

INVESTOR

AIA's Monthly Investment Market and Unit Linked Fund Update

For the month of November 2020

What you will find here

Your fund performance

- Summary
- Growth fund
- Balanced fund
- Secure fund
- Protected fund
- Stable Money Market fund

Market update

- Interest rate movement
- Stock market performance
- Economic highlights

Fund manager's outlook

- Fixed Income outlook
- Equity outlook

Unit-linked Price Performance – As at month end

	Growth	Balanced	Secure	Protected	Stable MM	ASPI
Since 01 Jan 2020 (YTD)	-6.1%	-0.1%	6.5%	6.3%	7.1%	1.9%
Annual Effective Growth Rate						
1 year	-8.4%	-1.6%	7.4%	7.1%	7.9%	0.5%
3 years	-2.4%	4.4%	9.3%	8.8%	9.4%	-0.9%
5 years	-0.2%	5.5%	9.2%	8.7%	-	-2.0%
7 years	2.1%	6.1%	8.5%	8.1%	-	1.1%
From Inception - CAGR	9.2%	10.5%	10.1%	9.6%	9.3%	7.2%

Note: past performance is not an indication of future performance

*The Stable Money Market fund was introduced on 21 Apr 2017.



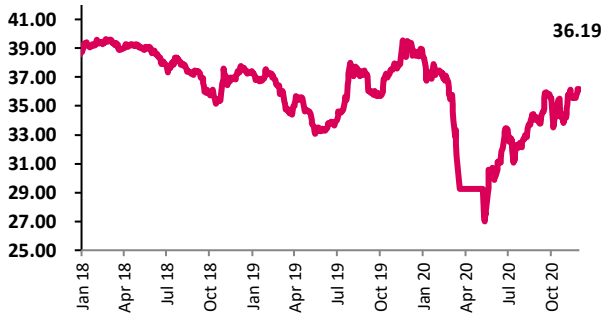
Tip: Your Investment Linked Long Term Insurance Policy allows you to be in control of your investments in Unit Linked Funds. Kindly refer your policy document to learn more about options like unit switches and premium redirections which are available for you to manage your investments. You can also contact us if you like to know how you can use the options available to you.



Disclaimer: The information in this report should not be considered as investment advice or a guarantee of future performance of Unit-linked funds of AIA since it is only based on historical data. AIA has tried its best to ensure accuracy of this report. AIA, its employees or authorized agents cannot be held responsible in any way for any errors or omissions in this document. AIA clearly denies all liabilities for any loss or damage, which may be suffered by any person as a result of relying on this information, even if such loss or damage is occurred by any fault or negligence of AIA, its employees or authorized agents.

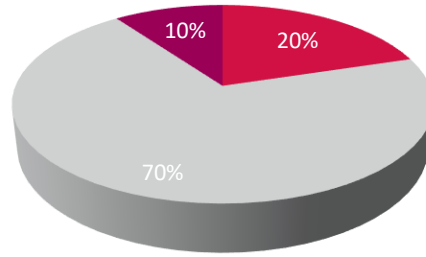
Your fund performance: Growth fund

Unit Price Movement



Note: past performance is not an indication of future performance

Asset Allocation



■ Government Securities ■ Fixed Deposits ■ Equity ■ Money Market

Note: The asset allocation for the fund is presented as at month end. The future asset allocation may change based on market conditions and investment strategy.

Unit Price Growth (as a percentage)

*Since inception – 02/05/2006 to 31/12/2006 **Period from 31/12/2019 to 30/11/2020

Year	2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020**
Unit Price	11.92	11.98	9.42	17.32	32.17	28.34	30.16	32.30	38.06	36.52	36.12	38.64	37.41	38.54	36.19
Growth (%)	19.2%	0.5%	-21.4%	83.9%	95.7%	-11.9%	6.4%	7.1%	17.8%	-4.0%	-1.1%	7.0%	-3.2%	3.0%	-6.1%

