AIA Investments POWERING OUR CUSTOMERS' FINANCIAL WELLBEING

【New Horizon】 2025 Feb Market Video

MPF Smart Sheet 2025-1Q

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Market Outlook

- After Trump took office as U.S. president, the initial trade conflicts between China and the United States were not as bad as feared.
- AIMHK maintains positive rating on stock market.

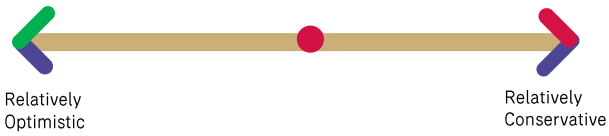
Buoyant investors' sentiments lifted equity markets at the start of 2025. As of end of January this year, most stock markets recorded positive returns. Meanwhile, about two-third of the companies in the Standard and Poor's 500 index have reported their results. Of these companies, 70% and more have reported better-than-expected results. Also, JPMorgan Global Composite PMI marginally rose to 52.6 in December from November's 52.4.

In recent months, the three major Central Banks in developed countries adopted different monetary stances. European Central Bank cut rates in January whereas the Bank of Japan raised its policy rate to the highest level in 17 years. The Federal Reserve, on the other hand, stayed put at its policy meeting in January.

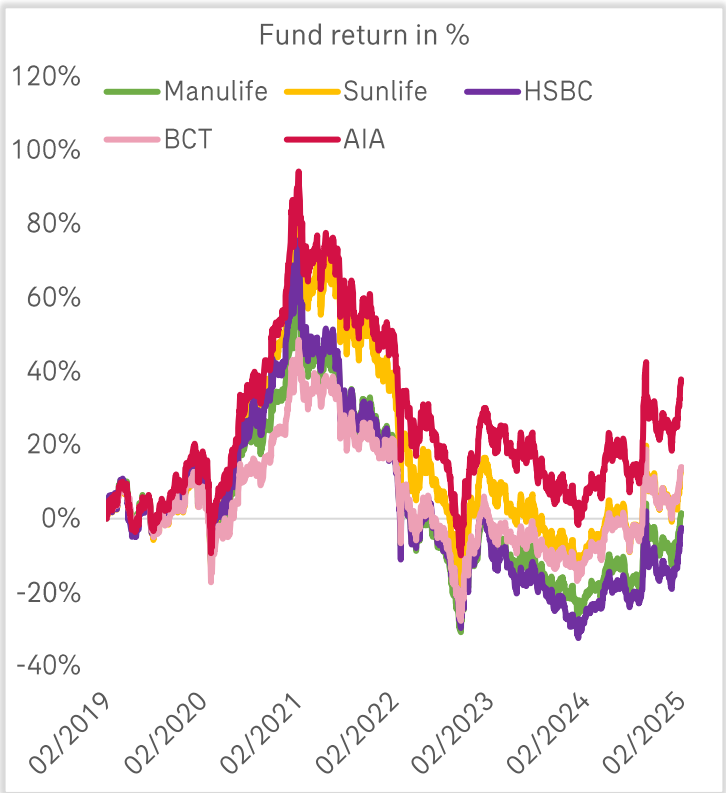
Equities



Bonds



MPF Fund in Focus



AIA MPF Greater China Equity Fund

Significantly outperforming competitors

From the beginning of this year to February 18, the FTSE MPF Greater China Index returned 9.7%. Looking at individual market performances, the Hang Seng Index rose 14.5%, the Hang Seng China Enterprises Index rose 16.3% and the Taiwan Weighted Index rose 2.7%.

After Trump took office as U.S. president, the initial trade conflicts between China and the United States were not as bad as feared.

In addition, despite the U.S.'s semiconductor export restrictions on China, the unexpected release of an open-source artificial intelligence (AI) model developed by a Chinese company has diluted the U.S.' monopolistic and leading image in the AI industry. This exciting news boosted sentiment in the Hong Kong stock market, driving shares of technology stocks and AI-related sectors higher. This tech-breakthrough announcement has brought new investment opportunities to the Chinese stock markets. Investors should pay close attention.

