



HEALTHIER. LONGER.  
BETTER LIVES

# AIA Managed Portfolios

May 2019

## Investment Objective

**AIA Portfolio 30** seeks to achieve potential long term growth in capital and minimize short term capital risk by holding funds investing in equities, bonds and other fixed income securities in global markets, as well as investment in those types of assets. The allocation to equities and bonds is in the proportion of approximately 30:70.

**AIA Portfolio 50** seeks to achieve potential long term capital growth within moderate risk parameters through holding funds investing in equities, bonds and other fixed income securities in global markets, as well as investment in those types of assets. The allocation to equities and bonds is in the proportion of approximately 50:50.

**AIA Portfolio 70** seeks to achieve potential long term capital appreciation with reduced volatility by holding funds investing in equities, bonds and other fixed income securities in global markets, as well as investment in those types of assets. The allocation to equities and bonds is in the proportion of approximately 70:30.

**AIA Portfolio 100** seeks to maximize long term capital appreciation through investing in a globally diversified portfolio of equities. AIA Portfolio 100 aims to achieve this objective by pursuing a strategic asset allocation of 100% in equities.

## Key Fund Facts

**Launch Date:** 8 March 2002

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

**Pricing Frequency:** Daily

**Launch Price:** S\$ 1.000

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

### AIA Portfolio 30

**Manager of ILP Fund:** Schroder Investment Management (Singapore) Ltd

**Name of Underlying Fund:** Schroder Multi-Asset Revolution 30

**Manager of Underlying Fund:** Schroder Investment Management (Singapore) Ltd

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

**Management Fees:** 1.25% p.a. of Net Asset Value

### AIA Portfolio 50

**Manager of ILP Fund:** Schroder Investment Management (Singapore) Ltd

**Name of Underlying Fund:** Schroder Multi-Asset Revolution 50

**Manager of Underlying Fund:** Schroder Investment Management (Singapore) Ltd

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

**Management Fees:** 1.50% p.a. of Net Asset Value

**Bid:** S\$ 1.638 As of 31 March 2019  
**Offer:** S\$ 1.725 As of 31 March 2019  
**Fund Size:** S\$ 16,899,296 As of 31 March 2019

**Bid:** S\$ 1.493 As of 31 March 2019  
**Offer:** S\$ 1.572 As of 31 March 2019  
**Fund Size:** S\$ 33,641,588 As of 31 March 2019

### AIA Portfolio 70

**Manager of ILP Fund:** Schroder Investment Management (Singapore) Ltd

**Name of Underlying Fund:** Schroder Multi-Asset Revolution 70

**Manager of Underlying Fund:** Schroder Investment Management (Singapore) Ltd

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

**Management Fees:** 1.50% p.a. of Net Asset Value

### AIA Portfolio 100

**Manager of ILP Fund:** Allianz Global Investors Singapore Limited

**Name of Underlying Fund:** Allianz Global Investors Premier Funds - Global High Payout Fund

**Manager of Underlying Fund:** Allianz Global Investors Singapore Limited

**Subscription:** Cash or CPF (OA) and SRS

**Management Fees:** 1.50% p.a. of Net Asset Value

**Bid:** S\$ 1.446 As of 31 March 2019  
**Offer:** S\$ 1.523 As of 31 March 2019  
**Fund Size:** S\$ 44,228,973 As of 31 March 2019

**Bid:** S\$ 1.155 As of 31 March 2019  
**Offer:** S\$ 1.216 As of 31 March 2019  
**Fund Size:** S\$ 9,863,455 As of 31 March 2019

## Portfolio 30/50/70 Commentary

As of 31 March 2019

Source : Schroder Investment Management

### Market Review

Global equity markets rose in March, but progress was more tentative than in the opening two months of the year due to growing caution on global growth. Within developed markets, US equities rose modestly. The Federal Reserve (Fed) lowered its projections for US growth and inflation, and reduced its expectations for interest rates hikes. Similarly, Eurozone equities also gained, with the ECB altering its guidance on interest rates and maintaining rates on hold. On the other hand, Japan equities were largely flat over the month. Elsewhere, emerging markets outperformed their developed peers. Ongoing optimism toward a US-China trade deal pushed Chinese equities higher.

