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# AIA Philippines Unit-linked Funds Performance Report Full Year 2021

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## About AIA Philippines

AIA Philippines (AIA Philippines Life and General Insurance Company Inc.), formerly AIA Philam Life (The Philippine American Life and General Insurance Company), is the country's premier life insurance company. Originally established on 21 June 1947 and became popularly known as Philam Life, AIA Philippines has earned the trust of customers for its financial strength, strong brand name, and ability to deliver on its promises.

AIA Philippines has PHP276.73 billion in total assets<sup>1</sup> and PHP72.21 billion in net worth<sup>2</sup> as of 31 December 2021 while serving almost 800,000 individual policyholders and nearly 800,000 insured group members.

AIA Philippines understands the needs of its customers and provides holistic solutions that include life protection, health insurance, savings, education, retirement, investment, group, and credit life insurance. It also offers bancassurance through its subsidiary, BPI AIA Life Assurance Corporation (formerly BPI-Philam Life Assurance Corporation).

Based on the Insurance Commission results as of 31 December 2021, the combined total premium income of AIA Philippines and BPI AIA was at PHP33.91 billion. AIA Philippines is a member of AIA Group Limited, the largest independent publicly listed pan-Asian life insurance group.

## About AIA

AIA Group Limited and its subsidiaries (collectively "AIA" or the "Group") comprise the largest independent publicly listed pan-Asian life insurance group. It has a presence in 18 markets –wholly-owned branches and subsidiaries in Mainland China, Hong Kong SAR<sup>3</sup>, Thailand, Singapore, Malaysia, Australia, Cambodia, Indonesia, Myanmar, New Zealand, the Philippines, South Korea, Sri Lanka, Taiwan (China), Vietnam, Brunei and Macau SAR<sup>4</sup>, and a 49 per cent joint venture in India.

The business that is now AIA was first established in Shanghai more than a century ago in 1919. It is a market leader in Asia (ex-Japan) based on life insurance premiums and holds leading positions across the majority of its markets. It had total assets of US\$340 billion as of 31 December 2021.

AIA meets the long-term savings and protection needs of individuals by offering a range of products and services including life insurance, accident and health insurance and savings plans. The Group also provides employee benefits, credit life and pension services to corporate clients. Through an extensive network of agents, partners and employees across Asia, AIA serves the holders of more than 39 million individual policies and over 16 million participating members of group insurance schemes.

AIA Group Limited is listed on the Main Board of The Stock Exchange of Hong Kong Limited under the stock code "1299" with American Depositary Receipts (Level 1) traded on the over-the-counter market (ticker symbol: "AAGIY").

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<sup>1</sup> Based on the 2021 annual accounts Securities and Exchange Commission (SEC) filing.

<sup>2</sup> Based on the 2021 annual accounts Securities and Exchange Commission (SEC) filing.

<sup>3</sup> Hong Kong SAR refers to Hong Kong Special Administrative Region.

<sup>4</sup> Macau SAR refers to Macau Special Administrative Region.



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15 May 2021

Dear Policyholder,

Most countries continued to rely on the extraordinary large government stimulus packages and central bank interventions that supported economies and the financial markets in 2020.

While these helped boost the prices of traded assets, the same “fanned” inflation, along with the continuing disruption in the supply of raw materials and products and services.

Locally, the economy began to open in earnest, despite bouts of the variants and resurgence of the virus. Individuals and businesses began to spend. Corporate profits started to recover soon after.

However, inflation, and consequently, the need for central banks to curtail further expansion in money supply, discouraged investors from pouring more money into the financial markets.

Not all funds turned in positive performance, as a result.

Local Equity Funds reported positive performance except for PAMI Philam Equity Index Fund. Local Bond Funds and local Balanced Funds felt the decision of central banks to rein in on money supply which, in turn, weighed on the performance of the fixed income funds.

Foreign bond and stock portfolios benefitted from the record-setting performance of the global stock markets and central bank interventions that provided support for the global bond markets. In their maiden year, the funds that were made available to the range of return-risk appetites generated good if not laudable investment returns.

Bond Funds	2021 Return	Currency
Philam Life Fixed Income Fund	-4.55%	Peso
PAMI Philam Bond Fund	-5.15%	Peso
Philam Life Short Term Fund	-0.24%	Peso
Philam Life Long Term Fund	-4.84%	Peso
Philam Life Dollar Bond Fund	-1.72%	Dollar
Philam Life Global Bond Fund	-0.78%	Dollar
<b>Balanced Funds</b>		
Philam Life Balanced Fund	-2.42%	Peso
PAMI Philam Fund	-1.89%	Peso
<b>Equity Funds</b>		
Philam Life Equity Fund	0.30%	Peso
PAMI Philam Strategic Growth Fund	0.05%	Peso
PAMI Philam Equity Index Fund	-0.22%	Peso
Philam Life Equity Capped Index Fund Fund	1.75%	Peso

AIA Elite Funds	Cumulative Since Inception	Currency
AIA Philam Life Elite Adventurous	16.10%	Peso
AIA Philam Life Elite Balanced Fund	11.39%	Peso
AIA Philam Life Elite Conservative Fund	7.98%	Peso

#### 2021 AIA Philippines Performance

- Total Assets	: PHP276.7 billion
- Net Worth	: PHP72.1 billion
- Paid up Capital	: PHP1.9 billion
- Gross Premiums	: PHP17.3 billion
- Net Income	: PHP12.7 billion

Thank you for your loyalty and continued patronage. We at AIA Philippines remain committed to fulfilling our mission of racing against risk through our suite of products and services that not only protects you, but also helps you grow your long-term savings, empowering you to live Healthier, Longer, Better Lives.

For any inquiries, please do not hesitate to call us at (+632) 8528-2000 or e-mail us at customerservice.ph@aia.com. You may also visit our website at aia.com.ph or drop by the nearest AIA Philippines Customer Service Center.

