

# INVESTOR



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

For the month of December 2025

### 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 SL20
Since 01 Jan 2025 (YTD)	<b>34.0%</b>	<b>21.6%</b>	<b>7.4%</b>	<b>7.1%</b>	<b>7.7%</b>	<b>41.9%</b>	<b>26.6%</b>
Annual Effective Growth Rate							
1 year	34.0%	21.6%	7.4%	7.1%	7.7%	41.9%	26.6%
3 years	39.2%	28.4%	14.2%	13.2%	14.5%	38.6%	32.7%
5 years	21.9%	19.7%	13.1%	12.3%	13.2%	27.3%	18.5%
7 years	15.3%	15.3%	11.8%	11.1%	11.9%	20.7%	10.1%
From Inception - CAGR	12.5%	12.8%	10.8%	10.3%	11.5%	12.4%	5.9%

Note: Past performance is not an indication of future performance

: The Stable Money Market fund was introduced on 21 Apr 2017, while the remainder of the funds were introduced on 02 May 2006

**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.

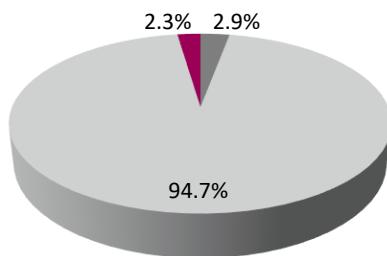
## Your fund performance: Growth fund

### 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)

\*Period from 31/12/2024 to 31/12/2025

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
Unit Price	32.90	34.40	37.60	39.56	42.81	43.68	50.63	37.48	49.18	78.38	101.19
Growth (%)	1.7%	4.6%	9.3%	5.2%	11.2%	2.0%	15.9%	-20.1%	31.2%	53.5%	34.0%

Note: past performance is not an indication of future performance

### Equity Allocation

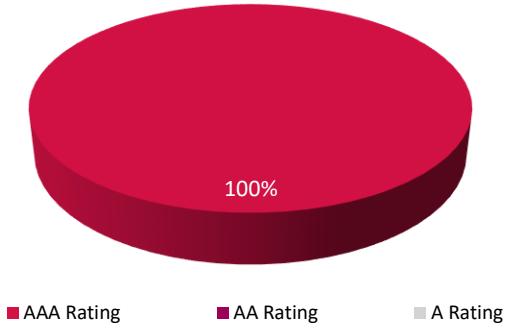
Sector	%
Banks	41%
Food Beverage and Tobacco	24%
Capital Goods	20%
Materials	8%
Diversified Financials	5%
Food & Staples Retailing	1%
Energy	1%
Telecommunication Services	0%
Utilities	0%
Software & Services	0%
Transportation	0%
Consumer Durables & Apparel	0%
<b>Total</b>	<b>100%</b>

### Top Equity Holdings\*\*\*

ACCESS ENG LTD	DISTILLERIES COMPANY OF SRI LANKA
CENTRAL FINANCE COMPANY PLC	HATTON NATIONAL BANK PLC
CEYLON COLD STORES PLC	HEMAS HOLDINGS PLC
CHEVRON LUBRICANTS LANKA PLC	SAMPATH BANK PLC
COMMERCIAL BANK OF CEYLON PLC	SUNSHINE HOLDINGS PLC

\*\*\*Note: In alphabetical order

### Credit 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.

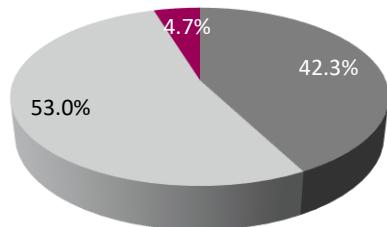
- The annual average growth rate of the unit price for the Growth fund is 12.5% per year, since the unit linked fund was started.
- The unit price has increased by 34.0% year to date.