Note: past performance is not an indication of future performance

Equity Allocation

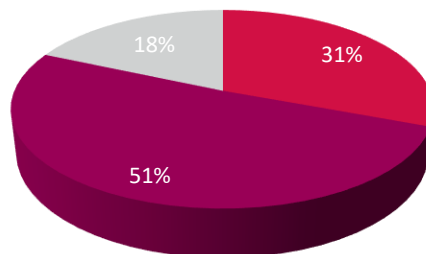
Sector	%
Banks	48%
Capital Goods	33%
Consumer Services	0%
Diversified Financials	13%
Materials	6%
Total	100%

Top Equity Holdings*

Access Engineering	John Keells Holdings
Amaya Leisure	People's Leasing
Central Finance	Royal Ceramic Lanka
Commercial Bank	Sampath Bank
Chevron Lubricants	Seylan Bank
Hatton National Bank	-

*Note: In alphabetical order

Credit Rating



■ AAA Rating ■ AA Rating ■ A Rating

Note: The credit rating is presented as at month end for investments in fixed deposits and does not include ratings for equity investments. All ratings are by Fitch Ratings Lanka.

- The annual average growth rate of the unit price for the Growth fund is 9.2% per year, since the unit linked fund was started.
- The unit price has decreased by 6.1% for the period 01 January 2020 to 30 November 2020.

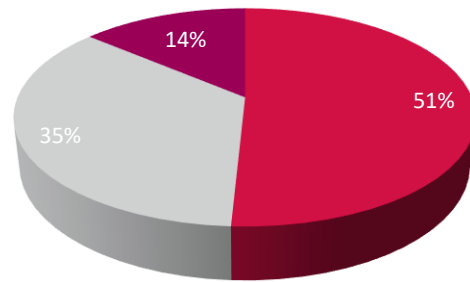
Your fund performance: Balanced fund

Unit Price Movement



Note: past performance is not an indication of future performance

Asset Allocation



■ Government Securities ■ Fixed Deposits ■ Equity ■ Money Market

Note: The asset allocation for the fund is presented as at month end. The future asset allocation may change based on market conditions and investment strategy.

Unit Price Growth (as a percentage)

*Since inception – 02/05/2006 to 31/12/2006 **Period from 31/12/2019 to 30/11/2020

Year	2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020**
Unit Price	11.43	12.19	11.62	17.23	25.18	24.18	26.22	28.87	32.36	32.90	34.40	37.60	39.56	42.81	42.76
Growth (%)	14.3%	6.6%	-4.7%	48.3%	46.1%	-4.0%	8.4%	10.1%	12.1%	1.7%	4.6%	9.3%	5.2%	11.2%	-0.1%

Note: past performance is not an indication of future performance

Equity Allocation

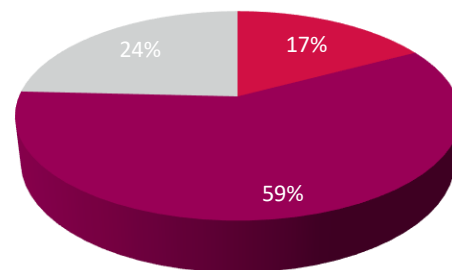
Sector	%
Banks	43%
Capital Goods	40%
Materials	6%
Diversified Financials	16%
Total	100%

Top Equity Holdings*

Access Engineering	John Keells Holdings
Central Finance	People's Leasing
Commercial Bank	Royal Ceramic Lanka
Chevron Lubricants	Sampath Bank
Hatton National Bank	Seylan Bank

*Note: (In alphabetical order)

Credit Rating



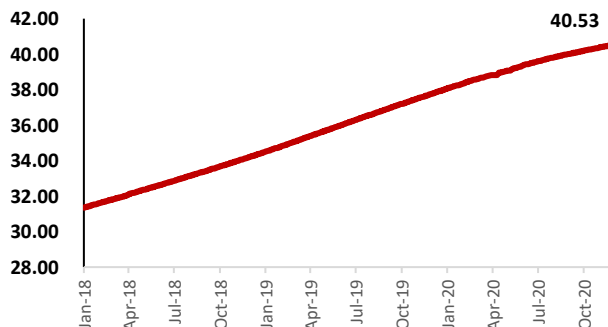
■ AAA Rating ■ AA Rating ■ A Rating

Note: The credit rating is presented as at month end for investments in fixed deposits and does not include ratings for equity investments. All ratings are by Fitch Ratings Lanka.

