Jul 2023

MONTHLY FUND PERFORMANCE UPDATE
AIA GLOBAL BALANCED FUND *(previously known as AIA Eleven Plus Fund)*

Investment Objective

The primary goal of this Fund is to provide long-term total return (combination of capital growth and income) with moderate risk by investing through exposure in a diversified portfolio of global equities and fixed income securities. It is also flexible by allowing investments in newer funds launched in the future. The Fund adopts a relatively balanced approach towards equities and bond exposure with the aim of providing stable growth of your investment. The Fund's expected average exposure to equities will be approximately 60% over the long term, however this exposure may vary from time to time and can go up to 80%. The balance is invested in the fixed income or money market instruments.

Notice: Please refer to the Fund Fact Sheet for more information about the Fund.

Fund Details

Unit NAV (31 Jul 2023)	:	RM 1.02016
Fund Size (31 Jul 2023)	:	RM 235.146 million
Fund Currency	:	Ringgit Malaysia
Fund Inception	:	25 October 2007
Offer Price at Inception	:	RM 0.50
Fund Management Charge	:	1.50% p.a.
Investment Manager	:	AIA Bhd.
Fund Type	:	Fund-of-Funds
Basic of Unit Valuation	:	Net Asset Value
Frequency of Unit Valuation	:	Daily

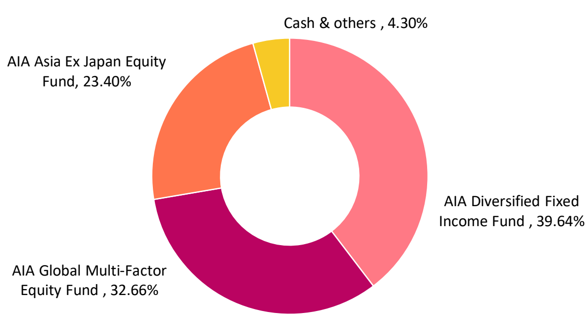
Underlying Fund Details

Name	:	AIA Global Multi-Factor Equity Fund AIA Diversified Fixed Income Fund AIA Asia Ex Japan Equity Fund AIA Greater China Equity Fund AIA India Equity Fund
Investment Manager	:	AIA Investment Management Private Ltd.

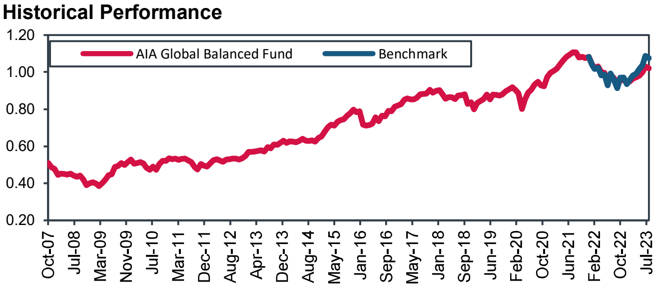
Top Fund Holdings

1	AIA Diversified Fixed Income Fund	39.64%
2	AIA Global Multi-Factor Equity Fund	32.66%
3	AIA Asia Ex Japan Equity Fund	23.40%

Fund Allocation



Historical Performance



Historical Performance *(cont'd)*

Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund~	-0.90%	7.48%	3.46%	9.34%	17.05%	104.03%
Benchmark*	-1.12%	12.20%	8.47%	N/A	N/A	N/A
Excess	0.22%	-4.72%	-5.01%	N/A	N/A	N/A

~ Calculation of past performance is based on NAV-to-NAV. This is strictly the performance of the investment fund, and not the returns earned on the actual premiums/contributions paid of the investment-linked product.

** Prior to fund restructuring effective from January 2022, there was no benchmark available. Post restructuring the benchmark is 60.0% MSCI World Price Index + 40.0% Barclays Global Aggregate Corporate Total Return Index (Source: Bloomberg). Calculation of the benchmark since inception performance is based on the date the fund restructuring exercise was completed which is 31 January 2022. Meanwhile, calculation of the Fund's since inception performance is based on the Fund's inception date of 25 October 2007.*

Notice: Past performance of the Fund is not an indication of its future performance.