In fixed income, government bond yields were broadly lower on the dovish central bank rhetoric. The US 10-year Treasury yields fell 30 bps to just above 2.4%, their lowest level since December 2017. The three-month Treasury bill yield rose higher than the 10-year and the yield curve inversion underlined caution among investors on future economic growth. In Europe, the 10-year Bund yields fell 26bps and dropped slightly below zero. In credit, corporate bonds continued to produce gains, supported by falling rates. Elsewhere, US-dollar denominated emerging market bonds made gains, but EM local currency bonds declined as certain country-specific risks returned. Gold remained under pressure despite a drop in bond yields over the month.

In the currency space, the Singapore dollar fell -0.3% against the US dollar over the month. Performance was mixed against other G10 currencies, depreciating against the Japanese yen and Swiss Franc but strengthening against Sterling and the Euro. Performance was stronger against Asian currencies, notably appreciating against the Rupiah and Won while depreciating against the Rupee.

### Multi-Asset Revolution 30

SMART 30 returned positively in March, with fixed income performing well as government bond yields declined significantly and credit spreads narrowed. Equities contributed positively to absolute performance although performance was lacklustre relative to fixed income. Asian equity markets were best performer with the shift in policy stance from the US Federal Reserve (Fed) and the Chinese authorities, as well as easing trade tensions between the US and China sending a boost to market sentiment.

The fund underperformed the benchmark over the month due mainly to negative stock selection in the underlying equity strategies. Asia and Japan equities outperformed and helped reduce some of the negative impact. Asset allocation effect was slightly negative due mainly to an underweight in fixed income as well as an overweight in gold and cash. The relative losses were mostly offset by an overweight position in equities. Our preference to US and Asia / EM equities contributed positively to relative performance while the decision to increase our exposure to global growth and reduce value was also beneficial as the former outperformed.

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**Portfolio Positioning**

Central banks' move to a more accommodative stance in recent months has reduced the chance of a global growth tail risk. This action, if sustained, should provide ample liquidity to financial markets, allowing equities to move higher in the coming months. While hard economic data remains poor, leading indicators and earnings revisions are pointing to stabilization. For this reason, we have upgraded equities to positive. This view is tactical however as we have yet to see clear signs of a cyclical pickup that would justify a more medium term uptrend. Indeed, we are still concerned that signs of a more pronounced slowdown could emerge later this year.

Within equities, we are currently operating a barbell approach, allocating both to Global/US and Asian/emerging markets (EM) equities. In the case of US equities, the market continues to offer high quality names while earnings revisions have rebounded. Our view on Asian/emerging markets is predicated on our more positive view on China which has seen a rebound in price and earnings revisions momentum. We are also encouraged by the accommodative monetary stance by the P eople's Bank of China while additional upside may come through fiscal stimulus.

On fixed income, we continue to hold duration in our portfolio given the ongoing growth risks. We have reduced gold given positive market sentiment and will continue to use safe haven assets such as gold, currencies and put options opportunistically to protect the portfolio against market drawdowns. At this point, the biggest risk is that the US economy proves to be weaker than expected as the US has been the main locomotive of global growth. In this maturing economic cycle environment, the need for active asset allocation and risk management becomes ever more important.

**Portfolio 100 Commentary**

As of 31 March 2019

Source : Allianz Global Investors

Global equities rose modestly over March. Central banks' dovish statements provided some support, but this was countered by concerns over the outlook for global growth.

Information Technology companies continued to perform well, with Consumer Staples and Real Estate also benefitting from lower bond yields. In contrast, the Financials sector retreated as falling bond yields weighed on the prospects for banks' profit margins.