## Your fund performance: Balanced fund

### Unit Price Movement



### 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)

\*Period from 31/12/2024 to 31/12/2025

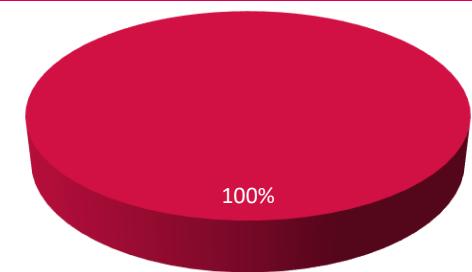
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
Unit Price	32.90	34.40	37.60	39.56	42.81	43.68	50.63	50.68	64.73	88.36	107.45
Growth (%)	1.7%	4.6%	9.3%	5.2%	11.2%	2.0%	15.9%	0.1%	27.7%	36.5%	21.6%

Note: past performance is not an indication of future performance

### Equity Allocation

Sector	%
Banks	45%
Food Beverage and Tobacco	26%
Capital Goods	11%
Diversified Financials	9%
Materials	8%
Consumer Services	0%
Telecommunication Services	0%
Food & Staples Retailing	0%
Utilities	0%
Transportation	0%
Software & Services	0%
Consumer Durables & Apparel	0%
Total	100%

### 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.

### Top Equity Holdings\*\*\*

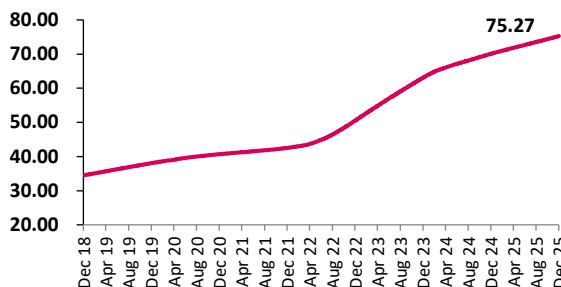
ACCESS ENG LTD	DISTILLERIES COMPANY OF SRI LANKA
CENTRAL FINANCE COMPANY PLC	HATTON NATIONAL BANK PLC
CEYLON COLD STORES PLC	HEMAS HOLDINGS PLC
CHEVRON LUBRICANTS LANKA PLC	SAMPATH BANK PLC
COMMERCIAL BANK OF CEYLON PLC	SUNSHINE HOLDINGS PLC

\*\*\*Note: In alphabetical order

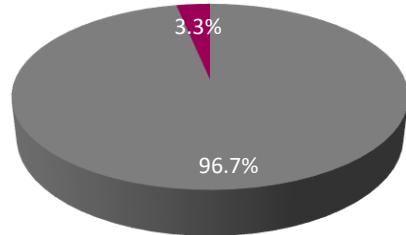
- The annual average growth rate of the unit price for the Balanced fund is 12.8% per year, since the unit linked fund was started.
- The unit price has increased by 21.6% year to date.

## Your fund performance: Secure fund

### Unit Price Movement



### 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)

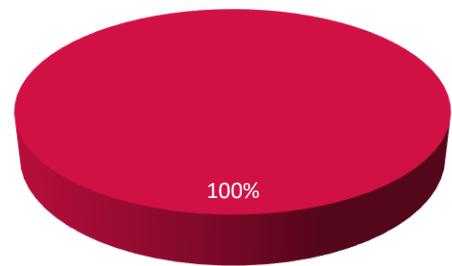
\*Period from 31/12/2024 to 31/12/2025

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
Unit Price	26.21	28.37	31.32	34.49	38.05	40.68	42.53	50.47	63.01	70.08	75.27
Growth (%)	5.9%	8.2%	10.4%	10.1%	10.3%	6.9%	4.5%	18.7%	24.8%	11.2%	7.4%

Note: past performance is not an indication of future performance

- The annual average growth rate of the unit price for the Secure fund is 10.8% per year, since the unit linked fund was started.
- The unit price has increased by 7.4% year to date.
- Investment holdings as of month end are in government securities\* resulting in AAA rated instruments for the portfolio.

### Credit Rating



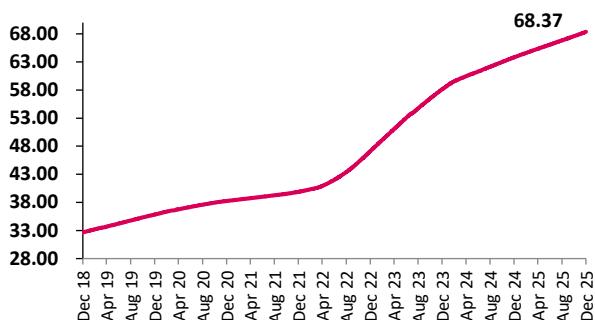
\*Includes money market Instruments

■ AAA Rating ■ AA Rating ■ A Rating

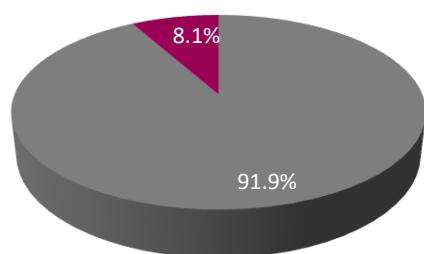
Note: The credit rating is presented as at month end for investments in fixed deposits and does not include ratings for equity investments. All ratings are by Fitch Ratings Lanka.

