

INVESTOR

AIA Monthly Market and Unit Linked Fund update

For the month of April 2019

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 2019 (YTD)	-7.4%	-0.5%	3.4%	3.2%	3.3%	-9.5%
Annual Effective Growth Rate						
1 year	-11.8%	2.0%	10.4%	9.7%	10.4%	-16.1%
3 years	-0.1%	6.4%	10.0%	9.5%	-	-5.6%
5 years	0.7%	5.7%	8.5%	8.0%	-	-2.5%
7 years	2.7%	6.9%	9.0%	8.5%	-	0.2%
From Inception - CAGR	10.0%	11.1%	10.3%	9.8%	9.8%	7.0%

Note: past performance is not an indication of future performance

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

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 authorised 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 authorised agents.

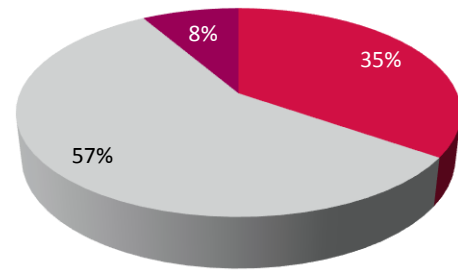
Your fund performance: Growth fund

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 31/12/2018 to 30/04/2019

Year	2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019**
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	34.63
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%	-7.4%

Note: past performance is not an indication of future performance

Equity Allocation

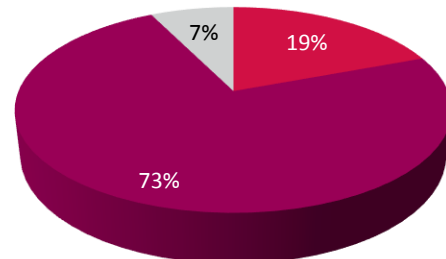
Sector	%
Banks, Finance and Insurance	73
Diversified Holdings	14
Manufacturing	5
Construction and Engineering	4
Hotels and Travels	4
Total	100

Top Equity Holdings*

Access Engineering	LB Finance
Central Finance	People's Leasing
Commercial Bank	Royal Ceramics
Hatton National Bank	Sampath Bank
John Keells Holdings	Seylan Bank

*Note: In alphabetical order

Credit Rating



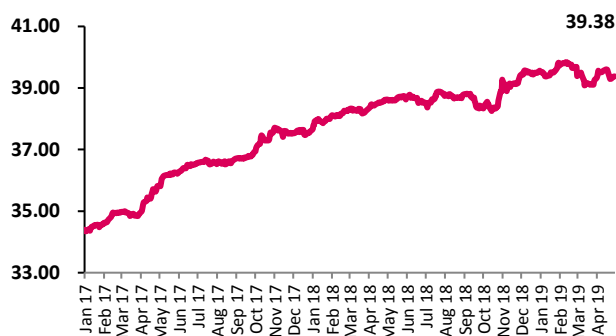
AAA Rating AA Rating A Rating

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 10.0% per year, since the unit linked fund was started.
- The unit price has decreased by 7.4% for the period 01 January 2019 to 30 April 2019.

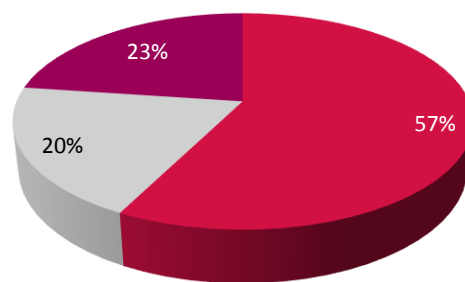
Your fund performance: Balanced fund

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 31/12/2018 to 30/04/2019

Year	2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019**
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	39.38
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%	-0.5%

Note: past performance is not an indication of future performance

Equity Allocation

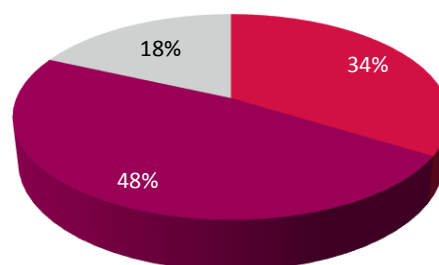
Sector	%
Banks, Finance and Insurance	71
Diversified Holdings	17
Construction and Engineering	7
Manufacturing	4
Hotels and Travels	1
Total	100

