

INVESTOR

AIA Monthly Market and Fund update

What you will find here

Market update

- Interest rates
- Stock market
- Economy

Your fund performance

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

Disclaimer:

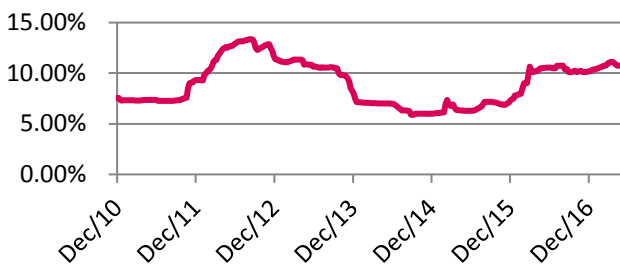
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Market update: Interest rates

For the month of May 2017

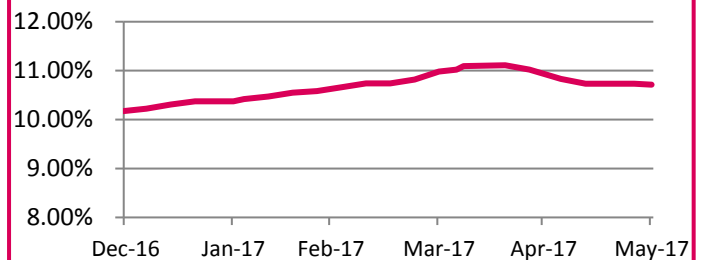
We use the 364 day T- Bill as an indicator of how interest rates move

364-day T-bill : Since 01 Jan 2011



Note: past performance is not an indication of future performance

364-day T-bill : Since 01 Jan 2017

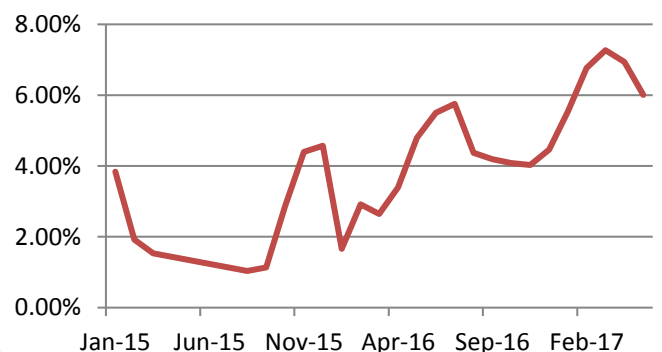


Note: past performance is not an indication of future performance

Major events during May 2017

- Central Bank raised Rs. 143 Billion by issuing treasury bills and Rs. 90 Billion by issuing treasury bonds.
- Central Bank policy rates play a key role in determining direction and level of market interest rates. The Central Bank maintained policy rates unchanged during the month.
- Short term interest rates decreased over the month. For example the 364-day Treasury bill rate decreased to 10.73% from the previous months 11.02%.
- Our opinion is that interest rates will remain volatile in the near future.

