

# INVESTOR

## AIA's Monthly Investment Market and Unit Linked Fund Update

For the month of June 2024

### 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 2024 (YTD)	17.2%	12.1%	6.5%	5.4%	6.5%	14.0%	17.0%
Annual Effective Growth Rate							
1 year	35.4%	26.4%	17.9%	15.6%	17.8%	28.5%	32.1%
3 years	11.5%	15.5%	17.3%	16.2%	17.4%	15.7%	6.5%
5 years	11.2%	12.9%	13.1%	12.3%	13.2%	17.7%	7.5%
7 years	5.8%	10.3%	12.2%	11.5%	12.3%	8.8%	-1.3%
From Inception - CAGR	10.1%	11.5%	11.0%	10.5%	12.2%	9.6%	2.0%

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.

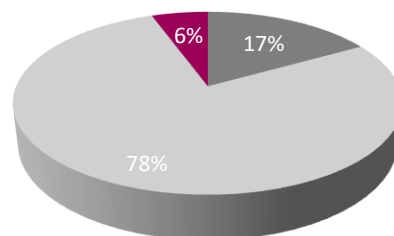
# Your fund performance: Growth fund

## 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 31/12/2023 to 30/06/2024

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024*
Unit Price	32.36	32.90	34.40	37.60	39.56	42.81	43.68	50.63	37.48	49.18	57.66
Growth (%)	12.1%	1.7%	4.6%	9.3%	5.2%	11.2%	2.0%	15.9%	-20.1%	31.22%	17.24%

Note: past performance is not an indication of future performance

## Equity Allocation

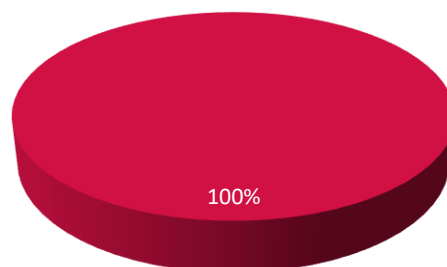
Sector	%
Banks	31%
Capital Goods	26%
Food Beverage and Tobacco	15%
Consumer Durables & Apparel	11%
Materials	9%
Diversified Financials	4%
Energy	3%
Software & Services	2%
Telecommunication Services	0%
Food & Staples Retailing	0%
Utilities	0%
Transportation	0%
<b>Total</b>	<b>100%</b>

## Top Equity Holdings\*\*\*

ACCESS ENG LTD	HAYLEYS PLC
CHEVRON LUBRICANTS LANKA PLC	JOHN KEELLS HOLDINGS PLC
COMMERCIAL BANK OF CEYLON PLC	SAMPATH BANK PLC
DISTILLERIES COMPANY OF SRI LANKA	SUNSHINE HOLDINGS PLC
HATTON NATIONAL BANK PLC	TEXTURED JERSEY LANKA LIMITED

\*\*\*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 10.1% per year, since the unit linked fund was started.
- The unit price has increased by 17.24% for the period 01 January 2024 to 30 June 2024.

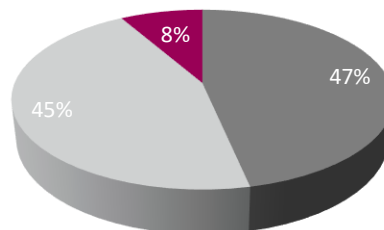
# Your fund performance: Balanced fund

## 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)

\*Period from 31/12/2023 to 30/06/2024

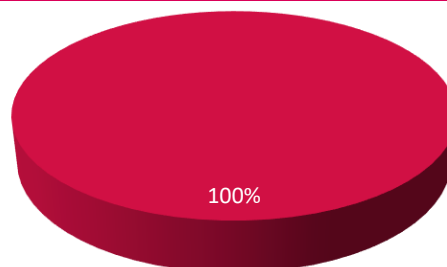
Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024*
Unit Price	32.36	32.90	34.40	37.60	39.56	42.81	43.68	50.63	50.68	64.73	72.54
Growth (%)	12.1%	1.7%	4.6%	9.3%	5.2%	11.2%	2.0%	15.9%	0.1%	27.7%	12.1%