**KELVIN ANG**  
Chief Executive Officer

## General Market Overview

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Cash dividends declared by companies last year were mainly responsible for the 1.57 per cent return of the local stock market. Otherwise, stock prices, which were marked by ups and downs, were practically unchanged.

In contrast, the global stock market recorded its best performance in the last nine years.

As the largest central banks signaled the normalization of monetary policies, global interest rates "bottomed out" in January.

Locally, interest rates rose sharply early on in the year, falling midway, before climbing to their recent highs. Bond prices were likewise a "roller-coaster" but ended the year lower.

## The Local Economy

High food and energy prices pushed inflation above the Bangko Sentral ng Pilipinas' (BSP) target range. Seeing inflation as transitory, however, the BSP kept its monetary policy at historic lows. Open market operations, new loans to the national government, and measures to minimize the economic fallout of the COVID-19 pandemic ensured support to the local economy.

All sectors of the PHP20 trillion economy expanded. Spending on construction and durable equipment rebounded 11.1 per cent and 12.2 per cent, respectively. Household final consumption expenditure, which accounts for 73 per cent of total expenditures, grew 4.2 per cent, weighed down by inflation and unemployment, low consumer confidence, and restrictions on mobility. Public consumption expenditure rose by 7 per cent.

In 2021, Philippine Gross Domestic Product (GDP) recovered 5.7 per cent, from -9.5 per cent the year before.

In nominal terms, the money earned by individuals and businesses, or Gross National Income, increased by PHP790 billion in 2021.

## Local Fixed Income Market

The BSP reiterated its support for the Philippine economy by providing stimulus measures and keeping the policy rate unchanged at 2 per cent, its lowest on record.

As the economy emerged from the recession of 2020, consumer prices rose faster, driven by supply disruptions caused by the pandemic.

With global inflation accelerating to three-year highs and the US central bank initiating a normalization of policy rates, local interest rates shifted higher.

Year on year, the ten-year benchmark rose to 4.82 per cent from 3 per cent, while the two-year rate increased to 2.68 per cent from 1.85 per cent in 2020. The yield curve "bear-steepened", depriving local bond investors of returns.



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The local fixed-income funds reduced the sensitivity of their portfolios to the rise in interest rates by shortening their duration exposures, enabling them to deliver better performance when compared to their benchmarks.

### Local Equity Market

The Philippine Stock Exchange Index (PSEi) ended in 2021 at 7,122.63, down by 0.24 per cent from 2020. Including cash dividend, however, investors gained 1.57 per cent. Sentiment in the first half of the year was sour amidst the resurgence of COVID-19 cases, reimposition of lockdowns, and crowded hospitals, causing the PSEi to dip to 6,200. A bounce quickly ensued but was held back by another wave of cases brought by the more infectious COVID variant Delta.

The increasing numbers of vaccination and declining COVID cases in the National Capital Region (NCR) in the third quarter provided optimism. As the economy reopened, mobility improved, enabling fourth-quarter GDP and corporate earnings to grow by 7.7 per cent and 64 per cent, respectively. The reopening paused towards the end of the year as the Omicron cases surged and lockdowns were reinstated. The government placed the NCR under tightened restrictions or Alert Level 3 (from Alert Level 2) from 3-15 January. Establishments operated at lower (30 per cent indoor and 50 per cent outdoor) capacity.

By end-2021, about 46 per cent of the country was already fully vaccinated. The government shortened the prescribed elapsed time for booster shots to three months from vaccination, allowing more than 20 million Filipinos to receive their booster shots. The Philippine Food and Drug Administration also approved Pfizer COVID-19 vaccine for children aged five to 11 for emergency use. Last year, foreign investors were [net] sellers for the fourth consecutive year, albeit less at US\$4.5 million when compared to the US\$2.5 billion in 2020.

### Forecast of the Local Stock Market for 2022

The PCOMP Index may face headwinds in mid-2022 to third quarter coming from aggressive monetary tightening brought by high global inflation. On a positive note, once the inflation has peaked, the market is expected to recover and may end the year at 7,121. This is more conservative than the historical behavior of the local stock market six to 12 months post-elections, which ranges from +10 to +30 per cent. This year is very different compared to past election years, because of the following:

1. Foreign investors still attach a high risk premium to the local stock market as evidenced by their continued net foreign selling year-to-date;
2. Corporate earnings continue to be downgraded due to the skyrocketing prices of global crude oil and commodities due to the Russia-Ukraine war which eats up on corporates' profit margins;
3. While the country is opening up the economy, it is saddled by twin deficits and a historical high Debt/GDP ratio, both of which may contribute to the depreciation of the Philippine Peso;
4. The global monetary tightening, particularly in the US, is not supportive of asset reflation; and
5. China's economy continues to be vulnerable with its zero-COVID policy.



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## Global Fixed Income Market

Global bond markets began the year with hopes of rapid progress in economic reopening. In the first quarter of 2021, bond yields rose. US Ten-year yields surged from 0.91 per cent at the start of the year to 1.74 per cent by the end of March.

Locally, ten-year yields rose from about 3 per cent to above 4.5 per cent.

However, in the second quarter, hopes rapidly fell. Vaccine rollout took longer than expected and renewed COVID-19 waves continued to disrupt global supply chains.

Yields started to decline in April and continued to drift lower until early August.

But with rapidly rising inflation and a very tight labor market in the summer, the US central bank started to change its communication, dropping the reference to inflation as being transitory. At the September Federal Open Market Committee (FOMC) meeting, the Fed changed its economic projections and for the first time since the outbreak of COVID-19, expected one interest rate hike the following year.

On 15 December, the US central bank acknowledged market concerns and announced an acceleration of the normalization process, leading to a modest rebound in yields in the last two weeks of the year. Furthermore, the US curve started to flatten amid expectations of sharp increases in US federal fund rates in 2022.

The new year ushers in more volatility in the global markets.