Inflation : Since 01 Jan 2015

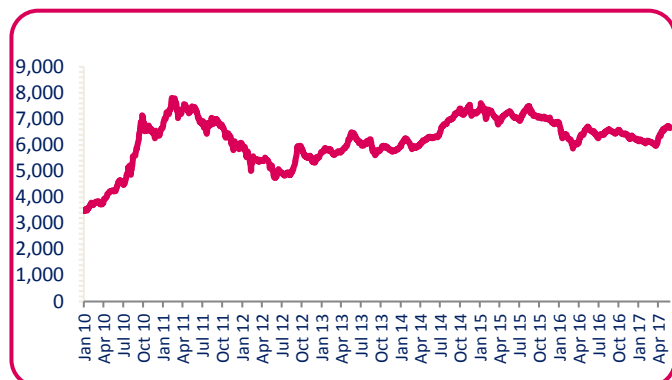


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Market update: Stock market

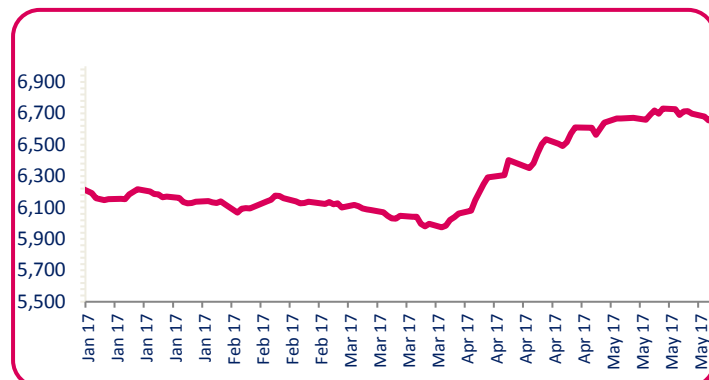
For the month of May 2017

ASPI: Since 01 Jan 2010



Note: past performance is not an indication of future performance

ASPI: Since 01 Jan 2017

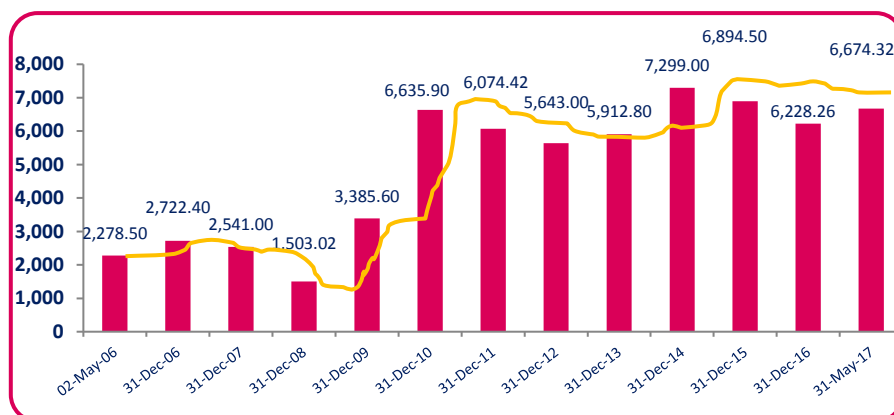


Note: past performance is not an indication of future performance

Highlights of the performance

- The ASPI has increased by 192.9% since the unit linked funds were started. This is an average growth rate of 10.2% per year.
- The ASPI has inclined by 7.2% for the period of 01 Jan 2017 to 31 May 2017.

ASPI: Performance



Note: past performance is not an indication of future performance

ASPI Growth (as a percentage)

*Since inception – 2/5/06 to 31/12/06 **Period from 31/12/16 to 31/05/17

2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017**
19.5%	6.7%	40.8%	125.2%	96%	8.5%	7.1%	4.8%	23.4%	-5.5%	-9.7%	7.2%

Market update: Stock market

For the month of May 2017

	May-2017	Apr-2017
All Share Price Index (ASPI)	6,674	6,610
ASPI growth for the month	1.0%	9.0%
Total market turnover (LKR Mn)	17,497	26,162
Market Capitalization (LKR Bn)	2,953	2,909
PE Ratio (times)	11.7x	12.6x

10 Companies with highest market Capitalization on the CSE as of 31 May 2017

- JKH
- CEYLON TOBACCO
- NESTLE
- COMMERCIAL BANK
- DIALOG
- COLD STORES
- HNB
- MELSTACORP
- HEMAS HOLDINGS
- SRI LANKA TELECOM

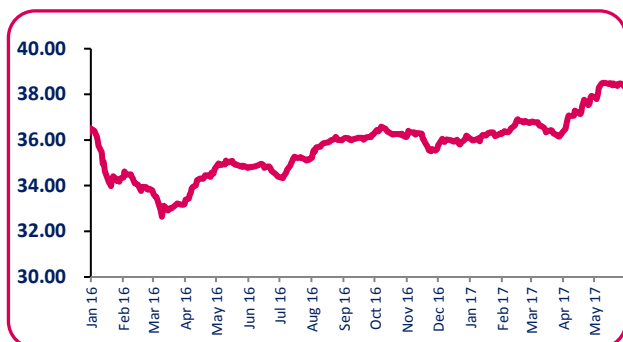
Highlights for May 2017

- The equity market performance improved in May 2017 amidst higher foreign deposits and improvement in corporate earnings.
- The ASPI increased by 7.2% over the period 01 Jan 2017 to 31 May 2017.
- Foreign investors deposited Rs. 3.0 billion on a net basis in May 2017 to the CSE, resulting in a net deposit of Rs 19.0 billion in the year to date of 2017.