Note: past performance is not an indication of future performance

## Equity Allocation

Sector	%
Banks	33%
Capital Goods	22%
Food Beverage and Tobacco	15%
Consumer Durables & Apparel	11%
Diversified Financials	8%
Materials	7%
Energy	2%
Software & Services	2%
Consumer Services	0%
Telecommunication Services	0%
Food & Staples Retailing	0%
Utilities	0%
Total	100%

## Credit Rating



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## Top Equity Holdings\*\*\*

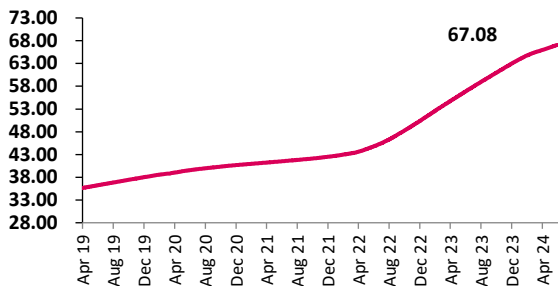
ACCESS ENG LTD	HAYLEYS FABRIC PLC
CHEVRON LUBRICANTS LANKA PLC	JOHN KEELLS HOLDINGS PLC
COMMERCIAL BANK OF CEYLON PLC	SAMPATH BANK PLC
DISTILLERIES COMPANY OF SRI LANKA	SUNSHINE HOLDINGS PLC
HATTON NATIONAL BANK PLC	TEXTURED JERSEY LANKA LIMITED

\*\*\*Note: In alphabetical order

- The annual average growth rate of the unit price for the Balanced fund is 11.5% per year, since the unit linked fund was started.
- The unit price has increased by 12.1% for the period 01 January 2024 to 30 June 2024.

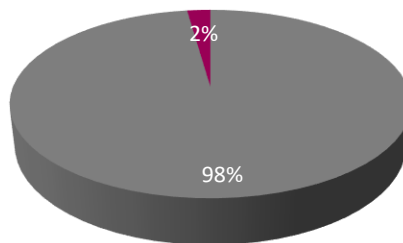
# Your fund performance: Secure fund

## 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 31/12/2023 to 30/06/2024

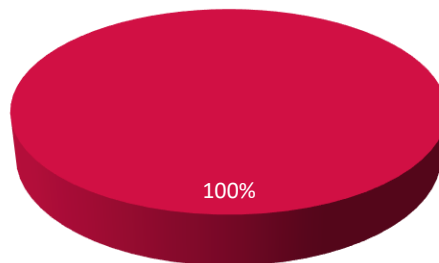
Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024*
Unit Price	24.76	26.21	28.37	31.32	34.49	38.05	40.68	42.53	50.47	63.01	67.08
Growth (%)	7.6%	5.9%	8.2%	10.4%	10.1%	10.3%	6.9%	4.5%	18.7%	24.8%	6.46%

Note: past performance is not an indication of future performance

- The annual average growth rate of the unit price for the Secure fund is 11.0% per year, since the unit linked fund was started.
- The unit price has increased by 6.46% for the period 01 January 2024 to 30 June 2024.
- Investment holdings as of 30 June 2024 are in government securities\* resulting in AAA rated instruments for the portfolio.

\*Includes money market Instruments

## Credit Rating

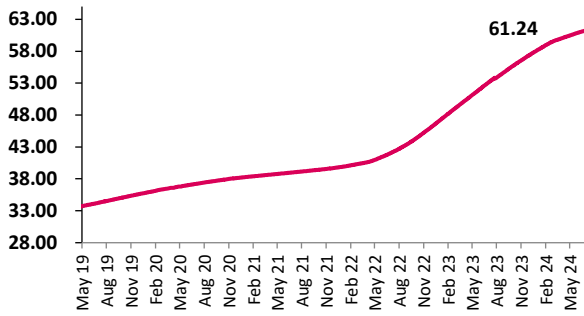


■ AAA Rating ■ AA Rating ■ A Rating

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.

