AIA Bhd. 200701032867 (790895-D)

January 2023

MONTHLY FUND PERFORMANCE UPDATE
AIA GLOBAL BOND FUND 8

Investment Objective

The AIA Global Bond Fund 8 ("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 (31 Jan 2023)	:	RM 0.85273
Fund Size (31 Jan 2023)	:	RM 1.778 million
Fund Currency	:	Ringgit Malaysia
Fund Inception	:	6 May 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

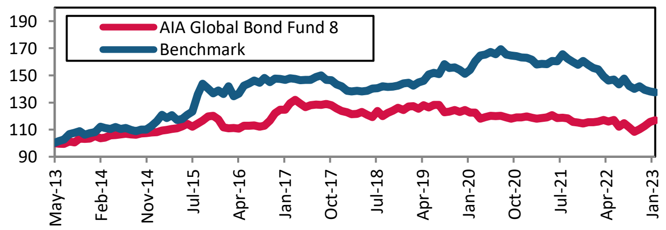
Name	:	Templeton Global Bond Fund Class A (Mdis) SGD-H1
Type	:	Global Bond Fund
Investment Manager	:	Franklin Advisers, Inc.

Top Holdings

1	United States Treasury Note/Bond, Unsecured, 2.625%, 5/31/27	10.23%
2	Korea Monetary Stabilization Bond, SR UNSECURED, Sr Unsecured, 2304, .905%, 4/02/23	8.67%
3	Korea Treasury Bond, senior note, .875%, 12/10/23	5.43%
4	Brazil Letras do Tesouro Nacional, BILLS, Unsecured, LTN, 1/01/25	3.57%
5	Government of Indonesia, senior bond, FR40, 11.00%, 9/15/25	2.57%

**Underlying fund data*

Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund^	1.06%	1.87%	1.27%	-4.64%	-4.92%	16.82%
Benchmark*	-0.47%	-6.81%	-11.51%	-10.76%	-0.74%	37.53%
Excess	1.53%	8.68%	12.78%	6.12%	-4.18%	-20.71%
Underlying (~)	2.53%	2.24%	-2.66%	-10.85%	-11.28%	41.65%

^ 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 1.26% in January.

Market Review

Inflation rates remain near multi-year or multi-decade highs across much of the globe, though there are signs they have peaked in a number of countries. While global growth data remains generally lacklustre, a number of releases have surprised financial markets to the upside over the past month, and recession fears have abated somewhat. The global monetary policy cycle continues to show divergence between different developed markets ("DM"), as well as between developed and emerging markets ("EM"), but the trends of more moderate increases or pausing in rate cycles are gaining more traction across regions. Yields on most DM sovereign bonds eased in January while EM bond yields were also mostly lower. The softer tone that the US dollar ("USD") had shown since early November 2022 generally continued through January 2023. Global equities were generally stronger over the month, as were corporate credit and EM sovereign credit. Energy prices mostly fell in January, while other commodity prices such as food and metals were mixed. The 10Y US Treasury ("UST") note's yield fell 37bps to end the month at 3.51%.

On the monetary policy front, it is increasingly in the later stages of the global rate-hiking cycle. While DM central banks are mostly still in a tightening cycle, there is some divergence amongst them. While some are still fairly hawkish, some have surprised more on the dovish side in the past couple of months, with first signs of pausing seen amongst them. In contrast to DMs, an increasing number of EM central banks have already signalled that they are at or near the peak of their rate cycles. The US Federal Reserve ("Fed") did not hold a Federal Open Market Committee ("FOMC") meeting in January but did so just after month-end on 1 February. The 50bps increase in the fed funds target rate at the December 2022 meeting slowed the pace from the four consecutive 75bps moves implemented before that. The FOMC moderated this further at the 1 Feb meeting, raising by 25bps. This brought the fed funds target rate range to 4.50%–4.75%. The higher for longer message continues to be conveyed through Fed officials' commentary and the dot plots.

There was no scheduled European Central Bank ("ECB") meeting in January, but it raised rates another 50bps just after month-end at its 2 February meeting to bring the repo rate to 3.0%. A number of ECB officials had commented on the policy during January, with a common theme of continued hawkishness that rates are likely to rise further, and that it is imperative to get inflation back towards target. The Bank of Japan ("BoJ") has remained apart from the global policy tightening trend throughout 2022 and into January 2023, keeping the overnight interest rate at -0.1% and the yield target on the 10Y Japanese government bond at 0.0%. However, the December 2022 BoJ meeting altered its yield curve control policy by modifying the band around the bond yield target from 25bps to 50bps; no further change was made in January. 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. Nevertheless, it is a welcome first step towards the BoJ normalising policy.

Performance Review

For the month, the Fund's A (Mdis) USD shares returned 2.53%, and its benchmark, the JP Morgan Global Government Bond Index, returned 2.89%.

The Fund's positions in the South Korean won ("KRW"), Indonesian rupiah ("IDR"), Japanese yen ("JPY"), Thai baht ("THB"), Chinese yuan ("CNY"), Singapore dollar ("SGD"), Brazilian real ("BRL"), Chilean peso ("CLP") and Colombian peso ("COP") contributed to absolute fund performance. Duration exposures in the United States, Colombia and South Korea also contributed to 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 Fund Manager broadly expects it to decline over the course of 2023. With goods prices trending lower and the impact of tighter monetary policy still in progress, the Underlying Fund Manager believes inflation rates in various countries will start or continue declining. Inflation drivers across various regions can and do differ, and the Underlying Fund Manager will continue to closely monitor individual inflation drivers and outcomes in different regions and countries. On the rates front, the global monetary tightening cycle is showing signs of rolling over. While most DM 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 EMs that were able to stay ahead of the curve by maintaining already high rates or hiking rates ahead of others are now in a relatively strong policy position, and a number 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 Fund Manager views the 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 Fund 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 EMs. EM 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 EM pack, as the Underlying Fund Manager expects Asia to remain an important driver for global growth.