

INVESTOR

AIA's Monthly Investment Market and Unit Linked Fund Update

For the Month of August 2026

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 2026 (YTD)	0.05%	1.87%	5.06%	4.94%	5.12%	-5.68%	-2.40%
Annual Effective Growth Rate							
1 year	4.9%	5.6%	7.6%	7.4%	7.7%	1.6%	-1.1%
3 years	27.7%	20.6%	10.2%	9.4%	10.3%	24.3%	24.3%
5 years	19.7%	18.4%	13.6%	12.8%	13.7%	18.8%	12.3%
7 years	15.3%	14.9%	11.5%	10.9%	11.7%	20.2%	10.9%
From Inception - CAGR	12.1%	12.5%	10.7%	10.2%	11.2%	11.6%	5.4%

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.

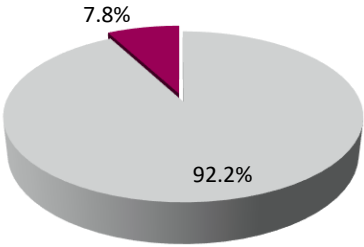
Your fund performance: Growth Fund

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 31/12/2025 to 31/08/2026

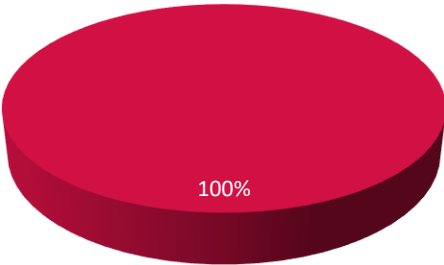
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026*
Unit Price	34.40	37.60	39.56	42.81	43.68	50.63	37.48	49.18	78.38	101.19	101.24
Growth (%)	4.6%	9.3%	5.2%	11.2%	2.0%	15.9%	-20.1%	31.2%	53.5%	34.0%	0.05%

Note: past performance is not an indication of future performance

Equity Allocation

Sector	%
Banks	42%
Capital Goods	20%
Food Beverage and Tobacco	19%
Materials	11%
Diversified Financials	5%
Food & Staples Retailing	1%
Energy	1%
Telecommunication Services	0%
Utilities	0%
Software & Services	0%
Transportation	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***

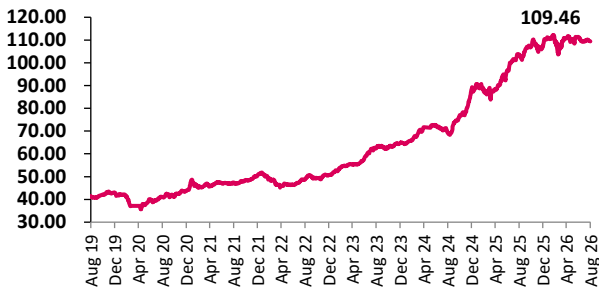
ACCESS ENG LTD	DISTILLERIES COMPANY OF SRI LANKA
CENTRAL FINANCE COMPANY PLC	HATTON NATIONAL BANK PLC
CEYLON COLD STORES PLC	HEMAS HOLDINGS PLC
CHEVRON LUBRICANTS LANKA PLC	LB FINANCE PLC
COMMERCIAL BANK OF CEYLON PLC	SAMPATH BANK PLC

***Note: In alphabetical order

- The annual average growth rate of the unit price for the Growth fund is 12.1% per year, since the unit linked fund was started.
- The unit price has increased by 0.05% year to date.

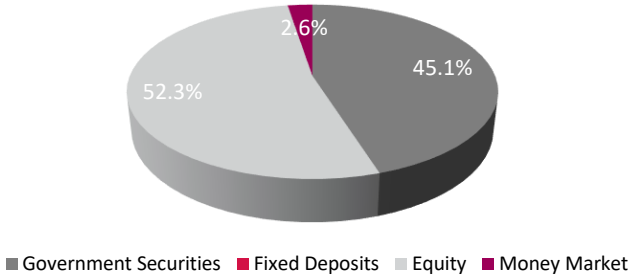
Your fund performance: Balanced Fund

Unit Price Movement



Note: past performance is not an indication of future performance

Asset Allocation



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 31/12/2025 to 31/08/2026

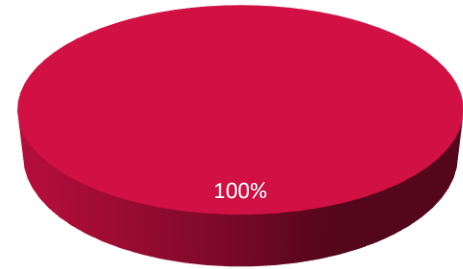
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026*
Unit Price	34.40	37.60	39.56	42.81	43.68	50.63	50.68	64.73	88.36	107.45	109.46
Growth (%)	4.6%	9.3%	5.2%	11.2%	2.0%	15.9%	0.1%	27.7%	36.5%	21.6%	1.9%