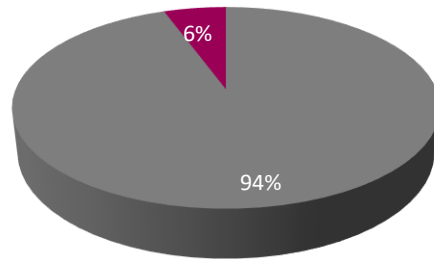
# Your fund performance: Protected fund

## 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 31/12/2023 to 30/06/2024

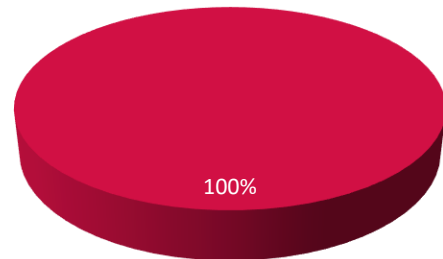
Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024*
Unit Price	23.81	25.20	27.18	29.82	32.66	35.58	38.25	39.88	47.09	58.08	61.24
Growth (%)	6.9%	5.8%	7.9%	9.7%	9.5%	9.8%	6.7%	4.3%	18.1%	23.34%	5.44%

Note: past performance is not an indication of future performance

- The annual average growth rate of the unit price for the Protected fund is 10.5% per year, since the unit linked fund was started.
- The unit price has increased by 5.44% for the period 01 January 2024 to 30 June 2024.
- Investment holdings as of 30 June 2024 are in government securities\* resulting in AAA rated instruments for the portfolio.

\*Includes money market Instruments

## Credit Rating

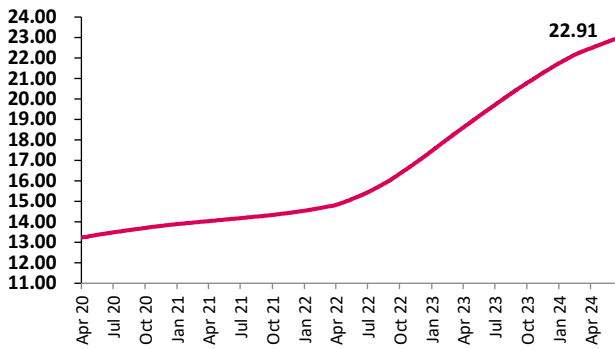


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Note: The credit rating is presented as at month end for investments in fixed deposits and does not include ratings for equity investments. All ratings are by Fitch Ratings Lanka.

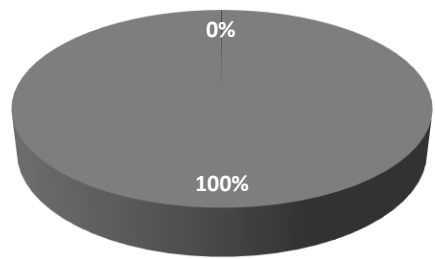
# Your fund performance: Stable Money Market fund

## Unit Price Movement



Note: past performance is not an indication of future performance

## Asset Allocation



■ 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 31/12/2023 to 30/06/2024

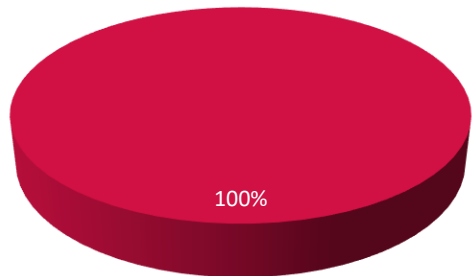
Year	2014	2015	2016	2017*	2018	2019	2020	2021	2022	2023	2024**
Unit Price	-	-	-	10.62	11.70	12.88	13.85	14.49	17.18	21.51	22.91
Growth (%)	-	-	-	6.2%	10.2%	10.1%	7.5%	4.6%	18.6%	25.2%	6.5%

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 12.2% per year, since the unit linked fund was started.
- The unit price has increased by 6.5% for the period 01 January 2024 to 30 June 2024.
- Investment holdings as of 30 June 2024 are in government securities\* resulting in AAA rated instruments for the portfolio.

