR<sup>1</sup>, Thailand, Singapore, Malaysia, Australia, Cambodia, Indonesia, Myanmar, the Philippines, South Korea, Sri Lanka, Taiwan (China), Vietnam, Brunei, Macau SAR<sup>2</sup> and New Zealand, and a 49 per cent joint venture in India.

The business that is now AIA was first established in Shanghai more than a century ago in 1919. It is a market leader in Asia (ex-Japan) based on life insurance premiums and holds leading positions across the majority of its markets. It had total assets of US\$326 billion as of 31 December 2020.

AIA meets the long-term savings and protection needs of individuals by offering a range of products and services including life insurance, accident and health insurance and savings plans. The Group also provides employee benefits, credit life and pension services to corporate clients. Through an extensive network of agents, partners and employees across Asia, AIA serves the holders of more than 38 million individual policies and over 16 million participating members of group insurance schemes.

AIA Group Limited is listed on the Main Board of The Stock Exchange of Hong Kong Limited under the stock code "1299" with American Depositary Receipts (Level 1) traded on the over-the-counter market (ticker symbol: "AAGIY").

<sup>1</sup> Hong Kong SAR refers to Hong Kong Special Administrative Region.

<sup>2</sup> Macau SAR refers to Macau Special Administrative Region.

31 May 2021

**Dear Policyholder,**

With the entire world reeling from the economic impact of the pandemic, countries had to rely on the extraordinarily large government stimulus packages and central bank interventions to prevent the worst financial outcomes everywhere including the Philippines.

These interventions helped increase the supply of money which boosted the local bond market. At the same time, the “bounce” in the price of risk assets fueled gains in the local US dollar-denominated bond market.

Amid the uncertain economic landscape, it was not surprising that investors and companies were adamant to spend and held on to their assets. These, coupled with the implosion in corporate profits, caused the local stock market to retreat, ending the year with a dismal performance.

And while 2020 was generally not the best year for investments, there were some gains in the performance of the AIA Philam Life Funds. Bond funds performed better than balanced and equity funds, with the Philam Life Fixed Income Fund, PAMI Philam Bond Fund, Philam Life Dollar Bond Fund and Philam Life Global Bond Fund as the best-performing funds for the year.

| Bond Funds                        | 2020 Return | Currency |
|-----------------------------------|-------------|----------|
| Philam Life Fixed Income Fund     | 6.44%       | Peso     |
| PAMI Philam Bond Fund             | 6.24%       | Peso     |
| Philam Life Dollar Bond Fund      | 5.42%       | Dollar   |
| Philam Life Global Bond Fund      | 5.70%       | Dollar   |
| Balanced Funds                    |             |          |
| Philam Life Balanced Fund         | -2.86%      | Peso     |
| PAMI Philam Fund                  | -0.15%      | Peso     |
| Equity Funds                      |             |          |
| Philam Life Equity Fund           | -10.35%     | Peso     |
| PAMI Philam Strategic Growth Fund | -8.24%      | Peso     |
| PAMI Philam Equity Index Fund     | -8.60%      | Peso     |

| New Funds                            | Cumulative Return Since Inception | Currency | Inception Date |
|--------------------------------------|-----------------------------------|----------|----------------|
| Philam Life Equity Capped Index Fund | 7.17%                             | Peso     | 03/03/2020     |
| Philam Life Short Term Fund          | -0.01%                            | Peso     | 09/07/2020     |
| Philam Life Long Term Bond Fund      | 0.21%                             | Peso     | 09/07/2020     |

Overall, AIA Philam Life continues to maintain its financial strength, enabling the Company to withstand the challenges brought about by the pandemic.

**2020 AIA Philam Life Performance**

|                 |                    |
|-----------------|--------------------|
| Total Assets    | : PHP291.6 billion |
| Net Worth       | : PHP80.2 billion  |
| Paid up Capital | : PHP1.9 billion   |
| Gross Premiums  | : PHP18.5 billion  |
| Net Income      | : PHP5.5 billion   |

Thank you for your loyalty and continued patronage. We at AIA Philam Life remain committed to fulfilling our mission of racing against risk through our suite of products and services that not only protects you, but also helps you grow your long-term savings, empowering you to live Healthier, Longer, and Better Lives.

For any inquiries, please do not hesitate to call us at (+632) 8528-2000 or e-mail us at philamlife@aia.com. You may also visit our website at www.philamlife.com or drop by the nearest AIA Philam Life Customer Service Center.

  
 Kelvin Ang  
 Chief Executive Officer

## General Market Overview

The 2019 novel coronavirus swept across the world throughout most of 2020, crippling economic growth and adversely affecting the lives of many segments of the global population. This prompted extraordinarily large government stimulus packages and central bank interventions.

In the Philippines, the swift and massive actions of the Bangko Sentral ng Pilipinas (BSP) to increase the supply of money in circulation boosted the local bond market, delivering 12.8 per cent in returns for the year. The bounce in the price of US dollar-denominated government bonds also fueled gains in the local US dollar-denominated fixed income market, delivering a return of 7.38 per cent.

The scarcity of confidence among individuals and businesses to spend and the record implosion in corporate profits, however, caused the stock market to retreat 8.64 per cent. While this is not the first time its performance has disappointed, its record of the last 10 years has been respectable at a compounded annual growth rate of 7.7 per cent.

## The Local Economy

In March 2020, the World Health Organization (WHO) declared the widespread contagion from the COVID-19 virus a pandemic. This prompted governments to impose restrictions on their citizens as to mass gatherings, mobility/ travel, and non-essential services, thus triggering a severe collapse in economies everywhere. In the Philippines, gross domestic product (GDP) contracted 9.6 per cent – the worst among 67 economies after Peru, as monitored by Bloomberg.

All sectors of the PHP19.5 trillion economy contracted, except the government. Household final consumption expenditure, which accounts for 72 per cent of total expenditures, shrank 7.9 per cent. Spending on construction and durable equipment collapsed 29.7 per cent and 31.3 per cent, respectively. Output in construction declined 26 per cent. In nominal terms, imports collapsed by PHP2 trillion. Services, which account for 61 per cent of total output, contracted 9.1 per cent.

