August 2022

MONTHLY FUND PERFORMANCE UPDATE
AIA GLOBAL BOND FUND 5

Investment Objective

The AIA Global Bond Fund 5 ("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 (30 Aug 2022)	:	RM 0.82668
Fund Size (30 Aug 2022)	:	RM 2.689 million
Fund Currency	:	Ringgit Malaysia
Fund Inception	:	22 November 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

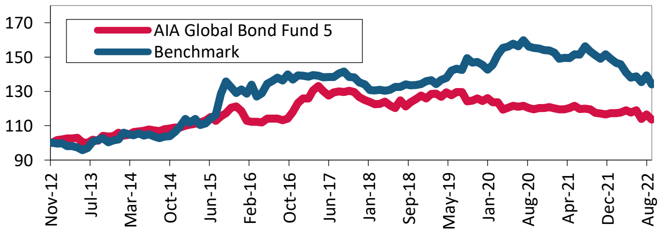
Name	:	Templeton Global Bond Fund Class A (Mdis) SGD-H1
Type	:	Global Bond Fund
Investment Manager	:	Franklin Advisers, Inc.

Top Holdings

1	Korea Monetary Stabilization Bond, SR UNSECURED, Sr Unsecured, 2304, .905%, 4/02/23	8.07%
2	Korea Treasury Bond, senior note, .875%, 12/10/23	4.99%
3	Government of Norway, 144A, Reg S, 3.00%, 3/14/24	4.93%
4	Brazil Letras do Tesouro Nacional, BILLS, Unsecured, LTN, 1/01/25	4.18%
5	Brazil Letras do Tesouro Nacional, BILLS, Unsecured, LTN, 7/01/24	3.40%

**Underlying fund data*

Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund^	-2.58%	-3.52%	-4.96%	-8.61%	-12.35%	13.59%
Benchmark*	-3.69%	-8.02%	-12.44%	-10.22%	-5.29%	34.15%
Excess	1.11%	4.50%	7.48%	1.61%	-7.06%	-20.56%
Underlying (~)	-2.61%	-7.88%	-9.35%	-14.28%	-15.14%	34.93%

^ 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 1.23% in August.

Market Review

Developed market sovereign bond yields reversed their July rally and rose sharply in August 2022 amidst indications central banks were definitively focusing on taming inflation, even at the expense of growth, leading to a more hawkish reassessment of the policy rate outlook. Emerging market yield movements were mixed during the month. With the exception of Japan, sovereign bond yields were mostly up between 50 basis points (bps) and 100 bps over the month. The 10-year US Treasury ("UST") note ended the month at a yield of 3.20%, 54 bps above its end-July level.

On the monetary policy front, the US Federal Reserve ("Fed") had no scheduled meeting in August. It had previously implemented two consecutive 75-basis point ("bp") increases in the target federal funds rate in June and July, bringing the target range to 2.25%–2.50%. In July, the Fed had reaffirmed its commitment to returning inflation to its 2% objective and signaled that further rate increases would be appropriate, though it also indicated that the pace could slow going forward. Indications that the Fed would move to a more data-dependent path should be seen in the context of warnings against proclaiming a premature victory over inflation. Commentary by a number of Fed officials and Fed Chair Jay Powell at the annual symposium at Jackson Hole near month-end were interpreted as hawkish by market participants.

The European Central Bank ("ECB") too had no scheduled meeting in August. It had increased rates by 50 bps at its 21 July meeting—the first increase in 11 years, and larger than market expectations—bringing the main refinancing operations rate to 0.5%. The ECB indicated that further rate normalisation was appropriate, but that the future policy path would be data-dependent. Comments by ECB officials both at Jackson Hole and elsewhere near month-end were also interpreted as hawkish by market participants. The ECB also revealed its new tool to manage the risk of fragmentation across the Euro Area, 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, disorderly market dynamics" pose a threat to monetary policy. 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") had no scheduled meeting in August. It has made no changes to policy this year, keeping the overnight interest rate at -0.1% and maintaining the yield target on the 10-year Japanese government bond at 0.0% (within a 25 bps band). Though the BOJ has forecast faster inflation this year, it has also taken some comfort from fuel price caps limiting inflation as it looks to continue to support the fragile economy.

Performance Review

For the month, the Fund's A (Mdis) USD shares returned -2.56%, and its benchmark, the JP Morgan Global Government Bond Index, returned -4.22%.

The Fund's positions in Japanese yen ("JPY"), South Korean won ("KRW"), Ghanaian cedi ("GHS"), Chinese yuan ("CNY") and Colombian peso ("COP") detracted from absolute fund performance. The fund's cross-currency positions against the euro ("EUR") also detracted from absolute results. Separately, duration exposures in Brazil and Argentina contributed to absolute fund performance, while duration exposure in Ghana detracted.

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 as inflation pressures broaden. While some developed market central banks have moved more aggressively in recent months to tighten policy, it's likely the rate hike cycle will have to continue for longer given low starting policy rates and persistent, above-target inflation. Developed market sovereign bonds are thus likely to face continued headwinds. In contrast, certain emerging markets that have been able to stay ahead of the curve by maintaining already high rates or hiking rates ahead of others (such as areas of Latin America) should be in a stronger position to weather the global tightening cycle and might even be able to start easing earlier. 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. The Underlying Fund Manager views that the greatest areas of value in the sovereign bond markets continue to be found in specific local-currency emerging markets. Specific emerging market assets that have already been priced for high inflation and rate hikes provide attractive risk-adjusted yields and should benefit when domestic inflation eventually peaks and begins to moderate. On a regional basis, areas of Asia continue to stand out from the emerging market pack, as the Underlying Fund Manager expects Asia to remain an important driver for global growth.