AIA Greater China Equity Fund

August 2023

Investment Objective

This fund seeks to achieve long-term capital growth principally from a portfolio of equity and equity-related securities of companies with exposure to the economies of countries within the Greater China Region.

Key Fund Facts

(As of 31 August 2023)

Launch Date	21 January 2003	**Subscription**	Cash, CPF(OA) and SRS
Launch Price	SGD 1.000	**Pricing Frequency**	Daily
Manager of ILP Sub-Fund	FIL Investment Management (Singapore) Limited	**Management Fees**	1.50% p.a. of Net Asset Value
		Bid	SGD 3.401
Name of Underlying Fund(s)	Fidelity Funds - Greater China Fund II	**Offer**	SGD 3.58
Manager(s) of Underlying Fund(s)	FIL Fund Management Limited	**Fund Size**	SGD 567.5M
Risk Classification	Higher Risk		

Performance

(As of 31 August 2023)

Period	1 Month	3 Months	6 Months	1 Year	3 Year^	5 Year^	10 Year^	Since Inception^
Fund (bid-to-bid)	-4.52%	7.12%	-2.38%	-8.08%	-9.41%	-1.05%	5.69%	6.40%
Benchmark	-6.05%	1.47%	-2.67%	-6.78%	-8.06%	-0.52%	5.10%	6.85%

AIA Greater China Equity Fund

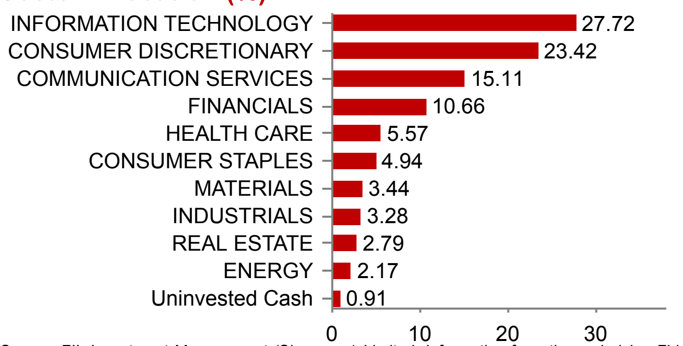
Source: AIA Singapore

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: FIL Investment Management (Singapore) Limited (w.e.f 27 June 2011) (4) Current benchmark: MSCI Golden Dragon DTR Net

Past Performance is not necessarily indicative of future performance.

Sector Allocation (%)

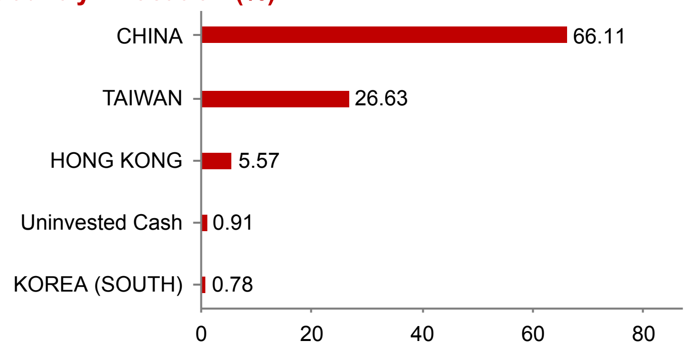
(As of 31 August 2023)



Source: FIL Investment Management (Singapore) Limited, Information from the underlying Fidelity Funds - Greater China Fund II

Country Allocation (%)

(As of 31 August 2023)



Top Holdings

(As of 31 August 2023)

	Holdings (%)
TAIWAN SEMICONDUCTOR MFG CO LTD	8.82
TENCENT HLDGS LTD	8.46
ALIBABA GROUP HOLDING LTD	5.48
AIA GROUP LTD	4.30
NETEASE INC	3.53
PDD HOLDINGS INC	2.89
KWEICHOW MOUTAI CO LTD	2.79
PING AN INS GROUP CO CHINA LTD	2.67
MEITUAN	2.54
CHINA MERCHANTS BANK CO LTD	2.08
TOTAL	43.56