As capacity utilization in manufacturing dipped to its all-time low of 67 per cent, 4.8 million Filipinos added to the unemployed of 7.2 million. Income from abroad shrank 27.3 per cent. In nominal terms, the money earned by individuals and businesses, or Gross National Income, narrowed by PHP2 trillion.

## Local Fixed Income Market

To support the economy, the Bangko Sentral ng Pilipinas (BSP) lowered the rate at which it lends (overnight) to banks, five times, in February (25 basis points), March (50), April (50), June (50), and finally, in November (25), to 2 per cent.

In April, as unemployment peaked, the BSP cut banks' reserve requirement ratio and lent government (or purchased government securities worth) PHP352 billion, an amount that was larger than any lending to the government in a year except 2019. Consequently, yields of government bonds witnessed their largest month-on-month decline (123 basis points, based on the benchmark Bloomberg Philippine Sovereign Bond Index AI) since the financial crisis of 2008-09 (US housing bubble and bankruptcy of Lehman Brothers).

Despite the lowest overnight lending rate, the loan portfolios of financial institutions shrank PHP34 billion in 2020 – a first since 2002. Foreign banks scaled back PHP80 billion, even as private and state-owned banks added PHP45 billion.

Resolute in its action, the BSP lent the government another PHP596 billion, as confidence among consumers collapsed to historic lows. Government bond yields sank to their all-time low of 2.64 per cent in July, before closing the year at 2.65 per cent, from 4.28 per cent in end-2019.

The unprecedented response of the BSP lifted the benchmark index to 131.82, delivering another 12.8 per cent of return in 2020, after recording its best calendar return on record (23.1 per cent) the year before.

Guided by the 'lower for longer' policy of monetary authorities and encouraged by excess liquidity in the financial system, duration in the fixed income funds was kept overweight relative to their benchmarks for the better part of the year.

## Local Equity Market

The recovery in risk assets did not facilitate positive investment returns from Philippine stocks.

By the end of February, the benchmark Philippine Stock Exchange Index had retreated 13 per cent to 6,787, as negative developments piled in, one after the other.

Economic activity in the surrounding areas near the Taal Volcano was halted for weeks. The Duterte administration announced its review of land leases to leading land developer Ayala Land, Inc. Scrutiny on Philippine online gaming operators heightened. The Solicitor General reported filing a quo warranto case (alleged violation in its franchise) against largest entertainer ABS-CBN Corporation. A week after the WHO declaration of the pandemic, the benchmark plunged to its eight-year-low of 4,623.

As stock prices in advanced and emerging markets bounced in April, local stocks followed but fell back in the third quarter.

The BSP reported remittances from overseas workers in July shrinking 19.3 per cent to US\$2.1 billion. The 30 benchmark companies reported a 45 per cent contraction in net operating profit after tax in the second quarter – its worst performance in recorded history.

The US\$2.5 billion in foreign outflows from the local stock market in 2020 did not help.

Improved mobility (higher capacity in public transport and entry of inbound Filipinos) later in the year enabled the local market to participate in the global optimism surrounding the approval of vaccines. Even as the stock prices of 11 names in the benchmark (most of which reported the highest returns on capital) registered gains of 12.6 per cent, on average, all the same, the implosion in corporate profits and steady increase in new cases of COVID-19 caused the benchmark to decline 8.64 per cent to 7,139 – registering its fourth annual loss in the last ten years.

In view of the heightened volatility in the stock market, the equity funds stayed Neutral (reduced the portfolio's risk of underperforming, while preserving the potential for return) for most of the time.

## Global Fixed Income Market

While the 2019 novel coronavirus cost the global economy US\$3.7 trillion, the large, swift, and unprecedented monetary, fiscal, and regulatory responses of governments avoided the worst financial outcomes.

In March, liquidity in fixed income and non-government money market funds deteriorated significantly. Bid-ask spreads threatened their 2008-highs, as funds experienced a period of redemptions. In emerging markets, yield spreads in government bonds (based on the J.P. Morgan EMBI Global Spread Index) widened 661 basis points over the comparable US Treasuries – their widest in 11 years. The prices of US dollar-denominated Philippine government bonds, as measured by the J.P. Morgan Philippine Total Return Index, fell to a 12-month-low of 285.31.

The flight to conservative investments benefitted US Treasury yields, as soon as the WHO declared the outbreak of COVID-19 as a public health emergency of international concern. At the start of February, US Treasury yields recorded 1.50 per cent (based on Bloomberg Barclays US Treasury Index), compared to 1.72 per cent at the beginning of 2020. By the end of March, Treasury yields retreated to 0.57 per cent, before dipping to their all-time low of 0.408 per cent in July and closing at 0.57 per cent in December.

To boost the risk appetite of investors, the US Federal Reserve Bank adjusted the federal funds target rate from 1.71 per cent in February to 0.25 per cent in March – a level not seen since the US subprime mortgage crisis. The anticipated and actual demand for assets enabled historic-low interest rates and the recovery in the price of risk assets (equities, commodities, high-yield bonds, real estate, and currencies). Demand for US dollar-denominated Philippine government bonds recovered, too. The bond price index rose to 334.48 by the end of 2020, or a year's gain of 7.38 per cent.

Notably, in August, the US Fed announced moving to a flexible strategy in monetary policy that will be driven by the average inflation target of 2 per cent over time.

Notwithstanding, the US economy contracted 3.5 per cent, after suffering from the third wave of infections in November. China, which is bigger than Europe and now two-thirds of the size of the US, grew 2.3 per cent. Europe succumbed to a second wave and shrank 6.3 per cent. Japan shrank 4.8 per cent.