Market Review

The market kickstarted the quarterly earnings season robustly, and there were mounting indications that the US economy could avoid recession. On the macro front the non-manufacturing Institute of Supply Management ("ISM") rebounded to a reading of 53.9 as of June 2023, while Gross Domestic Product ("GDP") pointed to a US economy that is humming along comfortably ahead of expectations (2.4% quarter on quarter vs 1.8% consensus). The end of July 2023 saw both the Federal Open Market Committee ("FOMC") and European Central Bank (ECB) delivered an additional 25 basis points ("bps") of rate increases as expected. However, the tone of the commentary around both decisions was generally viewed as dovish. Despite the ECB highlighting a weakening macro backdrop in Europe, hopes for a peak in the global tightening cycle, ensured the general risk on tone across equity markets continued into the end of the month.

Boosted by disinflationary trends and the possibility of a soft economic landing, market sentiment was positive in July 2023. The June 2023 Consumer Price Index ("CPI") reading led the way, indicating that inflation was cooling. Headline CPI dropped to 3%, the lowest level since March 2021, and core CPI declined to 4.8%, a notable decrease from the 5.3% reported in May 2023. Additionally, the Producer Price Index ("PPI") rose 0.1% Year-on-Year in June 2023. These figures, coupled with declining but still elevated payrolls and a robust preliminary second quarter Gross Domestic Product (GDP) number, reinvigorated the soft-landing narrative. Despite the lower inflation reading, the US Federal Reserve (Fed) proceeded with a 25 bps rate hike bringing the Fed Funds rate to a range of 5.25%-5.50%, marking the highest level in 22 years. The policy statement was largely unchanged, with a continued emphasis on data dependency for future rate decisions. In the interest rates market, the yield curve continued to bear flatten with the 2-year constant maturity Treasury selling off by 47 bps while the 10-year rose 17bps. Elsewhere, the Bank of Japan ("BoJ") tweaked its yield curve control policy introducing greater flexibility by allowing 10-year Japanese government bond (JGB) yields to fluctuate beyond the target range of -/+ 0.5% up to +/- 1.0%. Against this backdrop, the Bloomberg US Investment Grade Credit Index tightened by 10bps to 104bps, resulting in a monthly excess return of 83bps. This tightening move brought spreads to their narrowest levels of the year, surpassing the levels observed in February 2023. Primary issuance over the month was $96.7bn skewed heavily towards financials with banks coming to the market in force. Notably, Fifth Third was the first regional bank to tap the primary market this season and its issuance was met with robust demand. In other news, the Telecommunications sector faced challenges following an article that AT&T and Verizon had abandoned more than 2000 miles of cables covered in toxic lead in the ground. Following the publication, both companies experienced significant declines in their stock prices, accompanied by an expansion of spreads in the credit markets. In respect to performance, the best-performing sectors were Independent Energy, Oil Field Services, Life Insurance, Refining, and Midstream. The worst-performing were Wirelines, Supranationals, Telecommunication, Foreign Government Local Currency Bonds and Construction Machinery. BBB rated bonds fared the best across the investment grade quality spectrum, while AAA rated bonds fared the worst.

Market Outlook

We maintain the view that a recession risk is still present, and the fund currently maintains an overweight to lower beta styles such as Minimum Volatility, High Dividend, Quality and Value with the view that these factors should outperform the core index under a macro context of weaker growth (or recession) and Fed tightening. These factors should also be able to provide some downside protection during equity sell-off events as well as provide diversification benefits within a portfolio construction context.

For the fixed income segment, the Fund holds relatively sizeable underweight to risk assets and is short beta and long duration against the benchmark.

Lipper Leader Fund for:

1. Total Return
2. Consistent Return

Lipper uses a ranking system of 1 to 5. A ranking of 5 means the fund is in the top 20% of funds in that category while a ranking of 1 means the fund is in the bottom 20%.
Source: www.lipperleaders.com