



AIA Emerging Markets Funds

May 2019

Investment Objective

AIA Emerging Markets Equity Fund

To achieve long-term capital appreciation through investment primarily in equities and equity-related securities in global emerging markets.

AIA Emerging Markets Balanced Fund

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

AIA Emerging Markets Equity Fund

Launch Date: 11 April 2006

Launch Price: S\$ 1.000

Manager of ILP Fund: Schroder Investment Management (Singapore) Limited

Name of Underlying Funds: Schroder International Selection Fund Global Emerging Market Opportunities

Manager of Underlying Fund: Schroder Investment Management Limited

Sales Charge (For Cash and SRS): Up to 5%

Sales Charge (For CPF OA): 1.5%

Pricing Frequency: Daily

Management Fees: 1.5% p.a. of Net Asset Value

Subscription: Cash, CPF(OA) and SRS

AIA Emerging Markets Balanced Fund

Launch Date: 11 April 2006

Launch Price: S\$ 1.000

Manager of ILP Fund: AIA Investment Management Private Limited

Name of Underlying Funds: Schroder International Selection Fund Global Emerging Market Opportunities and PineBridge International Funds - Singapore Bond Fund

Manager of Underlying Funds: Schroder Investment Management Limited and PineBridge Investments Singapore Limited

Sales Charge (For Cash and SRS): Up to 5%

Sales Charge (For CPF OA or SA): 1.5%

Pricing Frequency: Daily

Management Fees: 1.5% p.a. of Net Asset Value

Subscription: Cash, CPF(OA & SA) and SRS

Bid: S\$ 1.095 As of 31 March 2019
Offer: S\$ 1.153 As of 31 March 2019
Fund Size: S\$ 156,409,012 As of 31 March 2019

Bid: S\$ 1.225 As of 31 March 2019
Offer: S\$ 1.290 As of 31 March 2019
Fund Size: S\$ 170,871,663 As of 31 March 2019

Manager's Commentary* (Equities)

As of 31 March 2019

Source: Schroder Investment Management (Singapore) Limited

The market and the drivers of fund performance

Emerging markets equities recorded a positive return in March, led by strong gains in India and China. The MSCI Emerging Markets Index increased in value but underperformed the MSCI World.

In India, expectations for further monetary easing boosted sentiment, along with favourable opinion polls for the incumbent government ahead of April elections. Chinese equities gained as ongoing talks with the US continued to support expectations for some form of trade agreement. China A-shares were particularly strong as MSCI announced plans to quadruple their index weight between May and November. Colombia climbed as macroeconomic data was generally firm and oil prices rose.

By contrast, Turkish equities and the lira fell sharply, despite the government using around a third of its foreign reserves in a failed bid to support the currency ahead of month-end local elections. Brazil was down with currency weakness a headwind as political concerns began to overshadow the reform outlook and economic data disappointed.

Among our core markets, the overweights to South Korea and Brazil were a headwind. Hungary and Greece had a neutral impact on relative returns. By contrast, stock selection in Russia and Poland was positive. In Poland, the overweight to supermarket operator Dino Polska was the key contributor as the stock gained on strong Q4 earnings results. In Russia, the off-benchmark holding in rail freight operator Globaltrans Invest added value as the stock rallied ahead of earnings results in April.

Among our non-core markets, India (overweight Infosys), Turkey (off-benchmark Sok Marketler) and Taiwan (off-benchmark Silergy) were negative. South Africa (overweight Naspers) and China (overweight China Mengniu Dairy) were positive.

The market outlook and portfolio strategy

The rise in US recessionary concerns drive a degree of caution over the global growth outlook. However, these factors are somewhat offset by the apparent halt to US monetary policy, delayed eurozone rate tightening expectations, and Chinese stimulus. We continue to anticipate mild US dollar weakness over the next 1-2 years, which should be supportive of EM.

Chinese economic growth is expected to decelerate this year, but the extent of the slowdown should be moderated by government stimulus. That said, there may be a lag before stimulus is seen in activity data, and the scale of the impact could yet disappoint.