- The annual average growth rate of the unit price for the Balanced fund is 10.5% per year, since the unit linked fund was started.
- The unit price has decreased by 0.1% for the period 01 January 2020 to 30 November 2020.

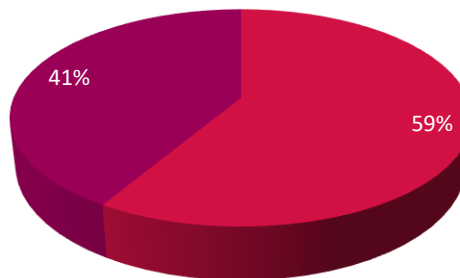
Your fund performance: Secure fund

Unit Price Movement



Note: past performance is not an indication of future performance

Asset Allocation



■ Government Securities ■ Fixed Deposits ■ Equity ■ Money Market

Note: The asset allocation for the fund is presented as at month end. The future asset allocation may change based on market conditions and investment strategy.

Unit Price Growth (as a percentage)

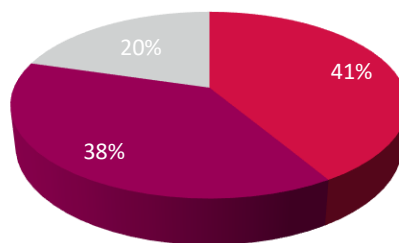
*Since inception – 02/05/2006 to 31/12/2006 **Period from 31/12/2019 to 30/11/2020

Year	2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020**
Unit Price	10.83	11.91	13.04	15.74	17.97	19.09	20.75	23.02	24.76	26.21	28.37	31.32	34.49	38.05	40.53
Growth (%)	8.3%	10.0%	9.5%	20.7%	14.2%	6.2%	8.7%	10.9%	7.6%	5.9%	8.2%	10.4%	10.1%	10.3%	6.5%

Note: past performance is not an indication of future performance

- The annual average growth rate of the unit price for the Secure fund is 10.1% per year, since the unit linked fund was started.
- The unit price has increased by 6.5% for the period 01 January 2020 to 30 November 2020.

Credit Rating

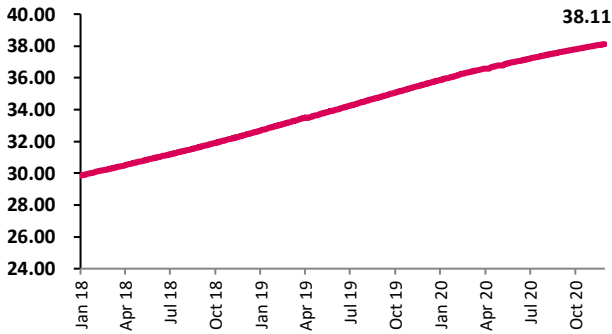


■ AAA Rating ■ AA Rating ■ A Rating

Note: The credit rating is presented as at month end for investments in fixed deposits and does not include ratings for equity investments. All ratings are by Fitch Ratings Lanka.

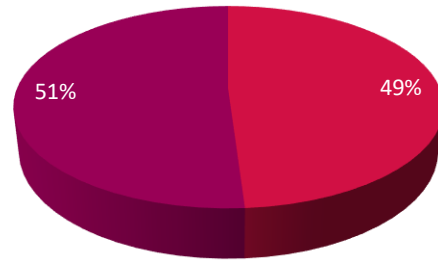
Your fund performance: Protected fund

Unit Price Movement



Note: past performance is not an indication of future performance

Asset Allocation



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Note: The asset allocation for the fund is presented as at month end. The future asset allocation may change based on market conditions and investment strategy.

