June 2022

MONTHLY FUND PERFORMANCE UPDATE
AIA GLOBAL BOND FUND 4

Investment Objective

The AIA Global Bond Fund 4 ("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 (30 Jun 2022)	:	RM 0.83908
Fund Size (30 Jun 2022)	:	RM 3.089 million
Fund Currency	:	Ringgit Malaysia
Fund Inception	:	12 October 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

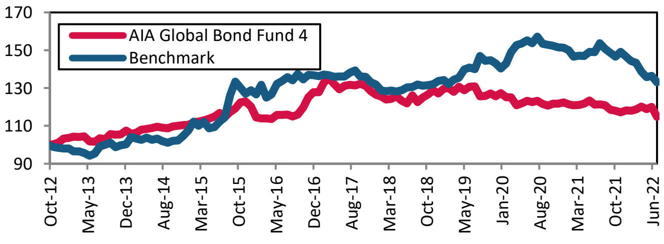
Name	:	Templeton Global Bond Fund Class A (Mdis) SGD-H1
Type	:	Global Bond Fund
Investment Manager	:	Franklin Advisers, Inc.

Top Holdings

1	Korea Monetary Stabilization Bond, SR UNSECURED, Sr Unsecured, 2304, .905%, 4/02/23	8.72%
2	Government of Sweden, Reg S, 144A, 1.50%, 11/13/23	8.18%
3	Korea Treasury Bond, senior note, .875%, 12/10/23	5.35%
4	Government of Norway, 144A, Reg S, 3.00%, 3/14/24	5.18%
5	Brazil Letras do Tesouro Nacional, BILLS, Unsecured, LTN, 1/01/25	4.15%

**Underlying fund data*

Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund^	-4.43%	-2.89%	-5.31%	-12.23%	-12.51%	14.74%
Benchmark*	-2.45%	-9.16%	-10.61%	-5.51%	-2.25%	33.13%
Excess	-1.97%	6.27%	5.30%	-6.72%	-10.26%	-18.39%
Underlying (~)	-4.72%	-6.10%	-8.37%	-16.41%	-14.44%	36.87%

^ 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 strengthened against the SGD by 0.86% in June.

Market Review

Sovereign bond yields continued their upward trend across much of the world during 2Q22 as many major central banks embarked on or accelerated policy rate hikes and unveiled plans to reduce their balance sheets. Elevated inflation remained a concern for central banks in multiple regions around the world. The US Federal Reserve ("Fed") continued its tightening cycle during the quarter, hiking the policy rate by 50bps in May and 75bps in June, bringing the upper bound of its target rate range to 1.75%. The yield on the 10-year US Treasury ("UST") note reached a peak at 3.48% on 14 June and ended the quarter 68bps higher at 3.02%.

On the monetary policy front, Fed Chairman Jay Powell had indicated previously in June that the Federal Open Market Committee ("FOMC") was not actively considering 75-bp hikes. However, in the lead up to the June meeting, as the May headline inflation reading hit a new high, a release of the University of Michigan Consumer Sentiment Index showed a collapse in which 46% of consumers linked their pessimism to elevated inflation. Markets then began to increase bets towards a more aggressive Fed, which ended up being the case. After the meeting, Powell left the door open for another hike in July being potentially of the same magnitude, depending on incoming data and the evolving outlook on the economy. The Fed also began its scheduled balance sheet runoff in June. The key parameters for runoff include that the monthly cap would be set at USD95 billion, which are split between Treasury (USD60 billion) and mortgage-backed (USD35 billion) securities, and that caps would be set at half of those levels for the first 3 months of runoff.

The European Central Bank ("ECB") left the main refinancing operations rate unchanged in June at 0.0%, as well as the main deposit facility rate at -0.5%. However, after 11 years without a rate hike, the ECB has cemented a liftoff for July, with additional rate increases expected at subsequent meetings. The July interest-rate decision will follow the end of net purchases under the Asset Purchase Programme. The ECB also announced plans to create a new tool to manage the risk of fragmentation across the eurozone, as rising yields and increasing spreads have renewed debt sustainability concerns for certain countries such as Italy. While market odds of a larger than 25bps hike began to increase as the month progressed, ECB President Christine Lagarde indicated that the central bank intends to move gradually but has the option to act decisively, for example if inflation expectations become unanchored. Meanwhile, the Bank of Japan ("BOJ") made no changes to policy after its 16–17 June meeting, keeping the overnight interest rate at -0.1% and maintaining the yield target on the 10Y Japanese government bond at 0.0%. A summary of discussions from the meeting indicated that board members spoke of the need to see clear evidence of increased wage gains before backing away from rock-bottom interest rates. This is consistent with BOJ Governor Haruhiko Kuroda's public reaffirmations of the commitment to the yield target, along with the belief that it will take time to attain stable 2% inflation that is driven by corporate profits and wage growth, while the pace of recent cost-push inflation is expected to slow over the next year. Kuroda also began to soften on the long-held view that a weaker Japanese yen is beneficial to the overall Japanese economy, as the yen hit a 24-year low against the US dollar ("USD") during the month. Headline inflation in Japan was 2.5% Year-on-Year ("YoY") in May, while core inflation was 2.1% YoY, both unchanged from April after surpassing the BOJ's 2% target for the first time in 7 years.

Performance Review

For the month, the Fund's A (Mdis) USD shares returned -4.74%, and its benchmark, the JP Morgan Global Government Bond Index, returned -3.10%.

The Fund's positions in the Brazilian real ("BRL"), South Korean won ("KRW"), Argentine peso ("ARS"), Colombian peso ("COP"), Chilean peso ("CLP"), Indonesian rupiah ("IDR"), Indian rupee ("INR") and New Zealand dollar ("NZD") against the USD detracted from absolute fund performance, as did positions in the Norwegian krone ("NOK") and Swedish krona ("SEK") against the euro ("EUR"). However, the fund's net-negative exposure to the EUR contributed to absolute results. Meanwhile, duration exposures in Ghana and Argentina detracted from absolute fund performance.

Market Outlook

The Russia-Ukraine war has added a layer of uncertainty to 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 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 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. 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.