Your fund performance: Growth fund

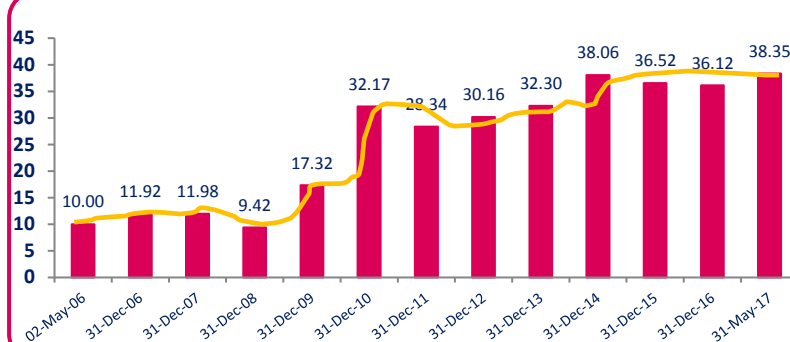
For the month of May 2017

Unit Price Movement



Note: past performance is not an indication of future performance

Performance



Note: past performance is not an indication of future performance

Unit Price Growth (as a percentage)

*Since inception – 2/5/06 to 31/12/06 **Period from 31/12/16 to 31/05/17

2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017**
19.2	0.5	-21.4	83.9	95.7	-11.9	6.4	7.1	17.8	-4.0	-1.1	6.2

Highlights of the performance

- The unit price of the Growth fund increased by 283.5% since the fund was started. This is an average growth rate of 12.9% per year.
- The unit price has increased by 6.2% for the period 01 Jan 2017 to 31 May 2017.

*Top 10 Equity Holdings

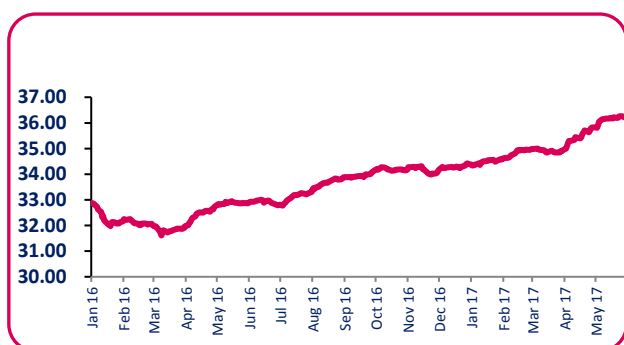
- CENTRAL FINANCE
- CHEVRON
- COMMERCIAL BANK
- HNB
- JKH
- LB FINANCE
- PEOPLES LEASING
- RCL
- SAMPATH BANK
- SEYLAN

* In alphabetical order

Your fund performance: Balanced fund

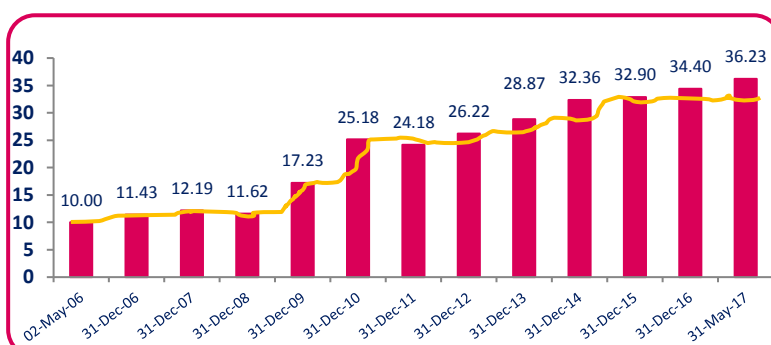
For the month of May 2017

Unit Price Movement



Note: past performance is not an indication of future performance

Performance



Note: past performance is not an indication of future performance

Unit Price Growth (as a percentage)