\*Includes money market Instruments

## Credit Rating



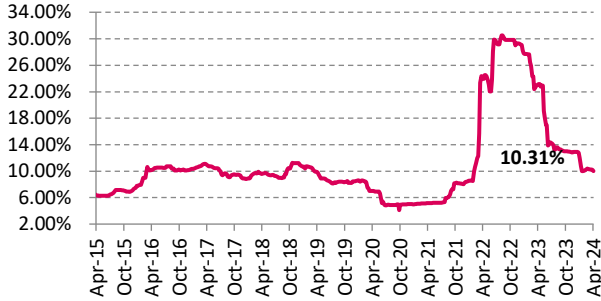
■ AAA Rating ■ AA Rating ■ A Rating

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# Market Update: Interest Rates

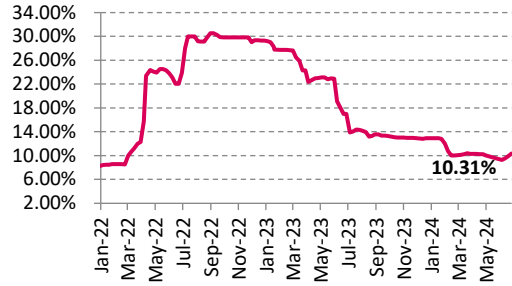
We use the 364-day T-Bill as an indicator of how interest rates move

364-day T-bill: Since 01 Jan 2015



Note: Past performance is not an indication of future performance

364-day T-bill: Since 01 Jan 2021

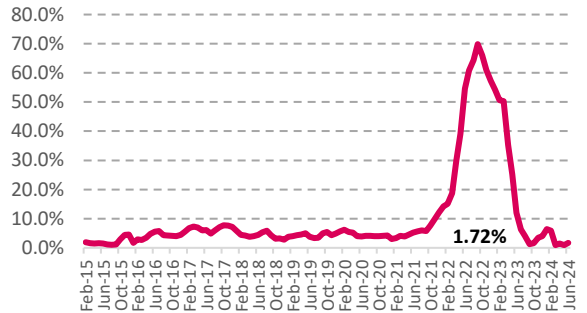


Note: Past performance is not an indication of future performance

Major events during the month

- CBSL maintains the SDFR and the SLFR of the Central Bank at 8.50% and 9.50%, respectively.
- Fuel prices in Sri Lanka have been revised with effect from July 1, 2024. Accordingly, a liter of Petrol 92 Octane (Rs. 355) has been reduced by Rs.11.4, a liter of Petrol 95 Octane (Rs. 420) has been reduced by Rs. 41 and a liter of Super Diesel 4 Star Euro 4 (Rs.377) has been reduced by Rs.22.
- Sri Lanka's Foreign Affairs Minister Ali Sabry, PC believes that the country will be able to complete the Debt Restructuring process by the end of July 2024.

