

AIA Acorns of Asia Fund

April 2023

Investment Objective

This fund seeks to achieve long-term capital appreciation as well as stable income, by investing in Asian (excluding Japan) equities; and fixed income securities denominated primarily in SGD, in such proportion as the Manager deems fit.

Key Fund Facts

(As of 30 April 2023)

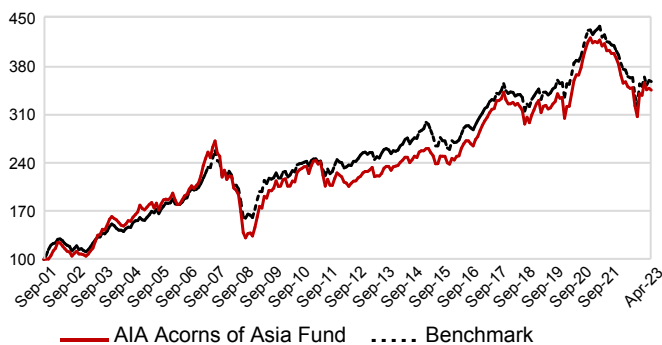
Launch Date	31 August 2001	Subscription	Cash, CPF(OA & SA) and SRS
Launch Price	SGD 1.000	Pricing Frequency	Daily
Manager of ILP Sub-Fund	AIA Investment Management Private Limited	Management Fees	1.50% p.a. of Net Asset Value
Sub-Manager of ILP Sub-Fund	Equities: Schroder Investment Management (Singapore) Ltd Fixed Income: AIA Investment Management Private Limited	Bid	SGD 3.279
Risk Classification	Medium to High Risk	Offer	SGD 3.452
		Fund Size	SGD 1,270.4M

Performance

(As of 30 April 2023)

Period	1 Month	3 Months	6 Months	1 Year	3 Year [^]	5 Year [^]	10 Year [^]	Since Inception [^]
Fund (bid-to-bid)	-0.76%	-2.96%	12.49%	-2.84%	2.40%	1.19%	4.16%	5.91%
Benchmark	-0.47%	-1.78%	10.91%	-4.78%	0.32%	0.87%	3.45%	6.08%

AIA Acorns of Asia Fund



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 Pte Ltd (w.e.f 1 September 2017) (4) Current benchmark: 60% MSCI AC Asia ex-Japan Index (DTR Net) & 40% Markit iBoxx SGD Overall Index TR. (w.e.f 4 January 2021) (5) Previous benchmark: 60% MSCI AC Asia ex Japan Index DTR Net & 40% JP Morgan Sing Govt Bond Index All (w.e.f 1 May 2016), 60% MSCI AC Far East Free ex Japan Index DTR Net & 40% JP Morgan Sing Govt Bond Index All (Inception to 30 April 2016)

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

Past Performance is not necessarily indicative of future performance.

Sector Allocation - Equities

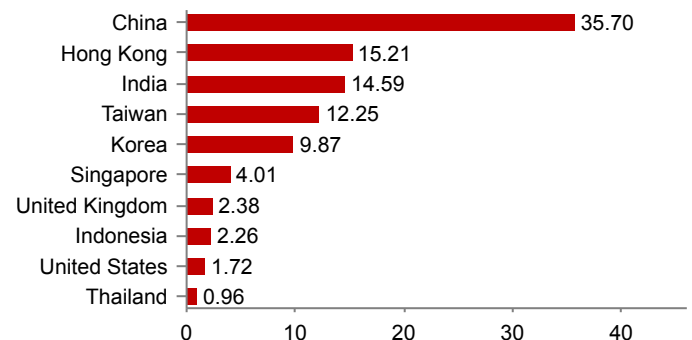
(As of 30 April 2023)

Top 5 Sectors	Holdings (%)
Financials	22.71
Info Tech	22.16
Consumer Discretionary	19.75
Industrials	7.32
Communication	7.13
TOTAL	79.07

Source: AIA Investment Management Private Limited

Country Allocation - Equities (%)

(As of 30 April 2023)



Top Holdings

(As of 30 April 2023)

Top 5 (Equities)	Holdings (%)	Top 5 (Fixed Income)	Holdings (%)
TAIWAN SEMICONDUCTOR MANUFAC	5.68	SINGAPORE GOV'T SIGB 2 5/8 08/01/32	1.86
SAMSUNG ELECTRONICS CO LTD	4.21	SINGAPORE GOV'T 2.75% SIGB 01/04/42	1.75
TENCENT HOLDINGS LTD TENCENT HOLDINGS LTD	3.03	SINGAPORE GOV'T SIGB 2 1/4 08/01/36	1.69
ICICI BANK LTD ICICIBC	2.16	SINGAPORE GOV'T SIGB 2 7/8 07/01/29	1.63
PRUDENTIAL PLC	1.80	SINGAPORE GOV'T SIGB 2 7/8 09/01/30	1.52
TOTAL	16.88	TOTAL	8.45

Source: AIA Investment Management Private Limited

Manager's Commentary - Equities

(As of 30 April 2023)

Market Summary

Asian equities recorded a negative performance in April, with sharp declines in China, Taiwan and Thailand offsetting share price gains in Indonesia and India. China was the weakest index market in April, despite economic growth expanding at a faster rate than expected in the first quarter. Ongoing tensions with the US and other Western nations over Taiwan also weakened investor sentiment towards the country. Share prices in Taiwan ended the month in negative territory as demand for semiconductors, one of Taiwan's main exports, declines due to weaker growth in other parts of the world. Indonesia was the best-performing index market in April as the country accelerates its efforts to become a major player in the global electric vehicle (EV) supply chain by tapping its nickel reserves, a key raw material used for making EV batteries. Indian equity prices also achieved robust gains in April, driven by gains in real estate and information technology stocks.

