

INVESTOR

AIA's Monthly Investment Market and Unit Linked Fund Update

For the month of November 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 SL20
Since 01 Jan 2021 (YTD)	17.1%	11.8%	4.1%	3.8%	4.1%	68.9%	46.9%
Annual Effective Growth Rate							
1 year	21.3%	14.2%	4.4%	4.2%	4.6%	83.2%	58.0%
3 years	5.5%	7.4%	7.4%	7.0%	7.5%	23.8%	6.8%
5 years	4.3%	7.5%	8.5%	8.0%	-	12.9%	2.3%
7 years	2.4%	6.3%	8.0%	7.6%	-	6.9%	-0.3%
From Inception - CAGR	10.0%	10.7%	9.7%	9.2%	8.3%	10.9%	3.4%

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.

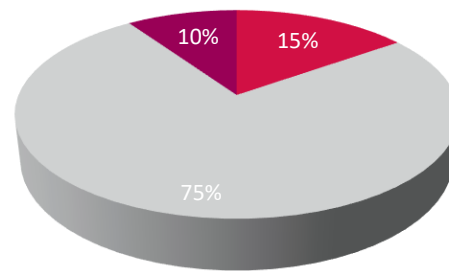
Your fund performance: Growth fund

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 30/11/2021

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	43.91
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%	17.1%

Note: past performance is not an indication of future performance

Equity Allocation

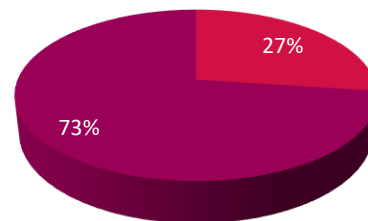
Sector	%
Banks	31%
Capital Goods	30%
Transportation	9%
Food Beverage and Tobacco	8%
Diversified Financials	6%
Materials	5%
Utilities	5%
Food & Staples Retailing	5%
Telecommunication Services	3%
Total	100%

Top Equity Holdings*

Access Engineering PLC	John Keells Holdings PLC
Commercial Bank of Ceylon	People's Leasing Company
Distilleries Company of SL	Royal Ceramic Lanka PLC
Expolanka Holdings PLC	Sampath Bank PLC
Hatton National Bank PLC	Vallibel Power Erathna PLC

*Note: In alphabetical order

Credit Rating



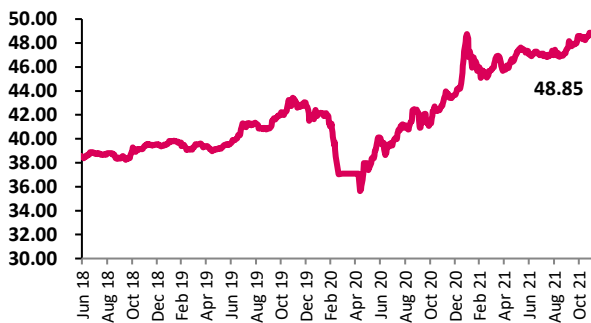
■ AAA Rating ■ AA Rating ■ A Rating

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 increased by 17.1% for the period 01 January 2021 to 30 November 2021.

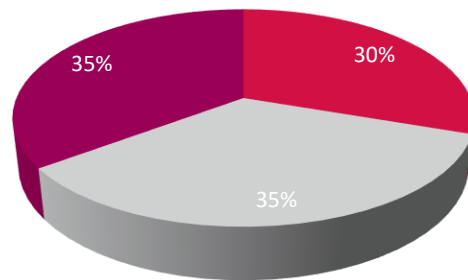
Your fund performance: Balanced fund

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 30/11/2021

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	48.85
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%	11.8%

Note: past performance is not an indication of future performance

Equity Allocation

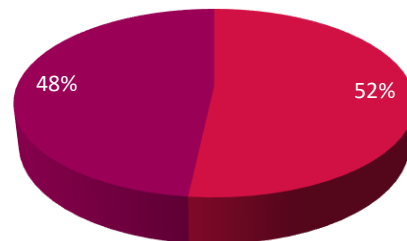
Sector	%
Banks	29%
Capital Goods	29%
Transportation	10%
Food Beverage and Tobacco	8%
Diversified Financials	7%
Materials	5%
Utilities	5%
Food & Staples Retailing	4%
Telecommunication Services	3%
Total	100%

