AIA Emerging Markets Balanced Fund

November 2022

Investment Objective

This fund seeks to achieve long-term capital appreciation through investment primarily in equities and equity-related securities in global emerging markets, as well as stable income with capital preservation through investments in primarily fixed income securities of high credit quality issuers, denominated primarily in SGD, in such proportion as the manager deems fit.

Key Fund Facts

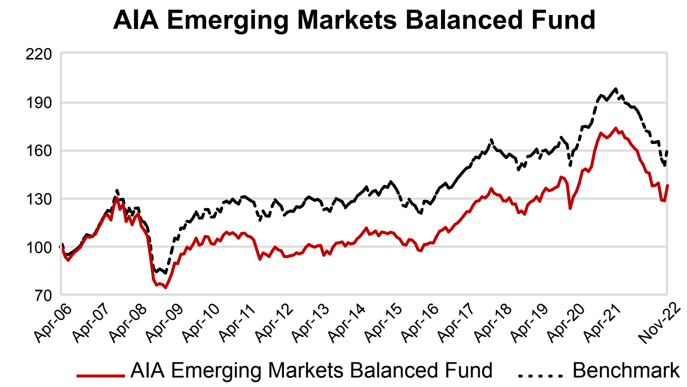
(As of 30 November 2022)

Launch Date	11 April 2006	**Subscription**	Cash, CPF(OA & SA) and SRS
Launch Price	SGD 1.000	**Sales Charge (For Cash and SRS)**	Up to 5%*
Manager of ILP Sub-Fund	AIA Investment Management Private Limited	**Sales Charge (for CPF OA or SA)**	0% (wef 1 Oct 2020)
Name of Underlying Fund(s)	**Equities:** Schroder International Selection Fund Global Emerging Market Opportunities **Fixed Income:** AIA Investment Funds – AIA Singapore Bond Fund	**Pricing Frequency**	Daily
		Management Fees	1.50% p.a. of Net Asset Value
		Bid	SGD 1.312
		Offer	SGD 1.382
		Fund Size	SGD 149.7M
Manager(s) of Underlying Fund(s)	Schroder Investment Management Limited and AIA Investment Management Private Limited		
Risk Classification	Medium to High Risk		

Performance

(As of 30 November 2022)

Period	1 Month	3 Months	6 Months	1 Year	3 Year^	5 Year^	10 Year^	Since Inception^
Fund (bid-to-bid)	7.36%	-1.06%	-5.27%	-15.63%	0.13%	1.17%	3.65%	1.96%
Benchmark	7.48%	-2.13%	-5.49%	-13.28%	-0.09%	0.50%	2.57%	2.94%



Source: AIA Singapore

Notes (1) Performance of the fund is in SGD on a bid to bid basis with net dividends reinvested, without taking into consideration the fees and charges payable through deduction of premium or cancellation of units (2) ^ denotes annualised returns (3) Current Manager: AIA Investment Management Private Limited (w.e.f. 1 November 2017, Current Underlying Manager (Equities): Schroder Investment Management Singapore Limited (w.e.f. 27 June 2011), Current Underlying Manager (Fixed Income): AIA Investment Management Private Limited (w.e.f. 13 July 2021) (4) Current benchmark: 60% MSCI Emerging Markets DTR Net & 40% Markit iBoxx SGD Overall Index TR (w.e.f. 13 July 2021) (5) Previous benchmark: 60% MSCI Emerging Markets DTR Net & 40% JP Morgan Sing Govt Bond Index All

The combined benchmark is reflective of the fund's investment focus

Past Performance is not necessarily indicative of future performance.

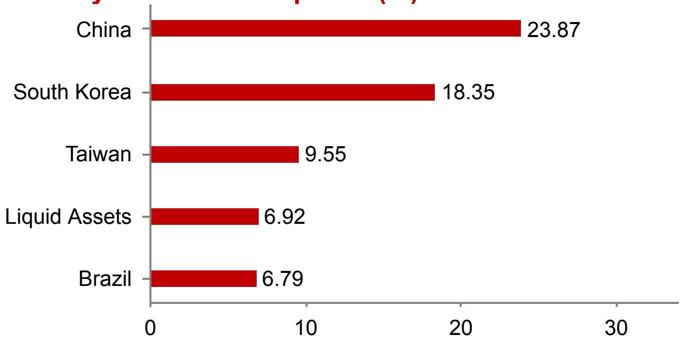
Sector Allocation - Equities

(As of 30 November 2022)

Top 5 Sectors	**Holdings (%)**
Financials	32.99
Information Technology	24.64
Consumer Discretionary	9.71
Liquid Assets	6.92
Materials	5.89
TOTAL	80.15

Country Allocation - Equities (%)

(As of 30 November 2022)



