

AIA Elite Conservative Fund

July 2025

Investment Objective

The ILP Sub-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.

Key Fund Facts

(As of 31 July 2025)

Name of ILP Sub-Fund		Name of ILP Sub-Fund	
Name of ILP Sub-Fund	AIA Elite Conservative Fund	Name of ILP Sub-Fund	AIA Elite Conservative Fund (USD)
Launch Date	19 July 2019	Launch Date	19 July 2019
Launch Price	SGD 1.000	Launch Price	USD 1.000
Manager of ILP Sub-Fund	AIA Investment Management Private Limited	Manager of ILP Sub-Fund	AIA Investment Management Private Limited
Pricing Frequency	Daily	Pricing Frequency	Daily
Subscription	Cash and SRS	Subscription	Cash and SRS
Fund Risk Classification	Low to Medium Risk	Fund Risk Classification	Low to Medium Risk
Management Fees	1.05% p.a. of Net Asset Value	Management Fees	1.05% p.a. of Net Asset Value
Bid Price	SGD 1.126	Bid Price	USD 1.193
Fund Size	SGD 61.8M	Fund Size	USD 21.6M

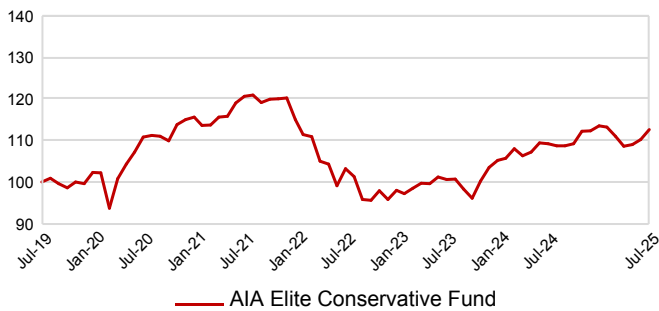
Performance

(As of 31 July 2025)

AIA Elite Conservative Fund

Period	1 Month	3 Months	6 Months	1 Year	3 Year [^]	5 Year [^]	Since Inception [^]
Fund (bid-to-bid)	2.18%	3.68%	-0.79%	3.11%	2.95%	0.32%	2.00%
Benchmark	1.80%	4.14%	1.90%	5.88%	5.46%	2.75%	3.88%

AIA Elite Conservative Fund



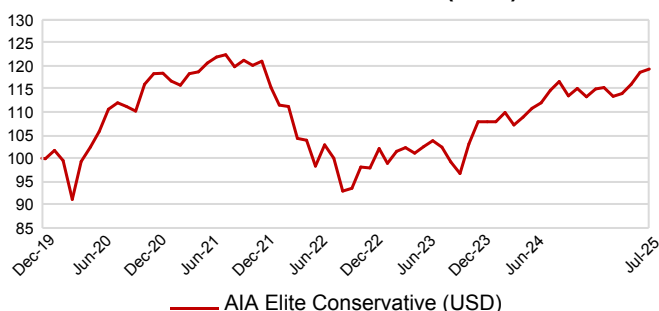
Notes (1) Performance of the fund is in SGD on a bid to bid basis with net dividends reinvested, without taking into consideration the fees and charges payable through deduction of premium or cancellation of units (2) [^] denotes annualised returns (3) Current benchmark: 30% MSCI World Total Net Return Index & 70% Bloomberg Barclays Global Aggregate Corporate Total Return Index

Past Performance is not necessarily indicative of future performance.
Source: AIA Singapore

AIA Elite Conservative (USD)

Period	1 Month	3 Months	6 Months	1 Year	3 Year [^]	5 Year [^]	Since Inception [^]
Fund (bid-to-bid)	0.59%	4.65%	3.74%	6.52%	5.05%	1.53%	3.19%
Benchmark	-0.06%	4.81%	6.45%	9.17%	7.73%	3.89%	4.40%