Two issues continue to shape developments on the capital markets. In Europe, the issue of Brexit is still looming large. The original leaving date (29 March) has now passed, and still the EU and the UK have not been able to agree on the exit procedure. Elsewhere, there has been some progress on the other issue, namely the trade conflict between the US and China. Both sides are working towards finding a solution by the end of April. In addition, there are signs of a slowdown in growth, including in the US, which has been a global growth engine for some time. Overall, however, we do not think that the global economy is heading for a recession, even though corporate profit growth looks to be past its peak. At the same time, potentially looser monetary policy from the US Federal Reserve should support equity investments in general. Overall, we continue to believe that volatility will increase, with increasing disparity between sectors and countries.

**Performance**

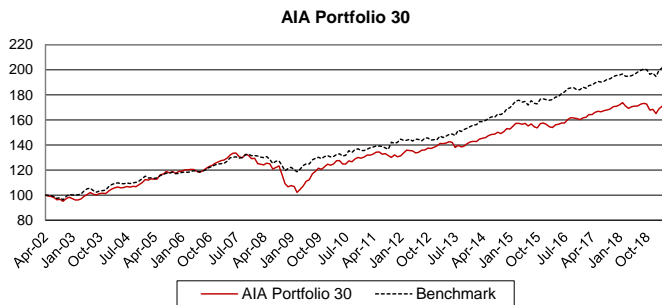
As of 31 March 2019

Source: AIA Singapore

**AIA Portfolio 30**

Period	1 Month	3 Months	6 Months	1 Year	3 Year <sup>^</sup>	5 Year <sup>^</sup>	10 Year <sup>^</sup>	Since Inception <sup>^</sup>
Fund (bid-to-bid)	0.99%	4.40%	-0.12%	1.93%	3.37%	3.47%	5.13%	3.26%
Benchmark	1.77%	5.28%	2.43%	5.27%	4.78%	5.27%	5.44%	4.31%

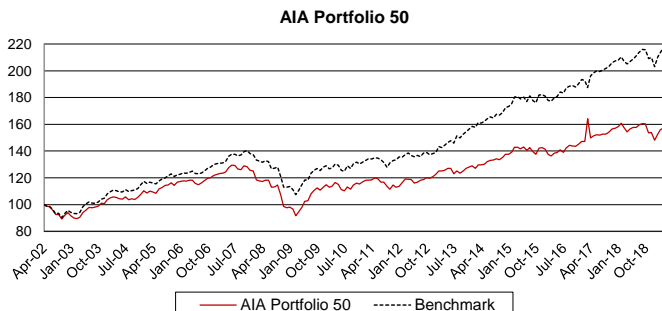
<sup>^</sup> Annualised returns  
 Current benchmark (w.e.f 2 January 2014): 30% MSCI World Index & 70% FTSE World Government Bond Index SGD Hedged.  
 Previous benchmark: 30% MSCI World & 70% FTSE World Govt Bond.



**AIA Portfolio 50**

Period	1 Month	3 Months	6 Months	1 Year	3 Year <sup>^</sup>	5 Year <sup>^</sup>	10 Year <sup>^</sup>	Since Inception <sup>^</sup>
Fund (bid-to-bid)	0.74%	6.19%	-1.91%	1.77%	4.35%	3.92%	5.23%	2.70%
Benchmark	1.71%	7.12%	0.81%	6.00%	6.56%	6.21%	6.97%	4.68%

<sup>^</sup> Annualised returns  
 Current benchmark (w.e.f 2 January 2014): 50% MSCI World Index & 50% FTSE World Government Bond Index SGD Hedged.  
 Previous benchmark: 50% MSCI World & 50% FTSE World Govt Bond.