Top Equity Holdings*

Access Engineering PLC	John Keells Holdings PLC
Commercial Bank Ceylon	People's Leasing Company
Distilleries Company of SL	Royal Ceramic Lanka PLC
Expolanka Holdings PLC	Sampath Bank PLC
Hatton National Bank PLC	Vallibel Power Erathna

*Note: (In alphabetical order)

Credit Rating



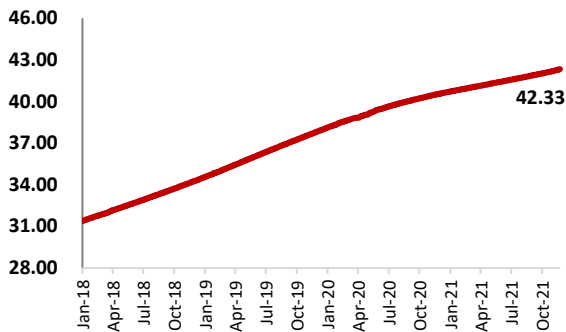
■ AAA Rating ■ AA Rating ■ A Rating

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 10.7% per year, since the unit linked fund was started.
- The unit price has increased by 11.8% for the period 01 January 2021 to 30 November 2021.

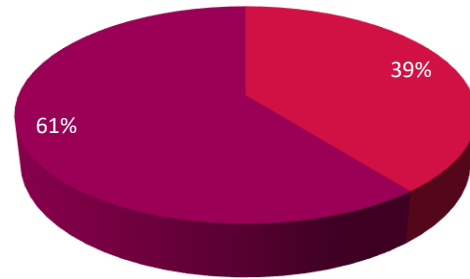
Your fund performance: Secure fund

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

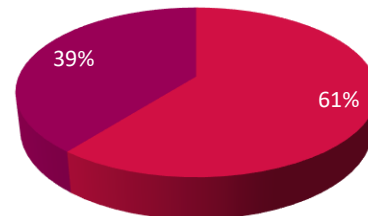
**Period from 31/12/2019 to 30/11/2021

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	42.33
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%	4.1%

Note: past performance is not an indication of future performance

- The annual average growth rate of the unit price for the Secure fund is 9.7% per year, since the unit linked fund was started.
- The unit price has increased by 4.1% for the period 01 January 2021 to 30 November 2021.

Credit Rating

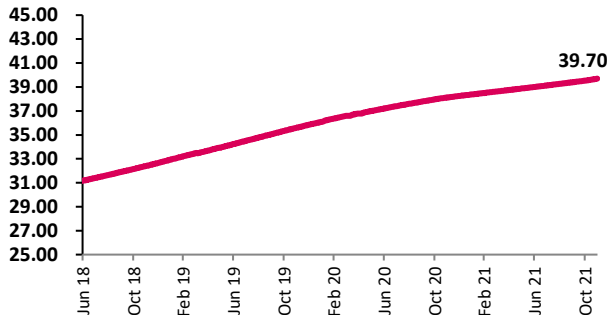


■ AAA Rating ■ AA Rating ■ A Rating

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.

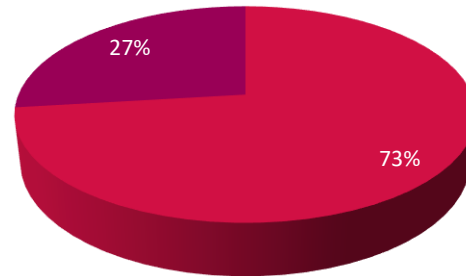
Your fund performance: Protected fund

Unit Price Movement



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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)

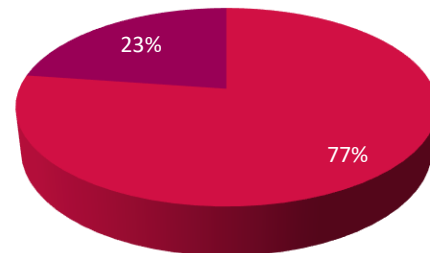
*Since inception – 02/05/2006 to 31/12/2006 **Period from 31/12/2020 to 30/11/2021

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	39.70
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%	3.8%

Note: past performance is not an indication of future performance

- The annual average growth rate of the unit price for the Protected fund is 9.2% per year, since the unit linked fund was started.
- The unit price has increased by 3.8% for the period 01 January 2021 to 30 November 2021.