Source: Bloomberg，AIMHK

HEALTHIER, LONGER, BETTER LIVES

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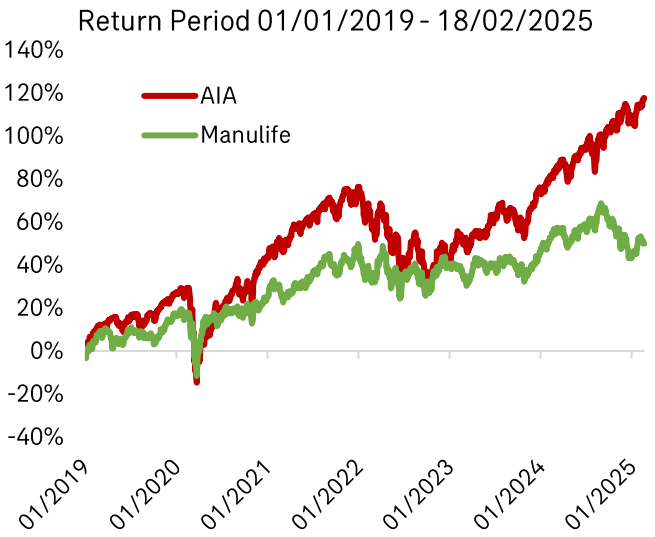
MPF Fund in Focus

AIA MPF Green Fund

AIA Fund outperformed peers

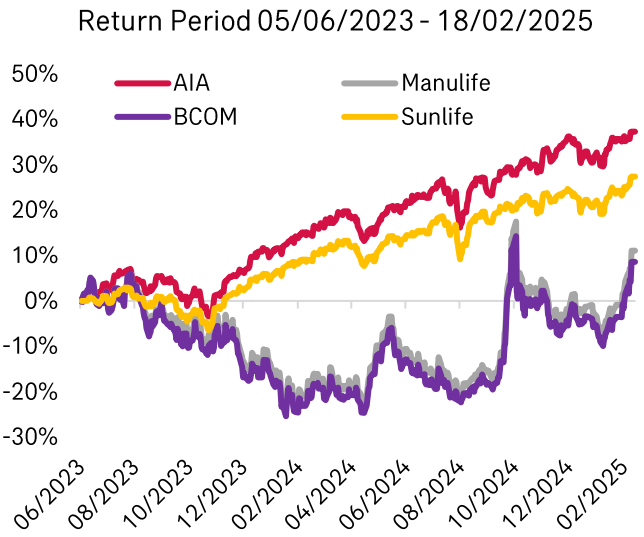
- Continuing its outstanding performance of 2024, the AIA MPF Green Fund maintains its leading position year-to-date. The Fund's 6M, 1Y, 3Y, 5Y and 10Y performance all ranked top 3 within the global equities peer group category (which has a total of 22 funds).
- Additionally, the Green Fund performed significantly better than the healthcare-themed fund available in the MPF market (refer to Chart 1) and all other ESG funds (refer to Chart 2).
- Entering 2025, investors remain optimistic on global economic outlook, but due a relatively pricier valuation of the U.S. market and the high industry concentration in U.S. indices, fund flow changes could unexpectedly and easily drive market volatilities in the near term. Therefore, investing in global equity strategies can help investors to capture investment opportunities while better managing regional asset allocation risks.

Chart 1：AIA MPF Green Fund outperforms Manulife's Healthcare Fund (Thematic Funds Category)



Source: Bloomberg，AIMHK

Chart 2：ESG Funds performance comparisons across the board



Source: Bloomberg，AIMHK

Mixed asset funds (lifestyle funds)

AIA Fund outperformed peers

- AIA MPF Prime Scheme has a total of five mixed asset funds. Three of the funds (AIA lifestyle funds) receive performance ranking by a third-party MPF Survey Agency (namely Lipper). Despite recent volatility in the stock and bond markets, as of end of January 2025, all AIA's lifestyles funds have outperformed the median fund in the same category over the past 1, 3, 6 months, 1 and 5 years as the chart depicts below.

Constituent Fund	Lipper Category	Quartile Ranking				
		1 Month	3 Months	6 Months	1 Year	5 Years
Mixed Asset Funds						
Growth Portfolio	Lifestyle - (>80-100% Equity)	2	1	1	1	1
Balanced Portfolio	Lifestyle - (>40-60% Equity)	2	1	1	1	2
Capital Stable Portfolio	Lifestyle - (>20-40% Equity)	1	2	1	1	1

Source: Lipper ranking as of Jan 31, 2025, AIMHK

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