## Your fund performance: Protected fund

### Unit Price Movement



### Asset Allocation



■ Government Securities ■ Fixed Deposits ■ Equity ■ Money Market

Note: past performance is not an indication of future performance

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.

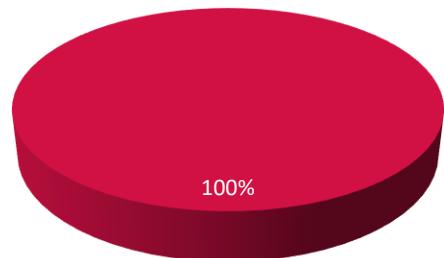
### Unit Price Growth (as a percentage)

\*Period from 31/12/2024 to 31/12/2025

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
Unit Price	25.20	27.18	29.82	32.66	35.58	38.25	39.88	47.09	58.08	63.83	68.37
Growth (%)	5.8%	7.9%	9.7%	9.5%	9.8%	6.7%	4.3%	18.1%	23.3%	9.9%	7.1%

Note: past performance is not an indication of future performance

### Credit Rating



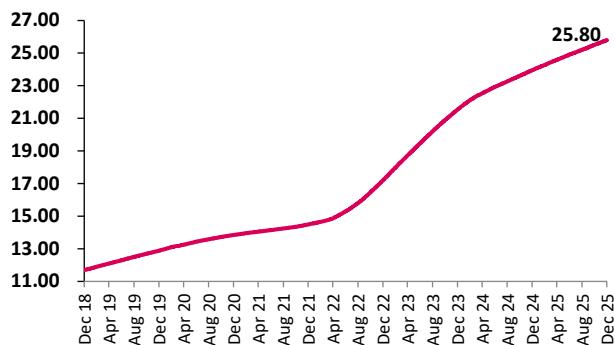
■ AAA Rating ■ AA Rating ■ A Rating

\*Includes money market Instruments

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.

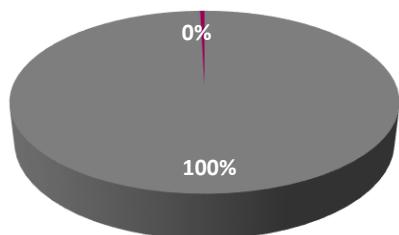
## Your fund performance: Stable Money Market fund

### 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) \*21/04/2017 to 31/12/2017

\*\*Period from 31/12/2024 to 31/12/2025

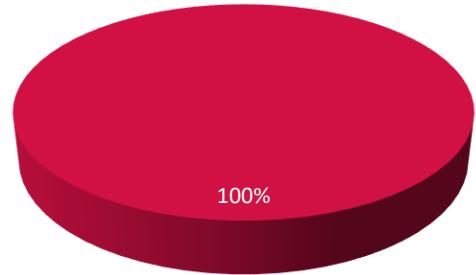
Year	2015	2016	2017*	2018	2019	2020	2021	2022	2023	2024	2025**
Unit Price	-	-	10.62	11.70	12.88	13.85	14.49	17.18	21.51	23.96	25.80
Growth (%)	-	-	6.2%	10.2%	10.1%	7.5%	4.6%	18.6%	25.2%	11.4 %	7.7%

Note: past performance is not an indication of future performance

- The annual average growth rate of the unit price for the Stable Money Market fund is 11.5% per year, since the unit linked fund was started.
- The unit price has increased by 7.7 % year to date.
- Investment holdings as of month end are in government securities\* resulting in AAA rated instruments for the portfolio.

\*Includes money market Instruments

### Credit Rating



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## Market Update: Interest Rates

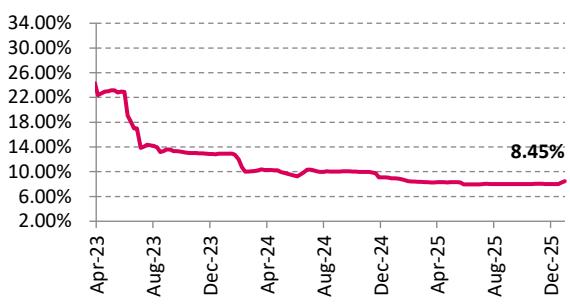
We use the 364-day T-Bill as an indicator of how interest rates move