Unit Price Growth (as a percentage)

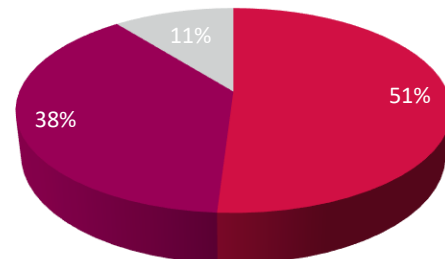
*Since inception – 02/05/2006 to 31/12/2006 **Period from 31/12/2019 to 30/11/2020

Year	2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020**
Unit Price	10.58	11.91	14.25	16.23	17.54	18.58	20.16	22.27	23.81	25.20	27.18	29.82	32.66	35.58	38.11
Growth (%)	5.8%	12.6%	19.6%	13.9%	8.1%	5.9%	8.5%	10.5%	6.9%	5.8%	7.9%	9.7%	9.5%	9.8%	6.3%

Note: past performance is not an indication of future performance

- The annual average growth rate of the unit price for the Protected fund is 9.6% per year, since the unit linked fund was started.
- The unit price has increased by 6.3% for the period 01 January 2020 to 30 November 2020.

Credit Rating

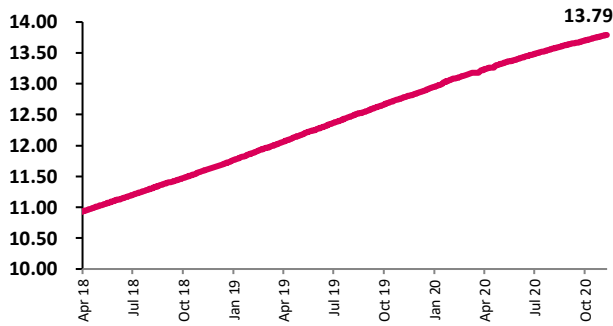


■ AAA Rating ■ AA Rating ■ A Rating

Note: The credit rating is presented as at month end for investments in fixed deposits and does not include ratings for equity investments. All ratings are by Fitch Ratings Lanka.

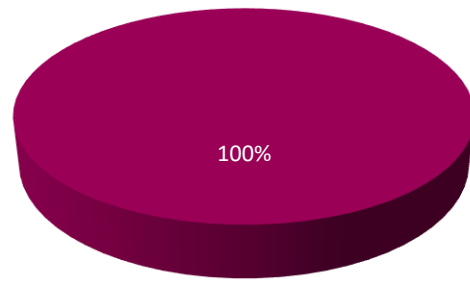
Your fund performance: Stable Money Market fund

Unit Price Movement



Note: past performance is not an indication of future performance

Asset Allocation



■ Government Securities ■ Fixed Deposits ■ Equity ■ Money Market

Note: The asset allocation for the fund is presented as at month end. The future asset allocation may change based on market conditions and investment strategy.

Unit Price Growth (as a percentage)

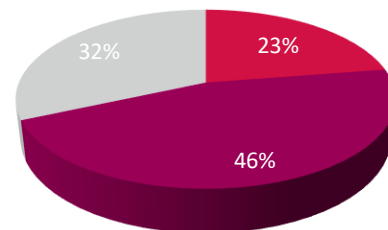
*Since inception – 21/04/2017 to 31/12/2017 **Period from 31/12/2019 to 30/11/2020

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017*	2018	2019	2020**
Unit Price	-	-	-	-	-	-	-	-	-	-	-	10.62	11.70	12.88	13.79
Growth (%)	-	-	-	-	-	-	-	-	-	-	-	6.2%	10.2%	10.1%	7.1%

Note: past performance is not an indication of future performance

- The annual average growth rate of the unit price for the Protected fund is 9.3% per year, since the unit linked fund was started.
- The unit price has increased by 7.1% for the period 01 January 2020 to 30 November 2020.

