April 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: The Fund will mature on 31 May 2022 and the respective policy holders have been notified.

Fund Details

Unit NAV (29 Apr 2022)	:	RM 0.92652
Fund Size (29 Apr 2022)	:	RM 0.935 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

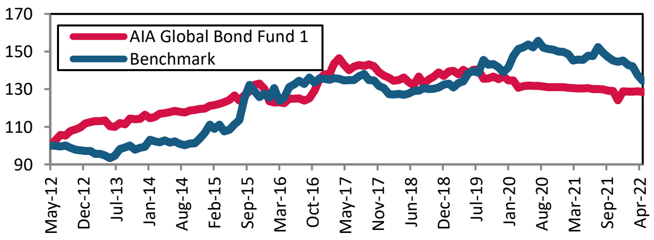
Name	:	Templeton Global Bond Fund Class A (Mdis) SGD-H1
Type	:	Global Bond Fund
Investment Manager	:	Franklin Advisers, Inc.

Top Holdings

1	Korea Monetary Stabilization Bond, Sr Unsecured, 2304, .905%, 4/02/23	8.19%
2	Government of Sweden, 3.50%, 6/01/22	6.59%
3	Government of Norway, 144A, Reg S, 2.00%, 5/24/23	5.29%
4	Korea Treasury Bond, senior note, .875%, 12/10/23	5.06%
5	Government of Norway, 144A, Reg S, 3.00%, 3/14/24	5.01%

**Underlying fund data*

Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund^	-0.35%	-0.48%	-1.52%	-8.39%	-10.17%	28.46%
Benchmark*	-2.15%	-7.39%	-7.68%	0.17%	-0.20%	34.43%
Excess	1.80%	6.91%	6.16%	-8.56%	-9.97%	-5.97%
Underlying (~)	-3.08%	-1.43%	-4.23%	-12.76%	-10.98%	43.56%

^ 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 1.48% in April.

Market Review

Sovereign bond yields continued to rise across much of the world in April as the global monetary cycle continued to power ahead. Inflation remained at multi-decade highs in multiple regions during the month and continued to trend higher in several countries as energy prices and other underlying price pressures persisted, further exacerbated by the war in Ukraine and the West’s economic isolation of Russia. Global economic growth projections for 2022 were revised downward by the International Monetary Fund (“IMF”) during the month, from 4.4% to 3.6%, citing a setback in the global recovery due to the war in Ukraine and broadening price pressures. The war continues to disrupt the flow of energy, food, commodities and goods throughout Europe, while increasing broad geopolitical instability and the social and economic strains of refugee flight. Ripple effects have impacted other parts of the world to varying degrees, particularly for major importers of food and energy. A new Coronavirus (“COVID-19”) outbreak in China also added to global economic slowdown concerns during the month, as the country responded with increased restrictions. US Treasury (“UST”) yields climbed to their highest levels since December 2018, with the yield on the 10Y UST note rising 60bps to finish April at 2.94% and the yield on the 2Y UST note rising 38bps during the month to finish at 2.72%.

On the monetary front, the US Federal Reserve (“Fed”) did not have a scheduled Federal Open Market Committee (“FOMC”) meeting during the month, leaving the Fed’s target rate unchanged at 25–50bps after its rate increase in March. US Federal Reserve (“Fed”) Chairman Jay Powell publicly stated during the month that it was appropriate to be moving more quickly to raise interest rates and that a hike of 50bps is on the table for the May FOMC meeting. The Fed was also expected to provide details on the start of reductions in its balance sheet at the May meeting. Meanwhile, headline Consumer Price Index (“CPI”) inflation in the US has remained at or above 5.0% Year-on-Year (“YoY”) since May 2021, rising to 8.5% in March, its highest level since 1981. Emerging markets that have faced persistent inflationary pressures have been compelled to pursue aggressive tightening responses. Several countries in Latin America and eastern Europe had pursued substantial rate hikes over the last couple of quarters, while many central banks in Asia had kept rates on hold at relatively normalised levels.

The European Central Bank (“ECB”) kept monetary policy largely unchanged at its 14 April meeting, leaving the main refinancing operations rate at 0.0% and the main deposit facility rate at -0.5%, although it now expects to conclude net asset purchases under the Asset Purchase Programme (“APP”) in Q32022. The policy bias had notably shifted towards higher rates. However, it was noted that the Governing Council is adhering to a sequence where rate hikes commence at some time after the completion of the APP, and that while risks relating to the pandemic have declined, downside risks have increased substantially due to the war in Ukraine. The ongoing accommodative policy stance from the ECB appears likely to diverge substantially from the tightening trajectory of the Fed in 2022 as the crisis in Ukraine may keep the ECB in an accommodative posture for longer. The Bank of Japan (“BOJ”) kept monetary policy largely unchanged at its policy meeting on 28 April, leaving the overnight interest rate at 0.1% and the yield target on the 10Y Japanese government bond at 0.0%, while reaffirming its commitment to the yield target. BOJ Governor Haruhiko Kuroda indicated at the post meeting press conference that it will still take time to attain the 2% inflation target in a stable manner. Headline inflation in Japan was 1.2% YoY in March, while core inflation was 0.8% YoY.

Performance Review

For the month, the Fund’s A (Mdis) USD shares returned 1.13%, and its benchmark, the JP Morgan Global Government Bond Index, returned -3.46%.

The Fund’s positions in the Brazilian real (“BRL”), Argentine peso (“ARS”) and Colombian peso (“COP”) against the USD contributed to absolute performance, as did its position in the Norwegian krone (“NOK”), Canadian dollar (“CAD”) and Swedish krona (“SEK”) against the euro (“EUR”). Positions in the Ghanaian cedi (“GHS”), Japanese yen (“JPY”) and South Korean won (“KRW”) detracted from absolute performance, as did the fund’s net-negative exposure to the Australian dollar (“AUD”). Meanwhile, duration exposures in Argentina and Brazil contributed to absolute fund return during the month.

Market Outlook

Russia’s invasion of Ukraine has added a layer of uncertainty to global financial markets. The Underlying Manager’s assessment on many of the broad fundamentals in other regions of the world remains largely intact. Beyond the war in Ukraine, the Underlying Manager expects the recovery in global economic activity to largely continue in 2022, albeit with new headwinds emanating from the conflict in Europe. Several regions across the globe continue to benefit from high vaccination rates and public policy shifts towards living with COVID-19. Many countries appear committed to moving beyond the oscillating cycles of lockdowns and reopening that profoundly damage economic activity. Broader global economic momentum remains resilient with COVID-19 variants posing a tail risk for intermittently stifled economic activity. The Underlying Manager expects inflation to remain above historical averages in 2022 due to differing factors in individual regions. Disruptions to commodity markets and trade from the conflict in Ukraine should continue to add price pressures globally that were not previously anticipated. The Underlying Manager expects widening divergence on the monetary policy front given that inflation drivers are not uniform around the world. These divergences should create relative valuation opportunities between countries as certain central banks tighten policy ahead of others. 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 low-to-negative rates across advanced economies. Looking ahead, the Underlying Manager believes that 2022 is likely to predominantly be a pan-Asian story.