December 2021

MONTHLY FUND PERFORMANCE UPDATE
AIA GLOBAL BOND FUND 1

Investment Objective

The AIA Global Bond Fund 1 ("the Fund") will invest fully in a Singapore Dollar denominated underlying fund, namely Franklin Templeton Investment Funds - Templeton Global Bond Fund A (Mdis) SGD-H1 (the "Underlying Fund"). The Underlying Fund aims to maximise total investment return consisting of a combination of interest income, capital appreciation and currency gains by investing principally in a portfolio of fixed or floating rate debt securities and debt obligations issued by government or government-related issuers worldwide.

The Fund intends to make payouts on a quarterly basis. For the first 5 years from the Fund's inception date, the Fund will pay a fixed payout of 5 sen per unit per annum. In the event that payouts received from the Underlying Fund is insufficient to support the fixed payouts, we have the discretion to liquidate a portion of the Fund's investment in the Underlying Fund in order to meet that distribution requirement.

In the subsequent years, payout will be made annually if the Fund's Net Asset Value (NAV) exceeds RM1. The amount of payout declared, if any, may vary from year to year.

If payout is distributed to the policy owner, the NAV of the Fund will be reduced accordingly.

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

Fund Details

Unit NAV (31 Dec 2021)	:	RM 0.92926
Fund Size (31 Dec 2021)	:	RM 1.089 million
Fund Currency	:	Ringgit Malaysia
Fund Inception	:	31 May 2012
Offer Price at Inception	:	RM0.950
Fund Management Charge	:	1% p.a. of NAV
Investment Manager	:	AIA Bhd.
Basis of Unit Valuation	:	Net Asset Value
Frequency of Unit Valuation	:	Daily

Underlying Fund Details

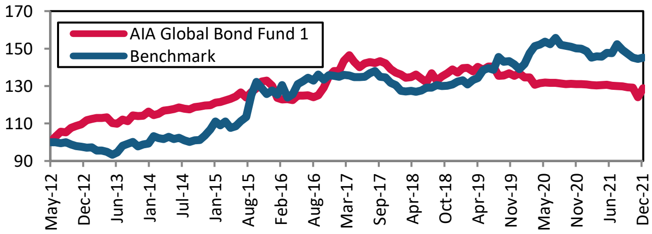
Name	:	Templeton Global Bond Fund Class A (Mdis) SGD-H1
Type	:	Global Bond Fund
Investment Manager	:	Franklin Advisers, Inc.

Top Holdings

1	Korea Monetary Stabilization Bond, Sr Unsecured, 2304, .905%, 4/02/23	7.75%
2	Government of Sweden, 3.50%, 6/01/22	6.37%
3	Government of Norway, 144A, Reg S, 2.00%, 5/24/23	5.70%
4	Government of Norway, 144A, Reg S, 3.00%, 3/14/24	4.94%
5	Korea Treasury Bond, senior note, .875%, 12/10/23	4.83%

**Underlying fund data*

Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund^	0.01%	-0.99%	-1.70%	-6.04%	-6.60%	28.83%
Benchmark*	-1.73%	-1.60%	-3.16%	9.61%	7.16%	45.17%
Excess	1.74%	0.61%	1.46%	-15.65%	-13.76%	-16.34%
Underlying (~)	0.78%	-2.42%	-5.00%	-8.61%	-6.50%	45.77%

^ 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.
**JP Morgan Global Government Bond Index (MYR Term) (Source: Bloomberg)*
~Underlying fund performance (SGD Term)
Note: The total fund returns are inclusive of the payout, if applicable.

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

Manager's Comments

This Fund is subject to exchange rate fluctuations, mainly against the Singapore dollar ("SGD") and therefore, Malaysian ringgit ("MYR") movements against foreign currencies will affect the performance of the Fund. MYR weakened against the SGD by 0.23% in December.

Market Review

Sovereign bond yields rose in the US and across much of Europe in December, but the directional shifts were mixed across Asia and the Americas. The yield on the 10Y US Treasury ("UST") finished the month 6 bps higher at 1.51%. In currency markets, the US Dollar ("USD") reversed some of its perceived safe-haven strengthening from the prior month, broadly weakening against many developed market and emerging market currencies in December.

