

# INVESTOR

## AIA's Monthly Investment Market and Unit Linked Fund Update

For the month of April 2021

### 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	S&P SL 20
Since 01 Jan 2021 (YTD)	7.2%	5.3%	1.4%	1.3%	1.4%	6.4%	8.8%
Annual Effective Growth Rate							
1 year	37.4%	24.0%	5.6%	5.3%	6.0%	57.7%	47.3%
3 years	0.8%	6.0%	8.5%	8.1%	8.7%	3.3%	-7.8%
5 years	3.0%	7.0%	9.0%	8.6%	-	2.0%	-3.5%
7 years	2.6%	6.4%	8.2%	7.8%	-	2.1%	-2.5%
From Inception - CAGR	9.7%	10.7%	9.9%	9.4%	8.8%	8.0%	-0.9%

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.

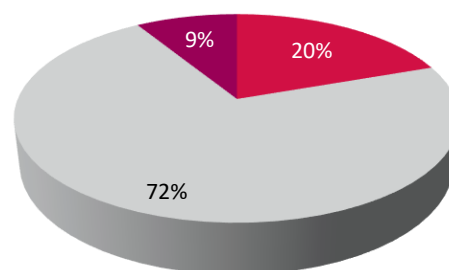
## Your fund performance: Growth fund

### 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 31/12/2020 to 30/04/2021

Year	2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021**
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	37.51	40.21
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%	-2.7%	7.2%

Note: past performance is not an indication of future performance

### Equity Allocation

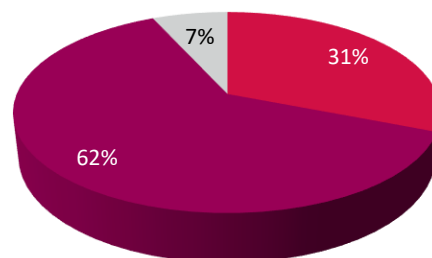
Sector	%
Banks	41%
Capital Goods	30%
Food and Staples Retailing	8%
Food Beverage and Tobacco	6%
Telecommunication Services	5%
Diversified Financials	5%
Materials	5%
Total	100%

### Top Equity Holdings\*

Access Engineering	Hatton National Bank
Cargills (Ceylon)	John Keells Holdings
Commercial Bank	People's Leasing
Chevron Lubricants	Royal Ceramic Lanka
Dialog Axiata	Sampath Bank
Distilleries Company of SL	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 Growth fund is 9.9% per year, since the unit linked fund was started.
- The unit price has increased by 7.2% for the period 01 January 2021 to 30 April 2021.

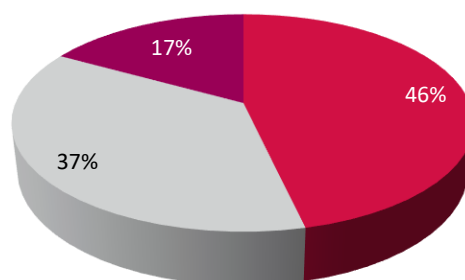
## Your fund performance: Balanced fund

### 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 31/12/2020 to 30/04/2021

Year	2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021**
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	43.68	46.01
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%	2.0%	5.3%

Note: past performance is not an indication of future performance

### Equity Allocation

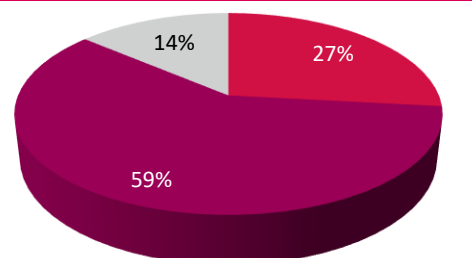
Sector	%
Banks	37%
Capital Goods	32%
Diversified Financials	10%
Food and Staples Retailing	7%
Food Beverage and Tobacco	6%
Materials	5%
Telecommunication Services	3%
Total	100%

### Top Equity Holdings\*

Access Engineering	Hatton National Bank
Cargills (Ceylon)	John Keells Holdings
Commercial Bank	LB Finance
Chevron Lubricants	People's Leasing
Dialog Axiata	Royal Ceramic Lanka
Distilleries Company of SL	Sampath Bank

\*Note: (In alphabetical order)