### 364-day T-bill: Since 01 Jan 2015



Note: Past performance is not an indication of future performance

### 364-day T-bill: Since 01 Jan 2023

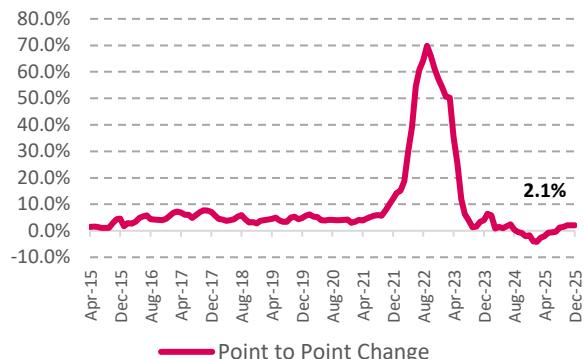


Note: Past performance is not an indication of future performance

### Major events during the month

- Market interest rates remained broadly stable through most of the month of December but recorded a sharp increase in late December, rising from 8.03% to 8.45% for the 364-day T-bill. This increment reflects tightening liquidity conditions and possible adjustments in market expectations.
- During 2025, the external sector performance remained robust. This is supported by inflows in the form of earnings from tourism and workers' remittances.

### Inflation: Since 01 Jan 2015



## Market Update: Stock Market

### ASPI Movement: Since 01 Jan 2015



### ASPI Movement: Since 01 Jan 2023



### S&P SL Movement: Since 01 Jan 2015



### S&P SL Movement: Since 01 Jan 2023



Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025**
ASPI	6,894	6,228	6,369	6,052	6,129	6,774	12,226	8,490	10,654	15,945	22,624
Growth (%)	-5.50%	-9.70%	2.30%	-5.00%	1.30%	10.50%	80.50%	-30.56%	25.50%	49.66%	41.89%
S&P SL 20	3,626	3,496	3,672	3,135	2,937	2,638	4,233	2,636	3,068	4,862	6,157
Growth (%)	-11.30%	-3.60%	5.00%	-14.60%	-6.30%	-10.20%	60.50%	-37.74%	1.94%	58.46%	26.64%

Note: past performance is not an indication of future performance

\*The S&P SL20 index was introduced on 18 June 2012. Inclusions in the S&P 20 index are rebalanced on a bi-annual basis.

### Highlights of the performance

- The annual average growth rate of ASPI is 12.37% per year and S&P SL20 index is 5.89% per year, since the unit linked funds were first started.
- The ASPI and S&P SL 20 have increased by 41.89% and 26.64% year to date.

## Market Update: Stock Market

### For the month

Description	Nov-25	Dec-25
All Share Price Index (ASPI)	22,713	22,624
ASPI growth for the month	-0.40%	-0.39%
S&P SL 20 Index	6,267	6,157
S&P SL 20 growth for the month	0.85%	-1.75%
Total market turnover (LKR Millions)	94,686	76,855
Market Capitalization (LKR Billions)	8,123	8,069
PE Ratio (times)	11.16x	10.73x

### 10 Companies with highest market Capitalisation on the CSE as of month end

- JOHN KEELLS HOLDINGS PLC
- COMMERCIAL BANK OF CEYLON PLC
- CEYLON TOBACCO COMPANY PLC
- DISTILLERIES COMPANY OF SRI LANKA PLC
- DIALOG AXIATA PLC
- LOLC HOLDINGS PLC
- MELSTACORP PLC
- CARGILLS (CEYLON) PLC
- HATTON NATIONAL BANK PLC
- SAMPATH BANK PLC

### Highlights of the month

- The ASPI and S&P SL 20 declined by 0.39% and 1.75% respectively, for the month of December 2025.
- Net foreign outflows for the month amounted to LKR 2.18 Bn, a decreased outflow from the prior period.
- The market has witnessed decreased turnover for the period compared to the prior period.