As the world embarks on its exit strategy from the ills of the pandemic, the path to recovery is met with challenges. Policy normalization to address inflationary pressures from a supply bottleneck to a recovery in demand will drive the trajectory of interest rates. While this story holds for Developed Markets, Asia has yet to exit the pandemic theme as another wave of infections continues to dampen prospects of re-opening individual economies.

## FUND MANAGERS

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AIA Philippines variable life funds are managed by its team of investment professionals who have 20 to 30 years of experience and expertise in the field of fund management. As of 31 December 2021, total assets under management reached over PHP69.2 billion, excluding those of other AIA Philippines affiliates. AIA Philippines combines its expertise with the strength of its senior management to manage portfolios effectively in order to achieve favorable returns.



## STATEMENT OF ASSETS AND LIABILITIES

## AIA Philippines Peso Variable Funds

	Philam Life Fixed Income Fund	Philam Life Equity Fund	Philam Life Balanced Fund	Philam Life Equity Capped Index Fund	Philam Life Long Term Bond Fund	Philam Life Short Term Bond Fund	PAMI Philam Bond Fund	PAMI Philam Fund	PAMI Philam Strategic Growth Fund	PAMI Philam Equity Index Fund
<b>ASSETS</b>										
Cash and cash equivalents	69,659,249	681,131,177	58,668,167	2,052,832	636,777	8,228	-	-	-	-
Financial assets at FVPL*	1,611,411,391	7,443,672,517	2,698,652,661	63,373,124	12,084,507	1,301,042	3,869,583,311	8,692,706,416	25,209,727,873	14,911,120,667
Loans and receivables	-	155,281,151	32,207,613	-	-	-	152	1,305,881	3,042	164
Accrued income	15,421,245	1,173,677	12,355,094	24,050	135,693	4,731	-	-	-	-
Total Assets	1,696,491,886	8,281,258,520	2,801,883,536	65,450,007	12,856,977	1,314,002	3,869,583,462	8,694,012,297	25,209,730,915	14,911,120,830
<b>LIABILITIES</b>										
Accounts payable and accrued expenses	209,730	156,920,099	29,486,887	3,837	612	17,281	-	1,305,545	-	-
Total Liabilities	209,730	156,920,099	29,486,887	3,837	612	17,281	-	1,305,545	-	-
Net Asset Value (NAV)	1,696,282,156	8,124,338,421	2,772,396,649	65,446,170	12,856,364	1,296,720	3,869,583,462	8,692,706,752	25,209,730,915	14,911,120,830

\*Fair Value Through Profit or Loss



## STATEMENT OF ASSETS AND LIABILITIES

## AIA Philippines Dollar Variable Funds

	Philam Life Global Bond Fund	Philam Life Dollar Bond Fund
<b>ASSETS</b>		
Cash and cash equivalents	572,639	7,874,610
Financial assets at FVPL*	7,584,455	57,400,042
Loans and receivables	-	-
Accrued income	66,264	654,785
<b>Total Assets</b>	<b>8,223,358</b>	<b>65,929,437</b>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	1,037	8,105
<b>Total Liabilities</b>	<b>1,037</b>	<b>8,105</b>
<b>Net Asset Value (NAV)</b>	<b>8,222,322</b>	<b>65,921,332</b>

\*Fair Value Through Profit or Loss

## AIA Philippines Peso Elite Funds

	AIA Philam Life Elite Adventurous Fund	AIA Philam Life Elite Balanced Fund	AIA Philam Life Elite Conservative Fund
Cash and cash equivalents	473,645	269,853	189,133
Financial assets at FVPL*	40,665,118	35,171,291	17,497,423
Loans and receivables	-	6,708	-
Accrued income	-	-	-
<b>Total Assets</b>	<b>41,138,764</b>	<b>35,447,853</b>	<b>17,686,556</b>
Accounts payable and accrued expenses	308,936	95,084	113,987
<b>Total Liabilities</b>	<b>308,936</b>	<b>95,084</b>	<b>113,987</b>
<b>Net Asset Value (NAV)</b>	<b>40,829,827</b>	<b>35,352,769</b>	<b>17,572,569</b>





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## PHILAM LIFE FIXED INCOME FUND

Fund Inception Date: 10 November 2004

### Fund Description

The Philam Life Fixed Income Fund (PFIF) is a PHP-denominated fund created for variable life insurance contracts issued by The Philippine American Life and General Insurance Company (now AIA Philippines). This investment option is for the variable life policyholder with a preference for investing in high-quality interest-bearing debt instruments that present low to moderate levels of risk. The investment objective of the PFIF is to provide stable income over the medium- to long-term, and preserve capital by investing primarily in PHP-denominated fixed-income securities issued by the government and reputable corporate issuers.

### Fund Performance\*

2021 Return	-4.55%
2020 Return	6.44%
2019 Return	15.59%
2018 Return	-6.44%
2017 Return	-0.56%
2016 Return	0.67%
2015 Return	-2.00%
2014 Return	4.51%
2013 Return	5.22%
2012 Return	7.37%
Three Years Return (annualized as of 31 Dec 2021)	5.50%
Five Years Return (annualized as of 31 Dec 2021)	1.79%
Return since Inception (annualized as of 31 Dec 2021)	4.94%

\* Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

### NAVPU Since Inception



### PORTFOLIO STATISTICS (as of 31 Dec 2021)

Net Asset Value (NAV in PHP)	1,696,282,156*
Net Asset Value per Unit (NAVPU)	2.2838

\* Based on Audited Financial Statement. NAV is net of 2.0% fund management charge, transaction cost, and audit fees.