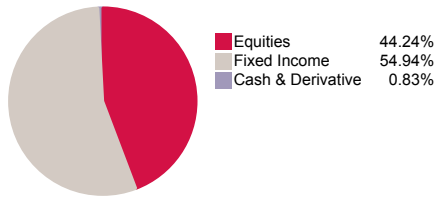
AIA Elite Conservative (USD)



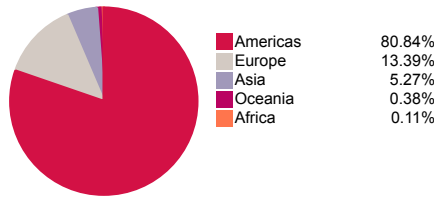
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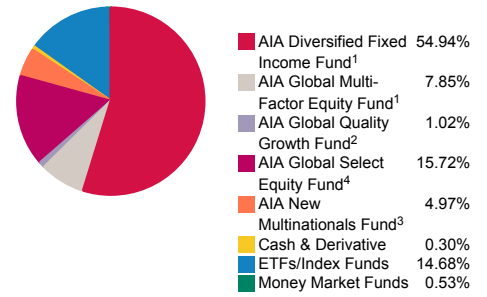
Asset Allocation (%)



Regional Allocation (%)



Underlying Fund Allocation (%)

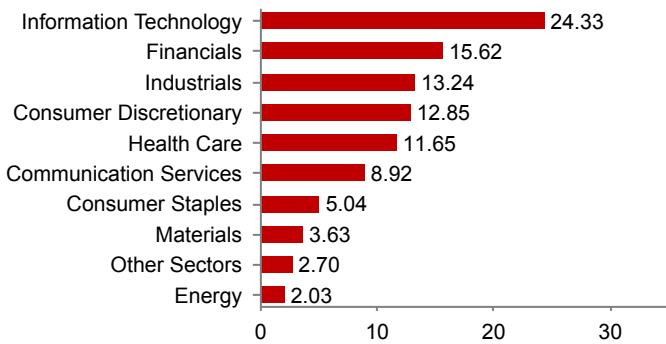


Source: AIA Investment Management Private Limited, based on the SGD-denominated fund

¹ Sub-managed by BlackRock Financial Management, Inc.
² Sub-managed by Baillie Gifford Overseas Limited
³ Sub-managed by Wellington Management Company LLP
⁴ Sub-managed by Capital International, Inc

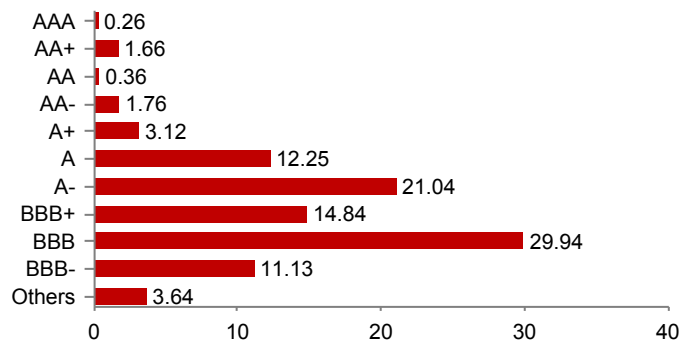
Equity: Sector Allocation

(As of 31 July 2025)



Fixed Income: Ratings Allocation

(As of 31 July 2025)



Top Holdings

(As of 31 July 2025)

Top 5 (Equities)	Holdings (%)
Microsoft Corp	1.58
Meta Platforms Inc	0.99
Taiwan Semiconductor Manufacturing Co Ltd	0.97
NVIDIA Corp	0.75
Broadcom Inc	0.74
TOTAL	5.03

Source: AIA Investment Management Private Limited, based on the SGD-denominated fund

Top 5 (Fixed Income)	Holdings (%)
Bank of America Corp 4.979% VRN 24/01/2029	0.79
Deutsche Bank AG New York NY 5.414% 10/05/2029	0.74
Eagle Funding Luxco Sarl 5.5% 17/08/2030	0.67
Edison International 5.75% 15/06/2027	0.67
American Express Co 5.043% VRN 01/05/2034	0.61
TOTAL	3.48