EM earnings per share growth forecasts for 2019 have seen negative revisions this year and there is ongoing earnings risk due to the uncertain global growth environment. Negative earnings revisions and strong year-to-date market performance have lifted aggregate EM valuations, which now trade close to their long-term average on a price-earnings basis. Compared to developed markets (DM), the MSCI Emerging Markets Index trades on a discount of 23%.

We believe that markets have a neutral bias. There is ongoing support from the dovish pivot by DM central banks, China's increasing application of stimulus, and moderate US dollar depreciation. However, a resolution of US-China trade tensions is generally expected, creating the potential for disappointment from any shortfall; and improvements in Chinese and global economic activity may lag. This may mean that uncertainty in the earnings outlook continues.

We removed Poland from our core markets in April as we took some profit. Our core markets are Brazil, Russia, South Korea, Hungary and Greece.

In Brazil, valuations are attractive, the outlook for policy is positive and the economy is recovering. In Russia, US sanctions risk remains but valuations are cheap. In South Korea, valuations are attractive. In Hungary, the economy remains supportive and valuations are reasonable. In Greece, economic recovery is ongoing and valuations are cheap. We are currently finding strong bottom-up ideas in the non-core markets, notably China but also Taiwan.

Manager's Commentary (Fixed Income)

As of 31 March 2019

Source: PineBridge Investments Singapore Limited

Global yields fell in March, spurred by a confirmation of the Fed's dovish turn and a more accommodative stance taken by other systemic central banks, such as the European Central Bank (ECB). The Asian credit and Singapore corporate bond markets continue to hold firm as risk sentiment is relatively strong and investors chase for higher yielding instruments. Economic data broadly were mixed during the month, still pointing to a desynchronization of global growth and a broad slowdown compared to 2018.

Singapore's macroeconomic data came in generally stronger-than-expected with a rebound seen in retail sales and non-oil domestic exports.

The sharp turn in monetary policy out of the US and other large economies should continue to anchor the interest rate environment and provide support to the credit markets broadly, Asia being no exception. The many measures the Chinese policy makers have undertaken to stabilize growth will also start filtering through in the second quarter of 2019. This, coupled with some improvement in the US – China trade negotiations, should continue to positively support the markets.

In Singapore, we await the Monetary Authority of Singapore's monetary policy statement in April, but expect no change to its overall policy.

The team continues to monitor the fund's duration position and dynamically adjust its strategy. The team remains constructive on corporate credit, but its credit strategy continues to be selective.

Performance

As of 31 March 2019

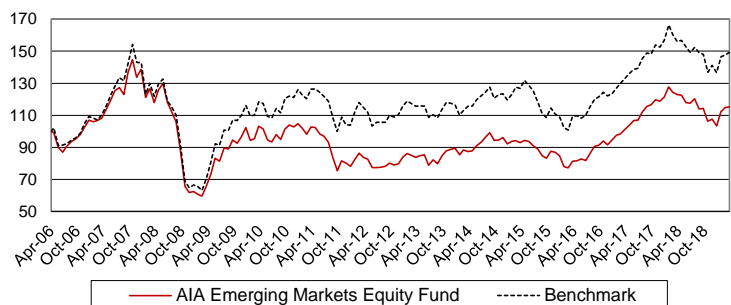
Source: AIA Singapore

AIA Emerging Markets Equity Fund

Period	1 Month	3 Months	6 Months	1 Year	3 Year [^]	5 Year [^]	10 Year [^]	Since Inception [^]
Fund (bid-to-bid)	0.46%	11.51%	0.74%	-6.17%	12.26%	5.70%	5.72%	1.10%
Benchmark	1.09%	9.24%	0.83%	-4.36%	10.90%	5.22%	7.68%	3.13%