Encouraged by US monetary authorities' unprecedented response to support the markets and its economy, the US dollar-denominated funds took advantage of the period of redemptions in the market by deploying cash and repositioning in bonds whose prices have dropped significantly, banking on a rebound in credit spreads after the initial shock at the onset of the lockdowns.

## FUND MANAGERS

AIA Philam Life's variable life funds are managed by AIA Philam Life's team of investment professionals who have 20 to 30 years of experience and expertise in the field of fund management. As of 31 December 2020 total assets under management reached over PHP64.5 billion, excluding those of other AIA Philam Life affiliates. AIA Philam Life combines its expertise with the strength of its senior management to manage portfolios effectively to achieve favorable returns.

**STATEMENT OF ASSETS AND LIABILITIES**
**AIA Philam Life Peso Variable Funds**

|  | Philam Life<br>Fixed Income<br>Fund | Philam Life<br>Equity Fund | Philam Life<br>Balanced<br>Fund | Philam Life<br>Equity Capped<br>Index Fund | Philam Life<br>Long Term<br>Bond Fund | Philam Life<br>Short Term<br>Fund | PAMI Philam<br>Bond Fund | PAMI Philam<br>Fund  | PAMI Philam<br>Strategic<br>Growth Fund | PAMI Philam<br>Equity Index<br>Fund |
|--|-------------------------------------|----------------------------|---------------------------------|--|---------------------------------------|-----------------------------------|--------------------------|----------------------|---|-------------------------------------|
| <b>ASSETS</b>                            |                                     |                            |                                 |  |                                       |                                   |                          |                      |   |                                     |
| Cash and cash equivalents                | 10,448,839                          | 656,193,712                | 20,957,980                      | 1,433,564                                  | 58,407                                | 9,091                             | -                        | -                    | -                                       | -                                   |
| Financial assets at FVPL*                | 1,812,675,638                       | 7,508,297,019              | 2,883,235,463                   | 23,559,767                                 | 3,309,787                             | 1,288,685                         | 3,876,201,064            | 8,436,665,666        | 23,454,233,757                          | 11,936,952,024                      |
| Loans and receivables                    | -                                   | -                          | -                               | -  | -                                     | -                                 | 49                       | 99                   | -                                       | 48                                  |
| Accrued income                           | 17,637,001                          | 4,184,781                  | 13,747,774                      | 11,288                                     | 37,946                                | 4,236                             | -                        | -                    | -                                       | -                                   |
| <b>Total Assets</b>                      | <b>1,840,761,478</b>                | <b>8,168,675,512</b>       | <b>2,917,941,217</b>            | <b>25,004,618</b>                          | <b>3,406,140</b>                      | <b>1,302,012</b>                  | <b>3,876,201,112</b>     | <b>8,436,665,765</b> | <b>23,454,233,757</b>                   | <b>11,936,952,073</b>               |
| <b>LIABILITIES</b>                       |                                     |                            |                                 |  |                                       |                                   |                          |                      |   |                                     |
| Accounts payable and<br>accrued expenses | 340,333                             | 1,533,038                  | 541,332                         | 1,244,880                                  | 46,688                                | 2,121                             | 389,785                  | -                    | -                                       | -                                   |
| <b>Total Liabilities</b>                 | <b>340,333</b>                      | <b>1,533,038</b>           | <b>541,332</b>                  | <b>1,244,880</b>                           | <b>46,688</b>                         | <b>2,121</b>                      | <b>389,785</b>           | <b>-</b>             | <b>-</b>                                | <b>-</b>                            |
| <b>Net Asset Value (NAV)</b>             | <b>1,840,421,145</b>                | <b>8,167,142,475</b>       | <b>2,917,399,885</b>            | <b>23,759,739</b>                          | <b>3,359,452</b>                      | <b>1,299,891</b>                  | <b>3,875,811,327</b>     | <b>8,436,665,765</b> | <b>23,454,233,757</b>                   | <b>11,936,952,073</b>               |

\*Fair Value Through Profit or Loss

**STATEMENT OF ASSETS AND LIABILITIES**
**AIA Philam Life Dollar Variable Funds**

|                                       | <b>Philam Life<br/>Global Bond<br/>Fund</b> | <b>Philam Life<br/>Dollar Bond<br/>Fund</b> |
|---------------------------------------|---|---|
| <b>ASSETS</b>                         |   |   |
| Cash and cash equivalents             | \$756,265                                   | \$1,850,149                                 |
| Financial assets at FVPL*             | 7,826,832                                   | 67,335,639                                  |
| Loans and receivables                 | -   | 300,000                                     |
| Accrued income                        | 71,001                                      | 924,200                                     |
| <b>Total Assets</b>                   | <b>\$8,654,098</b>                          | <b>\$70,409,988</b>                         |
| <b>LIABILITIES</b>                    |   |   |
| Accounts payable and accrued expenses | \$1,616                                     | \$12,952                                    |
| <b>Total Liabilities</b>              | <b>\$1,616</b>                              | <b>\$12,952</b>                             |
| <b>Net Asset Value (NAV)</b>          | <b>\$8,652,482</b>                          | <b>\$70,397,036</b>                         |

\*Fair Value Through Profit or Loss



## Fund Description

The Philam Life Fixed Income Fund (PFIF) is a Philippine peso-denominated fund created for variable life insurance contracts issued by The Philippine American Life and General Insurance Company (AIA Philam Life). This investment option is for the variable life policyholder with a preference for investing in high-quality interest-bearing debt instruments that present low to moderate levels of risk. The investment objective of the PFIF is to provide stable income over the medium- to long-term, and preserve capital by investing primarily in Philippine peso-denominated fixed income securities issued by the government and reputable corporate issuers.