Top Equity Holdings*

Access Engineering	LB Finance
Central Finance	People's Leasing
Commercial Bank	Royal Ceramics
Hatton National Bank	Sampath Bank
John Keells Holdings	Seylan Bank

*Note: (In alphabetical order)

Credit Rating



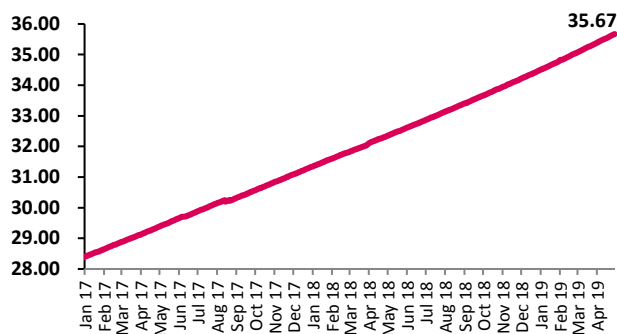
AAA Rating AA Rating A Rating

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 11.1% per year, since the unit linked fund was started.
- The unit price has decreased by 0.5% for the period 01 January 2019 to 30 April 2019.

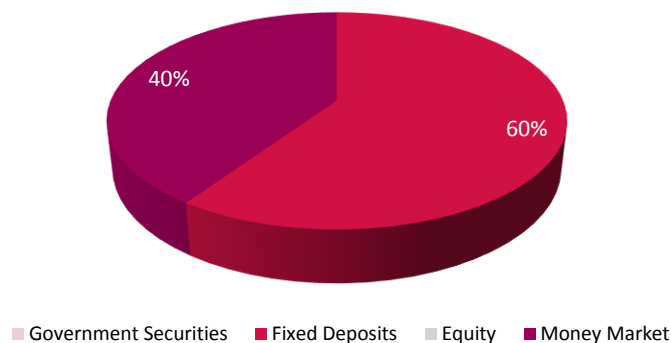
Your fund performance: Secure fund

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)

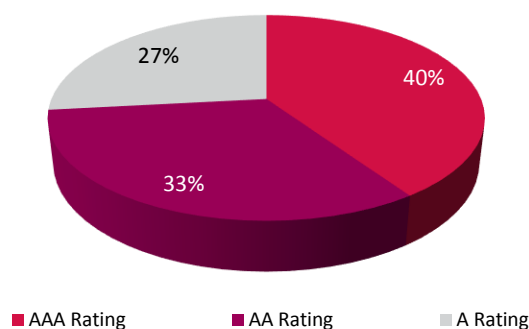
*Since inception – 02/05/2006 to 31/12/2006 **Period from 31/12/2018 to 30/04/2019

Year	2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019**
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	35.67
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%	3.4%

Note: past performance is not an indication of future performance

- The annual average growth rate of the unit price for the Secure fund is 10.3% per year, since the unit linked fund was started.
- The unit price has increased by 3.4% for the period 01 January 2019 to 30 April 2019.

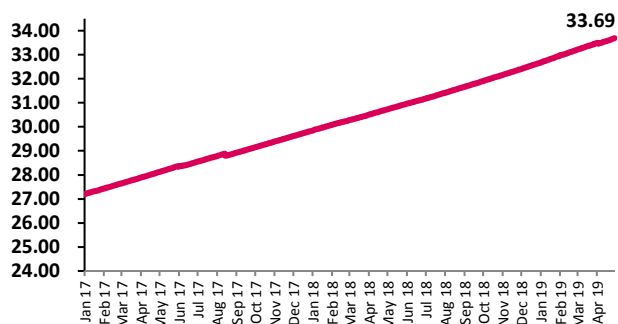
Credit Rating



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.

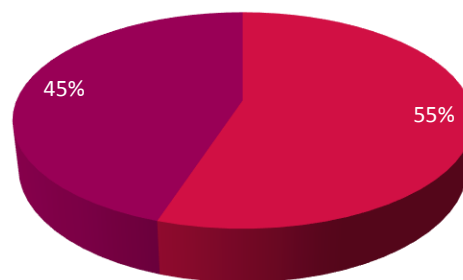
Your fund performance: Protected fund

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)

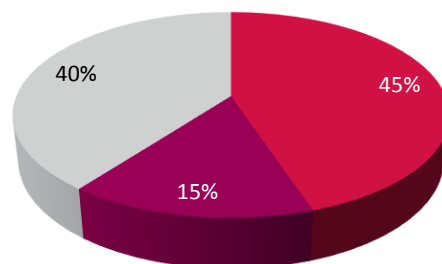
*Since inception – 02/05/2006 to 31/12/2006 **Period from 31/12/2018 to 30/04/2019

Year	2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019**
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	33.69
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%	3.2%

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 3.2% for the period 01 January 2019 to 30 April 2019.

