AIA Emerging Markets Equity Fund

August 2020

Investment Objective

This fund seeks to achieve long-term capital appreciation through investment primarily in equities and equity-related securities in global emerging markets.

Key Fund Facts

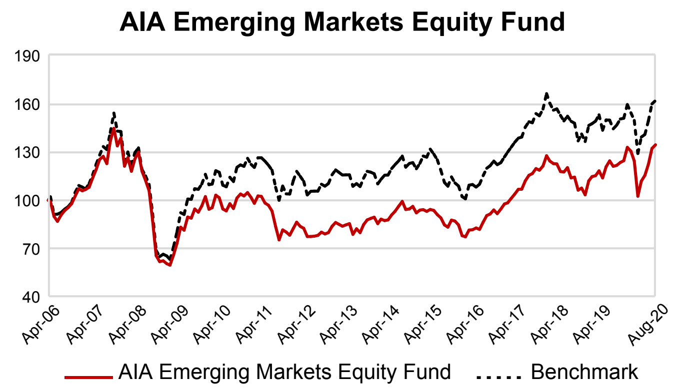
(As of 31 August 2020)

Launch Date	11 April 2006	**Subscription**	Cash, CPF(OA) and SRS
Launch Price	SGD 1.000	**Sales Charge (For Cash and SRS)**	Up to 5%
Manager of ILP Sub-Fund	Schroder Investment Management (Singapore) Limited	**Sales Charge (for CPF OA or SA)**	0% (wef 1 Oct 2020)
Name of Underlying Fund(s)	Schroder International Selection Fund Global Emerging Market Opportunities	**Pricing Frequency**	Daily
Manager(s) of Underlying Fund(s)	Schroder Investment Management Limited	**Management Fees**	1.50% p.a. of Net Asset Value
Risk Classification	Higher Risk	**Bid**	SGD 1.278
		Offer	SGD 1.346
		Fund Size	SGD 179.8M

Performance

(As of 31 August 2020)

Period	1 Month	3 Months	6 Months	1 Year	3 Year^	5 Year^	10 Year^	Since Inception^
Fund (bid-to-bid)	1.75%	16.50%	8.12%	11.13%	5.22%	9.68%	3.55%	2.08%
Benchmark	1.34%	14.98%	8.35%	12.21%	2.88%	7.85%	3.80%	3.41%

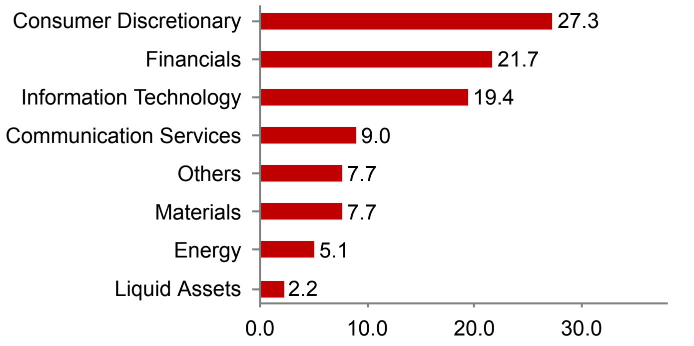


**Source: AIA Singapore*

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 benchmark: MSCI Emerging Markets DTR Net

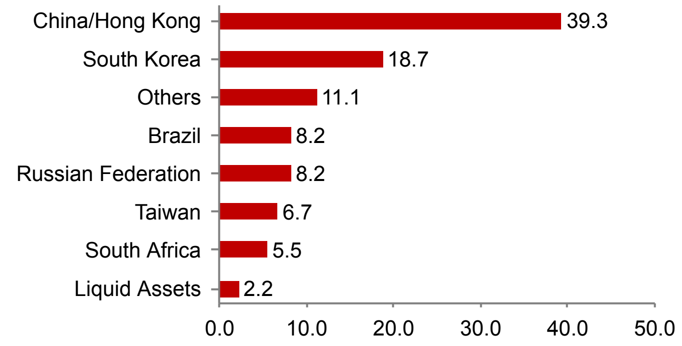
Sector Allocation (%)

(As of 31 August 2020)



Country Allocation (%)

(As of 31 August 2020)



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

Top Holdings

(As of 31 August 2020)

	Holdings (%)
Alibaba Group Holding	10.5
Taiwan Semiconductor Manufacturing	6.7
Tencent Holdings	6.7
Samsung Electronics	6.0
JD.com	3.4
Ping An Insurance Group Company of China	3.0
Naspers	2.6
Samsung SDI	2.4
China Mengniu Dairy	2.4
Midea Group	2.4
TOTAL	46.1

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

Manager's Commentary

(As of 31 August 2020)

Global equities generated a robust return as hopes for a Covid-19 vaccine increased, and as the Federal Reserve's (Fed) new monetary policy framework supported risk appetite. Fed Chair Powell announced that the rate-setting committee will now target an average inflation rate of 2%. This will enable the central bank to temporarily tolerate inflation in excess of 2%, suggesting that interest rates could remain low for longer. Emerging market (EM) equities posted a positive return, benefitting from the wider risk-on environment. The MSCI Emerging Markets Index increased in value but underperformed the MSCI World Index.

Among our core markets, only Korea contributed positively. This was attributable to positive stock selection, including the overweights to electric vehicle (EV) battery manufacturers Samsung SDI and LG Chemical. LG Chemical announced stronger-than-expected Q2 earnings results, while both stocks were beneficiaries of rising EV battery expectations. Hungary and South Africa had a slightly negative impact on relative returns. The overweights to Turkey and Russia, and stock selection within both markets, detracted. In Turkey this included the off-benchmark allocation to private hospital operator MLP, while in Russia the overweight to power company Inter Rao was the main drag. Being overweight to Brazil was also negative, amid increasing concerns over the fiscal outlook.

Our non-core markets positions underpinned excess returns. China, Taiwan and Mexico were the largest contributors. By contrast, Poland and cash held in a rising market detracted slightly.

Source: Schroder Investment Management (Singapore) Limited