Credit Rating



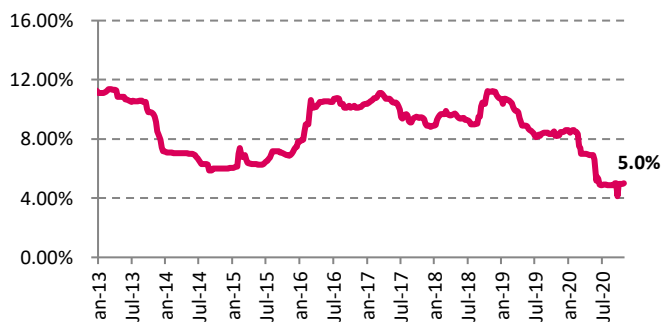
■ AAA Rating ■ AA Rating ■ A Rating

Note: The credit rating is presented as at month end for investments in fixed deposits and does not include ratings for equity investments. All ratings are by Fitch Ratings Lanka.

Market Update: Interest Rates

We use the 364-day T-Bill as an indicator of how interest rates move.

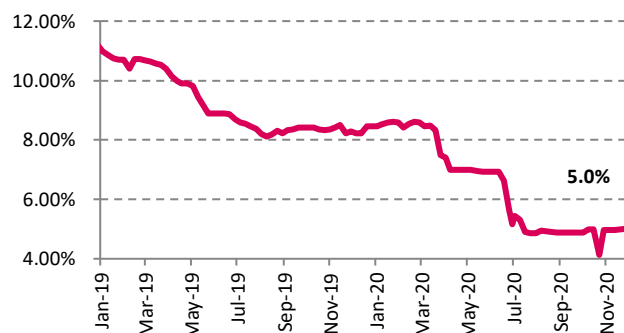
364-day T-bill: Since 01 Jan 2013



Source- CBSL weekly reports

Note: Past performance is not an indication of future performance

364-day T-bill: Since 01 Jan 2019



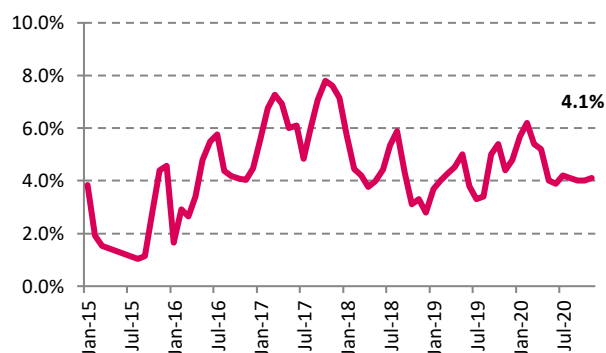
Source- CBSL weekly reports

Note: Past performance is not an indication of future performance

Major events during the month

- Central Bank maintained the Standing Deposit Facility Rate (SDFR) and Standing Lending Facility Rate (SLFR) in November 2020 at 4.50% and 5.50% respectively.
- Central Bank raised LKR 73 billion through treasury bills and LKR 47 billion through treasury bonds during the month.
- There was a slight upward movement of the yield curve in November. Overnight liquidity increased in November by around LKR 33 billion.

Inflation: Since 01 Jan 2015

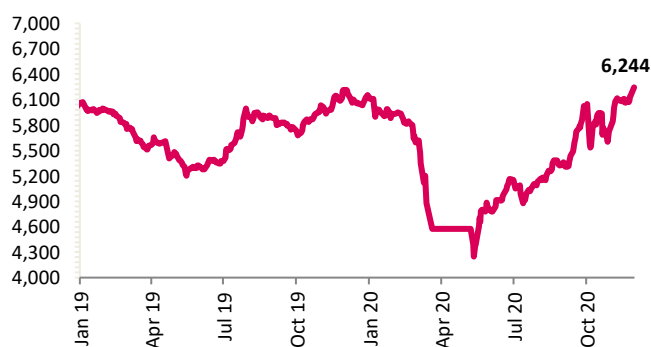


Source- Department of Census and Statistics-Sri Lanka

ASPI Movement: Since 01 Jan 2013



ASPI Movement: Since 01 Jan 2019



ASPI Performance (as a percentage)

*Since inception – 02/05/2006 to 31/12/2006 **Period from 31/12/2019 to 30/11/2020

Year	2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020**
ASI	2,723	2,541	1,504	3,386	6,637	6,074	5,644	5,913	7,299	6,894	6,228	6,369	6,052	6,129	6,244
Growth (%)	5.8%	-6.7%	-40.8%	125.2%	96.0%	-8.5%	-7.1%	4.8%	23.4%	-5.5%	-9.7%	2.3%	-5.0%	1.3%	1.9%

Highlights of the performance

- The annual average growth rate of ASPI is 7.2% per year.
- The ASPI has increased by 1.9% for the period of 01 January 2020 to 30 November 2020.