Credit Rating

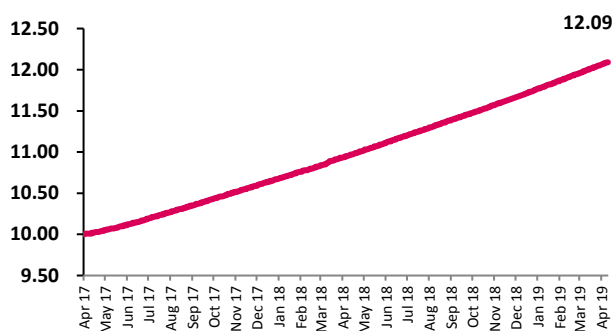


AAA Rating AA Rating A Rating

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.

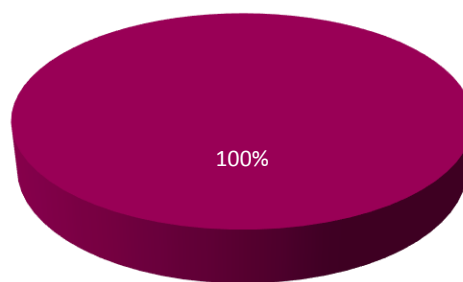
Your fund performance: Stable Money Market fund

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)

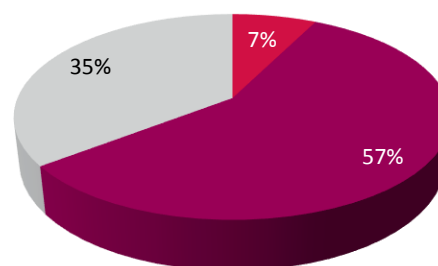
*Since inception – 21/04/2017 to 31/12/2017 **Period from 31/12/2018 to 30/04/2019

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017*	2018	2019**
Unit Price	-	-	-	-	-	-	-	-	-	-	-	10.62	11.70	12.09
Growth (%)	-	-	-	-	-	-	-	-	-	-	-	6.2%	10.2%	3.3%

Note: past performance is not an indication of future performance

- The annual average growth rate of the unit price for the Protected fund is 9.8% per year, since the unit linked fund was started.
- The unit price has increased by 3.3% for the period 01 January 2019 to 30 April 2019.

Credit Rating



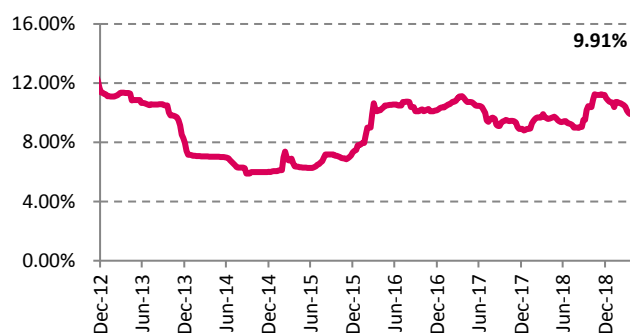
AAA Rating AA Rating A Rating

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Market Update: Interest Rates

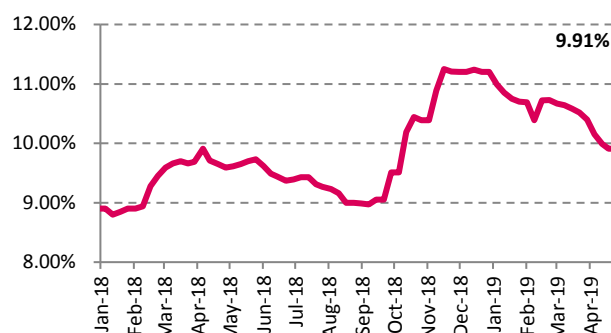
We use the 364-day T- Bill as an indicator of how interest rates move