Inflation: Since 01 Jan 2015



# Market Update: Stock Market

ASPI Movement: Since 01 Jan 2015



ASPI Movement: Since 01 Jan 2021



S&P SL Movement: Since 01 Jan 2015



S&P SL Movement: Since 01 Jan 2021



Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024**
ASPI	7,299	6,894	6,228	6,369	6,052	6,129	6,774	12,226	8,490	10,654	12,145
Growth (%)	23.40%	-5.50%	-9.70%	2.30%	-5.00%	1.30%	10.50%	80.50%	-30.56%	25.50%	13.99%
S&P SL 20	4,089	3,626	3,496	3,672	3,135	2,937	2,638	4,233	2,636	3,068	3,569
Growth (%)	25.30%	-11.30%	-3.60%	5.00%	-14.60%	-6.30%	-10.20%	60.50%	-37.74%	1.94%	16.32%

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 9.64% per year and S&P SL20 index is 1.97% per year, since the unit linked funds were first started.
- The ASPI and S&P SL 20 have increased by 13.99% and 16.32% for the period of 01 January 2024 to 30 June 2024, respectively.

## Market Update: Stock Market

### For the month

Description	May-24	June-24
All Share Price Index (ASPI)	12,106	12,145
ASPI growth for the month	-2.07%	0.31%
S&P SL 20 Index	3,569	3,589
S&P SL 20 growth for the month	-3.28%	0.55%
Total market turnover (LKR Millions)	37,070	32,898
Market Capitalization (LKR Billions)	4,780	4,760
PE Ratio (times)	10.02x	9.73x


### 10 Companies with highest market

#### Capitalisation on the CSE as of 30 June 2024

- JOHN KEELLS HOLDINGS PLC
- CEYLON TOBACCO COMPANY PLC
- LOLC HOLDINGS PLC
- LOLC FINANCE PLC
- SRI LANKA TELECOM
- COMMERCIAL BANK OF CEYLON PLC
- DISTILLERIES COMPANY OF SRI LANKA PLC
- CARGILLS (CEYLON) PLC
- MELSTACORP PLC
- SAMPATH BANK PLC

### Highlights of the month

- The ASPI and S&P SL20 performed for the month of June 2024 by 0.31% and 0.55% respectively.
- Net foreign flows for the month amounted to LKR 901 Mn of outflows, an increase from the prior period.
- The market has witnessed decreased 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

- During the month of June 2024, the central bank of Sri Lanka did not hold any monetary policy meeting, leaving the policy rates unchanged. The Standing Lending Facility Rate (the rate CBSL lends to commercial banks) remained at 9.50% and the Standing Deposit Facility Rate (the rate which commercial banks place their excess cash with CBSL) remained at 8.50% during the month.
- Treasury rates across the yield curve saw a significant reversal, rising more than 100 basis points during the month. To bolster the current buffers, the central bank raised funds exceeding maturing amounts, resulting in higher auction yields. Specifically, the benchmark 364-day T-bill yield rose by 113 basis points to 10.31% from May's 9.18%. Likewise, the weighted average rates for the 91-day and 182-day T-bills increased by 145 and 115 basis points, reaching 10.07% and 10.19%, respectively.
- Foreign investors continued as net sellers of LKR-denominated government securities in June, with an outflow of LKR 9.4 billion, reducing foreign holdings to 0.37% from last month's 0.43%, totaling net sales of LKR 55.4 billion for 2024.
- The Average Weighted Prime Lending Rate (AWPR) declined to 8.78% by the end of June from 9.36% at the beginning of the month. Similarly, the Average Weighted Fixed Deposit Rate decreased to 10.39% from 11.36% over the same period.
- The Year on Year inflation in June 2024 measured by the Colombo Consumer Price Index graduated to 1.7% from the previous month's inflation of 0.9%. Non-food inflation increased to 1.8% during the same period, up from the 1.3% recorded in previous month. Meanwhile, food inflation moved to 1.4%, from previous months YOY of 0.0%. Despite some upside movement, inflation is likely to be below the target level of 5 per cent in the near term as per CBSL data.