Macro Review

The U.S. economy remained resilient in the face of tariff uncertainties. Advance estimates released by the U.S. Bureau of Economic Analysis indicated that US real GDP increased at an annualised rate of 3.0% quarter-on-quarter (QoQ) in Q2 2025, recovering from a contraction of 0.5% QoQ (annualised) in Q1 2025. Compared to the first quarter, the rebound in real GDP during Q2 2025 was mainly driven by a sharp decline in imports and a pickup in consumer spending, though partially offset by contraction in business investment. While exports fell 1.8% QoQ (annualised), imports declined 30.3% QoQ (annualised), reversing the 37.9% QoQ (annualised) surge seen in Q1 2025. Consumer spending rose 1.4% QoQ (annualised) supported by gains in both services and goods. Within services, key contributors included health care, food services, and financial services. For goods, growth was led by motor vehicles. Although consumer spending improved from the 0.5% QoQ (annualised) growth in the previous quarter, it marked the softest consecutive growth since the pandemic.

The US labour market slowed in July 2025. Nonfarm payrolls came in at +73k for the month, missing consensus expectations. The unemployment rate edged up to 4.2%, in line with the median forecast. May and June 2025 nonfarm payroll totals were revised down sharply, with a combined 258k jobs deducted from previously reported figures. This significantly changed the trend as the three-month average payroll gain dropped from 150k to 35k after the July release. July job gains were concentrated in the private education and healthcare sector. Meanwhile, manufacturing payrolls fell for the third straight month, bringing employment in the sector to its lowest level in more than three years.

The U.S. ISM Manufacturing PMI declined to 48.0 in July 2025, down from 49.0 in June 2025, marking the fifth consecutive month of contraction in the manufacturing sector. The overall drop was primarily driven by weaker supplier deliveries and employment, both of which fell into contractionary territory. Panellists noted that headcount management remains the norm, with hiring activity subdued. The U.S. ISM Services PMI edged down to 50.1 in July 2025, from 50.8 in June 2025. This marked the 12th expansionary reading in the past 13 months, though the pace of growth continues to slow. Among the subcomponents, the new orders index remained in expansionary territory, but declined by 1 percentage point from June 2025, reflecting softer demand and delayed planning amid tariff uncertainty. The employment index fell further into contraction to 46.4, its lowest level since March 2025. Respondents cited recruitment challenges and cost pressures as key reasons for subdued hiring.

Citi's Economic Surprise Index ended July 2025 in positive territory, indicating that economic releases for the month generally surprised to the upside. For example, headline CPI in the U.S. rose by 0.2% month-on-month (MoM), meeting forecasts and reflecting a slowdown from June. This moderation was largely driven by a decline in gasoline prices. On a year-on-year (YoY) basis, headline CPI held steady at 2.7%, slightly below consensus expectations of 2.8%. Meanwhile, core CPI, which excludes food and energy, exceeded forecasts at a 3.1% increase YoY, the highest since February. This was driven by a sharp rise in airline fares, as well as medical care services. At the July 2025 meeting, the Federal Open Market Committee voted to keep the federal funds rate unchanged at 4.25% to 4.50%, citing a slowdown in economic activity and ongoing inflationary pressures.

In the Eurozone, the Citi Economic Surprise Index for the Eurozone continued to increase in July 2025. While the HCOB Eurozone Manufacturing PMI extended its stretch in contractionary territory for the last 3 years, it rose slightly to 49.8, marking the slowest contraction in the sector since July 2022. Output continued to grow modestly, while new orders remained weak due to subdued export demand. Meanwhile, the HCOB Eurozone Services PMI increased to 51.0, up from 50.5 in June 2025, indicating the fastest growth in the service sector output since March 2025. While new business for Eurozone service firms remained flat, employment rose at a mild pace, and input cost inflation eased to its lowest rate since October 2024.

On the inflation front, headline HICP inflation held steady at 2.0% YoY, in-line with the European Central Bank's (ECB) target. Food and services inflation remained elevated, while energy prices continued to decline. In terms of monetary policy, the ECB left its key deposit rate unchanged at 2.0%. The ECB affirmed that inflation is broadly in line with its medium-term outlook, and price pressures are easing.