### Credit Rating



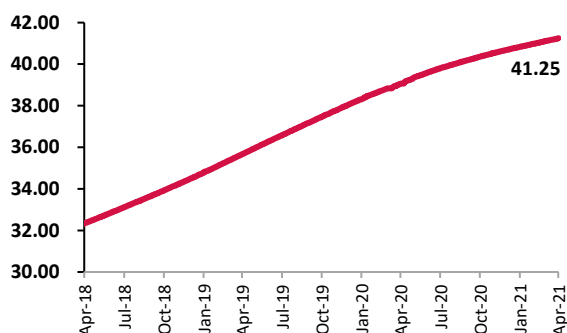
■ AAA Rating ■ AA Rating ■ A Rating

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 9.8% per year, since the unit linked fund was started.
- The unit price has decreased by 5.3% for the period 01 January 2021 to 30 April 2021.

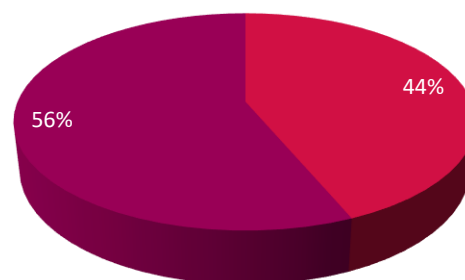
## Your fund performance: Secure fund

### 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)

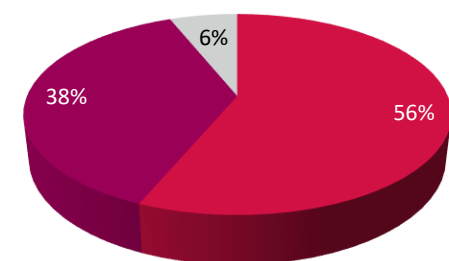
\*Since inception – 02/05/2006 to 31/12/2006 \*\*Period from 31/12/2019 to 30/04/2021

Year	2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021**
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	40.68	41.25
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%	6.9%	1.4%

Note: past performance is not an indication of future performance

- The annual average growth rate of the unit price for the Secure fund is 10.2% per year, since the unit linked fund was started.
- The unit price has increased by 1.4% for the period 01 January 2021 to 30 April 2021.

### Credit Rating

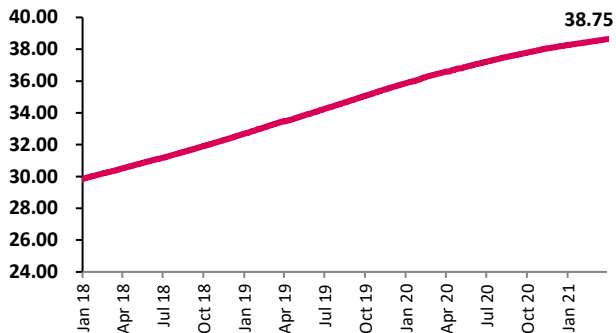


■ AAA Rating ■ AA Rating ■ A Rating

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.

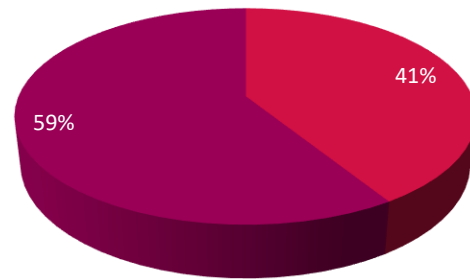
## Your fund performance: Protected fund

### 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)

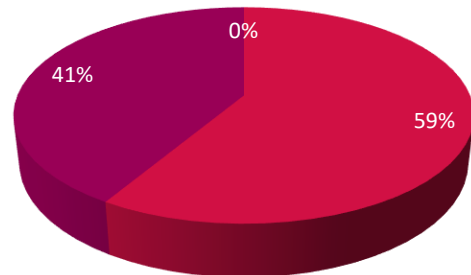
\*Since inception – 02/05/2006 to 31/12/2006 \*\*Period from 31/12/2020 to 30/04/2021

Year	2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021**
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	38.25	38.75
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%	6.7%	1.3%

Note: past performance is not an indication of future performance

- The annual average growth rate of the unit price for the Protected fund is 9.7% per year, since the unit linked fund was started.
- The unit price has increased by 1.3% for the period 01 January 2021 to 30 April 2021.

