

AIA Sustainable Multi-Thematic Fund

March 2024

Investment Objective

The ILP Sub-Fund's sustainable investment objective is to advance the United Nations Sustainable Development Goals ("UN SDGs") by investing indirectly, through investments in UCITS funds, in companies whose business models and operational practices are aligned with targets defined by the seventeen (17) UN SDGs on a multi-thematic basis. In addition to pursuing the sustainable investment objective, the ILP Sub-Fund at the same time aims to provide long term capital growth.

Key Fund Facts

(As of 31 March 2024)

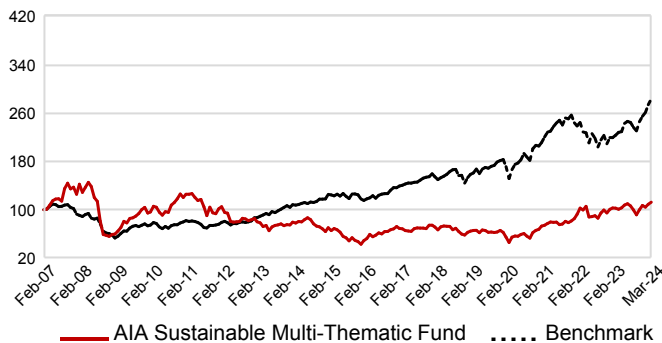
Launch Date	26 January 2007	Subscription	Cash and SRS
Launch Price	SGD 1.000	Sales Charge (For Cash and SRS)	Up to 5%*
Manager of ILP Sub-Fund	AIA Investment Management Private Limited	Pricing Frequency	Daily
Name of Underlying Fund(s)	AIA Investment Fund - AIA Sustainable Multi Thematic Fund	Management Fees	1.50% p.a. of Net Asset Value
Risk Classification	Higher Risk	Bid Price	SGD 1.096
		Offer Price	SGD 1.154
		Fund Size	SGD 199.3M

Performance

(As of 31 March 2024)

Period	1 Month	3 Months	6 Months	1 Year	3 Year [^]	5 Year [^]	10 Year [^]	Since Inception [^]
Fund (bid-to-bid)	3.20%	5.08%	12.87%	9.71%	14.82%	11.36%	3.73%	0.84%
Benchmark	3.60%	11.40%	19.95%	27.00%	8.77%	11.99%	10.17%	6.25%

AIA Sustainable Multi-Thematic 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: AIA Investment Management Private Limited (w.e.f. 24 November 2022) (4) Previous benchmark: EMIX Global Mining Energy Index (Total Return Net) (w.e.f. 18 September 2018); 75% HSBC Global Mining Accumulation Index & 25% MSCI All Country World Energy Index (Inception to 17 September 2018)

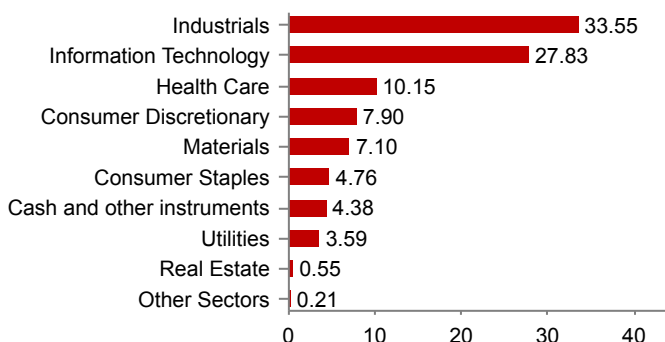
*AIA Global Resources Fund was restructured to AIA Sustainable Multi-Thematic Fund with effect from 24 November 2022.

Should investors wish to measure the performance for comparison purposes, then the Sub-Investment Manager would suggest using the MSCI World Index (Net Return) or such other benchmark as may be disclosed from time to time. The MSCI World Index (Net Return) is a broad market weighted index that is not consistent with the sustainable objective of the Underlying Fund.

Past Performance is not necessarily indicative of future performance.

Sector Allocation (%)

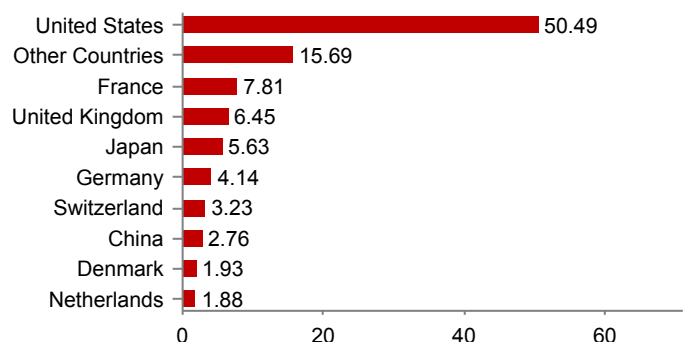
(As of 31 March 2024)



