March 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 Mar 2023)	:	RM 0.86010
Fund Size (31 Mar 2023)	:	RM 1.793 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

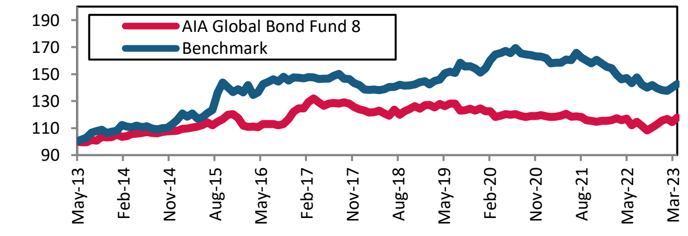
Name	:	Templeton Global Bond Fund Class A (Mdis) SGD-H1
Type	:	Global Bond Fund
Investment Manager	:	Franklin Advisers, Inc.

Top Holdings

1	United States Treasury Note/Bond, Unsecured, 2.625%, 5/31/27	7.18%
2	Korea Treasury Bond, senior note, .875%, 12/10/23	5.21%
3	Brazil Letras do Tesouro Nacional, BILLS, Unsecured, LTN, 1/01/25	3.73%
4	Korea Monetary Stabilization Bond, SR UNSECURED, Sr Unsecured, 2304, .905%, 4/02/23	3.70%
5	Government of Australia, senior bond, Reg S, 4.25%, 4/21/26	3.36%

**Underlying fund data*

Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund^	3.00%	8.83%	0.56%	-0.29%	-3.17%	17.83%
Benchmark*	1.88%	1.86%	-4.49%	-13.30%	2.91%	42.69%
Excess	1.12%	6.97%	5.05%	13.01%	-6.08%	-24.86%
Underlying (~)	3.85%	8.96%	-5.78%	-7.84%	-12.61%	39.56%

^ 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 strengthened against the SGD by 0.2% in March 2023.

Market Review

The global banking industry hit a speed bump in March 2023, though authorities responded quickly to try to stem contagion. In the US, the failure of two mid-sized banks was followed by quick action to prevent a run on others. In Europe, reemergent concerns over a large bank (Credit Suisse Group AG) resulted in a central bank backstop that was quickly followed by a compatriot bank's (UBS Group AG) facilitated takeover. The events seen in March 2023 suggested some sectors of the financial markets are being adversely affected by past monetary tightening. Global central banks coordinated to try to promote market stability, and on 19 March 2023, the US Federal Reserve ("Fed"), in conjunction with the European Central Bank ("ECB"), Bank of England ("BoE"), Bank of Canada ("BoC"), Bank of Japan ("BoJ"), and Swiss National Bank, announced an expansion of the current central bank US dollar ("USD") swap lines. While these lines have already been in existence, the latest central bank moves expanded the seven-day maturity offering to be made daily, running at least until the end of April 2023.

Headline inflation seems to have peaked across a range of countries as energy and food prices have eased, though it has continued to rise in a few. However, core inflation measures have generally 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 6.0% Year-on-Year ("YoY") in February 2023 (versus 6.4% YoY in January 2023). Core inflation edged down to 5.5% YoY from 5.6% YoY in January 2023. In Europe, preliminary euro area ("EA") inflation for March 2023 slowed significantly to 6.9% YoY, compared to 8.5% YoY in February 2023. However, core EA inflation has continued moving higher. Other developed markets have continued to record relatively high inflation, including Canada (5.2%), Australia (7.8%) and New Zealand (7.2%). Most of non-core Europe continues to record inflation in the teens or even higher, including Hungary (25.4%), the Czech Republic (16.7%) and Poland (16.2%). In Asia, inflation rates have generally remained lower than elsewhere, though they have been relatively elevated compared to their own historical trends. That said, some have already slowed fairly significantly from their recent peaks. Inflation rates in Asia include India at 6.4%, Singapore at 6.3%, Indonesia at 5.0%, South Korea at 4.2%, Thailand at 3.8%, Malaysia at 3.7%, China at 1.0% and Japan at 3.3%.