*Since inception – 2/5/06 to 31/12/06 **Period from 31/12/16 to 31/05/17

2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017**
14.3	6.6	-4.7	48.3	46.1	-4.0	8.4	10.1	12.1	1.7	4.6	5.3

Highlights of the performance

- The unit price of the Balanced fund increased by 262.3% since the fund was started. This is an average growth rate of 12.3% per year.
- The unit price has increased by 5.3% for the period 01 Jan 2017 to 31 May 2017.

*Top 10 Equity Holdings

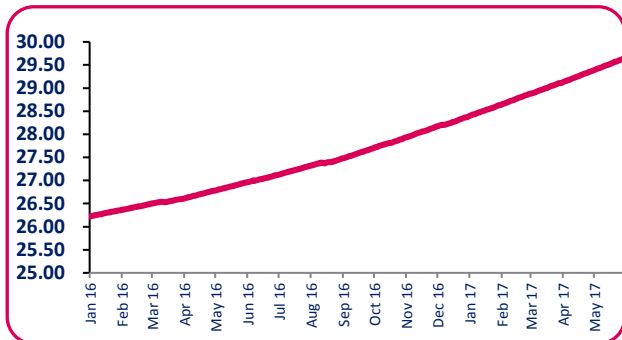
- ACCESS ENG
- CENTRAL FINANCE
- CHEVRON
- COMMERCIAL BANK
- HNB
- JKH
- LB FINANCE
- PEOPLES LEASING
- RCL
- SAMPATH

* In alphabetical order

Your fund performance: Secure fund

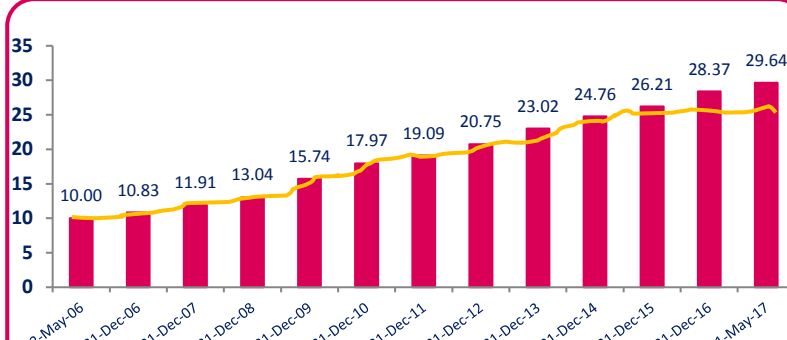
For the month of May 2017

Unit Price Movement



Note: past Performance is not an indication of future performance

Performance



Note: past Performance is not an indication of future performance

Unit Price Growth (as a percentage)

*Since inception – 2/5/06 to 31/12/06 **Period from 31/12/16 to 31/05/17

2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017**
8.3	10	9.5	20.7	14.2	6.2	8.7	10.9	7.6	5.9	8.2	4.5

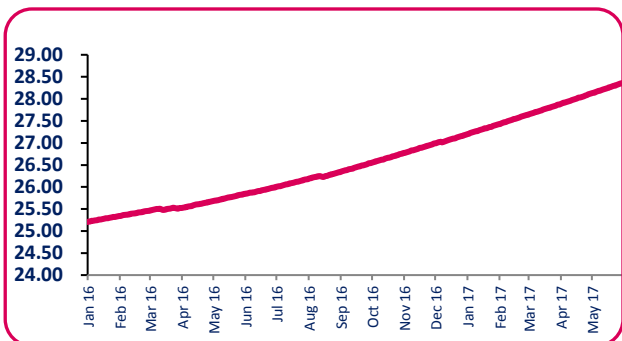
Highlights of the performance

- The unit price of the Secure fund increased by 196.4% since the fund was started. This is an average growth rate of 10.3% per year.
- The unit price has increased by 4.5% for the period 01 Jan 2017 to 31 May 2017.