Source: AIA Investment Management Private Limited

Country Allocation (%)

(As of 31 March 2024)



Top Holdings

(As of 31 March 2024)

	Holdings (%)
Infineon Technologies AG	1.73
Renesas Electronics Corp	1.52
Schneider Electric SE	1.52
Albemarle Corp	1.38
Xylem Inc/NY	1.30
PTC Inc	1.22
Agilent Technologies Inc	1.21
nVent Electric PLC	1.20
BYD Co Ltd	1.14
Delta Electronics Inc	1.10
TOTAL	13.32

Source: Robeco Institutional Asset Management B.V

Manager's Commentary

(As of 31 March 2024)

AIA Sustainable Multi-Thematic Fund has the following allocation to its underlying funds:

- Robecosam Smart Energy Equities: 19.59%
 - Robecosam Circular Economy Equities: 18.78%
 - Robecosam Sustainable Water Equities: 18.75%
 - RobecoSam Smart Mobility Equities: 18.67%
 - Robecosam Sustainable Healthy Living Equities: 13.01%
 - Robecosam Smart Materials Equities: 11.19%
- AIA Sustainable Multi-Thematic Fund

The risk-on sentiment persisted with economic data from the U.S showing decent growth and some signs of a bottom in the Chinese economy. With the healthy growth in the U.S, the prospect of further decline in inflation diminished, restraining the fall of government bond yields. Additionally, the rising in commodity prices, particularly a notable 5% increase in March, presented challenges to achieving lower inflation, with oil experiencing a substantial surge of over 7%. Markets started the year expecting seven interest rate cuts in the U.S, but by the end of the quarter that dropped quite dramatically to only three cuts. This was against the backdrop of strong economic growth and slowing disinflation. Relatively strong earnings helped to support stock markets and US equity benchmarks touched new all-time highs. Despite better-than-expected economic data (Purchasing Manager Index) European equities trailed other markets. Equities, particularly in cyclical sectors and banking, performed admirably, with Japanese stocks rising to new peaks. Emerging market equities mirrored the trajectory of their developed counterparts. However, the ramifications of dwindling rate cut expectations were most acutely felt in rate-sensitive segments of the bond market, notably government bonds, while credit spreads continued to tighten due to positive economic developments.

The AIA Sustainable Multi-Thematic Fund gained 3.05% over the month, underperforming the benchmark by 16 basis points. The period witnessed a shift towards more cyclical sectors, with Semiconductors maintaining their upward trajectory, but Energy and Materials emerging as top performers amidst the surge in commodity prices, particularly Oil.

Industrials, the Fund's second-largest sector allocation, saw further growth, fueled by optimism regarding the bottoming out of economic growth, particularly in Europe and Japan. Notably, the World Value Index outperformed World Growth, indicating a broader market trend favoring value-oriented investments. Market breadth expanded, with Small Caps outperforming Large Caps, and European stocks, where the Fund has significant exposure, outpaced the World Index return.

The most notable theme for the period was Sustainable Healthy Living, which surged by 4.4%, outperforming the world index. However, Smart Mobility faced challenges, exacerbated by Tesla's disappointing quarter 1 car delivery announcement, underscoring concerns within the Electric Vehicle sector. Sustainable Water and Circular Economy themes showcased robust performance in March and maintained leadership positions on a one-year basis, despite none of the underlying strategies outperforming the MSCI World Index due to several factors.

Stock selection proved positive in the Pacific region, neutral in Europe, but weak in North America. Notably, Apple and Tesla experienced declines, while NVIDIA and Alphabet saw gains. Strong stock selection in Industrials and Health Care sectors contrasted with lagging performance in Materials and Information Technology, particularly within semiconductor companies. Noteworthy performers included Vertiv and nVent Electric, with rising earnings expectations driven by infrastructure demands. Cash positions remained stable throughout the month, with a total cash position of 4.3% at the end of March.

Looking ahead, the outlook remains optimistic, with favorable conditions for risky assets compared to government bonds. However, the pace of the equity rally raises concerns, although several factors suggest potential for continued growth, including fair valuations of equities outside the U.S market, broadening market participation, and improving earnings revisions in developed markets. While Momentum remains strong, cautiousness persists, particularly if rate cuts fail to materialize. Strategic exposure to Japan and emerging markets, alongside increased exposure to commodities, positions the Fund to benefit from evolving market dynamics and long-term thematic trends. A healthy consumer, productive companies, supply chain insecurities intensified by geopolitical tensions, and civic changes driven by sustainability concerns are all contributing to a diverse range of investment opportunities. The fundamental long-term drivers for the six impact themes remain as strong as ever as the pandemic has accelerated changes necessary to build more robust and sustainable economies. The AIA Sustainable Multi-Thematic Fund stands to benefit from the six themes with solid growth outlook where Technology companies with strong and sustainable moats remain the focus of the Fund.

Source: AIA Investment Management Private 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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