## Fund Performance\*

|   |        |
|---|--------|
| 2020 Return   | 6.44%  |
| 2019 Return   | 15.59% |
| 2018 Return   | -6.44% |
| 2017 Return   | -0.56% |
| 2016 Return   | 0.67%  |
| 2015 Return   | -2.00% |
| 2014 Return   | 4.51%  |
| 2013 Return   | 5.22%  |
| 2012 Return   | 7.37%  |
| 2011 Return   | 11.05% |
| 3 Years Return (annualized as of 31 Dec 2020)         | 4.80%  |
| 5 Years Return (annualized as of 31 Dec 2020)         | 2.87%  |
| Return since Inception (annualized as of 31 Dec 2020) | 5.55%  |

\* Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

## NAVPU Since Inception



## PORTFOLIO STATISTICS (as of 31 Dec 2020)

|                                  |                |
|----------------------------------|----------------|
| Net Asset Value (NAV in PHP)     | 1,840,421,145* |
| Net Asset Value per Unit (NAVPU) | 2.3925         |

\* Based on Audited Financial Statement. NAV is net of 2.0% fund management charge, transaction cost, and audit fees.

## PORTFOLIO MIX\* (as of 31 Dec 2020)

|   |        |
|---|--------|
| Cash & Cash Equivalents                 | 0.57%  |
| Corporate Securities                    | 5.16%  |
| Philippine Issued Peso Government Bonds | 94.27% |

\* Excluding accrued income

## FIXED INCOME SECURITIES (as of 31 Dec 2020)

| Top 5 Issues             | Maturity   | % of Portfolio |
|--------------------------|------------|----------------|
| PH Issued PHP Govt Bonds | 07/19/2031 | 9.70%          |
| PH Issued PHP Govt Bonds | 08/12/2025 | 8.31%          |
| PH Issued PHP Govt Bonds | 09/09/2040 | 6.06%          |
| PH Issued PHP Govt Bonds | 02/11/2023 | 5.67%          |
| PH Issued PHP Govt Bonds | 01/10/2029 | 5.49%          |

## Fund Description

The Philam Life Equity Fund (PEF) is a Philippine peso-denominated fund created for variable life insurance contracts issued by The Philippine American Life and General Insurance Company (AIA Philam Life). This investment option is for the variable life policyholder aiming for capital appreciation over a long-term investment horizon, and who has a risk appetite for stock investing. The objective of the PEF is to achieve capital growth by investing in an efficient and diversified portfolio of predominantly growth companies while including appropriate value stocks.

## Fund Performance\*

|   |         |
|---|---------|
| 2020 Return   | -10.35% |
| 2019 Return   | 3.14%   |
| 2018 Return   | -12.55% |
| 2017 Return   | 21.38%  |
| 2016 Return   | -2.71%  |
| 2015 Return   | -5.72%  |
| 2014 Return   | 19.09%  |
| 2013 Return   | -5.55%  |
| 2012 Return   | 24.44%  |
| 2011 Return   | 0.31%   |
| 3 Years Return (annualized as of 31 Dec 2020)         | -6.84%  |
| 5 Years Return (annualized as of 31 Dec 2020)         | -0.92%  |
| Return since Inception (annualized as of 31 Dec 2020) | 7.52%   |

\* Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

## NAVPU Since Inception



## PORTFOLIO STATISTICS (as of 31 Dec 2020)

|                                  |                |
|----------------------------------|----------------|
| Net Asset Value (NAV in PHP)     | 8,167,142,475* |
| Net Asset Value per Unit (NAVPU) | 3.2226         |

\* Based on Audited Financial Statement. NAV is net of 2.0% fund management charge, transaction cost, and audit fees.

## PORTFOLIO MIX\* (as of 31 Dec 2020)

|                         |        |
|-------------------------|--------|
| Cash & Cash Equivalents | 8.04%  |
| Common Stocks           | 91.96% |

\* Excluding accrued income

## COMMON STOCKS (as of 31 Dec 2020)

| Top 5 Issues          | % of Portfolio |
|-----------------------|----------------|
| Ayala Land Inc        | 10.60%         |
| SM Investments Corp   | 10.08%         |
| SM Prime Holdings Inc | 10.05%         |
| Ayala Corporation     | 8.14%          |
| BDO Unibank Inc       | 7.91%          |

## COMMON STOCKS by SECTOR (as of 31 Dec 2020)

| Sector                     | % of Portfolio |
|----------------------------|----------------|
| Financials                 | 55.90%         |
| Industrials                | 24.09%         |
| Consumer Staples           | 7.54%          |
| Telecommunication Services | 5.78%          |
| Consumer Discretionary     | 3.51%          |
| Utilities                  | 3.18%          |

## Fund Description

The Philam Life Balanced Fund (PBAL) is a Philippine peso-denominated fund created for variable life insurance contracts issued by The Philippine American Life and General Insurance Company (AIA Philam Life). This investment option is for the variable life policyholder who aims for long-term capital appreciation by investing primarily in Philippine peso-denominated equities, equity-related securities and debt securities.

## Fund Performance\*

|   |        |
|---|--------|
| 2020 Return   | -2.86% |
| 2019 Return   | 4.99%  |
| 2018 Return   | -8.31% |
| 2017 Return   | 12.41% |
| 2016 Return   | -1.57% |
| 2015 Return   | -3.50% |
| 2014 Return   | 13.09% |
| 2013 Return   | -4.31% |
| 2012 Return   | 23.90% |
| 2011 Return   | 1.34%  |
| 3 Years Return (annualized as of 31 Dec 2020)         | -2.21% |
| 5 Years Return (annualized as of 31 Dec 2020)         | 0.69%  |
| Return since Inception (annualized as of 31 Dec 2020) | 4.48%  |

\* Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

## PORTFOLIO STATISTICS (as of 31 Dec 2020)

|                                  |                |
|----------------------------------|----------------|
| Net Asset Value (NAV in PHP)     | 2,917,399,885* |
| Net Asset Value per Unit (NAVPU) | 1.8161         |

\* Based on Audited Financial Statement. NAV is net of 2.0% fund management charge, transaction cost, and audit fees.