Note: past performance is not an indication of future performance

Equity Allocation

Sector	%
Banks	48%
Food Beverage and Tobacco	21%
Capital Goods	12%
Materials	10%
Diversified Financials	9%
Food & Staples Retailing	0%
Consumer Services	0%
Telecommunication Services	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***

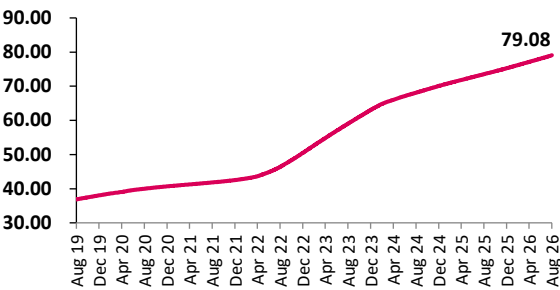
CENTRAL FINANCE COMPANY PLC	HATTON NATIONAL BANK PLC
CEYLON COLD STORES PLC	HEMAS HOLDINGS PLC
CHEVRON LUBRICANTS LANKA PLC	LB FINANCE
COMMERCIAL BANK OF CEYLON PLC	SAMPATH BANK PLC
DISTILLERIES COMPANY OF SRI LANKA	SUNSHINE HOLDINGS PLC

***Note: In alphabetical order

- The annual average growth rate of the unit price for the Balanced fund is 12.5% per year, since the unit linked fund was started.
- The unit price has increased by 1.9% year to date.

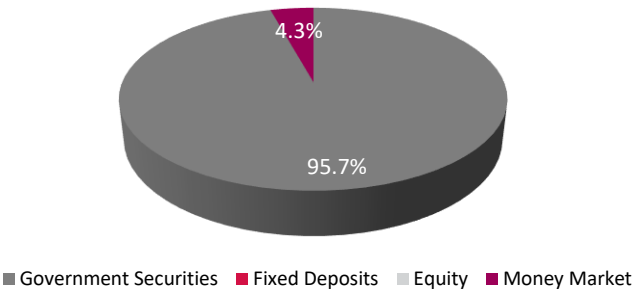
Your fund performance: Secure Fund

Unit Price Movement



Note: past performance is not an indication of future performance

Asset Allocation



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 31/12/2025 to 31/08/2026

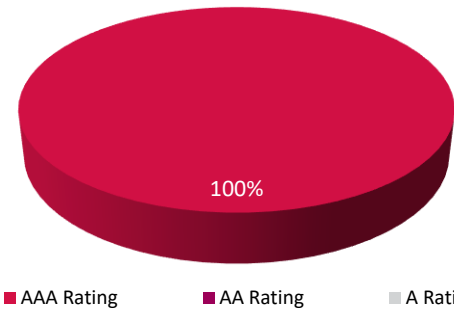
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026*
Unit Price	28.37	31.32	34.49	38.05	40.68	42.53	50.47	63.01	70.08	75.27	79.08
Growth (%)	8.2%	10.4%	10.1%	10.3%	6.9%	4.5%	18.7%	24.8%	11.2%	7.4%	5.1%

Note: past performance is not an indication of future performance

- The annual average growth rate of the unit price for the Secure fund is 10.7% per year, since the unit linked fund was started.
- The unit price has increased by 5.1% 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

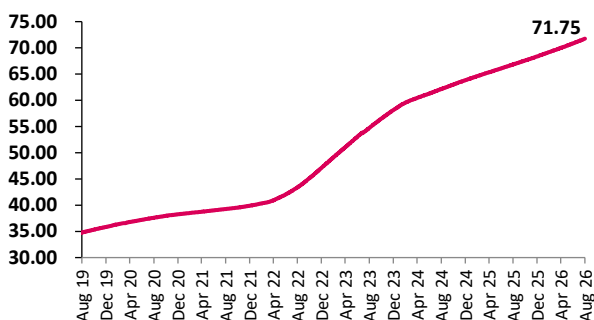
Credit Rating



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.