### Credit Rating

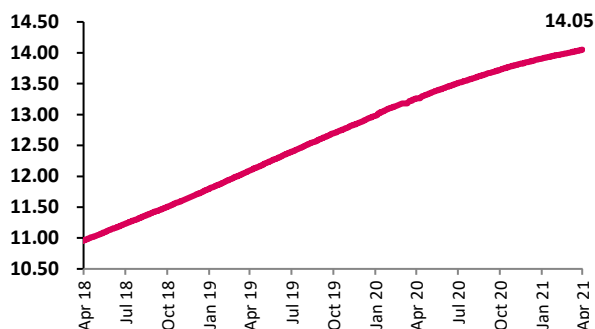


■ AAA Rating ■ AA Rating ■ A Rating

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.

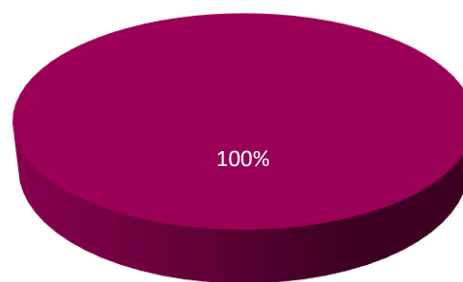
## Your fund performance: Stable Money Market fund

### Unit Price Movement



Note: past performance is not an indication of future performance

### Asset Allocation



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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)

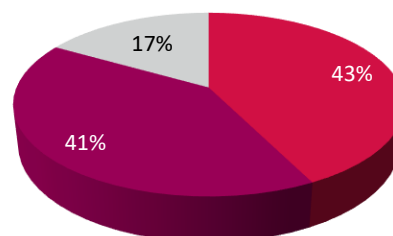
\*Since inception – 21/04/2017 to 31/12/2017 \*\*Period from 31/12/2019 to 30/04/2021

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017*	2018	2019	2020	2021**
Unit Price	-	-	-	-	-	-	-	-	-	-	-	10.62	11.70	12.88	13.85	14.05
Growth (%)	-	-	-	-	-	-	-	-	-	-	-	6.2%	10.2%	10.1%	7.5%	1.4%

Note: past performance is not an indication of future performance

- The annual average growth rate of the unit price for the Protected fund is 9.8% per year, since the unit linked fund was started.
- The unit price has increased by 1.4% for the period 01 January 2021 to 30 April 2021.

### Credit Rating



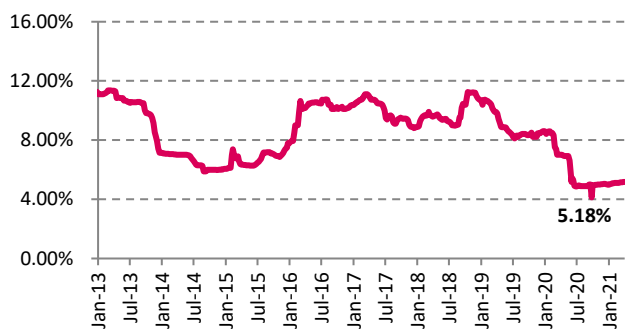
■ AAA Rating ■ AA Rating ■ A Rating

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## Market Update: Interest Rates

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

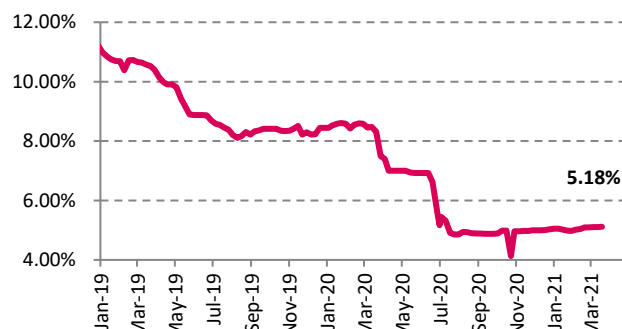
### 364-day T-bill: Since 01 Jan 2013



Source- CBSL weekly reports

Note: Past performance is not an indication of future performance

### 364-day T-bill: Since 01 Jan 2019



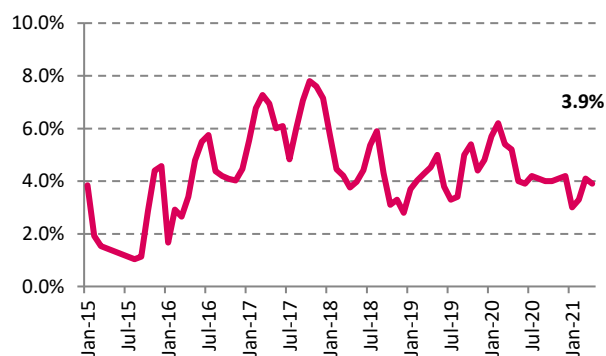
Source- CBSL weekly reports

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 Report (SLFR) in April 2021 at 4.50% and 5.50% respectively.
- Central Bank raised LKR 121 billion through treasury bills and LKR 75 billion through treasury bonds during the month.
- An upward movement in the yield curve was identified in April. The longer tenure bond yields have remained unchanged.