### Equity outlook

- The Sri Lankan equity market experienced volatility in early June, driven by anticipation surrounding the IMF's second review approval. Despite the eventual approval at the end of the month, the All Share Price Index (ASPI) saw a marginal improvement of 0.34%, and the S&P SL 20 index gained by 0.55%. Sampath Bank PLC, HNB Bank PLC, Hayleys PLC, JKH PLC and NDB PLC were the main contributors to this improvement. However, overall investor activity remained relatively stable, with an average daily turnover of LKR 1.8 billion.
- The market's upward momentum in June was primarily led by the Capital Goods, Food, Beverage & Tobacco, Materials, Banks & Retailing sectors. Additionally, there was a moderate net foreign outflow of LKR 0.9 billion during the month, indicating some caution among international investors. The overall market multiple marginally decline by 3% during month and remained at 9.73X at the month end.



## 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](http://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](http://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

For more information, please call AIA Insurance on  
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# About AIA

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

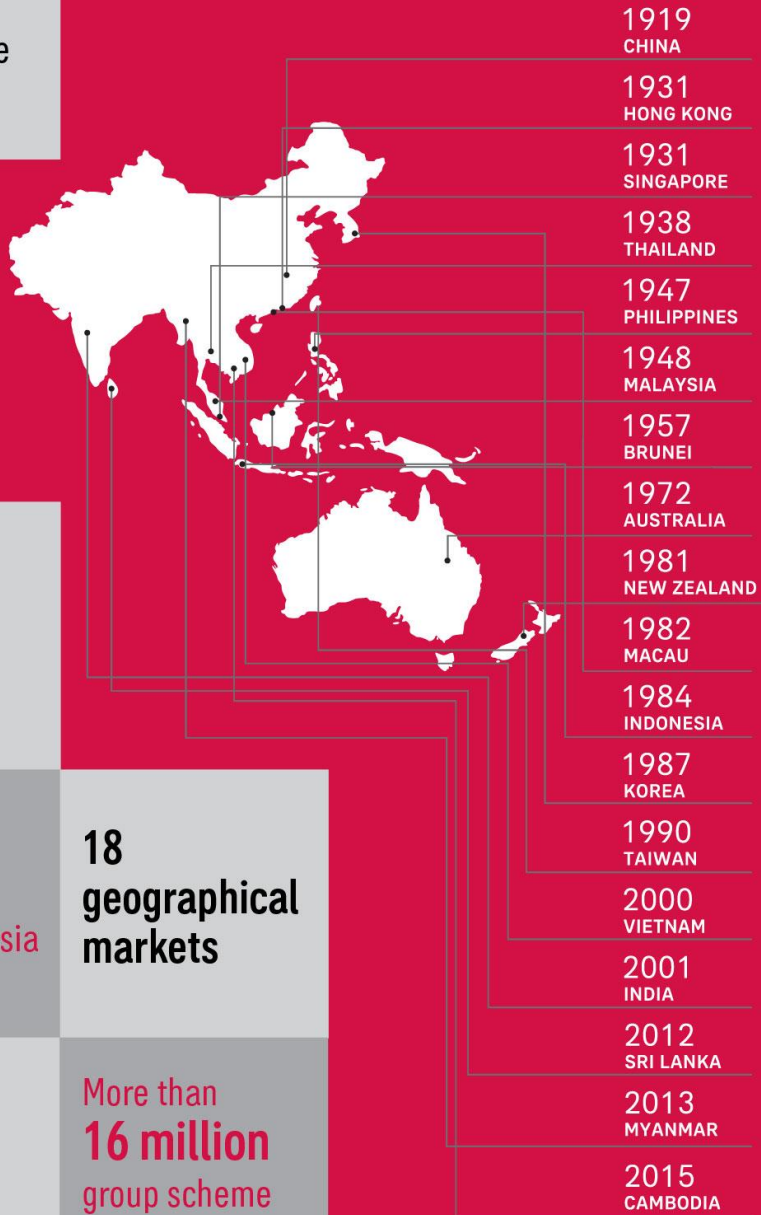
A total Sum Assured of **US\$ 2 trillion**

Over **100 years** of history in Asia

More than **39 million** individual policies

**18** geographical markets

More than **16 million** group scheme members



HEALTHIER, LONGER,  
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