The US Federal Reserve ("Fed") shifted in a hawkish direction at its December meeting, quickly doubling the pace of its asset purchase tapering that had just started in November. UST purchases will now be reduced by USD20 billion per month and mortgage-backed security ("MBS") purchases by USD10 billion per month, starting in January 2022. The accelerated pace now puts the asset purchase programme on schedule to conclude by March 2022, enabling a rate hiking cycle to start in the 2Q2022. Additionally, the Fed's dot plot survey in December indicated that 12 of 18 officials now expect at least three rate hikes in 2022, a substantial change from the September survey that saw 9 of 18 officials project no hikes until 2023.

The European Central Bank ("ECB") kept monetary policy largely unchanged at its December meeting, leaving the main refinancing operations rate at 0.0% and the main deposit facility rate at -0.5%. ECB President Christine Lagarde reaffirmed that key rates will likely remain unchanged through 2022. However, the pace of purchases under the pandemic emergency purchase programme ("PEPP") will be scaled back in the 1Q2022 and will conclude in March at a total size of EUR1.85 trillion. To compensate for the retirement of the PEPP, the ECB's pre-existing asset purchase programme ("APP") will expand its monthly pace of purchases to EUR40 billion in the 2Q2022, from the current pace of EUR20 billion. It would then taper to EUR30 billion in the 3Q2022 and back to EUR20 billion in the 4Q2022. The ongoing accommodative policy stance from the ECB appears likely to diverge substantially from the tightening trajectory of the Fed in 2022. Meanwhile, the Bank of Japan ("BOJ") kept monetary policy largely unchanged at its December meeting, leaving the overnight interest rate at -0.1% and the yield target on the 10Y Japanese government bond at 0.0%. However, it announced plans to scale down its emergency pandemic purchasing measures by tapering its corporate debt purchases to pre-crisis levels by April. BOJ Governor Haruhiko Kuroda indicated that any balance sheet declines would occur gradually as the BOJ's bond purchases have maturities up to about 5 years.

Performance Review

For the month, the Fund's A (Mdis) USD shares returned 0.78%, and its benchmark, the JP Morgan Global Government Bond Index, returned -0.66%.

The Fund's positions in the Argentine peso ("ARS"), Brazilian real ("BRL") and Indian rupee ("INR") contributed to absolute fund results. However, Fund's positions in the Japanese yen ("JPY"), South Korean won ("KRW") and Chilean peso ("CLP") detracted from absolute fund performance, as did its net-negative exposure to the Australian dollar ("AUD"). Meanwhile, duration exposures in Brazil and Argentina contributed to absolute fund performance.

Market Outlook

The Underlying Manager expects the global economic recovery to largely continue in 2022 as several regions continue to benefit from high vaccination rates and public policy shifts towards living with the Coronavirus ("COVID-19"). However, the proliferation of the Omicron variant introduces additional risks that bear monitoring. The Underlying Manager expects widening divergence on the monetary policy front as certain developed market central banks trend towards policy normalisation ahead of others, while certain emerging market central banks are compelled to aggressively tighten policy to contend with high inflation. While conditions appear broadly supportive of strategic rotations into risk assets, it remains crucial to be highly selective at the sovereign level given significant variations in economic conditions and policy responses, as well as varying vulnerabilities to high inflation, tightening cycles, negative fiscal impulses and economic headwinds associated with COVID-19 variants. Inflation figures in many countries are expected to remain elevated in the 1H2022, driven by a combination of factors that include supply and demand imbalances, labour market mismatches, excessive monetary accommodation, and massive fiscal spending. Structural risks associated with massive fiscal spending and excessive monetary accommodation also remain a medium- to longer-term concern in several countries. Debt levels have risen significantly in just about every country. Additionally, financial market overreliance on extraordinary monetary accommodation creates the preconditions for potential financial market disruptions when policy begins to normalise.