Source: FIL Investment Management (Singapore) Limited, Information from the underlying Fidelity Funds - Greater China Fund II

Manager's Commentary

(As of 31 August 2023)

Market Review:

Chinese and Hong Kong equities fell as a sluggish economic recovery and property woes kept sentiment fragile. A slew of disappointing economic data deepened concerns over a slowing post-reopening recovery in China. Meanwhile, fears of contagion risk from the real estate sector kept investors on edge. Encouragingly, stocks recovered slightly after the securities regulator introduced a package of support measures, including halving stamp duty on stock trading, to revive the capital markets. Furthermore, several major cities such as Shenzhen and Guangzhou relaxed mortgage rules for first home purchases, following calls from authorities to shore up the property market. On the monetary policy front, the People's Bank of China (PBoC) cut its 1-year loan prime rate (LPR) by 0.1 percentage points to a record low of 3.45%, while unexpectedly holding the 5-year LPR unchanged at 4.2%. Figures released earlier in the month showed a deeper contraction in trade data and deflation, high youth jobless rate, as well as slower growth in credit, industrial output and retail sales in July, which kept pressure on the government to take stronger policy action. Official Purchasing Managers' Index (PMI) data showed that China's manufacturing activity shrank for a fifth consecutive month in August, although it improved from July and exceeded market expectations. Taiwanese equities also registered negative growth. The lack of incremental improvements in spot prices for memory chips was a headwind for the growth-oriented, technology-focused market.

Performance Review:

The fund returned -4.5%, while the index returned -6.0% in August.

Strong stock selection in the information technology, health care and consumer discretionary sectors proved rewarding, while selected holdings in financials held back gains. Artificial intelligence (AI)-related names such as printed circuit board (PCB) maker Gold Circuit Electronics (GCE) and networking and communications solutions provider Accton Technology continued to perform well amid incremental AI demand, along with the cyclical recovery in personal computers, smartphones and general servers. Furthermore, GCE reported higher-than-expected profitability for the second quarter of 2023. The company is a quality name among manufacturers for AI server components and a major beneficiary from rising demand for AI servers as well as a recovery in demand for regular servers. Accton Technology's second-quarter results were largely in line with market expectations, with revenue momentum likely to improve sequentially, driven by solid 400G switch demand and new contribution from AI cards. Moreover, the AI server trend is likely to increase the bandwidth requirement for networking, which will benefit the company in the long term. Dermatology-focused biopharmaceutical company Cutia Therapeutics posted better-than-expected revenue for the first half of the year while raising its full-year guidance. Management execution has been on track, although the company is still in an early stage since its initial public offering (IPO) in the Hong Kong market. Conversely, China Merchants Bank fell amid the continued downward pressure on net interest margins (NIM) as the PBoC lowered interest rates to ensure financial liquidity and boost China's economy. Shares in sportswear maker Li Ning remained under pressure amid macroeconomic headwinds, although it delivered better-than-feared interim results. A sluggish demand and price sensitivity added to inventory pressure and intensified pricing competition in the industry. Hansoh Pharmaceutical Group Company reported weak overall results for the first half of the year, mainly due to price cuts in generic drugs given more renewals of group procurement of medicines. Meanwhile, a sweeping anti-corruption campaign targeting China's health care sector weighed on sentiment.

Outlook:

China's reopening at the start of 2023 has laid the groundwork for the country's economic recovery, underpinned by signs of a pro-growth regulatory environment, accommodative monetary policy and supportive fiscal policy. While recent data presented a mixed picture, the government's focus on high-quality and sustainable growth could lead to more supportive policy measures to strengthen the post-pandemic rebound. We remain positive on China's long-term growth story while closely monitoring market developments. Holdings in high quality companies are expected to deliver good earnings growth in the long run.

Source: FIL Investment Management (Singapore) Limited

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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