### PORTFOLIO MIX\* (as of 31 Dec 2021)

Cash and Cash Equivalents	4.11%
Corporate Securities	1.86%
Philippine Issued Peso Government Bonds	94.03%

\* Excluding accrued income

### FIXED INCOME SECURITIES (as of 31 Dec 2021)

Top Five Issues	Maturity	% of Portfolio
PH Issued PHP Govt Bonds	7/19/2031	7.18%
PH Issued PHP Govt Bonds	8/12/2025	5.79%
PH Issued PHP Govt Bonds	3/12/2024	5.34%
PH Issued PHP Govt Bonds	3/9/2024	5.33%
PH Issued PHP Govt Bonds	9/9/2025	4.44%



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## PHILAM LIFE EQUITY FUND

Fund Inception Date: 10 November 2004

### Fund Description

The Philam Life Equity Fund (PEF) is a PHP-denominated fund created for variable life insurance contracts issued by The Philippine American Life and General Insurance Company (now AIA Philippines). This investment option is for the variable life policyholder aiming for capital appreciation over a long-term investment horizon, and who has a risk appetite for stock investing. The objective of the PEF is to achieve capital growth by investing in an efficient and diversified portfolio of predominantly growth companies while including appropriate value stocks.

### Fund Performance\*

2021 Return**	0.30%
2020 Return	-10.35%
2019 Return	3.14%
2018 Return	-12.55%
2017 Return	21.38%
2016 Return	-2.71%
2015 Return	-5.72%
2014 Return	19.09%
2013 Return	-5.55%
2012 Return	24.44%
Three Years Return (annualized as of 31 Dec 2021)	-2.48%
Five Years Return (annualized as of 31 Dec 2021)	-0.32%
Return since Inception (annualized as of 31 Dec 2021)	7.08%

\* Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

\*\* The investment strategy of AIA Philippines reflects the belief that ESG principles underpin proactive risk management, and help deliver sustainable risk-adjusted returns.

### NAVPU Since Inception



### PORTFOLIO STATISTICS (as of 31 Dec 2021)

Net Asset Value (NAV in PHP)	8,124,338,421.04*
Net Asset Value per Unit (NAVPU)	3.223

\* Based on Audited Financial Statement. NAV is net of 2.0% fund management charge, transaction cost, and audit fees.

### PORTFOLIO MIX\* (as of 31 Dec 2021)

Cash and Cash Equivalents	8.38%
Common Stocks	91.62%

\* Excluding accrued income

### COMMON STOCKS (as of 31 Dec 2021)

Top Five Issues	% of Portfolio
Ayala Land, Inc.	9.92%
SM Investments Corporation	9.54%
SM Prime Holdings, Inc.	9.53%
BDO Unibank, Inc.	8.86%
Int'l Container Terminal Services Inc.	8.62%

### COMMON STOCKS by SECTOR (as of 31 Dec 2021)

Sector	% of Portfolio
Financials	51.53%
Industrials	20.14%
Telecommunication Services	12.25%
Consumer Staples	11.50%
Consumer Discretionary	4.09%
Utilities	0.49%



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## PHILAM LIFE BALANCED FUND

Fund Inception Date: 22 May 2007

### Fund Description

The Philam Life Balanced Fund (PBAL) is a PHP-denominated fund created for variable life insurance contracts issued by The Philippine American Life and General Insurance Company (now AIA Philippines). This investment option is for the variable life policyholder who aims for long-term capital appreciation by investing primarily in PHP-denominated equities, equity-related securities and debt securities.

### Fund Performance\*

2021 Return**	-2.42%
2020 Return	-2.86%
2019 Return	4.99%
2018 Return	-8.31%
2017 Return	12.41%
2016 Return	-1.57%
2015 Return	-3.50%
2014 Return	13.09%
2013 Return	-4.31%
2012 Return	23.90%
Three Years Return (annualized as of 31 Dec 2021)	-0.16%
Five Years Return (annualized as of 31 Dec 2021)	0.51%
Return since Inception (annualized as of 31 Dec 2021)	3.99%

\* Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

\*\* The investment strategy of AIA Philippines reflects the belief that ESG principles underpin proactive risk management, and help deliver sustainable risk-adjusted returns.

### NAVPU Since Inception



### PORTFOLIO STATISTICS (as of 31 Dec 2021)

Net Asset Value (NAV in PHP)	2,772,396,649*
Net Asset Value per Unit (NAVPU)	1.7722

\* Based on Audited Financial Statement. NAV is net of 2.0% fund management charge, transaction cost, and audit fees.

### PORTFOLIO MIX\* (as of 31 Dec 2021)

Cash and Cash Equivalents	2.13%
Corporate Securities	1.84%
Philippine Issued Peso Government Bonds	44.13%
Common Stocks	51.90%

\* Excluding accrued income

### COMMON STOCKS (as of 31 Dec 2021)

Top Five Issues	% of Portfolio
SM Investments Corporation	7.83%
SM Prime Holdings, Inc.	7.30%
Ayala Land, Inc.	5.93%
BDO Unibank, Inc.	4.33%
Int'l Container Terminal Services Inc.	4.19%

### FIXED INCOME SECURITIES (as of 31 Dec 2021)

Top Five Issues	Maturity	% of Portfolio
PH Issued PHP Govt Bonds	7/19/2031	3.54%
PH Issued PHP Govt Bonds	8/12/2025	3.35%
PH Issued PHP Govt Bonds	3/12/2024	3.06%
PH Issued PHP Govt Bonds	1/10/2029	2.43%
PH Issued PHP Govt Bonds	2/11/2023	2.22%



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## PHILAM LIFE DOLLAR BOND FUND

Fund Inception Date: 12 July 2005

### Fund Description

The Philam Life Dollar Bond Fund (PALDBF) is a US\$-denominated fund created for dollar variable life insurance contracts issued by The Philippine American Life and General Insurance Company (now AIA Philippines). This investment option is for the variable life policyholder with a preference for investing in US\$-denominated Philippine government and corporate fixed-income securities. The Fund aims to provide income growth while maintaining moderate liquidity over the medium- to long-term.