China's economy showed mixed signals in July 2025. Citi's Economic Surprise Index for China decreased over the month and ended almost flat. The official manufacturing PMI fell to 49.3, marking the fourth consecutive month of contraction. Sub-indices for new orders and employment declined, reflecting sluggish activity amid trade tensions. Meanwhile, the official non-manufacturing PMI edged down to 50.1, from 50.5 in June 2025, though remaining above the expansion threshold. While the services sub-index held steady at 50.0, construction activity slowed notably, reflecting ongoing stress in the property sector.

On the inflation front, headline CPI was flat YoY, compared to 0.1% YoY increase in June 2025, underscoring weak domestic demand. However, CPI rose 0.4% MoM, exceeding expectations and reversing the previous month's decline. Meanwhile, producer prices (PPI) fell 3.6% YoY, missing economists' forecast of a 3.3% decline. This marked the 34th consecutive month of deflation, with overcapacity, trade uncertainty, and extreme weather contributing to persistent price pressures.

Market Review

Global equities continued to rally in July 2025 building on the rally in the second quarter of 2025. Across the major geographic regions in USD terms, Asia equities led, while India equities lagged in July 2025. For the month ending July 2025, Information Technology, Energy and Utilities led while Consumer Staples, Materials and Health Care lagged. For July 2025, in terms of investment styles, Growth led while Minimum Volatility lagged.

The fixed income markets had mixed returns in July 2025. US investment grade corporate bonds and US high yield corporate bonds delivered positive returns, however US treasuries fell in July 2025. US 10-year yield increased in July 2025, reversing a significant part of the decline in the 10-year yield that was experienced in June 2025. US high yield and US investment grade credit spreads both tightened in July 2025, with high yield credit spread tightening more than investment grade credit spread.

Broad commodities markets were down in July 2025. Gold as well as Copper were down in July 2025, while Oil posted a positive return. The US Dollar appreciated against both DM currencies and Asia currencies in July 2025.

Portfolio Review

Elite Conservative Fund (SGD) / (USD):

- The fund delivered positive SGD returns, outperforming its benchmark for the month of Jul 2025.
- In terms of currency movements, USD appreciated against the SGD for the month
- In terms of performance attribution for the month, security selection contributed while asset allocation detracted. Within security selection, the main contributor was AIA Diversified Fixed Income Fund. Within asset allocation, the main detractor was Cash (inclusive of fees and expenses), while Equity and Fixed Income contributed positively.

Outlook

We are moderately constructive on the outlook for risk assets over the medium term. Peak tariff concerns could be behind us, though policy uncertainty remains a risk factor. The US economy remains resilient, Chinese policy makers have pivoted to defend growth, and Europe and Japan are likely to pursue fiscal stimulus. US earnings season has been strong thus far, with earnings surprising to the upside. While investor sentiment is constructive, equity positioning remains below historical norms.

With President Trump at the helm, policy uncertainty is likely to remain elevated and there could be bouts of volatility as market participants react to policy measures announced by the US administration. Stewardship via active management and disciplined risk management is key to navigate the ever-evolving investment landscape.

Source: AIA Investment Management Private Limited, based on the SGD-denominated fund

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.

Disclaimer with regard to the above Benchmark: The blended returns are calculated by AIA Investment Management Private Limited using end of day index level values licensed from MSCI ("MSCI Data"). For the avoidance of doubt, MSCI is not the benchmark "administrator" for, or a "contributor", "submitter" or "supervised contributor" to, the blended returns, and the MSCI Data is not considered a "contribution" or "submission" in relation to the blended returns, as those terms may be defined in any rules, laws, regulations, legislation or international standards. MSCI Data is provided "AS IS" without warranty or liability and no copying or distribution is permitted. MSCI does not make any representation regarding the advisability of any investment or strategy and does not sponsor, promote, issue, sell or otherwise recommend or endorse any investment or strategy, including any financial products or strategies based on, tracking or otherwise utilizing any MSCI Data, models, analytics or other materials or information.

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