## NAVPU Since Inception



## PORTFOLIO MIX\* (as of 31 Dec 2020)

|   |        |
|---|--------|
| Cash & Cash Equivalents                 | 0.73%  |
| Corporate Securities                    | 2.83%  |
| Philippine Issued Peso Government Bonds | 44.98% |
| Common Stocks                           | 51.46% |

\* Excluding accrued income

## COMMON STOCKS (as of 31 Dec 2020)

| Top 5 Issues          | % of Portfolio |
|-----------------------|----------------|
| SM Investments Corp   | 8.92%          |
| SM Prime Holdings Inc | 6.22%          |
| Ayala Land Inc        | 5.32%          |
| Ayala Corporation     | 3.54%          |
| BDO Unibank Inc       | 3.36%          |

## FIXED INCOME SECURITIES (as of 31 Dec 2020)

| Top 5 Issues             | Maturity   | % of Portfolio |
|--------------------------|------------|----------------|
| PH Issued PHP Govt Bonds | 07/19/2031 | 5.20%          |
| PH Issued PHP Govt Bonds | 08/12/2025 | 4.84%          |
| PH Issued PHP Govt Bonds | 03/12/2024 | 3.81%          |
| PH Issued PHP Govt Bonds | 02/11/2023 | 3.59%          |
| PH Issued PHP Govt Bonds | 01/10/2029 | 2.70%          |

## Fund Description

The Philam Life Dollar Bond Fund (PALDBF) is a US dollar-denominated fund created for dollar variable life insurance contracts issued by The Philippine American Life and General Insurance Company (AIA Philam Life). This investment option is for the variable life policyholder with a preference for investing in US dollar-denominated Philippine government and corporate fixed-income securities. The Fund aims to provide income growth while maintaining moderate liquidity over the medium- to long-term.

## Fund Performance\*

|   |        |
|---|--------|
| 2020 Return   | 5.42%  |
| 2019 Return   | 10.27% |
| 2018 Return   | -2.58% |
| 2017 Return   | 3.07%  |
| 2016 Return   | 0.37%  |
| 2015 Return   | 1.29%  |
| 2014 Return   | 7.54%  |
| 2013 Return   | -8.57% |
| 2012 Return   | 10.14% |
| 2011 Return   | 6.60%  |
| 3 Years Return (annualized as of 31 Dec 2020)         | 4.24%  |
| 5 Years Return (annualized as of 31 Dec 2020)         | 3.22%  |
| Return since Inception (annualized as of 31 Dec 2020) | 5.75%  |

\* Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

## NAVPU Since Inception



## PORTFOLIO STATISTICS (as of 31 Dec 2020)

|                                  |             |
|----------------------------------|-------------|
| Net Asset Value (NAV in US\$)    | 70,397,036* |
| Net Asset Value per Unit (NAVPU) | 2.3749      |

\* Based on Audited Financial Statement. NAV is net of 2.0% fund management charge, transaction cost, and audit fees.

## PORTFOLIO MIX\* (as of 31 Dec 2020)

|   |        |
|---|--------|
| Cash & Cash Equivalents                   | 3.81%  |
| Loans & Receivables                       | 0.43%  |
| Foreign Bond Securities                   | 42.84% |
| Philippine Issued Dollar Government Bonds | 52.92% |

\* Excluding accrued income

## FIXED INCOME SECURITIES (as of 31 Dec 2020)

| Top 5 Issues              | Maturity   | % of Portfolio |
|---------------------------|------------|----------------|
| PH Issued US\$ Govt Bonds | 01/14/2031 | 12.65%         |
| PH Issued US\$ Govt Bonds | 10/23/2034 | 7.72%          |
| PH Issued US\$ Govt Bonds | 02/02/2030 | 6.69%          |
| PH Issued US\$ Govt Bonds | 03/16/2025 | 5.23%          |
| PH Issued US\$ Govt Bonds | 01/20/2040 | 5.02%          |

## Fund Description

The Philam Life Global Bond Fund (PALGBF) is a US dollar-denominated fund created for dollar variable life insurance contracts issued by The Philippine American Life and General Insurance Company (AIA Philam Life). This investment option is for the variable life policyholder with a preference for investing in US dollar-denominated high-quality, investment-grade fixed-income securities with low to moderate levels of risk. The Fund aims to preserve capital and provide stable income growth over the medium- to long-term.

## Fund Performance\*

|   |        |
|---|--------|
| 2020 Return   | 5.70%  |
| 2019 Return   | 3.95%  |
| 2018 Return   | -1.88% |
| 2017 Return   | 2.05%  |
| 2016 Return   | 1.48%  |
| 2015 Return   | 0.16%  |
| 2014 Return   | 3.40%  |
| 2013 Return   | -4.28% |
| 2012 Return   | 11.70% |
| 2011 Return   | 2.81%  |
| 3 Years Return (annualized as of 31 Dec 2020)         | 2.54%  |
| 5 Years Return (annualized as of 31 Dec 2020)         | 2.23%  |
| Return since Inception (annualized as of 31 Dec 2020) | 3.55%  |

\* Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

## NAVPU Since Inception



## PORTFOLIO STATISTICS (as of 31 Dec 2020)

|                                  |            |
|----------------------------------|------------|
| Net Asset Value (NAV in US\$)    | 8,652,482* |
| Net Asset Value per Unit (NAVPU) | 1.7166     |

\* Based on Audited Financial Statement. NAV is net of 2.0% fund management charge, transaction cost, and audit fees.