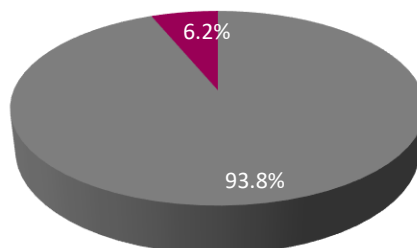
Your fund performance: Protected Fund

Unit Price Movement



Note: past performance is not an indication of future performance

Asset Allocation



■ 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 31/12/2025 to 31/08/2026

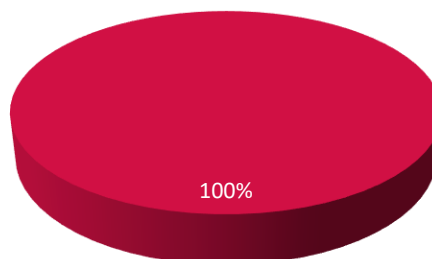
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026*
Unit Price	27.18	29.82	32.66	35.58	38.25	39.88	47.09	58.08	63.83	68.37	71.75
Growth (%)	7.9%	9.7%	9.5%	9.8%	6.7%	4.3%	18.1%	23.3%	9.9%	7.1%	4.9%

Note: past performance is not an indication of future performance

- The annual average growth rate of the unit price for the Protected fund is 10.2% per year, since the unit linked fund was started.
- The unit price has increased by 4.9% 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

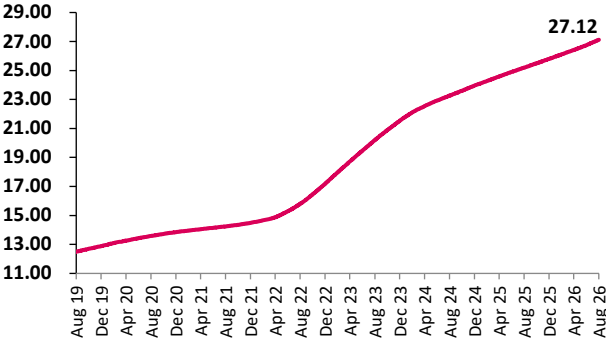


■ AAA Rating ■ AA Rating ■ A Rating

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.

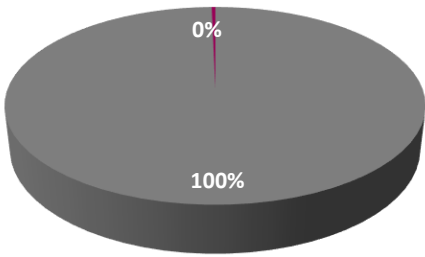
Your fund performance: Stable Money Market Fund

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

**Period from 31/12/2025 to 31/08/2026

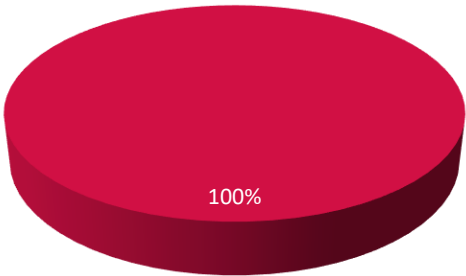
Year	2016	2017*	2018	2019	2020	2021	2022	2023	2024	2025	2026**
Unit Price	-	10.62	11.70	12.88	13.85	14.49	17.18	21.51	23.96	25.80	27.12
Growth (%)	-	6.2%	10.2%	10.1%	7.5%	4.6%	18.6%	25.2%	11.4%	7.7%	5.1%

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 11.2% per year, since the unit linked fund was started.
- The unit price has increased by 5.1% 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



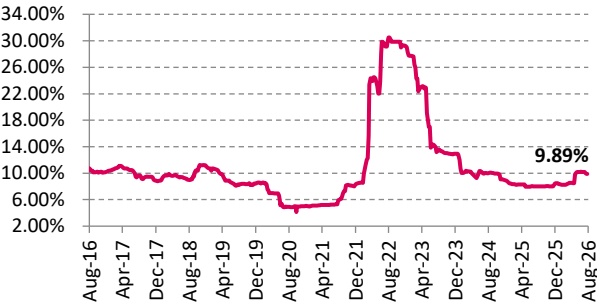
■ AAA Rating ■ AA Rating ■ A Rating

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

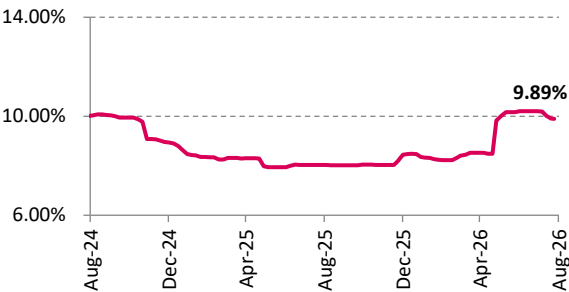
We use the 364-day T- Bill as an indicator of how interest rates move