### Fund Performance\*

2021 Return	-1.72%
2020 Return	5.42%
2019 Return	10.27%
2018 Return	-2.58%
2017 Return	3.07%
2016 Return	0.37%
2015 Return	1.29%
2014 Return	7.54%
2013 Return	-8.57%
2012 Return	10.14%
Three Years Return (annualized as of 31 Dec 2021)	4.54%
Five Years Return (annualized as of 31 Dec 2021)	2.79%
Return since Inception (annualized as of 31 Dec 2021)	5.28%

\* Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

### NAVPU Since Inception



### PORTFOLIO STATISTICS (as of 31 Dec 2021)

Net Asset Value (NAV in US\$)	65,921,332*
Net Asset Value per Unit (NAVPU)	2.3341

\* Based on Audited Financial Statement. NAV is net of 2.0% fund management charge, transaction cost, and audit fees.

### PORTFOLIO MIX\* (as of 31 Dec 2021)

Cash and Cash Equivalents	12.07%
Foreign Bond Securities	42.46%
Philippine Issued Dollar Government Bonds	45.47%

\* Excluding accrued income

### FIXED INCOME SECURITIES (as of 31 Dec 2021)

Top Five Issues	Maturity	% of Portfolio
PH Issued US\$ Govt Bonds	3/30/2026	7.48%
PH Issued US\$ Govt Bonds	10/23/2034	7.45%
PH Issued US\$ Govt Bonds	1/15/2032	5.33%
PH Issued US\$ Govt Bonds	1/20/2040	4.79%
PH Issued US\$ Govt Bonds	5/5/2045	4.60%



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## PHILAM LIFE GLOBAL BOND FUND

Fund Inception Date: 12 July 2005

### Fund Description

The Philam Life Global Bond Fund (PALGBF) is a US\$-denominated fund created for dollar variable life insurance contracts issued by The Philippine American Life and General Insurance Company (now AIA Philippines). This investment option is for the variable life policyholder with a preference for investing in US\$-denominated high-quality, investment-grade fixed-income securities with low to moderate levels of risk. The Fund aims to preserve capital and provide stable income growth over the medium- to long-term.

### Fund Performance\*

2021 Return	-0.78%
2020 Return	5.70%
2019 Return	3.95%
2018 Return	-1.88%
2017 Return	2.05%
2016 Return	1.48%
2015 Return	0.16%
2014 Return	3.40%
2013 Return	-4.28%
2012 Return	11.70%
Three Years Return (annualized as of 31 Dec 2021)	2.92%
Five Years Return (annualized as of 31 Dec 2021)	1.77%
Return since Inception (annualized as of 31 Dec 2021)	3.28%

\* Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

### NAVPU Since Inception



### PORTFOLIO STATISTICS (as of 31 Dec 2021)

Net Asset Value (NAV in US\$)	8,222,322*
NAVPU	1.7027

\* Based on Audited Financial Statement. NAV is net of 2.0% fund management charge, transaction cost, and audit fees.

### PORTFOLIO MIX\* (as of 31 Dec 2021)

Cash and Cash Equivalents	7.02%
Foreign Corporate Securities	92.98%

\* Excluding accrued income

### FIXED INCOME SECURITIES (as of 31 Dec 2021)

Top Five Issues	Maturity	% of Portfolio
Huarong Finance Co Ltd	2/24/2025	4.50%
Royal Capital Variable	5/5/2170	3.76%
Vanke Real Estate HK	5/25/2023	3.65%
Reliance Industries Ltd.	1/28/2025	3.28%
Alibaba Group Ltd.	2/9/2051	3.12%

## Fund Description

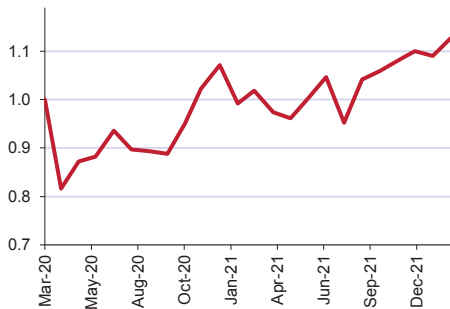
The Philam Life Equity Capped Index Fund (PECIF) is a PHP-denominated fund created for variable life insurance contracts issued by The Philippine American Life and General Insurance Company (now AIA Philippines). It is an investment option for variable life policyholders comfortable with the risk associated with long-term capital growth. The fund invests in a basket of stocks that comprise the Philippine Stock Exchange Index (PSEi) in such similar proportion as that of the PSEi but with modified exposure limits or caps.

## Fund Performance\*

One Month Return	-0.86%
Three Months Return	2.95%
Six Months Return	4.23%
One Year Return	1.75%
Return since Inception (annualized as of 31 Dec 2021)	4.85%

\* Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

## NAVPU Since Inception



## PORTFOLIO STATISTICS (as of 31 Dec 2021)

Net Asset Value (NAV in PHP)	65,446,170*
Net Asset Value per Unit (NAVPU)	1.0905

\* Based on Audited Financial Statement. NAV is net of 2.0% fund management charge, transaction cost, and audit fees.

## PORTFOLIO MIX\* (as of 31 Dec 2021)

Cash and Cash Equivalents	3.14%
Common Stocks	96.86%

\* Excluding accrued income

## COMMON STOCKS (as of 31 Dec 2021)

Top Five Issues	% of Portfolio
SM Investments Corporation	9.50%
SM Prime Holdings, Inc.	9.26%
Ayala Land, Inc.	8.05%
BDO Unibank, Inc.	6.56%
Ayala Corporation	6.52%

## COMMON STOCKS by SECTOR (as of 31 Dec 2021)

Sector	% of Portfolio
Financials	47.32%
Industrials	28.96%
Telecommunication Services	8.52%
Consumer Staples	7.82%
Utilities	3.69%
Consumer Discretionary	3.68%

## Fund Description

The Philam Life Long Term Bond Fund (PLTBF) is a PHP-denominated fund created for variable life insurance contracts issued by The Philippine American Life and General Insurance Company (now AIA Philippines). It is an investment option for variable life policyholders comfortable with the risk associated with long-term investing. The fund invests primarily in Philippine peso-denominated fixed income securities issued by the Philippine Government.