364-day T-bill: Since 01 Jan 2013



Note: past performance is not an indication of future performance

364-day T-bill: Since 01 Jan 2018

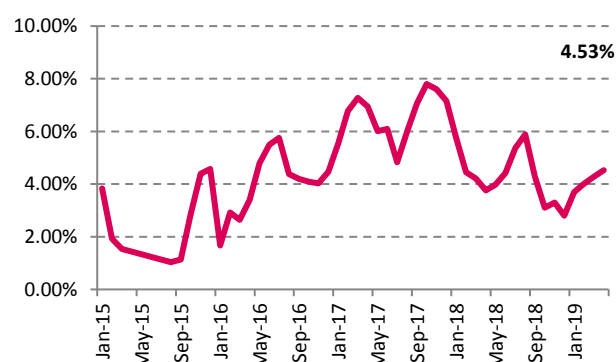


Note: past performance is not an indication of future performance

Major events during the month

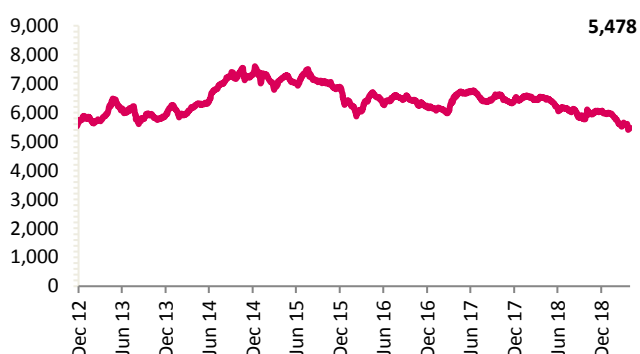
- Central Bank raised LKR 102 billion by issuing treasury bills and LKR 40 billion by issuing treasury bonds.
- Central Bank policy rates play a key role in determining the direction and level of market interest rates. The Central Bank maintained policy rates unchanged during the month, a reflection of its intent.
- Short term interest rates decreased over the month. For example, the benchmark 364-day Treasury bill rate decreased to 9.91% by end of the month against 10.40% in March 2019.

Inflation: Since 01 Jan 2015

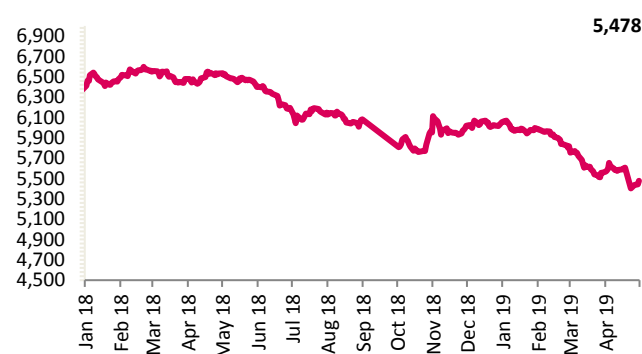


Market Update: Stock Market

ASPI Movement: Since 01 Jan 2013



ASPI Movement: Since 01 Jan 2018



ASPI Performance (as a percentage)

*Since inception – 02/05/2006 to 31/12/2006

**Period from 31/12/2018 to 30/04/2019

Year	2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019**
ASI	2,722.36	2,540.99	1,503.02	3,385.55	6,635.87	6,074.42	5,643.00	5,912.78	7,298.95	6,894.50	6,228.26	6,369.26	6,052.37	5,478.41
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%	-9.5%

Highlights of the performance

- The annual average growth rate of ASPI is 7.0% per year.
- The ASPI has decreased by 9.5% for the period of 01 January 2019 to 30 April 2019.

Market Update: Stock Market

For the month

Description	Apr-2019	Mar-2019
All Share Price Index (ASPI)	5,478	5,557
ASPI growth for the month	-1.4%	-4.5%
Total market turnover (LKR Mn)	7,824	11,404
Market Capitalization (LKR Bn)	2,573	2,606
PE Ratio (times)	8.6x	8.7x

10 Companies with highest market Capitalization on the CSE as at end of month

- CEYLON TOBACCO
- JKH
- COMMERCIAL BANK
- NESTLE
- DIALOG
- DISTILLERIES COMPANY OF SRI LANKA
- HNB
- COLD STORES
- CARGILLS (CEYLON)
- MELSTACORP

Highlights of the month

- The equity market performance decreased by 1.4% in April 2019.
- The ASPI decreased by 9.5% over the period 01 January 2019 to 30 April 2019.
- There was a foreign inflow of LKR 1.7 billion on a net basis in April 2019, resulting in a net outflow of LKR 4.4 billion during the year to date 2019.