Source for Equities: Schroder Investment Management (Singapore) Ltd, Information from the underlying Schroder ISF Global Emerging Market Opportunities
Source for Fixed Income: AIA Investment Management Private Limited, *Information from the underlying* AIA Investment Funds – AIA Singapore Bond Fund

Top Holdings

(As of 30 November 2022)

Top 5 (Equities)	Holdings (%)
Taiwan Semiconductor Manufacturing Co Ltd	8.02
Samsung Electronics Co Ltd	6.04
Tencent Holdings Ltd	5.78
JD.com Inc	3.44
HDFC Bank Ltd	3.04
TOTAL	26.32

Top 5 (Fixed Income)	Holdings (%)
Singapore (Government Of) 2.875% 01/07/2029	4.43
Singapore (Govt of) 3.375% 01/09/2033	4.36
Singapore (Government Of) 2.125% 01/06/2026	4.32
Singapore Government Bond 2.25% 01/08/2036	4.17
Singapore Government 2.875% 01/09/2030	3.98
TOTAL	21.26

Source for Equities: Schroder Investment Management (Singapore) Ltd, Information from the underlying Schroder ISF Global Emerging Market Opportunities

Source for Fixed Income: AIA Investment Management Private Limited, Information from the underlying AIA Investment Funds – AIA Singapore Bond Fund

Manager's Commentary - Equities

(As of 30 November 2022)

Emerging market (EM) equities rebounded strongly in November and significantly outperformed developed markets. Softer US inflation, a weaker US dollar and a signal from the US Federal Reserve (Fed) that interest rates rises may be slower from December, all contributed to risk-on sentiment. Expectations that Chinese demand will recover next year, as the authorities re-open the economy and provide further economic stimulus, was also helpful for returns. In a reversal of October's performance, China was the strongest index market by some margin. Investors welcomed a relaxation in some Covid regulations that came against a backdrop of rising social unrest as a result of discontent with current regulations. Turkey posted a strong performance once again, boosted by lira strength, even as the central bank cut the policy rate to 9%, despite inflation that is over 80%. Taiwan was one of the top-performing index markets after the US inflation print and the Fed's dovish rhetoric. Brazil was the weakest Latin market and among the poorest EM performers. Concerns around the future direction of fiscal policy under President-elect Lula da Silva's new government weighed on sentiment. Saudi Arabia and Qatar posted the biggest losses in an EM context given a weaker oil price. The fund recorded a positive return, but marginally underperformed the MSCI EM Index.

Manager's Commentary - Fixed Income

(As of 30 November 2022)

Activity data released in November confirmed a broad-based economic slowdown across regions. The global PMI survey showed further contraction, with weaknesses in both manufacturing output and new orders. Global exports also retreated in the month, especially in Asia. Monetary policy is increasingly restrictive in most countries (with the noticeable exceptions of China and Japan) with central bankers generally rejecting the need to pause and reiterating their unconditional commitment to fighting inflation.

The US labour market remained strong, with low levels of unemployment and robust job creations. As headline inflation remains way above target, the Fed retains its restrictive bias and is expected to hike rates further in the next few policy meetings. However, market expectations seem to have changed amid weaker than expected CPI print for October and the rapid decline in property prices. Furthermore, activity surveys (PMI, regional Fed surveys and ISM) are pointing towards a quick deterioration, except for services. Regional Feds assessment for their respective districts were also consistent with an economy gradually entering into recession.

In China, general sentiment improved in November on the back of mounting signs that the strict zero-Covid prophylactic measures are going to be eased, providing some relief to households and the business sector. Meanwhile, economic data remained underwhelming, especially retail sales and industrial production, while property prices dropped further and exports shrank due to soft foreign demand. Authorities stepped up their effort to stabilize the property market by easing the funding conditions of property developers and cutting (-25bp) the reserve requirement ratio of major banks.

US Treasury yields fell in November as inflation surprised to the downside and investors seemed to anticipate a quicker disinflation in 2023, reducing long term inflation premia. 5yr/10yr/30yr UST yields were down 49bp/44bp/43bp respectively. A 50bp rate hike is expected in December, while peak rate is expected around 5.00% in May 2023, despite strong labour market data. Like in the US, 30yr underperformed slightly in the UK, Germany and Australia amid strong gains in the belly. Overall, long end US bonds outperformed European and Australian bonds. The Fund returned 1.76% in November, underperforming the benchmark by 15bps. Lower SGS yields across the month caused the government segment to detract performance due to the Fund's shorter duration positioning vis-a-vis the benchmark. That said, corporates segment partially offset the drag due to curve change and selection effects.

Source: Schroder Investment Management (Singapore) Ltd, for equities and AIA Investment Management Private Limited*, for fixed income*

*Please refer to the Product Summary applicable to the investment-linked policy which you have purchased or intend to purchase for these applicable fees and charges.

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