Credit Rating

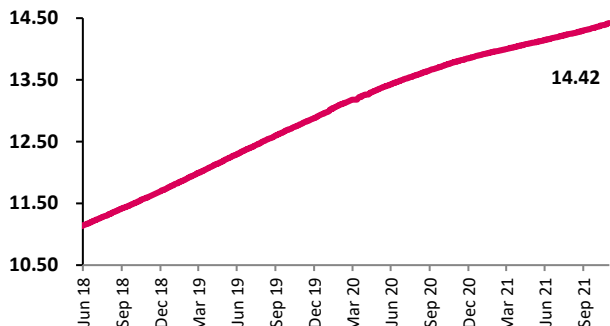


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Note: The credit rating is presented as at month end for investments in fixed deposits and does not include ratings for equity investments. All ratings are by Fitch Ratings Lanka.

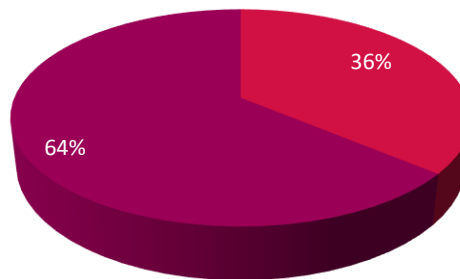
Your fund performance: Stable Money Market fund

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)

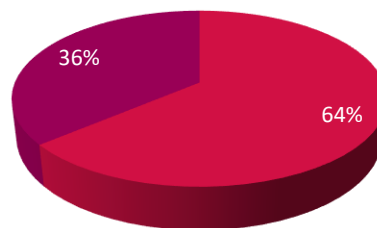
*Since inception – 21/04/2017 to 31/12/2017 **Period from 31/12/2019 to 30/11/2021

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	14.42
Growth (%)	-	-	-	-	-	-	-	-	-	-	-	6.2%	10.2%	10.1%	7.5%	4.1%

Note: past performance is not an indication of future performance

- The annual average growth rate of the unit price for the Protected fund is 8.3% per year, since the unit linked fund was started.
- The unit price has increased by 4.1% for the period 01 January 2021 to 30 November 2021.

Credit Rating



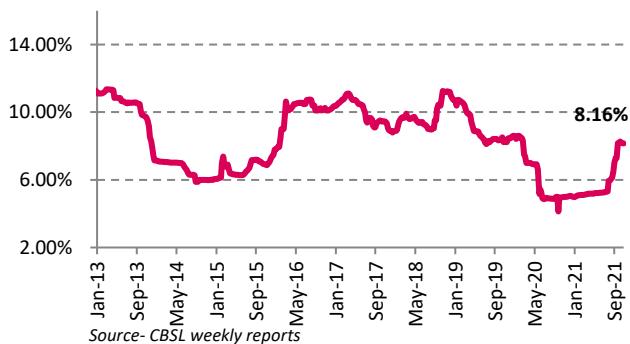
■ AAA Rating ■ AA Rating ■ A Rating

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.

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 2019

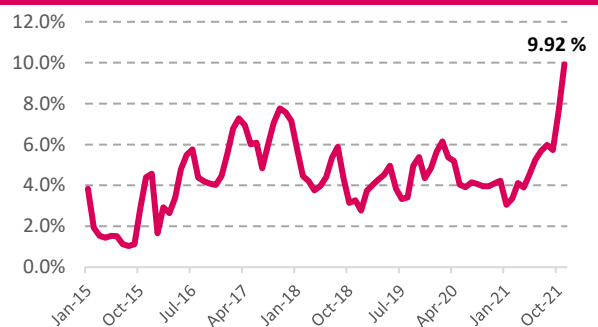


Note: Past performance is not an indication of future performance

Major events during the month

- The 2022 budget announced in November aims to support growth and takes a medium-term view by focusing on stability, while increasing tax revenue in the near term through one-off taxes.
- Inflation for the month of November 2021 increased to 9.9%. Inflation was driven by monthly increase of prices of items in both food and non-food categories.
- The central bank maintained key policy rates, following the 50bps hike in August.