## PORTFOLIO MIX\* (as of 31 Dec 2020)

|                              |        |
|------------------------------|--------|
| Cash & Cash Equivalents      | 8.81%  |
| Foreign Corporate Securities | 91.19% |

\* Excluding accrued income

## FIXED INCOME SECURITIES (as of 31 Dec 2020)

| Top 5 Issues                | Maturity   | % of Portfolio |
|-----------------------------|------------|----------------|
| Huarong Finance Co Ltd      | 02/24/2025 | 4.73%          |
| Vanke Real Estate Hong Kong | 05/25/2023 | 3.82%          |
| Royal Capital Variable      | 05/05/2169 | 3.81%          |
| Reliance Industries Ltd.    | 01/28/2025 | 3.55%          |
| ICTSI International Bonds   | 06/17/2030 | 3.07%          |

## Fund Description

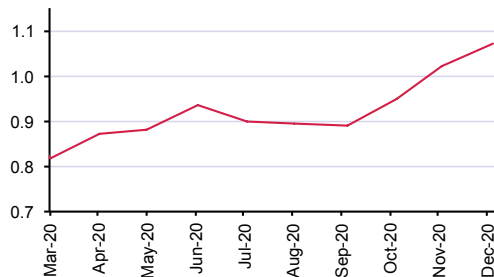
The Philam Life Equity Capped Index Fund (PECIF) is a Philippine peso-denominated fund created for variable life insurance contracts issued by The Philippine American Life and General Insurance Company (AIA Philam Life). It is an investment option for variable life policyholders comfortable with the risk associated with long-term capital growth. The fund invests in a basket of stocks that comprise the Philippine Stock Exchange Index (PSEi) in such similar proportion as that of the PSEi but with modified exposure limits or caps.

## Fund Performance\*

|   |        |
|---|--------|
| 1 Month Return  | 4.76%  |
| 3 Months Return                                       | 20.63% |
| 6 Months Return                                       | 14.46% |
| Return since Inception (annualized as of 31 Dec 2020) | 7.17%  |

\* Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

## NAVPU Since Inception



## PORTFOLIO STATISTICS (as of 31 Dec 2020)

|                                  |              |
|----------------------------------|--------------|
| Net Asset Value (NAV in PHP)     | 23,759,739 * |
| Net Asset Value per Unit (NAVPU) | 1.0716       |

\* Based on Audited Financial Statement. NAV is net of 2.0% fund management charge, transaction cost, and audit fees.

## PORTFOLIO MIX\* (as of 31 Dec 2020)

|                         |        |
|-------------------------|--------|
| Cash & Cash Equivalents | 5.74%  |
| Common Stocks           | 94.26% |

\* Excluding accrued income

## COMMON STOCKS (as of 31 Dec 2020)

| Top 5 Issues           | % of Portfolio |
|------------------------|----------------|
| SM Prime Holdings Inc  | 9.95%          |
| Ayala Land Inc         | 9.77%          |
| SM Investments Corp    | 9.70%          |
| Ayala Corporation      | 7.65%          |
| JG Summit Holdings Inc | 6.73%          |

## COMMON STOCKS by SECTOR (as of 31 Dec 2020)

| Sector                     | % of Portfolio |
|----------------------------|----------------|
| Financials                 | 50.59%         |
| Industrials                | 27.99%         |
| Consumer Staples           | 8.24%          |
| Telecommunication Services | 5.27%          |
| Consumer Discretionary     | 4.01%          |
| Utilities                  | 3.90%          |

### Fund Description

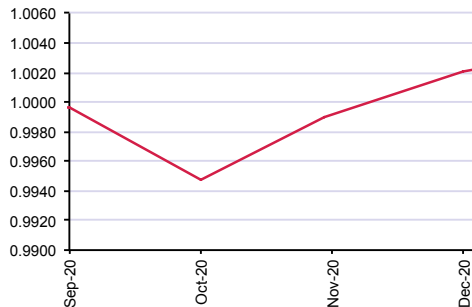
The Philam Life Long Term Bond Fund (PLTBF) is a Philippine peso-denominated fund created for variable life insurance contracts issued by The Philippine American Life and General Insurance Company (AIA Philam Life). It is an investment option for variable life policyholders comfortable with the risk associated with long-term investing. The fund invests primarily in Philippine peso-denominated fixed income securities issued by the Philippine Government.

### Fund Performance\*

|   |       |
|---|-------|
| 1 Month Return  | 0.31% |
| 3 Months Return                                       | 0.25% |
| Return since Inception (annualized as of 31 Dec 2020) | 0.21% |

\* Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

### NAVPU Since Inception



### PORTFOLIO STATISTICS (as of 31 Dec 2020)

|                                  |            |
|----------------------------------|------------|
| Net Asset Value (NAV in PHP)     | 3,359,452* |
| Net Asset Value per Unit (NAVPU) | 1.0021     |

\* Based on Audited Financial Statement. NAV is net of 2.0% fund management charge, transaction cost, and audit fees.

### PORTFOLIO MIX\* (as of 31 Dec 2020)

|   |        |
|---|--------|
| Cash & Cash Equivalents                 | 1.73%  |
| Philippine Issued Peso Government Bonds | 98.27% |

\* Excluding accrued income

### FIXED INCOME SECURITIES (as of 31 Dec 2020)

| Top 5 Issues             | Maturity   | % of Portfolio |
|--------------------------|------------|----------------|
| PH Issued PHP Govt Bonds | 07/19/2031 | 10.21%         |
| PH Issued PHP Govt Bonds | 12/16/2035 | 8.16%          |
| PH Issued PHP Govt Bonds | 09/09/2025 | 7.44%          |
| PH Issued PHP Govt Bonds | 01/10/2029 | 7.14%          |
| PH Issued PHP Govt Bonds | 04/21/2023 | 5.15%          |

## Fund Description

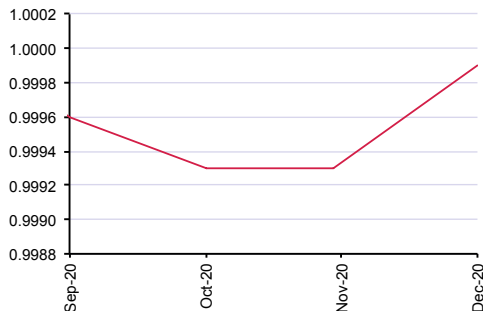
The Philam Life Short Term Fund (PSTF) is a Philippine peso-denominated fund created for variable life insurance contracts issued by The Philippine American Life and General Insurance Company (AIA Philam Life). It is an investment option for variable life policyholders looking to temporarily divest from long-term fund investments, particularly during times of heightened volatility or in scenarios that deviate from normal market conditions. The fund invests primarily in short-term Philippine peso-denominated fixed income securities issued by the Philippine Government.