Notes:
[^] Annualised returns
 Current benchmark: MSCI Emerging Markets DTR Net

AIA Emerging Markets Equity Fund



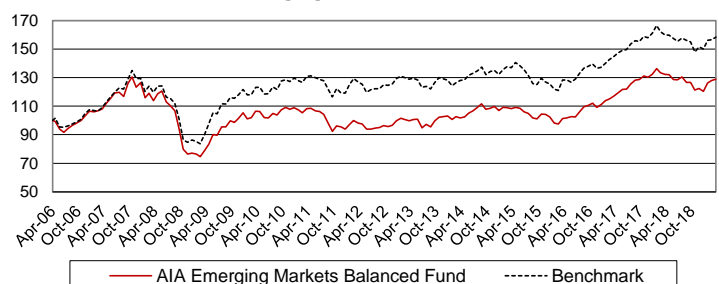
AIA Emerging Balanced Fund

Period	1 Month	3 Months	6 Months	1 Year	3 Year [^]	5 Year [^]	10 Year [^]	Since Inception [^]
Fund (bid-to-bid)	0.82%	7.17%	1.83%	-2.55%	8.35%	4.84%	5.06%	1.98%
Benchmark	1.12%	5.57%	2.13%	-0.96%	7.24%	4.34%	5.80%	3.60%

Notes:
[^] Annualised returns
 Current 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)

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.

AIA Emerging Markets Balanced Fund



Note: 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.

Top 10 Holdings*(Equity Investments)

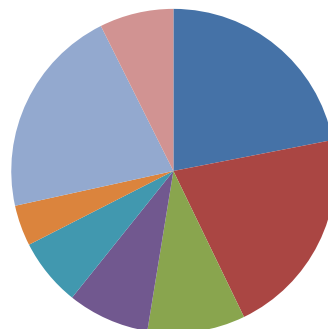
As of 31 March 2019

	Holdings (%)
Samsung Electronics	6.38
Taiwan Semiconductor Manufacturing	4.58
Naspers	3.92
Tencent Holdings	2.93
Alibaba Group Holding	2.71
Petroleo Brasileiro	2.63
China Mengniu Dairy	2.37
Midea Group	2.27
AIA Group	2.17
LG Chem	2.17
TOTAL	32.14

Country Allocation*(Equity Investments)

As of 31 March 2019

Countries	Holdings (%)
China/Hong Kong	21.94
South Korea	20.89
Brazil	9.74
Russian Federation	8.17
Taiwan	6.75
South Africa	4.07
Others	21.06
Liquid Assets	7.38
Total	100.00

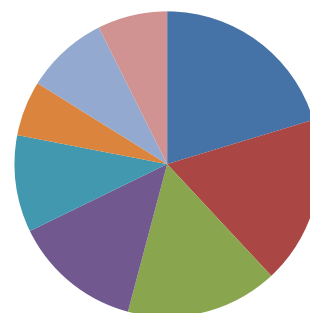


■ China/Hong Kong 21.94	■ South Korea 20.89	■ Brazil 9.74
■ Russian Federation 8.17	■ Taiwan 6.75	■ South Africa 4.07
■ Others 21.06	■ Liquid Assets 7.38	

Sector Allocation*(Equity Investments)

As of 31 March 2019

	Holdings (%)
Information Technology	20.32
Financials	17.75
Consumer Discretionary	16.08
Energy	13.64
Materials	10.26
Consumer Staples	5.84
Others	8.74
Liquid Assets	7.38
Total	100.00



■ Information Technology 20.32	■ Financials 17.75	■ Consumer Discretionary 16.08
■ Energy 13.64	■ Materials 10.26	■ Consumer Staples 5.84
■ Others 8.74	■ Liquid Assets 7.38	

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

AIA Emerging Markets Funds are investment-linked policy (ILP) funds offered by AIA Singapore Private Limited ("AIA Singapore") and are only available under AIA Investment-Linked Policies. AIA Singapore is the product provider. This fact sheet is prepared by AIA Singapore and the information presented is for informational use only. Investments are subject to investment risks including the possible loss of the principal amount invested. Past performance, as well as the prediction, projection or forecast on the economy, securities markets or the economic trends of the markets are not necessarily indicative of the future or likely performance of the ILP funds. The performance of the ILP funds is not guaranteed and the value of the units in the ILP funds and the income accruing to the units, if any, may fall or rise. A product summary relating to the ILP funds is available and may be obtained from your AIA Financial Services Consultant. A potential investor should read the product summary before deciding whether to subscribe for units in the ILP funds. AIA Singapore does not warrant or make any representations regarding the use or the results of the use of the figures generated in terms of their correctness, accuracy, reliability, or otherwise.

E. & O. E.