MONTHLY FUND PERFORMANCE UPDATE
AIA GLOBAL BOND FUND 3

Investment Objective

The AIA Global Bond Fund 3 ("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.

Fund Details

Unit NAV (29 Jul 2022)	:	RM 0.86500
Fund Size (29 Jul 2022)	:	RM 3.627 million
Fund Currency	:	Ringgit Malaysia
Fund Inception	:	23 August 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

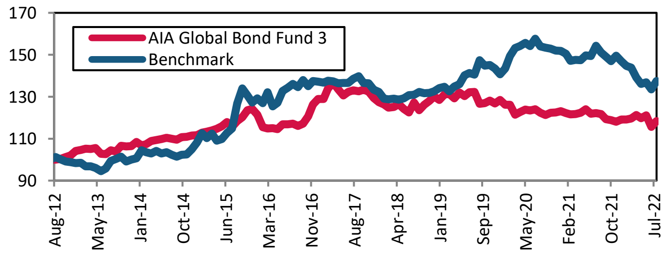
Name	:	Templeton Global Bond Fund Class A (Mdis) SGD-H1
Type	:	Global Bond Fund
Investment Manager	:	Franklin Advisers, Inc.

Top Holdings

1	Korea Monetary Stabilization Bond, SR UNSECURED, Sr Unsecured, 2304, .905%, 4/02/23	8.67%
2	Korea Treasury Bond, senior note, .875%, 12/10/23	5.37%
3	Government of Norway, 144A, Reg S, 3.00%, 3/14/24	5.34%
4	Brazil Letras do Tesouro Nacional, BILLS, Unsecured, LTN, 1/01/25	4.26%
5	Government of Sweden, Reg S, 144A, 1.50%, 11/13/23	4.06%

**Underlying fund data*

Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund^	2.47%	-0.54%	-3.06%	-10.43%	-10.96%	18.43%
Benchmark*	2.91%	-5.04%	-10.91%	-2.19%	-0.79%	37.42%
Excess	-0.44%	4.50%	7.85%	-8.23%	-10.16%	-18.99%
Underlying (~)	1.23%	-4.79%	-6.31%	-16.66%	-12.84%	38.55%

^ 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.

<u>Notice</u>: 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 1.71% in July.

Market Review

Sovereign bond yields fell across much of the world in July while risk assets recovered somewhat, despite stagflation and recession remaining at the front of mind for many investors. Central banks around the world continued to hike rates in July, in a few cases above consensus expectations, and employed hawkish rhetoric as inflation remained at multi-decade highs in multiple regions during the month. Underlying price pressures persisted, with food and energy prices remaining the predominant drivers of inflation, exacerbated by the war in Ukraine and the West's economic isolation of Russia. US Treasury ("UST") note yields largely range-traded in the first 3 weeks of the month before a rally saw a significant decline towards month end. The 10Y UST note's yield ended the month at 2.65%, 37 bps below its end-June level.

On the monetary policy front, the US Federal Reserve ("Fed") delivered a 75bps increase in the target federal funds rate, bringing the target range to 2.25%–2.50%, following its July Federal Open Market Committee ("FOMC") meeting. This was in line with consensus expectations and matched the June increase, which had been the largest single increase in the federal funds rate since 1994. The Fed reaffirmed its commitment to returning inflation to its 2% objective and signaled that further rate increases would be appropriate, though also indicated that the pace could slow going forward. Meanwhile, the Fed's balance sheet reduction is continuing as planned. On the data front, the US recorded a 2nd consecutive negative Gross Domestic Product ("GDP") growth print of -0.9% in 2Q2022, with softer performance noted across demand sectors. On headline Consumer Price Index ("CPI") inflation in the US, it has remained at or above 5.0% Year-on-Year ("YoY") since May 2021 and reached 9.1% in June, its highest level in more than 40 years.

The European Central Bank ("ECB") increased rates by 50bps at its July meeting, the first increase in 11 years and larger than market expectations, bringing the main refinancing operations rate to 0.5%. The July interest-rate decision followed the end of net purchases under the Asset Purchase Programme. The ECB also revealed its new tool to manage the risk of fragmentation, as rising yields and increasing spreads renewed debt sustainability concerns for certain countries such as Italy. This tool, called the Transmission Protection Instrument, allows the ECB to buy securities of countries where it deems unwarranted with disorderly market dynamics. It has conditions, such as requiring countries to adhere to European spending limits and debt burdens that are deemed sustainable. Several ECB members indicated that they hoped it would not need to be used, reflecting a hope that the mere existence of the tool would be enough to calm investors. Meanwhile, The Bank of Japan ("BOJ") made no changes to policy after its July meeting, keeping the overnight interest rate at -0.1% and maintaining the yield target on the 10Y Japanese government bond at 0.0%. Though the BOJ forecasted faster inflation this year and the Japanese yen ("JPY") has continued to weaken, it also took some comfort from fuel price caps limiting inflation, as well as an easing in 10Y yields, as it looks to continue to support the fragile economy.

Performance Review

For the month, the Fund's A (Mdis) USD shares returned 1.34%, and its benchmark, the JP Morgan Global Government Bond Index, returned 1.91%.

The Fund's net-negative exposure to the euro ("EUR") contributed to absolute performance, as did positions in the Norwegian krone ("NOK"), Swedish krona ("SEK") and Canadian dollar ("CAD") against the euro. Positions in the Brazilian real ("BRL") and Chilean peso ("CLP") also contributed to absolute fund results. However, positions in the Argentine peso ("ARS"), Colombian peso ("COP") and Ghanaian cedi ("GHS") detracted from absolute fund performance. Meanwhile, duration exposure in Argentina contributed to absolute fund results.

Market Outlook

The Russia-Ukraine war continues to generate uncertainty in global growth and financial markets. While the Underlying Manager expects moderation in the pace of global growth, the conflict in Ukraine is likely to have heterogeneous impacts on economic momentum in different regions and countries. Substantial disruptions to the flow of food, energy, and other commodities through Europe will have material impacts on its economic growth, with varying ripple effects for other parts of the world. On the rates front, the global monetary tightening cycle continues to press forward, reversing the extraordinary, highly correlated global easing cycle in 2020 and early 2021. While some developed market central banks have moved more aggressively in recent months to tighten policy, it's likely the bulk of their tightening cycles remains ahead of them given low starting rates and persistent inflation. Thus, developed market sovereign bonds are likely to face continued headwinds. In contrast, certain Emerging Markets ("EM") that have been able to stay ahead of the curve by largely maintaining already high rates or hiking rates ahead of others, should be in a stronger position to weather the global tightening cycle. Others appear more vulnerable to persistent inflation and weaker fundamentals that may impede the ability to keep pace. Heterogeneity in fundamental conditions and monetary policy should create relative valuation opportunities amongst countries. On a regional basis, areas of Asia continue to stand out from the EM 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. Furthermore, 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 expects Asia to remain an important driver for global growth.

This document is for informational use only. Investments are subject to investment risks including the possible loss of the principal amount invested. The value of the units may fall as well as rise. Past performance of the fund is not an indication of its future performance. This is not a pure investment product such as unit trust and please evaluate the options carefully and satisfy that the Investment-Linked Insurance / Takaful plan chosen meets your risk appetite. Please refer to the Fund Fact Sheet for more information about the fund.