The Fed raised rates by 25 basis points ("bps") at its Federal Open Market Committee ("FOMC") meeting in March 2023, bringing the fed funds target rate range to 4.75%–5.00%. In remarks before Congress in early March 2023, Fed Chairman Jay Powell indicated that rates might have to increase at a faster pace and rise beyond what was anticipated to get inflation under control, leading markets to start pricing in a 50 bps rate hike in March 2023. However, the subsequent events in the banking industry limited the Fed to another 25 bps increase. The March 2023's Federal Open Market Committee ("FOMC") statement indicated that "some additional policy firming may be appropriate," and the dot plot was essentially unchanged from December 2022, indicating one more rate hike by year-end.

The ECB raised rates another 50 bps at its March 2023 meeting to bring the repo rate to 3.5%. ECB officials' commentary has tended towards the hawkish side, but the ECB dropped any specific guidance language in the wake of the banking developments. ECB President Christine Lagarde said the bank will take a robust approach that allows it to respond to inflation risks as needed but also to aid financial markets if threats emerge and stated that returning inflation back to 2% over the medium term is non-negotiable. The BoJ again left rates unchanged at its March meeting, with the overnight interest rate at -0.1% and the yield target on the 10Y Japanese government bond at 0.0%. The March 2023 meeting was the last meeting under BoJ Governor Haruhiko Kuroda's tenure. Kazuo Ueda, a professor and former BoJ board member, will be the next BoJ governor and assumes office in April 2023.

Yields on developed market sovereign bonds were mostly lower in March 2023. The 10Y US Treasury note yield fell by 45 bps to end the month at 3.47%. In Europe, the yield on the 10Y German Bund fell by 36 bps to end March 2023 at 2.29%; bond yields fell across the EA and across most of non-EA Europe too during the month. In the United Kingdom ("UK"), the 10Y Gilt yield fell by 34 bps to 3.49%, and in Norway the 10Y government bond yield declined 49 bps to 3.02%. In other developed markets, bond yields also fell in Canada (by 43 bps to 2.90%), Australia (by 55 bps to 3.30%) and New Zealand (by 37 bps to 4.20%). In Japan, the 10Y government bond yield fell by 17 bps to 0.33%, taking the yield comfortably below the 0.50% top of the new yield curve band again.

Performance Review

For the month, the fund's A (Mdis) USD shares returned 4.12%, and its benchmark, the JP Morgan Global Government Bond Index, returned 3.61%.

The Fund's positions in the Japanese yen ("JPY"), South Korean won ("KRW"), Indonesian rupiah ("IDR"), Malaysian ringgit ("MYR"), Colombian peso ("COP"), Brazilian real ("BRL"), Chilean peso ("CLP"), Ghanaian cedi (GHS") and euro ("EUR") contributed to absolute fund performance. Duration exposures in Ghana, the United States, Colombia, Brazil and Australia 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 Manager also broadly expects it to decline over the course of 2023. The global monetary tightening cycle is showing signs of rolling over, and while many developed market central banks are still raising rates, most have started moderating the magnitude of rate hikes compared to last year. Certain emerging markets 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 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 Manager believes the USD bull market that had been in place since mid-2021 will continue the unwinding that began in late-2022, and that the USD is still at historically stretched levels against select developed and emerging market currencies. As US gross domestic product ("GDP") slows, growth differentials are moving more in favour of other regions, especially Asia where economies will benefit from reopening. Interest-rate differentials are also expected to be less supportive of the USD. The Underlying Manager currently sees particular value in sovereign bond yields in several emerging markets, as well as duration in select developed markets. In currencies, the Underlying Manager is focused on value opportunities in countries with strong trade dynamics and healthy financial profiles, notably in Asia. Commodity prices and the stage of the monetary policy cycle are also supportive of certain currencies in the Americas. In credit markets, the Underlying Manager sees pockets of value in select sovereign credit exposures that have undervalued growth drivers and attractive risk-adjusted spreads.