Fund manager's outlook



Fixed income outlook

- Market interest rates have been coming down in the recent months due to enhanced overnight liquidity; the liquidity surplus at month end stood at LKR 75.2 billion.
- The bull rally in the bond market is expected to continue in the immediate short term.
- Central Bank has introduced ceilings on Fixed Deposit rates with the objective of bringing down overall lending rates and currently the ceiling on bank 1 year Fixed Deposits stand at 11.5%.
- The Central Bank is expected to maintain an easing bias; despite the efforts we feel lending may remain benign due to the heightened security situation and the expected election timeline. Loss in tourism earnings would strain the rupee and add pressure on rates.

Equity outlook

- The ASPI Index has lost 9.5% while the more liquid S&P SL 20 index has lost 16.2% on a YTD basis. Foreigners were net sellers on the bourse at LKR 4.4 billion.
- The lackluster sentiment in the equity markets is expected to continue amidst sluggish economic growth, heightened security situation and election timeline.
- Earnings are expected to remain uninspiring in the next few quarters. Given the macro environment we expect investors to remain on the sidelines until a clearer direction is seen.

About AIA

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

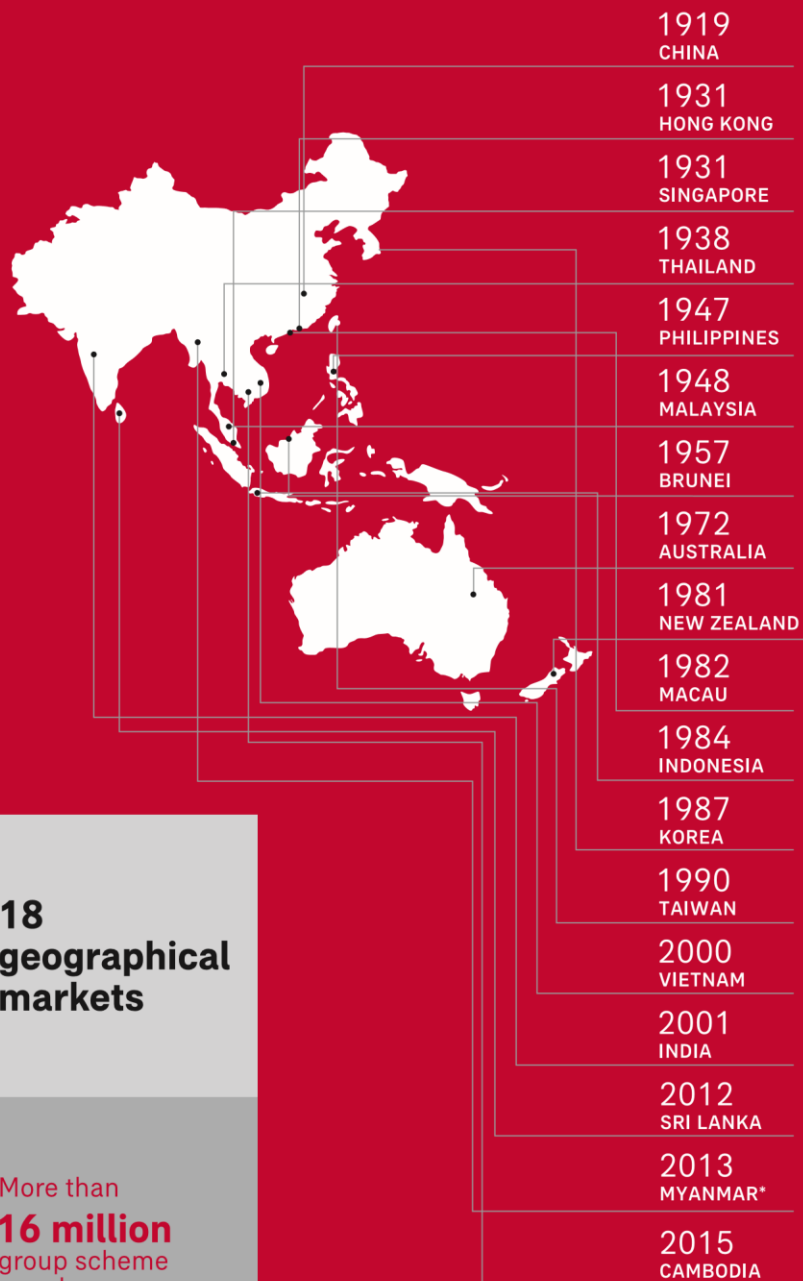
A total Sum Assured of over
US\$1 trillion

Almost 100 years
of history in Asia

More than
30 million
individual policies

18
geographical markets

More than
16 million
group scheme members



*AIA has a representative office in Myanmar



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