Your fund performance: Protected fund

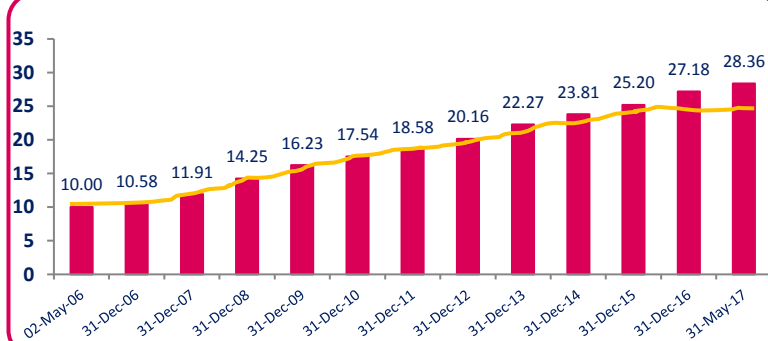
For the month of May 2017

Unit Price Movement



Note: past performance is not an indication of future performance

Performance



Note: past performance is not an indication of future performance

Unit Price Growth (as a percentage)

*Since inception – 2/5/06 to 31/12/06 **Period from 31/12/16 to 31/05/17

2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017**
5.8	12.6	19.6	13.9	8.1	5.9	8.5	10.5	6.9	5.8	7.9	4.3

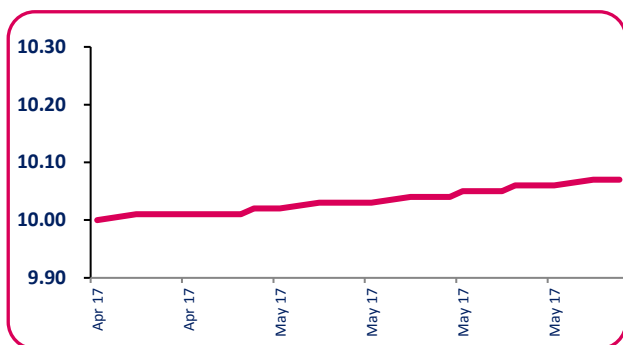
Highlights of the performance

- The unit price of the Protected fund increased by 183.6% since the fund was started. This is an average growth rate of 9.9% per year.
- The unit price has performed better than the guaranteed gross return every year.
- The unit price has increased by 4.3% for the period 01 Jan 2017 to 31 May 2017.

Your fund performance: Stable Money Market

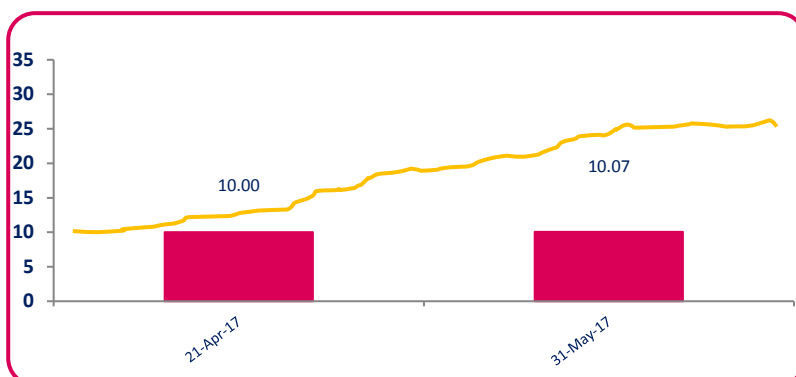
For the month of May 2017

Unit Price Movement



Note: past Performance is not an indication of future performance

Performance



Note: past Performance is not an indication of future performance

Unit Price Growth (as a percentage)

**Period from 21/04/2017 to 31/05/17

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017**
-	-	-	-	-	-	-	-	-	-	-	0.7

Highlights of the performance

- The Stable Money Market fund was introduced on 21 Apr 2017.
- The unit price has increased by 0.7% for the period 21 Apr 2017 to 31 May 2017.