

AIA Regional Equity Fund

August 2023

Investment Objective

This fund is managed to provide long-term capital appreciation by investing in equity securities of Asian (ex Japan) companies. The fund may invest in listed equities, warrants, options, convertible bonds and other equity-linked instruments.

Key Fund Facts

(As of 31 August 2023)

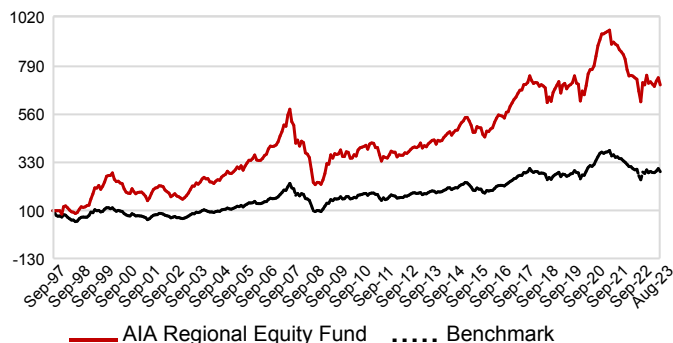
Launch Date	2 September 1997	Subscription Pricing Frequency	Cash, CPF(OA) and SRS
Launch Price	SGD 1.000	Management Fees	Daily
Manager of ILP Sub-Fund	FIL Investment Management (Singapore) Limited	Bid Offer Fund Size	1.25% p.a. of Net Asset Value
Name of Underlying Fund(s)	Fidelity Funds – Sustainable Asia Equity II Fund		SGD 6.633
Manager(s) of Underlying Fund(s)	FIL Fund Management Limited		SGD 6.983
Risk Classification	Higher Risk		SGD 1,404.1M

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)	-4.68%	1.01%	-1.16%	-3.76%	-3.25%	0.15%	5.62%	7.77%
Benchmark	-4.81%	1.69%	1.81%	-3.79%	-3.14%	0.54%	4.72%	4.13%

AIA Regional Equity Fund



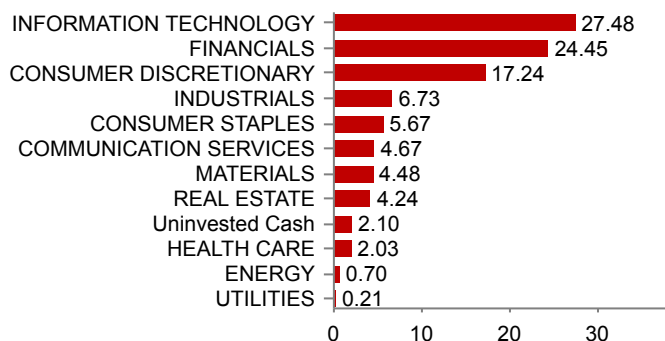
Notes (1) Performance of the fund is in SGD on a bid to bid basis with net dividends reinvested, without taking into consideration the fees and charges payable through deduction of premium or cancellation of units (2) [^] denotes annualised returns (3) Current Manager: FIL Investment Management (Singapore) Limited (wef 27 June 2011) (4) Current benchmark: MSCI All Country Asia ex Japan Index (w.e.f 1 October 2014) (5) Previous benchmark: MSCI All Country Far East Free ex Japan DTR Net Index (Inception to 30 September 2014)

Past Performance is not necessarily indicative of future performance.

Source: AIA Singapore

Sector Allocation (%)

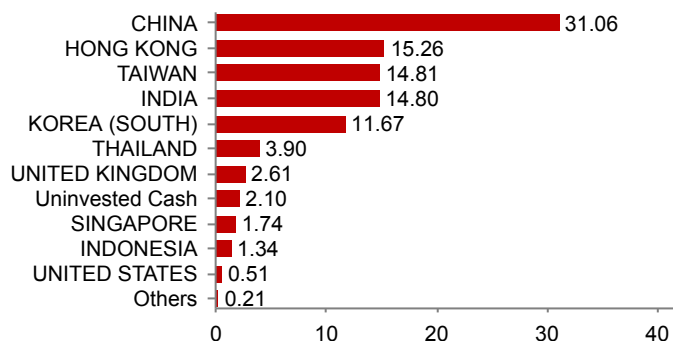
(As of 31 August 2023)



Source: FIL Investment Management (Singapore) Limited, Information from the underlying Fidelity Funds – Sustainable Asia Equity II Fund

Country Allocation (%)

(As of 31 August 2023)



Top Holdings

(As of 31 August 2023)

	Holdings (%)
TAIWAN SEMICONDUCTOR MFG CO LTD	9.48
SAMSUNG ELECTRONICS CO LTD	9.44
AIA GROUP LTD	7.90
AXIS BANK LTD	4.20
TENCENT HLDGS LTD	3.94
ICICI BANK LTD	3.88
MEITUAN	2.72
PRUDENTIAL PLC	2.61
CHINA RES LD LTD	2.54
ALIBABA GROUP HOLDING LTD	2.41
TOTAL	49.12

Source: FIL Investment Management (Singapore) Limited, Information from the underlying Fidelity Funds – Sustainable Asia Equity II Fund

Manager's Commentary

(As of 31 August 2023)

Market Review:

Equities ended the month in negative territory. Subdued macroeconomic data releases and renewed stress on the financials and real estate sectors in China weighed on investor sentiment. Chinese and Hong Kong equities underperformed the broader Asian market. Technology-focussed markets of South Korea and Taiwan also ended the period lower. The lack of incremental improvements in spot prices for memory chips was a headwind for these markets. Indian equities ended the month in negative territory, though declines were less pronounced compared to regional peers.

Performance Review:

The fund outperformed the index over the month. Ongoing foreign inflows into Indian equities and positive growth momentum supported positions in selected stocks including private lender Axis Bank, commercial vehicle financier Shriram Finance and electronic equipment manufacturer Havells India. Shares in Axis Bank were also buoyed by news that it is increasing its stake in Max Life Insurance, which will strengthen the bank's position in the life insurance business. Meanwhile, a positive report by a leading broker supported the rally in Shriram Finance. Havells has a strong brand name and has consistently gained market share, backed by innovation and expanding dealer networks. The position in global luggage retailer Samsonite International advanced on encouraging results. The company's net sales recovery noticeably accelerated during the first half of 2023, underscoring consumers' enduring enthusiasm for travel and the potential upside for the business as travel continues to grow in China.

Conversely, broad-based market weakness amid a subdued outlook for Chinese growth weighed on our preferred Hong Kong-based financials holdings. The position in Asia-focussed insurers AIA Group and Prudential declined. Investors continue to overlook AIA's undervalued business opportunity despite the recent recovery in growth in new business value (NBV), led by rising agent numbers, progress on new distribution relations and the evolution of its product mix. Meanwhile, we continue to believe that Prudential is a beneficiary of structurally increasing demand in Asia given the lack of public sector health and wealth protection. It also has near unrivalled regional exposure, with leadership positions in half of the 14 markets where it is active.

Outlook:

The general backdrop remains somewhat challenging. Consumer confidence in China remains weak. However, there are some areas of opportunity. India remains on the pathway for growth, supported by attractive demographics and a rising middle class. In ASEAN, we remain confident that strong domestic franchises will deliver strong returns. Meanwhile, Asian companies will continue to improve ESG-related disclosures and improve their sustainability practices to catch-up to the standards demonstrated by their developed market peers.

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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