 **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 Central Bank did not hold a monetary policy review during the month of December; hence it held its Overnight policy rate (OPR) at its current level of 7.75%. As a result, the Standing Lending Facility Rate (the rate at which the CBSL lends to commercial banks) stayed at 8.25%, while the Standing Deposit Facility Rate (the rate at which commercial banks place excess funds with CBSL) stood at 7.25%.
- During the month, Treasury bill yields recorded a marginal increase across all three tenors, with the 364-day T-bill rising the most by 16 basis points to 8.19%. The 182-day T-bill edged up by 4 basis points to 7.95%, while the 91-day T-bill increased by 3 basis points to 7.55% during December.
- We believe this upward movement in yields was mainly driven by market expectations of an expansion in primary expenditure, following the recent disaster situation. In response, the Committee on Public Finance (CoPF) approved a supplementary estimate of LKR 500 billion, which is scheduled for approval in Parliament on 19 December 2025, to support relief efforts, restore livelihoods, and rehabilitate damaged infrastructure.
- The approved supplementary estimate comprises LKR 100 billion for housing reconstruction, LKR 250 billion for infrastructure rehabilitation, and LKR 150 billion for livelihood restoration. The Committee noted that this additional spending would result in primary expenditure for 2026 exceeding the 13% of GDP ceiling by approximately 1.5%, as stipulated under the Public Finance Management Act. However, such a breach is permitted under Sections 16 and 26 of the Act in cases of unforeseen and unavoidable circumstances, including natural disasters, subject to appropriate justification and disclosure. Accordingly, the Ministry of Finance has submitted the required explanatory documentation, including an updated Medium-Term Fiscal Framework (MTFF).
- Against this backdrop, markets appear to have priced in higher near-term financing needs and increased Treasury bill issuance, contributing to the observed upward pressure on yields, particularly at the longer end of the Treasury bill curve. The foreign holding of LKR-denominated government securities saw a marginal uptick of 1.32% during the month of December. The total purchase of securities by foreigners during the year amounted to LKR 72 billion which increased the foreign holdings by 104% during the year. Meanwhile, the total purchases during the month amounted to LKR 1.84 billion.
- The foreign holding of LKR denominated government securities increased by 104% during the year as the total purchases during the year amounted to LKR 72 billion during the year, bringing the foreign holdings of government securities up to 0.75%. On a monthly basis the foreign holding of government securities edged up by 1.32%, where foreigners purchased LKR 1.84 billion.
- The Average Weighted Prime Lending Rate (AWPR) increased by 30 basis points, bringing the AWPR to 8.94% by the end of December.
- The Colombo Consumer Price Index (CCPI) recorded a Y-O-Y inflation of 2.1% for the month of December 2025, unchanged from the previous two months, due to unchanged Food inflation and the minor uptick in Non-Food inflation. Food and Non-Food Inflation was recorded at 3.0% (Y-O-Y) and 1.8% (Y-O-Y) respectively for the month of December 2025.

### Equity outlook

- In December, the Colombo Stock Exchange (CSE) experienced a marginal drop, with the All-share price index (ASPI) declining by 0.39%, although it recorded a strong year-to-date (YTD) gain of 41.89% by the end of the year. Similarly, the S&P Sri Lanka index (S&P SL20) dropped by 1.75% during the month, whilst posting a 26.64% in 2025. Foreigners were net Sellers of Sri Lankan equities with net foreign outflow of LKR 3.81 billion during the month of December bringing the cumulative net outflow to 50.16 billion for the year.
- The downward movement was primarily driven by the Food, Beverage and Tobacco sector mainly. The counters that contributed the most towards the downward movement were Distilleries company of Sri Lanka, Commercial Bank of Ceylon and Melstacorp. Investor participation weakened during the period, declining by nearly 27% compared to the previous month, as Average Daily turnover decreased to LKR 3.66 from LKR 4.98 billion.
- Valuations edged higher as the market's Price-to-Earnings (P/E) ratio decreased to 10.73x by the end of December, compared to 11.16x by November 2025.

# AIA Unit Linked Funds



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## FREQUENTLY ASKED QUESTIONS

### ▪ Where are AIA Unit Linked Funds invested?

The Unit Linked funds are invested in instruments specified in the policy documents i.e. government securities, debt securities and money market investments such as fixed deposits, etc, and in shares listed on the Colombo Stock Exchange. These investments are made within the parameters provided in the policy documents, in order to achieve the investment objective of each fund.

- **Equities:** Investment in shares listed on the Colombo Stock Exchange.
- **Debt Securities:** Investments in Treasury instruments, Corporate Debt instruments, repurchase agreements of Treasury instruments and Corporate Debt instruments of longer maturity tenor than those classified as Money Market investments.
- **Money Market investments:** Funds held as Corporate Debt instruments, overnight repurchase agreements of Treasury instruments, Corporate Debt instruments with a tenor of one day, investments in Treasury instruments and cash in bank current accounts.