364-day T-bill: Since 01 Jan 2016



Note: Past performance is not an indication of future performance

364-day T-bill: Since 01 Jan 2024

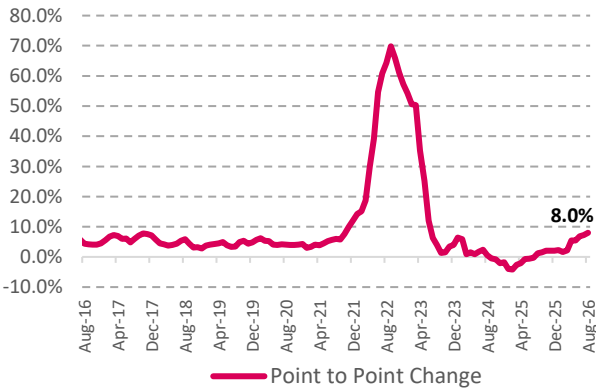


Note: Past performance is not an indication of future performance

Major events during the month

- Throughout August, 364-day T-bill rates trended gradually lower from 10.19% to 9.89% over the month, reflecting easing short-term market conditions and improving liquidity following earlier policy adjustments. The movements reflected softer yield expectations and sustained investor demand.
- Sri Lanka's external sector remained broadly stable in August, with tourist arrivals moderating month-on-month. Worker remittances recorded thus far in 2026 continued to show positive momentum, supporting external sector resilience.

Inflation: Since 01 Jan 2016



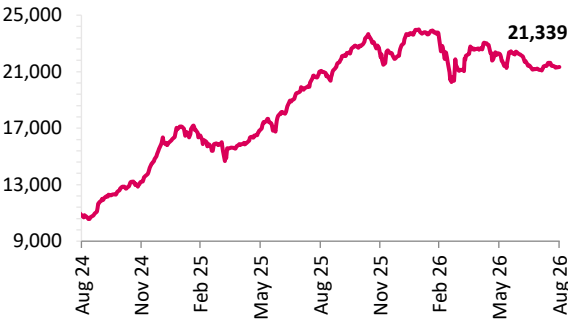
Point to Point Change

Market Update: Stock Market

ASPI Movement: Since 01 Jan 2016



ASPI Movement: Since 01 Jan 2024



S&P SL Movement: Since 01 Jan 2016



S&P SL Movement: Since 01 Jan 2024



ASPI and S&P SL 20 Performance (as a percentage)

**Period from 31/12/2025 to 31/08/2026

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026**
ASPI	6,228	6,369	6,052	6,129	6,774	12,226	8,490	10,654	15,945	22,624	21,339
Growth (%)	-9.70%	2.30%	-5.00%	1.30%	10.50%	80.50%	-30.56%	25.50%	49.66%	41.89%	-5.70%
S&P SL 20	3,496	3,672	3,135	2,937	2,638	4,233	2,636	3,068	4,862	6,157	6,010
Growth (%)	-3.60%	5.00%	-14.60%	-6.30%	-10.20%	60.50%	-37.74%	1.94%	58.46%	26.64%	-2.40%

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 11.6% per year and S&P SL20 index is 5.4% per year, since the unit linked funds were first started.
- The ASPI and S&P SL 20 have decreased by 5.7% and 2.4% respectively year to date.