Performance Review

Asian equities struggled and edged lower in April as renewed concerns over US- China tensions raised risk aversion in the market. Market has turned more defensive, with energy, telco and pharma outperforming while internet and technology lagged. Against such backdrop, the fund registered a negative return and underperformed the benchmark for the month. At the regional level, our overweight exposure and positive stock selection in Hong Kong was a key contributor. This was however more than offset by our selection within Taiwan and China.

From a sector perspective, our underweight exposure in communication and selection across real estate and financials added to relative returns, while exposure to industrials and technology have dragged on returns. As investors shifted focus to defensives, our financial holdings across the region advanced and were among the key contributors to performance. In India, HDFC Bank, ICICI Bank and Bandhan Bank all saw share price advance given solid earnings outlook driven by healthy loan growth and improving net interest margin as credit cost continued to normalise in India. China / Hong Kong insurers including China Pacific Insurance and Prudential also traded higher as new business continued to improve, with activities picking up across Hong Kong and other key Chinese cities. Outside of financials, our off-benchmark holding in India's retail mall operator, Phoenix Mills, posted solid gains on the back of its visibility to structural growth underpinned by strong pre-leasing in under- construction assets and solid pipeline of commercial and retail assets. Hutchmed China was another key contributor as its shares bounced back following its robust FY22 results with multiple catalysts on its drug pipeline for 2023. On the negative side, our technology names in Taiwan and Hong Kong, including TSMC, MediaTek, and ASMPT were among the key detractors from performance as inventory correction in the sector appeared to be taking longer than initially anticipated and may extend into 2H23 as end demand remained weak. Share price weakness was also seen in new energy / EV related names such as China's solar PV supplier, Longi Green Energy, and electric valve maker Zhejiang Sanhua, as investors became concerned about the oversupply situation in China and implication on product pricing. Last but not least, investors' profit taking in Chinese internet / ecommerce names such as Alibaba, Baozun and JD.com has weighed on share price performance as investors remained concerned over a soft domestic consumption recovery while the competitive intensity in the industry remains elevated.

Market Outlook

April was another relatively quiet month for Asian equity markets, with regional indices closing slightly lower. China and Taiwan were the weakest markets, with most other countries registering small positive gains. After extreme volatility in US bond markets in March, exaggerated by the onset of a liquidity crisis among some US regional banks and troubles at Credit Suisse, the macroeconomic backdrop was calmer during April. US bond yields traded sideways in a much tighter range, with little change in the broader US dollar indices. Concerns about the banking sector have eased somewhat as several of the weakest players have been taken over by stronger banks, and the authorities have put in place new liquidity facilities to support short-term funding needs. Meanwhile, inflation data remains stubbornly high in the US as tight labour markets and continued robust consumer spending keep service sector prices rising faster than desired by the US Federal Reserve (Fed). A further rate hike is therefore expected in May and the tone of commentary from Fed members remains fairly hawkish.

In China and Hong Kong, business and consumer activity continue to normalise after the ending of Covid controls and two years of on-off disruptions to mobility. The strongest rebound has been visible (in common with patterns seen in other areas of the world) in travel and leisure spending, with stocks in the hotel, gaming, beverage and restaurant sectors benefiting. However, after very strong performance for many consumer discretionary stocks from the November lows of last year through to the Chinese New Year, share prices have recently consolidated. The performance of offshore-listed Chinese stocks also remains heavily influenced by geopolitical factors, given the dominance of international investors in the shareholder base of these companies. Korean and Taiwanese equities have performed well since the start of the year, owing to gains in the key large-cap semiconductor stocks that dominate their indices. Although end-market demand has remained soft for several quarters, and inventories are very elevated across the supply chain, investors have started to position for an improvement in demand expected in the second half of this year.

After lagging North Asia's strong rebound from November to January, Indian equities have proved more defensive than their Chinese counterparts during the recent market pull-back. In part, India's earlier underperformance (up to the end of January) was a mean reversion after much stronger returns in the prior 18 months. As international investors rotated back into China and other North Asian markets since November, they took profits in India, where valuations had become relatively stretched. Markets have fallen by 5-10% from their January highs, and aggregate valuations for regional equities are back to slightly below longer-term average levels. There are, as ever, plenty of risks to the outlook on the economic and political fronts. As the last few months have reminded us, gains in Asian equities require a more stable global macroeconomic backdrop and greater confidence in US-China relations.

The manager's commentary for fixed income can be found within the AIA Regional Fixed Income Fund Factsheet.

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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