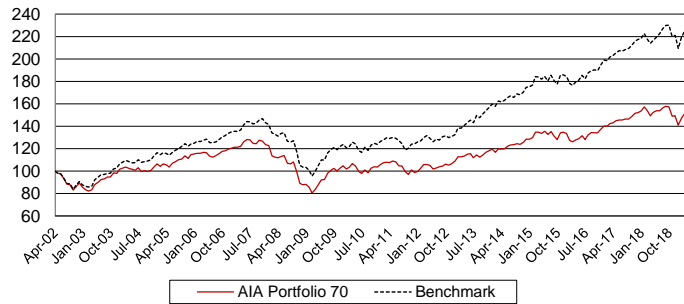


## AIA Portfolio 70

Period	1 Month	3 Months	6 Months	1 Year	3 Year <sup>^</sup>	5 Year <sup>^</sup>	10 Year <sup>^</sup>	Since Inception <sup>^</sup>
Fund (bid-to-bid)	0.77%	8.07%	-3.28%	1.97%	5.97%	4.94%	6.19%	2.50%
Benchmark	1.65%	8.97%	-0.86%	6.64%	8.32%	7.11%	8.63%	4.97%

<sup>^</sup> Annualised returns  
Current benchmark (w.e.f 2 January 2014): 70% MSCI World Index & 30% FTSE World Government Bond Index SGD Hedged.  
Previous benchmark: 70% MSCI World & 30% FTSE World Govt Bond.

AIA Portfolio 70

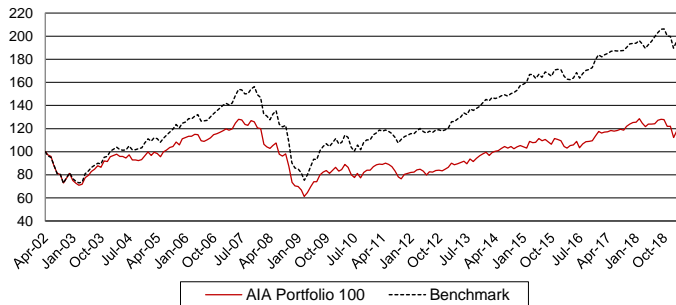


## AIA Portfolio 100

Period	1 Month	3 Months	6 Months	1 Year	3 Year <sup>^</sup>	5 Year <sup>^</sup>	10 Year <sup>^</sup>	Since Inception <sup>^</sup>
Fund (bid-to-bid)	0.43%	8.25%	-4.78%	-0.09%	4.85%	3.92%	6.52%	1.16%
Benchmark	1.12%	6.99%	-1.70%	7.07%	7.68%	6.78%	9.74%	4.25%

<sup>^</sup> Annualised returns  
Current benchmark (w.e.f 1 July 2011): 60% MSCI World & 40% Dividend yield (MSCI World).  
Previous benchmark: MSCI AC World Free Index.

AIA Portfolio 100



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.

## The Underlying Investments

\* As of 31 March 2019

### Schroder Multi-Asset Revolution 30

Investment Manager: Schroder Investment Management (Singapore) Ltd

Top Five Holdings*	Holdings
Schroder Singapore Fixed Income Fund	28.3%
Schroder Global Quality Bond	24.9%
Schroder ISF US Large Cap	12.0%
Schroder ISF Global Equity Alpha	6.9%
Schroder ISF Global Inflation-linked Bond	5.7%
Total	77.9%

### Schroder Multi-Asset Revolution 70

Investment Manager: Schroder Investment Management (Singapore) Ltd

Top Five Holdings*	Holdings
Schroder ISF US Large Cap	25.6%
Schroder ISF QEP Global Core	15.7%
Schroder ISF Global Equity Alpha	12.1%
Schroder Global Quality Bond	9.8%
Schroder Singapore Fixed Income Fund	5.8%
Total	68.9%