## Fund Performance\*

One Month Return	-0.86%
Three Months Return	2.95%
Six Months Return	4.23%
One Year Return	1.75%
Return since Inception (annualized as of 31 Dec 2021)	4.85%

\* Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

## NAVPU Since Inception



## PORTFOLIO STATISTICS (as of 31 Dec 2021)

Net Asset Value (NAV in PHP)	12,856,364*
Net Asset Value per Unit (NAVPU)	0.9536

\* Based on Audited Financial Statement. NAV is net of 2.0% fund management charge, transaction cost, and audit fees.

## PORTFOLIO MIX\* (as of 31 Dec 2021)

Cash and Cash Equivalents	5.01%
Philippine Issued Peso Government Bonds	94.99%

\* Excluding accrued income

## FIXED INCOME SECURITIES (as of 31 Dec 2021)

Top Five Issues	Maturity	% of Portfolio
PH Issued PHP Govt Bonds	9/9/2025	6.35%
PH Issued PHP Govt Bonds	7/19/2031	5.93%
PH Issued PHP Govt Bonds	5/4/2027	5.76%
PH Issued PHP Govt Bonds	1/10/2029	5.28%
PH Issued PHP Govt Bonds	12/16/2035	5.21%



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## PHILAM LIFE SHORT TERM FUND

Fund Inception Date: 7 September 2020

### Fund Description

The Philam Life Short Term Fund (PSTF) is a PHP-denominated fund created for variable life insurance contracts issued by The Philippine American Life and General Insurance Company (now AIA Philippines). It is an investment option for variable life policyholders looking to temporarily divest from long-term fund investments, particularly during times of heightened volatility or in scenarios that deviate from normal market conditions. The fund invests primarily in short-term Philippine peso-denominated fixed income securities issued by the Philippine Government.

### Fund Performance\*

One Month Return	0.10%
Three Months Return	0.03%
Six Months Return	0.05%
One Year Return	-0.24%
Return since Inception (annualized as of 31 Dec 2021)	-0.19%

\* Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

### NAVPU Since Inception



### PORTFOLIO STATISTICS (as of 31 Dec 2021)

Net Asset Value (NAV in PHP)	1,296,720*
Net Asset Value per Unit (NAVPU)	0.9975

\* Based on Audited Financial Statement. NAV is net of 2.0% fund management charge, transaction cost, and audit fees.

### PORTFOLIO MIX\* (as of 31 Dec 2021)

Cash and Cash Equivalents	0.63%
Philippine Issued Peso Government Bonds	99.37%

\* Excluding accrued income

### FIXED INCOME SECURITIES (as of 31 Dec 2021)

Top Five Issues	Maturity	% of Portfolio
PH Issued PHP Govt Bonds	7/4/2022	13.98%
PH Issued PHP Govt Bonds	9/13/2022	9.35%
PH Issued PHP Govt Bonds	5/25/2022	7.61%
PH Issued PHP Govt Bonds	11/9/2022	7.58%
PH Issued PHP Govt Bonds	10/19/2022	6.07%





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## PAMI PHILAM BOND FUND

Fund Inception Date: 1 August 2012

### Fund Description

The PAMI Philam Bond Fund (the "Fund") is a PHP-denominated single asset fund created for peso variable life insurance contracts issued by The Philippine American Life and General Insurance Company (now AIA Philippines). The Fund is fully invested in Philam Asset Management Inc.'s (PAMI) Philam Bond Fund, Inc. (PBFI). The investment focus of the PBFI is capital preservation with returns and inflows derived out of investments in fixed income instruments. The PBFI considers a medium- to long-term investment horizon for its shareholders.

### Fund Performance\*

2021 Return	-5.15%
2020 Return	6.24%
2019 Return	11.55%
2018 Return	-3.22%
2017 Return	0.10%
2016 Return	1.52%
2015 Return	-0.91%
2014 Return	1.99%
2013 Return	6.01%
Three Years Return (annualized as of 31 Dec 2021)	3.98%
Five Years Return (annualized as of 31 Dec 2021)	1.72%
Return since Inception (annualized as of 31 Dec 2021)	2.30%

\* Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

### NAVPU Since Inception



### PORTFOLIO STATISTICS (as of 31 Dec 2021)

Net Asset Value (NAV in PHP)	3,869,583,462*
Net Asset Value per Unit (NAVPU)	4.4058

\* Based on Audited Financial Statement. NAV is net of 1.5% fund management charge, transaction cost, and audit fees.

### PORTFOLIO MIX of Philam Bond Fund, Inc. (as of 31 Dec 2021)

Cash and Cash Equivalents	11.01%
Philippine Issued Peso Government Bonds	70.48%
Corporate Securities	18.51%

### TOP FIXED INCOME HOLDINGS of Philam Bond Fund, Inc. (as of 31 Dec 2021)

Name	Maturity	% of Portfolio
Retail Treasury Bond	2025	12.28%
Retail Treasury Bond	2024	8.84%
Fixed Rate Treasury Note	2031	7.35%
Republic of the Philippines	2036	5.11%
SM Prime Holdings Bond	2025	3.98%

## Fund Description

The PAMI Philam Fund (the "Fund") is a PHP-denominated single asset fund created for peso variable life insurance contracts issued by The Philippine American Life and General Insurance Company (now AIA Philippines). The Fund is fully invested in Philam Asset Management Inc.'s (PAMI) Philam Fund, Inc. (PFI). PFI is a moderate type of investment dealing with equity securities and fixed-income instruments. An adequate portion of the portfolio is invested in cash or near-cash assets to ensure sufficient liquidity at any given time. The PFI considers a long-term investment horizon for its shareholders.

## Fund Performance\*

2021 Return	-1.89%
2020 Return	-0.15%
2019 Return	6.61%
2018 Return	-9.38%
2017 Return	11.47%
2016 Return	-1.47%
2015 Return	-4.74%
2014 Return	13.45%
2013 Return	-8.76%
Three Years Return (annualized as of 31 Dec 2021)	1.46%
Five Years Return (annualized as of 31 Dec 2021)	1.07%
Return since Inception (annualized as of 31 Dec 2021)	0.41%

\* Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

## NAVPU Since Inception



## PORTFOLIO STATISTICS (as of 31 Dec 2021)

Net Asset Value (NAV in PHP)	8,692,706,752*
Net Asset Value per Unit (NAVPU)	16.6165

\* Based on Audited Financial Statement. NAV is net of 2.0% fund management charge, transaction cost, and audit fees.