Market Update: Stock Market

For the month of November 2020

Description	Nov-2020	Oct-2020
All Share Price Index (ASPI)	6,244	5,726
ASPI growth for the month	9.0%	-4.3%
Total market turnover (LKR Millions)	53,350	58,171
Market Capitalization (LKR Billions)	2,728	2,494
PE Ratio (times)	10.61x	9.70x

10 Companies with highest market

- JOHN KEELLS HOLDINGS PLC
- CEYLON TOBACCO COMPANY PLC
- DIALOG AXIATA PLC
- DISTILLERIES COMPANY OF SRI LANKA PLC
- COMMERCIAL BANK OF CEYLON PLC
- LOLC HOLDINGS PLC
- NESTLE LANKA PLC
- CEYLON COLD STORES PLC
- SRI LANKA TELECOM PLC
- HEMAS HOLDINGS PLC

Highlights of the month

- Market provided a positive return in November where the ASPI and the S&P SL indices gained 9.0% and 7.5% respectively while the return on ASPI on a year-to-date basis turned positive.
- Retail buying momentum was the main reason for the incline in the ASPI.
- Foreign selling persisted in October as well. Total net foreign selling in 2020 (Jan-Nov) amounts to LKR 47 billion.

Fund manager's outlook



Fixed income outlook

- The benchmark 364-day Treasury bill rate increased to 5.00% during the month of November 2020. Interest rates increased across the yield curve by approximately 30 – 40 basis points, mainly as a result of the large budget deficit for 2021. The Central Bank expects the budget deficit for 2020 to hover around LKR 1.3 trillion, while the deficit budgeted for 2021 is in excess of LKR 1.5 trillion. Moreover, the policymakers intend to fund the deficit predominantly from domestic sources. As a result, the interest rates recorded an increase during the month.
- The overnight liquidity increased further to LKR 235 billion as at 4th December 2020, while the Central Bank holding of Government securities exceeded LKR 600 billion. The Central Bank continued to opt for quantitative easing to maintain high liquidity levels and to maintain interest rates at current levels.
- With the expectation of improved overall economic activity levels coupled with the expected budget deficit for 2021 and the prevailing uncertainties in the international markets, we expect interest rates and exchange rate to come under pressure towards the 2Q in 2021. Therefore, we will continue to carry out investments in short term instruments.

Equity outlook

- The benchmark All Share Price Index (ASPI) and the more liquid S&P SL 20 Index gained 9.03% and 7.52% respectively, during the month of November 2020. Improved market sentiment, mainly due to the encouraging corporate results and the positive news regarding the vaccine, was the key catalyst for the significant gains recorded during the month.
- Foreign investors continued to be net sellers in the market, as total net foreign selling for 2020 stood at LKR 48.4 billion as at November 2020. Given our expectation on corporate performance, earnings potential and interest rates, we expect to maintain the current asset allocations to equity.

About AIA

AIA Group is the pre-eminent life insurance provider in the Asia Pacific region.



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AUSTRALIA

1981
NEW ZEALAND

1982
MACAU

1984
INDONESIA

1987
KOREA

1990
TAIWAN

2000
VIETNAM

2001
INDIA

2012
SRI LANKA

2013
MYANMAR

2015
CAMBODIA

A total Sum Assured of over
US\$1.58 trillion

100 years
of history in Asia

18
geographical markets

More than
34 million
individual policies

More than
16 million
group scheme members



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AIA Insurance Lanka Limited

(Co.No.PQ 18 PB)

AIA Tower, 92, Dharmapala Mawatha, Colombo 07

Hotline: 011 2310310

Fax: 011 4715892

E-mail: lk.info@aia.com