Treasury instruments refers to instruments such as Treasury Bills and Treasury Bonds issued by the government of Sri Lanka. Corporate debt refers to debt instruments issued by financial institutions and companies.

### ▪ How does AIA manage Unit Linked funds?

AIA maintains a prudent investment strategy for its investment portfolios, in line with its investment philosophy and guidelines, as set out in the Company's investment policy. The investments of each fund are carried out in line with the investment objectives of the respective fund. 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.

### ▪ Why do unit prices of the Growth & Balanced Funds fluctuate in comparison to the other Unit Linked Funds?

The prices of all unit linked funds move in tandem with the price movements or market values of their underlying investments. The Growth & Balanced funds invest in shares listed on the Colombo Stock Exchange. As prices of shares can be volatile at times, the unit prices of Growth & Balanced funds too can move higher or lower in tandem with these movements in share prices.

### ▪ Is the All Share Price Index (ASPI) or S&P20 movement comparable with AIA Growth & Balanced Funds Performance?

The Growth and Balance fund performance may differ from the performances of the ASPI and the S&P SL 20 stock indices due to the fund portfolios holding different stocks and different proportions of stocks when compared to those used in the computation of the indices. The ASPI measures the movement of share prices of all listed companies on the Colombo Stock Exchange based on market capitalization and the S&P SL 20 measures the movement of share prices of 20 of the leading companies selected and rebased on certain criteria including market capitalisation.

\*Subject to Policy conditions  
Terms and Conditions apply

For more information, please call AIA Insurance on  
011 2 310 310 or visit [www.ailife.com.lk](http://www.ailife.com.lk)

# AIA Unit Linked Funds



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## ▪ What are the Investment Strategies mentioned in the Policy Document\* ?

Depending on the policy you have purchased, at the date of commencement the policy owner selects the investment strategy out of the four available; namely Aggressive, Moderate, Cautious and Advanced. Aggressive, Moderate and Cautious strategies have their funds allocated and switched at predetermined milestones depending on the policy term. Policy owners can switch fund strategies on written request during the policy period subject to conditions. Policy owners with Advanced investment strategy are responsible for determining the allocation and switching throughout the lifetime of the policy.

## ▪ What are Unit switches and amendment of Regular Premium Allocation Proportions?

Depending on the policy you have purchased, your Investment Linked Long Term Insurance Policy allows you to be in control of your investments. Options such as Unit switches\* and amendment of Regular Premium Allocation Proportions\* may be available to you, so that you have total control over your long term investment.

- **Unit switches:** If you request to switch units from one unit linked fund to another, the Company will cancel units of equal amount from the fund from which the units are to be switched from at the Unit price of that fund prevailing on the day and after deduction of switching charge, if any, and the funds so generated will be used to create units in the fund in which the amount is to be switched to at the Unit price of that fund prevailing on the day. Note that the unit switches are not permitted into or out of the Protected Fund and Stable Money Market Fund.
- **Amendment of Regular Premium Allocation Proportions:** At the written request of the Policy Owner, the Company will amend the Allocation Proportion whereafter the previous Allocation Proportion will become ineffective, and the amended Allocation Proportion will be applicable to all future Basic Premiums received from the date of the Company's acceptance of the request. Note that the amendment of allocation proportions is not permitted into or out of the Stable Money Market Fund.

## ▪ How often can Unit switches and Amendment of Allocation Proportions be executed?

- There is no limitation on frequency of Unit switches\*
- The Company will only allow two (2) requests for Amendment of the Allocation Proportion within any Policy Year\*
- The relevant applicable charges will be applied as stipulated in the Policy Document

## ▪ How can we get information on AIA Unit Linked Funds performance?

- Visit AIA Sri Lanka corporate website to view 'AIA Investor' for fund performance updates and details: <https://www.ailife.com.lk/en/help-support/our-unit-linked-fund-performance.html>.
- Our new and improved AIA Customer Portal is accessible in all three languages. Simply visit our AIA corporate website and register for free and access your policy details from the comfort of your own home, at any time [ailife.com.lk](http://ailife.com.lk). **Accessing unit price updates, policy information and receiving real-time updates are the benefits of availing the customer portal.**
- If you wish to receive the daily unit prices via SMS, kindly contact us on our hotline or via the customer portal and we will make necessary arrangements for you to receive the daily SMS. We would also appreciate if you could notify us of any changes to your contact details.

\*Subject to Policy conditions  
Terms and Conditions apply

For more information, please call AIA Insurance on  
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