## Fund Performance\*

|   |        |
|---|--------|
| 1 Month Return  | 0.06%  |
| 3 Months Return                                       | 0.03%  |
| Return since Inception (annualized as of 31 Dec 2020) | -0.01% |

\* Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

## NAVPU Since Inception



## PORTFOLIO STATISTICS (as of 31 Dec 2020)

|                                  |            |
|----------------------------------|------------|
| Net Asset Value (NAV in PHP)     | 1,299,891* |
| Net Asset Value per Unit (NAVPU) | 0.9999     |

\* Based on Audited Financial Statement. NAV is net of 2.0% fund management charge, transaction cost, and audit fees.

## PORTFOLIO MIX\* (as of 31 Dec 2020)

|   |        |
|---|--------|
| Cash & Cash Equivalents                 | 0.70%  |
| Philippine Issued Peso Government Bonds | 99.30% |

\* Excluding accrued income

## FIXED INCOME SECURITIES (as of 31 Dec 2020)

| Top 5 Issues             | Maturity   | % of Portfolio |
|--------------------------|------------|----------------|
| PH Issued PHP Govt Bonds | 03/20/2021 | 16.99%         |
| PH Issued PHP Govt Bonds | 06/13/2021 | 14.69%         |
| PH Issued PHP Govt Bonds | 10/20/2021 | 8.17%          |
| PH Issued PHP Govt Bonds | 11/24/2021 | 7.20%          |
| PH Issued PHP Govt Bonds | 03/03/2021 | 5.95%          |



## Fund Description

The PAMI Philam Bond Fund (the "Fund") is a Philippine peso-denominated single asset fund created for peso variable life insurance contracts issued by The Philippine American Life and General Insurance Company (AIA Philam Life). The Fund is fully invested in Philam Asset Management Inc.'s (PAMI) Philam Bond Fund, Inc. (PBFi). The investment focus of the PBFi is capital preservation with returns and inflows derived out of investments in fixed income instruments. The PBFi considers a medium- to long-term investment horizon for its shareholders.

## Fund Performance\*

|   |        |
|---|--------|
| 2020 Return   | 6.24%  |
| 2019 Return   | 11.55% |
| 2018 Return   | -3.22% |
| 2017 Return   | 0.10%  |
| 2016 Return   | 1.52%  |
| 2015 Return   | -0.91% |
| 2014 Return   | 1.99%  |
| 2013 Return   | 6.01%  |
| 2012 Return   | 4.60%  |
| 3 Years Return (annualized as of 31 Dec 2020)         | 4.68%  |
| 5 Years Return (annualized as of 31 Dec 2020)         | 3.11%  |
| Return since Inception (annualized as of 31 Dec 2020) | 3.22%  |

\* Fund returns are calculated based on Net Asset Value per Unit  
 Past performance is not indicative of future performance.

## NAVPU Since Inception



## PORTFOLIO STATISTICS (as of 31 Dec 2020)

|                                  |                |
|----------------------------------|----------------|
| Net Asset Value (NAV in PHP)     | 3,875,811,327* |
| Net Asset Value per Unit (NAVPU) | 4.6452         |

\* Based on Audited Financial Statement. NAV is net of 1.5% fund management charge, transaction cost, and audit fees.

## PORTFOLIO MIX\* (as of 31 Dec 2020)

|   |        |
|---|--------|
| Cash & Cash Equivalents                 | 6.92%  |
| Philippine Issued Peso Government Bonds | 75.96% |
| Corporate Securities                    | 17.12% |

\* Excluding accrued income

## TOP THREE FIXED INCOME HOLDINGS (as of 31 Dec 2020)

| Name                     | Maturity   | % of Portfolio |
|--------------------------|------------|----------------|
| Fixed Rate Treasury Note | 01/24/2039 | 13.49%         |
| Retail Treasury Bond     | 08/12/2025 | 9.70%          |
| Fixed Rate Treasury Note | 07/19/2031 | 7.76%          |

## Fund Description

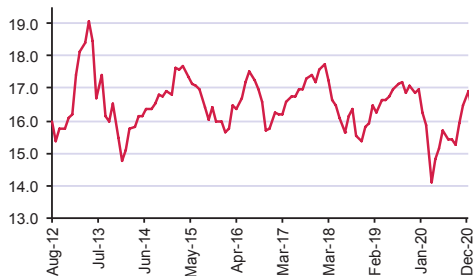
The PAMI Philam Fund (the "Fund") is a Philippine peso-denominated single asset fund created for peso variable life insurance contracts issued by The Philippine American Life and General Insurance Company (AIA Philam Life). The Fund is fully invested in Philam Asset Management Inc.'s (PAMI) Philam Fund, Inc. (PFI). PFI is a moderate type of investment dealing with equity securities and fixed-income instruments. An adequate portion of the portfolio is invested in cash or near-cash assets to ensure sufficient liquidity at any given time. The PFI considers a long-term investment horizon for its shareholders.

## Fund Performance\*

|   |        |
|---|--------|
| 2020 Return   | -0.15% |
| 2019 Return   | 6.61%  |
| 2018 Return   | -9.38% |
| 2017 Return   | 11.47% |
| 2016 Return   | -1.47% |
| 2015 Return   | -4.74% |
| 2014 Return   | 13.45% |
| 2013 Return   | -8.76% |
| 2012 Return   | 1.44%  |
| 3 Years Return (annualized as of 31 Dec 2020)         | -1.20% |
| 5 Years Return (annualized as of 31 Dec 2020)         | 1.16%  |
| Return since Inception (annualized as of 31 Dec 2020) | 0.69%  |

\* Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

## NAVPU Since Inception



## PORTFOLIO STATISTICS (as of 31 Dec 2020)

|                                  |                |
|----------------------------------|----------------|
| Net Asset Value (NAV in PHP)     | 8,436,665,765* |
| Net Asset Value per Unit (NAVPU) | 16.9368        |

\* Based on Audited Financial Statement. NAV is net of 2.0% fund management charge, transaction cost, and audit fees.