## PORTFOLIO MIX of Philam Fund, Inc. (as of 31 Dec 2021)

Cash and Cash Equivalents	3.32%
Corporate Securities	8.49%
Philippine Issued Peso Government Bonds	32.49%
Common Stocks	55.70%

## TOP HOLDINGS of Philam Fund, Inc. (as of 31 Dec 2021)

Name	Maturity	% of Portfolio
SM Investments Corporation		8.00%
Ayala Land, Inc.		5.69%
Treasury Bill	2022	5.31%
SM Prime Holdings, Inc.		5.04%
Retail Treasury Bond	2024	4.84%

## Fund Description

The PAMI Philam Strategic Growth Fund (the "Fund") is a PHP-denominated single asset fund created for peso variable life insurance contracts issued by The Philippine American Life and General Insurance Company (now AIA Philippines). The Fund is fully invested in Philam Asset Management Inc.'s (PAMI) Philam Strategic Growth Fund, Inc. (PSGFI). The investment objective of the PSGFI is capital growth with returns and inflows derived out of investments in equity securities. The PSGFI considers a long-term investment horizon for its shareholders.

## Fund Performance\*

2021 Return	0.05%
2020 Return	-8.24%
2019 Return	3.51%
2018 Return	-12.51%
2017 Return	20.03%
2016 Return	-3.06%
2015 Return	-6.44%
2014 Return	17.71%
2013 Return	-8.45%
Three Years Return (annualized as of 31 Dec 2021)	-1.69%
Five Years Return (annualized as of 31 Dec 2021)	-0.04%
Return since Inception (annualized as of 31 Dec 2021)	0.12%

\* Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

## NAVPU Since Inception



## PORTFOLIO STATISTICS (as of 31 Dec 2021)

Net Asset Value (NAV in PHP)	25,209,730,915*
Net Asset Value per Unit (NAVPU)	489.3300

\* Based on Audited Financial Statement. NAV is net of 2.0% fund management charge, transaction cost, and audit fees.

## PORTFOLIO MIX of Philam Strategic Growth Fund, Inc. (as of 31 Dec 2021)

Cash and Cash Equivalents	1.11%
Corporate Securities	0.66%
Philippine Issued Peso Government Bonds	3.58%
Common Stocks	94.65%

## TOP HOLDINGS of Philam Strategic Growth, Inc. (as of 31 Dec 2021)

Name	% of Portfolio
SM Investments Corporation	12.65%
Ayala Land, Inc.	9.41%
Ayala Corporation	8.26%
SM Prime Holdings, Inc.	8.11%
Int'l Container Terminal Services Inc.	7.55%

## Fund Description

The PAMI Philam Equity Index Fund (the "Fund") is a PHP-denominated single asset fund created for peso variable life insurance contracts issued by The Philippine American Life and General Insurance Company (now AIA Philippines). The fund is fully invested in Philam Asset Management Inc.'s (PAMI) PAMI Equity Index Fund, Inc. (PEIFI). PEIFI aims to invest in the top 30 corporations that compose the Philippine Stock Exchange Index (PSEI) in such proportion that the performance of the fund attempts to replicate that of the PSEI. The PEIFI aims to capitalize on the long-term positive prospects of the Philippine economy.

## Fund Performance\*

2021 Return	
2020 Return	-0.22%
2019 Return	4.21%
2018 Return	-12.70%
2017 Return	24.32%
2016 Return	-2.85%
2015 Return	-8.31%
Three Years Return (annualized as of 31 Dec 2021)	-1.68%
Five Years Return (annualized as of 31 Dec 2021)	0.62%
Return since Inception (annualized as of 31 Dec 2021)	-1.29%

\* Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

## NAVPU Since Inception



## PORTFOLIO STATISTICS (as of 31 Dec 2021)

Net Asset Value (NAV in PHP)	14,911,120,830*
Net Asset Value per Unit (NAVPU)	0.9189

\* Based on Audited Financial Statement. NAV is net of 2.0% fund management charge, transaction cost, and audit fees.

## PORTFOLIO MIX of PAMI Equity Index Fund, Inc. (as of 31 Dec 2021)

Cash and Cash Equivalents	0.52%
Common Stocks	99.48%

## TOP HOLDINGS of PAMI Equity Index Fund, Inc. (as of 31 Dec 2021)

Name	% of Portfolio
SM Investments Corporation	14.77%
SM Prime Holdings, Inc.	9.55%
Ayala Land, Inc.	7.74%
BDO Unibank, Inc.	6.31%
Ayala Corporation	6.28%

## Fund Description

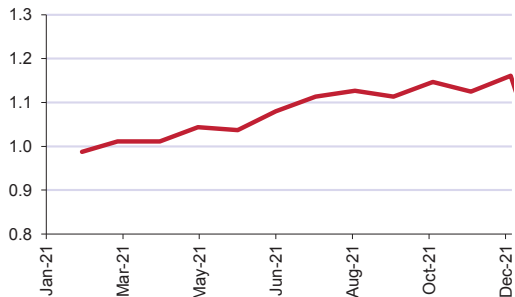
The AIA Philam Life Elite Adventurous Fund seeks long-term total return (combination of capital growth and income) with higher risk by investing in a portfolio of mostly equities and a small proportion of fixed income securities. The ILP Sub-Fund's expected average direct and indirect exposure to equities will be approximately 90 per cent over the long-term, however this exposure may vary from time to time. The other 10 per cent will be invested in fixed income or money market instruments.