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	11,441
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%	68.9%
S&P SL 20	-	-	-	-	-	-	3,085	3,264	4,089	3,626	3,496	3,672	3,135	2,937	2,638	3,876
Growth (%)	-	-	-	-	-	-	8.4%	5.8%	25.3%	-11.3%	-3.6%	5.0%	-14.6%	-6.3%	-10.2%	46.9%

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 10.9% per year and S&P SL20 index is 3.4% per year, since the unit linked funds were first started.
- The ASPI & S&P SL20 indices have increased by 68.9% and 46.9% for the period of 01 January 2021 to 30 November 2021, respectively.

Market Update: Stock Market

For the month

Description	Oct-21	Nov-21
All Share Price Index (ASPI)	10,163	11,441
ASPI growth for the month	7.43%	12.57%
S&P SL 20 Index	3,709	3,876
S&P SL 20 growth for the month	4.91%	4.50%
Total market turnover (LKR Millions)	77,677	153,390
Market Capitalization (LKR Billions)	4,529	5,106
PE Ratio (times)	12.32x	13.89x

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

- LOLC HOLDINGS PLC
- COMMERCIAL LEASING & FINANCE PLC
- EXPOLANKA HOLDINGS PLC
- JOHN KEELLS HOLDINGS PLC
- CEYLON TOBACCO COMPANY PLC
- BROWNS INVESTMENTS PLC
- LOLC DEVELOPMENT FINANCE PLC
- COMMERCIAL BANK OF CEYLON
- DIALOG AXIATA PLC
- HATTON NATIONAL BANK PLC

Highlights of the month

- The ASPI and S&P SL20 has witnessed growth of 12.6% and 4.5% respectively for the month of November. The markets have seen a considerable portion of this growth from a few selected companies.
- Foreigners had continued to exit the markets with net outflow of LKR 4.0 Bn for the month of November.
- The market has seen large volumes traded for the month of November with a total market turnover of LKR 153.4 Bn.
- The market capitalization has witnessed a steady increase over the period and grown to a P/E Ratio of 14.0 times.



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 declined to 8.12% during the month of November 2021 from 8.26% recorded in the previous month, mainly because of the sharp decrease recorded in the 3-month Treasury bill rate. The yields offered on the shorter end of the yield curve was perceived attractive by a segment of the market participants, which led to the steep decline in rates across the shorter end of the yield curve. The money market liquidity declined further to negative LKR 245 billion while the CBSL holding of Government Securities recorded a slight improvement from LKR 1.46 Trillion to LKR 1.41 trillion as of 7th December 2021.
- Inflation measured by CCPI(N) index increased significantly to 9.9% on a year-on-year basis during November 2021, mainly due the increase in food inflation, while core inflation increased to 7.0% on a year-on-year basis in November from 6.3% in the previous month.
- Considering the continuous pressure exerted on the currency coupled with weak macroeconomic fundamentals, interest rates may increase in Q1 2022. However, due to declining private sector credit growth and expectation of inflation moderating in the short term, interest rates may remain at current levels in the short run.

Equity outlook

- The two main indices of Colombo Stock Exchange (CSE) continued to record significant gains in November 2021. All Share Price Index (ASPI) and S&P SL 20 index appreciated by 12.57% and 4.52% respectively, during the month. Expectation of improved corporate performance by companies in several sectors such as manufacturing, export and plantations led to the increased participation of investors which drove the overall Colombo bourse. We continue to expect overall company earnings to be under pressure in FY2022, resulting in the equity market to be range bound.

About AIA

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BRUNEI

1972
AUSTRALIA

1981
NEW ZEALAND

1982
MACAU

1984
INDONESIA

1987
KOREA

1990
TAIWAN

2000
VIETNAM

2001
INDIA

2012
SRI LANKA

2013
MYANMAR

2015
CAMBODIA

A total Sum Assured of over
US\$1.58 trillion

100 years
of history in Asia

18
geographical markets

More than
34 million
individual policies

More than
16 million
group scheme members



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