## PORTFOLIO MIX\* (as of 31 Dec 2020)

|   |        |
|---|--------|
| Cash & Cash Equivalents                 | 5.19%  |
| Corporate Securities                    | 8.18%  |
| Philippine Issued Peso Government Bonds | 31.31% |
| Common Stocks                           | 55.32% |

\* Excluding accrued income

## TOP THREE HOLDINGS (as of 31 Dec 2020)

| Name                       | % of Portfolio |
|----------------------------|----------------|
| SM Investments Corporation | 8.71%          |
| Ayala Land Inc             | 6.19%          |
| SM Prime Holdings Inc      | 5.94%          |

## Fund Description

The PAMI Philam Strategic Growth Fund (the "Fund") is a Philippine peso-denominated single asset fund created for peso variable life insurance contracts issued by The Philippine American Life and General Insurance Company (AIA Philam Life). The Fund is fully invested in Philam Asset Management Inc.'s (PAMI) Philam Strategic Growth Fund, Inc. (PSGFI). The investment objective of the PSGFI is capital growth with returns and inflows derived out of investments in equity securities. The PSGFI considers a long-term investment horizon for its shareholders.

## Fund Performance\*

|   |         |
|---|---------|
| 2020 Return   | -8.24%  |
| 2019 Return   | 3.51%   |
| 2018 Return   | -12.51% |
| 2017 Return   | 20.03%  |
| 2016 Return   | -3.06%  |
| 2015 Return   | -6.44%  |
| 2014 Return   | 17.71%  |
| 2013 Return   | -8.45%  |
| 2012 Return   | 3.68%   |
| 3 Years Return (annualized as of 31 Dec 2020)         | -5.98%  |
| 5 Years Return (annualized as of 31 Dec 2020)         | -0.67%  |
| Return since Inception (annualized as of 31 Dec 2020) | 0.13%   |

\* Fund returns are calculated based on Net Asset Value per Unit  
 Past performance is not indicative of future performance.

## NAVPU Since Inception



## PORTFOLIO STATISTICS (as of 31 Dec 2020)

|                                  |                 |
|----------------------------------|-----------------|
| Net Asset Value (NAV in PHP)     | 23,454,233,757* |
| Net Asset Value per Unit (NAVPU) | 489.0900        |

\* Based on Audited Financial Statement. NAV is net of 2.0% fund management charge, transaction cost, and audit fees.

## PORTFOLIO MIX\* (as of 31 Dec 2020)

|   |        |
|---|--------|
| Cash & Cash Equivalents                 | 1.83%  |
| Corporate Securities                    | 0.97%  |
| Philippine Issued Peso Government Bonds | 5.22%  |
| Common Stocks                           | 91.98% |

\* Excluding accrued income

## TOP THREE HOLDINGS (as of 31 Dec 2020)

| Name                       | % of Portfolio |
|----------------------------|----------------|
| SM Investments Corporation | 14.62%         |
| Ayala Land Inc             | 10.34%         |
| SM Prime Holdings Inc      | 10.02%         |

## Fund Description

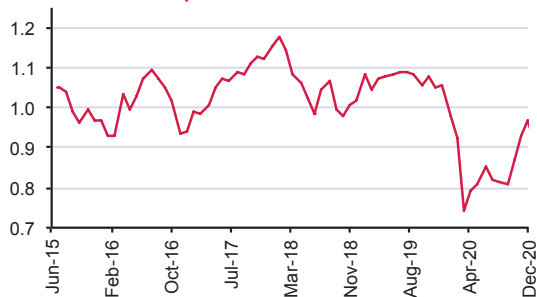
The PAMI Philam Equity Index Fund (the "Fund") is a Philippine peso-denominated single asset fund created for peso variable life insurance contracts issued by The Philippine American Life and General Insurance Company (AIA Philam Life). The fund is fully invested in Philam Asset Management Inc.'s (PAMI) PAMI Equity Index Fund, Inc. (PEIFI). PEIFI aims to invest in the top 30 corporations that compose the Philippine Stock Exchange Index (PSEi) in such proportion that the performance of the fund attempts to replicate that of the PSEi. The PEIFI aims to capitalize on the long-term positive prospects of the Philippine economy.

## Fund Performance\*

|   |         |
|---|---------|
| 2020 Return   | -8.60%  |
| 2019 Return   | 4.21%   |
| 2018 Return   | -12.70% |
| 2017 Return   | 24.32%  |
| 2016 Return   | -2.85%  |
| 2015 Return   | -8.31%  |
| 3 Years Return (annualized as of 31 Dec 2020)         | -5.97%  |
| 5 Years Return (annualized as of 31 Dec 2020)         | 0.09%   |
| Return since Inception (annualized as of 31 Dec 2020) | -1.48%  |

\* Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

## NAVPU Since Inception



## PORTFOLIO STATISTICS (as of 31 Dec 2020)

|                                  |                 |
|----------------------------------|-----------------|
| Net Asset Value (NAV in PHP)     | 11,936,952,073* |
| Net Asset Value per Unit (NAVPU) | 0.9209          |

\* Based on Audited Financial Statement. NAV is net of 2.0% fund management charge, transaction cost, and audit fees.

## PORTFOLIO MIX\* (as of 31 Dec 2020)

|                         |        |
|-------------------------|--------|
| Cash & Cash Equivalents | 0.73%  |
| Common Stocks           | 99.27% |

\* Excluding accrued income

## TOP THREE HOLDINGS (as of 31 Dec 2020)

| Name                       | % of Portfolio |
|----------------------------|----------------|
| SM Investments Corporation | 16.46%         |
| SM Prime Holdings Inc      | 11.09%         |
| Ayala Land Inc             | 9.18%          |

# DISCLOSURE STATEMENT

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