### Schroder Multi-Asset Revolution 50

Investment Manager: Schroder Investment Management (Singapore) Ltd

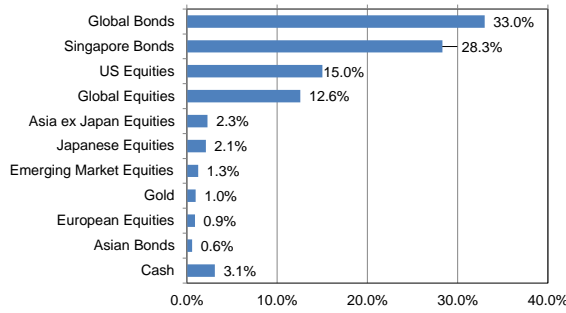
Top Five Holdings*	Holdings
Schroder Global Quality Bond	19.8%
Schroder ISF US Large Cap	18.4%
Schroder Singapore Fixed Income Fund	14.4%
Schroder ISF QEP Global Core	11.9%
Schroder ISF Global Equity Alpha	9.5%
Total	74.0%

### Allianz Global High Payout Fund

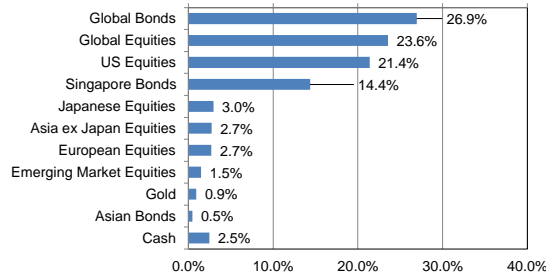
Investment Manager: Allianz Global Investor Singapore Limited

Top Five Holdings*	Holdings
MICROSOFT CORP	2.5%
AT&T INC	2.3%
CISCO SYSTEMS INC	2.2%
PFIZER INC	2.0%
PROCTER & GAMBLE CO/THE	2.0%
Total	11.0%

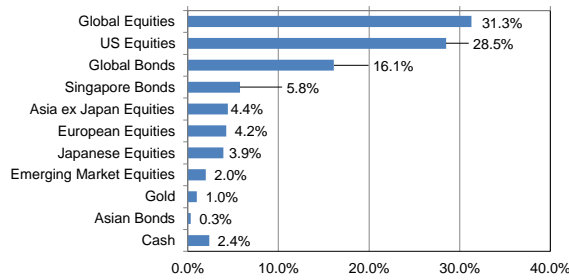
**Asset Allocation : PORTFOLIO 30<sup>A</sup>**



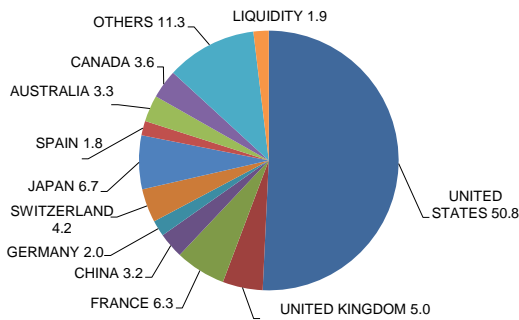
**Asset Allocation : PORTFOLIO 50<sup>A</sup>**



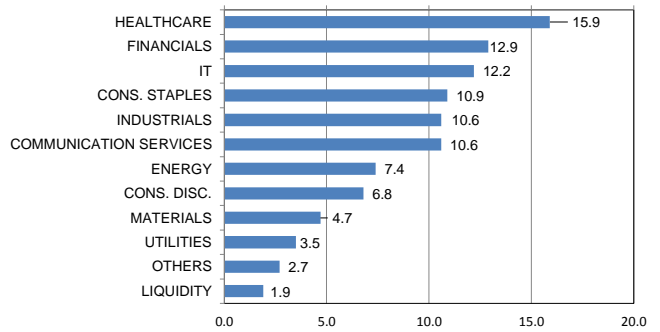
**Asset Allocation : PORTFOLIO 70<sup>A</sup>**



**Country Allocation : PORTFOLIO 100<sup>+</sup>**



**Sector Allocation : PORTFOLIO 100<sup>+</sup>**



<sup>A</sup>Source : Schroder Investment Management (Singapore) Ltd

<sup>\*</sup>Source : Allianz Global Investors Singapore Limited

<sup>+</sup>Allocation percentage is rounded to the nearest one decimal place and the total allocation percentage may not add up to 100%

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