Market Update: Stock Market

For the month

Description	July-26	August-26
All Share Price Index (ASPI)	21,129	21,339
ASPI growth for the month	-5.09%	0.99%
S&P SL 20 Index	5,940	6,010
S&P SL 20 growth for the month	-4.27%	1.17%
Total market turnover (LKR Millions)	39,442	68,434
Market Capitalization (LKR Billions)	7,692	7,731
PE Ratio (times)	11.18x	11.20x

10 Companies with highest market

Capitalisation on the CSE as of month end

- DIALOG AXIATA PLC
- JOHN KEELLS HOLDINGS PLC
- CEYLON TOBACCO COMPANY PLC
- COMMERCIAL BANK OF CEYLON PLC
- DISTILLERIES COMPANY OF SRI LANKA PLC
- L O L C HOLDINGS PLC
- MELSTACORP PLC
- HAYLEYS PLC
- HATTON NATIONAL BANK PLC
- CARGILLS (CEYLON) PLC

Highlights of the month

- The ASPI and S&P SL 20 increased by 0.99% and 1.17% respectively, for the month of August 2026.
- Net foreign outflows for the month amounted to LKR 21.39 Bn, an increased outflow from the prior period.
- The market witnessed an increase in 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

- Treasury bill yields fell across all three tenors in August without a policy move behind them. The Central Bank held no monetary policy review, so the Overnight Policy Rate stayed at 8.75%, with the Standing Lending Facility Rate (at which CBSL lends to commercial banks) at 9.25% and the Standing Deposit Facility Rate (at which banks place excess funds with CBSL) at 8.25%. The rally came instead from a sharp recovery in rupee liquidity, and the unwinding of the risk premium bills had carried since the escalation of the Middle East conflict.
- The shape of the move supports that reading. The 91-day bill fell 80 bps to 9.06% and the 182-day fell 77 bps to 9.44%, while the 364-day gave up only 31 bps to 9.89%. A decline concentrated at the front end reflects liquidity and sentiment, not a repricing of the medium-term rate path. Auctions were heavily oversubscribed through the month. Foreign investors added to the demand, buying LKR 13.7 billion for a 7.2% increase in foreign holdings, which took the foreign share of rupee-denominated government securities to 1.09%. Year-to-date foreign purchases now total LKR 61.1 billion.
- Lending rates and inflation moved the other way, and that is the part worth watching. The Average Weighted Prime Lending Rate rose 28 bps to 10.95% by end-August, so none of the bill rally has reached borrowers yet. Headline CCPI inflation rose to 8.0% year-on-year from 7.3% in July, on the statistical base effect in food. Food inflation accelerated to 8.5% from 6.3%, while non-food eased marginally to 7.7% from 7.8%. Core inflation picked up to 5.1% from 4.4%. With the 364-day bill at 9.89%, the real yield on a one-year bill is now under 2%, and the policy rate sits less than a percentage point above headline inflation.

Equity outlook

- The Colombo bourse gained about 1% in August, but the advance was narrow and came against the heaviest month of foreign selling this year. The ASPI added 209.5 points, or 1.0%, and the S&P SL20 added 69.70 points, or 1.2%. Large caps and the broad market moved together.
- Breadth was the weak point. Food & Staples Retailing did most of the lifting, with Telecommunication Services and Materials behind it, while Diversified Financials pulled hard in the other direction. At the counter level the gain sat in three heavyweights, Melstacorp, Dialog and Cargills, with smaller support from Sierra Cables and CT Holdings. A handful of names carried an index of nearly 300.
- Foreign investors sold a net LKR 21.4 billion during the month, against a year-to-date net outflow of LKR 24 billion. August alone accounts for close to nine-tenths of the year's foreign selling. Domestic buyers absorbed all of it and still took the index higher, though on lighter volume: average daily turnover fell to LKR 3.60 billion. Valuations barely moved, with the market P/E at 11.20x against 11.18x the previous month.
- Read alongside the bond market, the month looks like a rotation rather than a retreat. Foreigners bought LKR 13.7 billion of rupee government securities in the same month they sold LKR 21.4 billion of equities, moving toward a shortening bill curve and away from a market where the gain was concentrated in five counters.



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.aialife.com.lk

■ 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.aialife.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 (aialife.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

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Present in 18 markets
and 100% focused
on Asia

Serving the holders of more than

44 million

individual policies and over

16 million

participating members of group
insurance schemes



Provides protection with
total sum assured of over

US\$2 trillion

to people across Asia

Benefits and claims of more than

US\$22 billion

in 2025

No.1 worldwide
for MDRT registered
members



The only multinational company
to top the table for

**11 consecutive
years**

Received Forrester's
**2025 Customer-
Obsessed Enterprise
Award**
for the Asia-Pacific region



Recognised as the
**Most Innovative
Insurer**

at the IDC Financial Insights
Innovation Awards 2025

Note:

(1) As at 31 December 2025.