### Inflation: Since 01 Jan 2015



Source- Department of Census and Statistics-Sri Lanka

## Market Update: Stock Market

### ASPI Movement: Since 01 Jan 2013



### ASPI Movement: Since 01 Jan 2019



### S&P SL Movement: Since 01 Jan 2013



### S&P SL Movement: Since 01 Jan 2019



Year	2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021**
ASPI	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	6,774	7,208
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%	10.5%	6.4%
S&P SL 20	-	-	-	-	-	-	3,085	3,264	4,089	3,626	3,496	3,672	3,135	2,937	2,638	2,869
Growth (%)	-	-	-	-	-	-	8.4%	5.8%	25.3%	-11.3%	-3.6%	5.0%	-14.6%	-6.3%	-10.2%	8.8%

Note: past performance is not an indication of future performance

\*The S&P SL20 index was introduced on 27 Jun 2012.

### Highlights of the performance

- The annual average growth rate of ASPI is 8.0% per year and S&P SL20 index is -0.9% per year, since the unit linked funds were first started.
- The ASPI & S&P SL20 indices have increased by 6.4% and 8.8% for the period of 01 January 2021 to 30 April 2021, respectively.

## Market Update: Stock Market

### For the month

Description	Mar-2021	Apr-2021
All Share Price Index (ASPI)	7,121	7,208
ASPI growth for the month	-4.75%	1.22%
Total market turnover (LKR Millions)	40,945	52,996
Market Capitalization (LKR Billions)	3,111	3,179
PE Ratio (times)	14.98x	14.56x

### 10 Companies with highest market Capitalization on the CSE as of 30 April 2021

- CEYLON TOBACCO COMPANY PLC
- JOHN KEELLS HOLDINGS PLC
- LOLC HOLDINGS PLC
- DIALOG AXIATA PLC
- BROWNS INVESTMENTS PLC
- COMMERCIAL BANK OF CEYLON PLC
- EXPOLANKA HOLDINGS PLC
- DISTILLERIES COMPANY OF SRI LANKA PLC
- VALLIBEL ONE PLC
- HAYLEYS PLC

### Highlights of the month

- The market witnessed an increase in April where the ASPI and S&P SL 20 marginally increased by 1.2 per cent and 0.7 per cent respectively. However, on a year to date basis, ASPI and S&P SL 20 have provided a return of 6.4 per cent and 8.8 per cent respectively.
- Foreign selling continued in April as well. The year to date net sales by foreigners amounted to LKR 21.4 billion by end April 2021.



**Investment strategy:** AIA Sri Lanka maintains a prudent investment strategy for its investment portfolios, in line with its investment philosophy and guidelines as set out in the investment policy. The Company advocates a long-term investment strategy supporting long-term growth. The equity strategy is driven by in-depth research with emphasis on growth and sustainability of earnings whilst principles such as liquidity, solvency and corporate governance also play a significant role in stock selection.



### Fixed income outlook

- The benchmark 364 – day Treasury bill rate increased to 5.18% during the month of April 2021, while the secondary market yields for medium term Treasury bonds increased by 15 – 25 basis points during the month. Private sector credit growth expanded by over LKR 112 billion during March 2021, resulting in a year on year growth of 7.5%.
- Sri Lanka managed to secure USD 500 million loan from China Development Bank, which in turn presented the Central Bank with the opportunity to provide liquidity to the market. As a result, market liquidity level increased from LKR 86 billion at the beginning of the month to LKR 145 billion as at end of April 2021.

### Equity outlook

- All Share Price Index and S&P SL 20 Index gained 1.22% and 0.67% respectively, during April 2021. However, concerns surrounding a third wave of COVID-19 led to a shift in investor sentiment, which resulted in panic selling in the second half of the month.
- Pressure on exchange rate and interest rate coupled with lower expectations on corporate earnings due to the limited mobility and low economic activity levels may have negative impacts on the overall equity market.

## About AIA

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



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