## Fund Performance\*

One Month Return	3.20%
Three Months Return	4.28%
Six Months Return	7.50%
Cumulative since Inception (annualized as of 31 Dec 2021)	16.10%

\* Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

## NAVPU Since Inception



## PORTFOLIO STATISTICS (as of 31 Dec 2021)

Net Asset Value (NAV in PHP)	40,829,827*
Net Asset Value per Unit (NAVPU)	1.1610

\* Based on Audited Financial Statement. NAV is net of 2.0% fund management charge, transaction cost, and audit fees.

## PORTFOLIO MIX\* (as of 31 Dec 2021)

Cash and Derivative	2.38%
Equities	90.18%
Fixed Income	7.44%

\* Excluding accrued income

## EQUITES

Top Five Issues	% of Portfolio
Microsoft Corp.	3.87%
Cisco Systems Inc./Delaware	1.89%
Taiwan Semiconductor Manufacturing Co. Ltd.	1.76%
Visa Inc	1.71%
The Home Depot, Inc.	1.69%

## FIXED INCOME

Top Five Issues	Maturity	% of Portfolio
United States Treasury NoteBond	11/15/2031	0.07%
Blackstone Private Credit Fund	3/15/2027	0.07%
Fidelity National Information Services	3/1/2028	0.06%
Broadcom Inc.	4/15/2033	0.05%
Sumitomo Mitsui Financial Group	9/17/2028	0.05%

## Fund Description

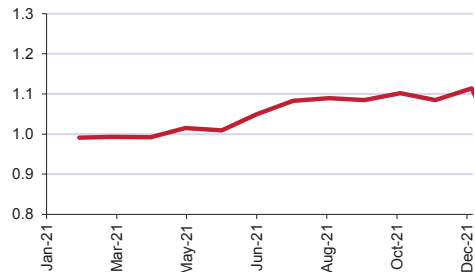
The AIA Philam Life Elite Balanced Fund seeks long-term total return (combination of capital growth and income) with moderate risk by investing in a portfolio of equities and fixed income securities. The ILP Sub-Fund's expected average direct and indirect exposure to equities will be approximately 60 per cent over the long-term, however this exposure may vary from time to time. The other 40 per cent will be invested in fixed income or money market instruments.

## Fund Performance\*

One Month Return	2.65%
Three Months Return	2.69%
Six Months Return	6.19%
Cumulative since Inception (annualized as of 31 Dec 2021)	11.39%

\* Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

## NAVPU Since Inception



## PORTFOLIO STATISTICS (as of 31 Dec 2021)

Net Asset Value (NAV in PHP)	35,352,769*
Net Asset Value per Unit (NAVPU)	1.1139

\* Based on Audited Financial Statement. NAV is net of 2.0% fund management charge, transaction cost, and audit fees.

## PORTFOLIO MIX\* (as of 31 Dec 2021)

Cash and Derivative	2.12%
Equities	60.43%
Fixed Income	37.46%

\* Excluding accrued income

## EQUITIES

Top Five Issues	% of Portfolio
Microsoft Corp.	2.59%
Cisco Systems Inc./Delaware	1.26%
Taiwan Semiconductor Manufacturing Co. Ltd.	1.17%
Visa Inc	1.14%
The Home Depot, Inc.	1.13%

## FIXED INCOME

Top Five Issues	Maturity	% of Portfolio
United States Treasury NoteBond	11/15/2031	0.35%
Blackstone Private Credit Fund	3/15/2027	0.34%
Fidelity National Information Services	3/1/2028	0.28%
Broadcom Inc.	4/15/2033	0.25%
Sumitomo Mitsui Financial Group	9/17/2028	0.24%

## Fund Description

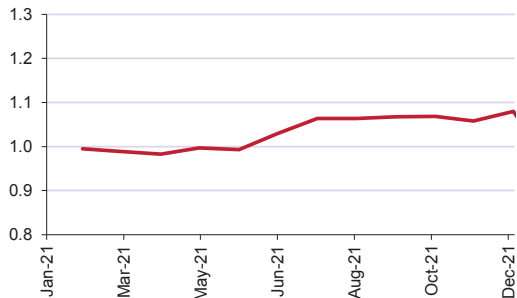
The AIA Philam Life Elite Conservative Fund seeks long-term total return (combination of capital growth and income) and at the same time minimize short term capital risk by investing in a portfolio of equities and fixed income securities. The ILP Sub-Fund's expected average direct and indirect exposure to equities will be approximately 30 per cent over the long-term, however this exposure may vary from time to time. The other 70 per cent will be invested in fixed income or money market instruments.

## Fund Performance\*

One Month Return	2.04%
Three Months Return	1.19%
Six Months Return	4.86%
Cumulative since Inception (annualized as of 31 Dec 2021)	7.98%

\* Fund returns are calculated based on Net Asset Value per Unit  
Past performance is not indicative of future performance.

## NAVPU Since Inception



## PORTFOLIO STATISTICS (as of 31 Dec 2021)

Net Asset Value (NAV in PHP)	17,572,569*
Net Asset Value per Unit (NAVPU)	1.0798

\* Based on Audited Financial Statement. NAV is net of 2.0% fund management charge, transaction cost, and audit fees.

## PORTFOLIO MIX\* (as of 31 Dec 2021)

Cash and Derivative	1.66%
Equities	30.79%
Fixed Income	67.55%

\* Excluding accrued income

## EQUITIES

Top Five Issues	% of Portfolio
Microsoft Corp.	1.31%
Cisco Systems Inc./Delaware	0.64%
Taiwan Semiconductor Manufacturing Co. Ltd.	0.60%
Visa Inc	0.58%
The Home Depot, Inc.	0.57%

## FIXED INCOME

Top Five Issues	Maturity	% of Portfolio
United States Treasury NoteBond	11/15/2031	0.63%
Blackstone Private Credit Fund	3/15/2027	0.61%
Fidelity National Information Services	3/1/2028	0.50%
Broadcom Inc.	4/15/2033	0.45%
Sumitomo Mitsui Financial Group	9/17/2028	0.43%

# DISCLOSURE STATEMENT

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