February 2023

MONTHLY FUND PERFORMANCE UPDATE
AIA GLOBAL BOND FUND 7

Investment Objective

The AIA Global Bond Fund 7 ("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 (28 Feb 2023)	:	RM 0.82728
Fund Size (28 Feb 2023)	:	RM 2.979 million
Fund Currency	:	Ringgit Malaysia
Fund Inception	:	11 March 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

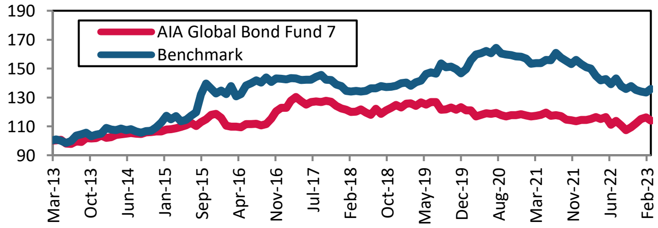
Name	:	Templeton Global Bond Fund Class A (Mdis) SGD-H1
Type	:	Global Bond Fund
Investment Manager	:	Franklin Advisers, Inc.

Top Holdings

1	Korea Monetary Stabilization Bond, SR UNSECURED, Sr Unsecured, 2304, .905%, 4/02/23	8.41%
2	United States Treasury Note/Bond, Unsecured, 2.625%, 5/31/27	7.17%
3	Korea Treasury Bond, senior note, .875%, 12/10/23	5.26%
4	Brazil Letras do Tesouro Nacional, BILLS, Unsecured, LTN, 1/01/25	3.62%
5	Government of Australia, senior bond, Reg S, 4.25%, 4/21/26	3.39%

**Underlying fund data*

Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund^	-1.96%	2.91%	-0.93%	-5.87%	-5.06%	13.92%
Benchmark*	1.84%	-1.46%	-9.36%	-12.70%	1.28%	35.90%
Excess	-3.80%	4.37%	8.43%	6.83%	-6.34%	-21.98%
Underlying (~)	-5.12%	-0.40%	-8.24%	-14.92%	-15.25%	34.39%

^ 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 2.5% in February 2023.

Market Review

Inflation seems to have tentatively peaked in some countries as energy prices have eased, though it has continued to rise in others. In general, even where headline inflation rates have slowed, core inflation measures have been sticky due to services prices. It is likely to be some time before inflation returns to target levels across a range of countries and regions. US headline Consumer Price Index ("CPI") slowed further to 6.4% Year-on-Year ("YoY") in January 2023 (versus 6.5% YoY in December 2022). Core inflation eased further as well to 5.6%. In Europe, the euro area ("EA") annual inflation for January 2023 was 8.6%, which was 2 percentage points below its October 2022 peak, and the flash estimate for February 2023 was 8.5%. However, core EA inflation has remained sticky. In Asia, inflation had risen more slowly than elsewhere, though a number of countries in the region have recorded relatively elevated levels compared to their own historical trends. Inflation rates in Asia include Singapore at 6.6%, Thailand at 5.0%, India at 6.5%, Indonesia at 5.3%, South Korea at 5.2%, Malaysia at 3.7%, China at 2.1% and Japan at 4.3%.

The US Federal Reserve ("Fed") raised the fed funds target rate by 25 basis points ("bps") at its Federal Open Market Committee ("FOMC") meeting on 1 February 2023, bringing the rate to a range of 4.50%–4.75%. The US dollar ("USD") rebounded somewhat in February 2023 from the softer tone it had shown the few months prior as the market again reassessed the path of the fed funds target rate. The US Dollar Index ("DXY index) rose 2.7% over February 2023, but at month-end it was still just under 6% lower than its level at end-October 2022. Most currencies were weaker against the USD in February 2023, with a few exceptions (mostly in Latin America).

The European Central Bank ("ECB") raised interest rates by another 50 bps at its 2 February 2023 meeting to bring the repo rate to 3.0%. ECB officials' commentary continues to tend towards the hawkish side, warning more rate increases are likely to be needed to get inflation onto an acceptable path. The Bank of Japan ("BoJ") did not hold a policy meeting in February 2023. It has kept rates static through 2022 and into 2023, with the overnight interest rate at -0.1% and the yield target on the 10-year Japanese government bond at 0.0%. However, its December 2022 meeting altered the BoJ's yield curve control ("YCC") policy by modifying the band around the bond yield target from 25 bps to 50 bps; no further change has been made since.

Yields on developed market sovereign bonds were mostly higher in February 2023, influenced by more hawkish views from both the Fed and the ECB following various data releases during the month. The 10Y US Treasury ("UST") note's yield rose by 41 bps to end the month at 3.92%. In Europe, the yield on the 10Y German Bund rose by 37 bps to end February 2023 at 2.65%. In the UK, the 10Y Gilt yield rose by 49 bps to 3.82%.

Performance Review

For the month, the Fund's A (Mdis) USD shares returned -5.02%, and its benchmark, the JP Morgan Global Government Bond Index, returned -3.20%.

The Fund's positions in the South Korean won ("KRW"), Japanese yen ("JPY"), Thai baht ("THB"), Malaysian ringgit ("MYR"), Indonesian rupiah ("IDR"), Singapore dollar ("SGD"), Australian dollar ("AUD"), New Zealand dollar ("NZD"), Colombian peso ("COP"), Brazilian real ("BRL"), Chilean peso ("CLP"), Norwegian krone ("NOK") and euro ("EUR") detracted from absolute fund performance. Duration exposure in the United States detracted from absolute fund results.

Market Outlook

Although inflation is expected to generally remain above both historical averages and inflation targets during most of the year, the Underlying Manager also broadly expects it to decline over the course of 2023. At present, the Underlying Manager is generally seeing trends where goods price inflation has started slowing while services costs are keeping inflation sticky at higher levels. Inflation drivers across various regions can and do differ, and the Underlying Manager will continue to closely monitor individual inflation drivers and outcomes in different regions and countries. On the interest rates front, the global monetary tightening cycle is showing signs of rolling over. While most developed market central banks are still raising rates, most have by now started moderating the magnitude of rate hikes compared to last year. However, a "higher for longer" outlook even once rates reach terminal levels is likely, given low starting policy rates and persistent, above-target inflation. Certain emerging markets ("EM") that were able to stay ahead of the curve by maintaining already high rates or hiking rates ahead of others (such as areas of Latin America) are now in a relatively strong policy position, and a few of them have been able to signal pauses or peaks in their cycles. However, other countries are more vulnerable to persistent inflation and weaker fundamentals that may impede their ability to keep pace. Heterogeneity in fundamental conditions and monetary policy should create relative valuation opportunities amongst countries. The Underlying Manager believes that the USD bull market that had been in place since mid-2021 will continue the unwinding that began in late 2022. The USD is still at historically stretched levels against select developed markets ("DM") and EM currencies. As such, the Underlying Manager believes the greatest areas of value in the sovereign bond markets are to be found in non-USD assets, especially in specific local-currency EM and in Asia. This view arises from both consideration of domestic fundamentals in the specific countries, as well as the belief that the USD is due for a correction. On a regional basis, areas of Asia continue to stand out. Japan's reopening post-COVID has already started to show positive effects in its economic data.