December 2022

MONTHLY FUND PERFORMANCE UPDATE
AIA GLOBAL BOND FUND 6

Investment Objective

The AIA Global Bond Fund 6 ("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 Dec 2022)	:	RM 0.84170
Fund Size (30 Dec 2022)	:	RM 3.208 million
Fund Currency	:	Ringgit Malaysia
Fund Inception	:	10 January 2013
Offer Price at Inception	:	RM0.950
Fund Management Charge	:	1% p.a. of NAV
Investment Manager	:	AIA Bhd.
Fund Type	:	Feeder Fund
Basis of Unit Valuation	:	Net Asset Value
Frequency of Unit Valuation	:	Daily

Underlying Fund Details

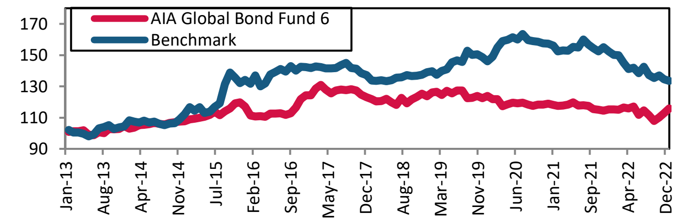
Name	:	Templeton Global Bond Fund Class A (Mdis) SGD-H1
Type	:	Global Bond Fund
Investment Manager	:	Franklin Advisers, Inc.

Top Holdings

1	United States Treasury Note/Bond, Unsecured, 2.625%, 5/31/27	10.27%
2	Korea Monetary Stabilization Bond, SR UNSECURED, Sr Unsecured, 2304, .905%, 4/02/23	8.79%
3	Korea Treasury Bond, senior note, .875%, 12/10/23	5.41%
4	Government of Norway, 144A, Reg S, 3.00%, 3/14/24	5.15%
5	Brazil Letras do Tesouro Nacional, BILLS, Unsecured, LTN, 1/01/25	4.28%

**Underlying fund data*

Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund^	2.70%	3.54%	0.45%	-6.50%	-5.82%	15.80%
Benchmark*	-0.88%	-3.64%	-12.47%	-8.58%	-2.68%	33.44%
Excess	3.58%	7.18%	12.92%	2.08%	-3.14%	-17.64%
Underlying (~)	2.82%	0.94%	-5.22%	-13.65%	-12.74%	38.16%

^ 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 0.95% in December.

Market Review

While inflation seems to have tentatively peaked in some countries as energy prices have eased, it has continued to rise in others. In general, even where headline inflation rates have slowed with energy prices, core inflation measures have thus far either continued rising or been sticky due to services prices. It is likely to be quite some time before inflation returns to target levels across a range of countries and regions. US headline Consumer Price Index ("CPI") inflation decelerated again in November, slowing to 7.1% Year-on-Year ("YoY"), which was still elevated but now well below its 40-year high of 9.1% YoY reached in June 2022. In Asia, inflation has risen more slowly than elsewhere, though more recently some countries have recorded relatively elevated levels.

On the monetary policy front, while developed market central banks are mostly still in a tightening cycle, they have become more differentiated, with some still hawkish while others have surprised more on the dovish side in the past couple of months. The US Federal Reserve ("Fed") increased the fed funds target rate by 50bps at the Federal Open Market Committee ("FOMC") meeting in December, moderating the pace after four consecutive 75bps moves before that. This brought the fed funds target rate range to 4.25%–4.50%. The higher for longer message continues to be conveyed through Fed officials' commentary and the dot plot, now seen peaking at 5.1% in 2023 and implying that rate cuts will not occur until 2024.

The European Central Bank ("ECB") raised its policy rates by 50bps at its December meeting, bringing the main refinancing rate to 2.50%. Its guidance on the future path of interest rates was rather hawkish. The ECB Governing Council said that, based on a substantial upward revision to the inflation outlook, it expects to raise rates further in a data-dependent and meeting-by-meeting approach, but it also noted that interest rates will still have to rise significantly at a steady pace to reach levels that are sufficiently restrictive to ensure a timely return of inflation to the 2% medium-term target. In Japan, despite a continued climb in inflation rates to above target, the Bank of Japan ("BoJ") remained apart from the global policy tightening trend throughout 2022, keeping the overnight interest rate at -0.1% and the yield target on the 10Y Japanese government bond at 0.0%. However, while the December BoJ meeting made no changes to these rates, it widened the band around the bond yield target from 25bps to 50bps. Comments around this move indicated that it was intended to help improve market functioning and that it should not be interpreted as a de facto rate hike. In light of the monetary policy changes, yields on developed market sovereign bonds were mostly higher in December after having fallen in November. The 10Y US Treasury yield rose 27bps to end the month at 3.88%. In Europe, the yield on the 10Y German Bund and 10Y UK Gilt also rose 64bps and 51bps respectively. Emerging market debt indices gained somewhat over the month. The JP Morgan EMBI Global rose 0.4% over the month of December. Corporate credit markets, however, were slightly softer over the month. The Bloomberg U.S. Corporate Investment Grade Index fell 0.4% in December, while the lower-credit tier Bloomberg U.S. Corporate High Yield Index fell by 0.6%.

Performance Review

For the month, the Fund's A (Mdis) USD shares returned 2.93%, and its benchmark, the JP Morgan Global Government Bond Index, returned -0.03%.

The Fund's positions in the Brazilian real ("BRL"), Indian rupee ("INR") and Norwegian krone ("NOK") detracted from absolute fund performance, while positions in the Japanese yen ("JPY"), Ghanaian cedi ("GHC"), South Korean won ("KRW") and Chilean peso ("CLP") contributed. Duration exposures in Brazil and Indonesia contributed to absolute fund results.

Market Outlook

The Underlying Manager continues to expect inflation to be on a declining trend but remain above historical averages for the remainder of the year and into 2023, albeit for differing reasons in individual regions. Hence, the Underlying Manager will continue to closely monitor individual inflation drivers and outcomes in the different regions and countries. The Russia-Ukraine war continues to generate uncertainty in global growth and financial markets. The conflict in Ukraine is likely to have heterogeneous impacts on economic momentum in different regions and countries. Risks remains due to the substantial disruptions to the flow of food, energy and other commodities through Europe, although the effects of the initial shock have dissipated. On the rates front, while the world is still generally in a monetary tightening cycle, the Underlying Manager is seeing signs of divergence creep in as early movers signal pauses and/or peaks in their cycles, while other central banks remain hawkish. While some developed market central banks have moved more aggressively in recent months to tighten policy, it's likely their rate hike cycle will have to continue for longer given low starting policy rates and persistent, above-target inflation. 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 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 Manager views the US dollar ("USD") as being at historically stretched levels and that US macro conditions are expected to be less supportive of the USD moving into 2023. Hence, the Underlying Manager sees that the greatest areas of value in the sovereign bond markets are to be found in non-dollar assets, especially in specific local-currency emerging markets. 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 begin to moderate. On a regional basis, areas of Asia continue to stand out from the emerging market pack, as the Underlying Manager expects Asia to remain an important driver for global growth.