January 2022

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 Jan 2022)	:	RM 0.92832
Fund Size (31 Jan 2022)	:	RM 1.088 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

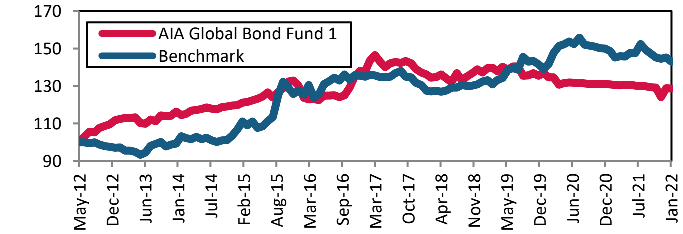
Name	:	Templeton Global Bond Fund Class A (Mdis) SGD-H1
Type	:	Global Bond Fund
Investment Manager	:	Franklin Advisers, Inc.

Top Holdings

1	Korea Monetary Stabilization Bond, Sr Unsecured, 2304, .905%, 4/02/23	7.91%
2	Government of Sweden, 3.50%, 6/01/22	6.41%
3	Government of Norway, 144A, Reg S, 2.00%, 5/24/23	5.16%
4	Government of Norway, 144A, Reg S, 3.00%, 3/14/24	5.06%
5	Korea Treasury Bond, senior note, .875%, 12/10/23	4.91%

**Underlying fund data*

Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund^	-0.10%	-1.04%	-1.60%	-7.72%	-6.78%	28.70%
Benchmark*	-1.56%	-6.18%	-3.85%	7.45%	5.87%	42.91%
Excess	1.46%	5.14%	2.25%	-15.17%	-12.65%	-14.21%
Underlying (~)	-0.17%	-1.60%	-4.28%	-10.72%	-6.07%	45.52%

^ 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 0.12% in January.

Market Review

Sovereign bond yields rose sharply across much of the world in January, as the global monetary tightening cycle progressed. US Federal Reserve ("Fed") Chairman Jay Powell signaled that the upcoming March meeting would likely be the lift-off date for rate hikes, in comments delivered after the Fed's 26 January policy statement was released. He also announced intentions to begin shrinking the balance sheet through quantitative tightening after the rate hiking cycle begins. The yield on the 10Y US Treasury ("UST") note finished the month 27bps higher at 1.78%.

The Fed kept the federal funds target rate unchanged at an upper bound of 0.25% at its 26 January policy meeting. From the statement, the Fed is expected to rapidly pivot from the pandemic-era accommodative measures to policy normalisation and tightening measures. Fed funds futures at the end of January indicated a 100% likelihood for a rate hike in March and at least 4 rate hikes during 2022. Tapering of the Fed's asset purchase programme remained unchanged and on pace to conclude in early March. Powell indicated that balance sheet reductions will eventually commence after the rate increasing cycle has begun. The initial phase will likely see maturing securities rolling off without being reinvested, followed by an eventual selling of securities. This process could begin as early as Q22022. The Fed's balance sheet stood at around USD8.9 trillion at the end of January, more than double its pre-pandemic size.

There was no European Central Bank ("ECB") policy meeting in January. At the prior meeting in December, the ECB kept monetary policy largely unchanged, leaving the main refinancing operations rate at 0.0% and the main deposit facility rate at -0.5%. ECB President Christine Lagarde indicated at the last policy meeting that key rates would likely remain unchanged through 2022. However, some comments from bank officials in January indicated that potential rate hikes in 2022 have not been ruled out. The Bank of Japan ("BOJ") kept monetary policy largely unchanged at its 17 January meeting, leaving the overnight interest rate at -0.1% and the yield target on the 10Y Japanese government bond at 0.0%. BOJ Governor Haruhiko Kuroda indicated that long- and short-term rates are likely to remain at current levels or lower, with no expectations that they would be raised until the 2% inflation target is reached.

Performance Review

For the month, the Fund's A (Mdis) USD shares returned -0.22%, and its benchmark, the JP Morgan Global Government Bond Index, returned -2.02%.

The Fund's positions in the Argentine peso ("ARS"), South Korean won ("KRW"), Indonesian rupiah ("IDR") and New Zealand dollar ("NZD") detracted from absolute fund performance. The Fund's position in the Swedish krona ("SEK") against the euro ("EUR") also detracted from absolute return. Positions in the Brazilian real ("BRL"), Chilean peso ("CLP") and Colombian peso ("COP") contributed to absolute results, as did the fund's net-negative exposure to the Australian dollar ("AUD"). Meanwhile, duration exposure in Brazil detracted from absolute fund performance, while duration exposure in Argentina contributed.

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 Coronavirus ("COVID-19"). Many countries appear committed to moving beyond the oscillating cycles of lockdowns and reopenings that profoundly damage economic activity. Broader global economic momentum remains resilient with the Omicron variant posing a tail risk for waves of mobility restrictions that could stifle economic activity in certain regions. Inflation figures in many countries are expected to peak during the 1H2022 against the global tightening cycle but to remain above historical averages for much of the year due to differing factors in individual regions, including lingering supply and demand imbalances, labour market mismatches, high energy prices, the ongoing effects of excessive monetary accommodation and massive fiscal spending over the last 2 years. 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. On a regional basis, areas of Asia continue to stand out from the emerging market pack. Asia is projected to have some of the strongest growth rates in the world in 2022. Several countries have large current account surpluses, low fiscal deficits, low levels of debt and relatively normalised interest rates compared with the extraordinarily low-to-negative rates across advanced economies. Additionally, many of the growth drivers in the region are aligned with trending sectors such as pharmaceuticals, digitalisation, big data and high tech, notably in places like South Korea. Looking ahead, the Underlying Manager believes that 2022 is likely to predominantly be a pan-Asia story.