October 2021

MONTHLY FUND PERFORMANCE UPDATE
AIA GLOBAL BOND FUND

Investment Objective

The AIA Global Bond Fund ("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.

Notice: Please refer to the Fund Fact Sheet for more information about the Fund.

Fund Details

Unit NAV (29 Oct 2021)	:	RM 0.92589
Fund Size (29 Oct 2021)	:	RM 0.794 million
Fund Currency	:	Ringgit Malaysia
Fund Inception	:	15 May 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

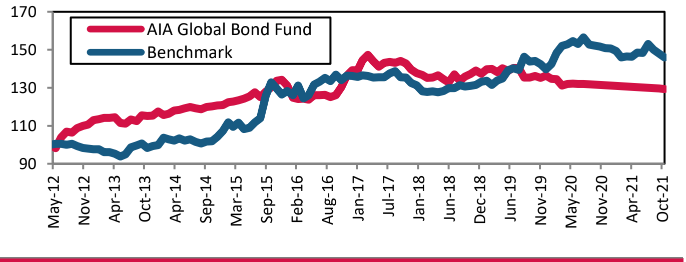
Name	:	Templeton Global Bond Fund Class A (Mdis) SGD-H1
Type	:	Global Bond Fund
Investment Manager	:	Franklin Advisers, Inc.

Top Holdings

1	Korea Monetary Stabilization Bond, Sr Unsecured, 2304, .905%, 4/02/23	7.21%
2	Government of Sweden, 3.50%, 6/01/22	6.21%
3	Government of Norway, 144A, Reg S, 2.00%, 5/24/23	5.49%
4	Government of Norway, 144A, Reg S, 3.00%, 3/14/24	4.76%
5	Korea Treasury Bond, senior note, .875%, 12/10/23	4.50%

**Underlying fund data*

Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund^	-0.14%	-0.84%	-1.59%	-5.73%	-0.75%	29.39%
Benchmark*	-1.37%	-0.32%	-3.87%	11.45%	8.81%	45.91%
Excess	1.23%	-0.52%	2.28%	-17.18%	-9.56%	-16.52%
Underlying (~)	-0.45%	-2.84%	-4.13%	-8.82%	-2.54%	45.64%

^ 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 0.47% in October.

Market Review

Sovereign bond yields continued to rise across much of the world in October, as central banks continued to veer towards monetary tightening cycles, following the highly correlated global easing cycle in 2020 and early 2021. Yield curve shifts were most pronounced in specific emerging markets that have high inflation and central banks that are pursuing aggressive rate hikes, notably in Latin America and eastern Europe. By contrast, most developed market central banks have kept policy rates unchanged while focusing on tapering their asset purchase programmes first. The yield on the 10Y US Treasury ("UST") note finished the month 7 bps higher at 1.56%.

There was no US Federal Reserve ("Fed") meeting in October. At the prior meeting on 22 September, the Fed kept the federal funds target rate unchanged at 0.00% to 0.25% but signaled that tapering of its asset purchases could begin in November. The Fed also continued to purchase at least USD80 billion per month in USTs and at least USD40 billion per month in agency mortgage-backed securities. Fed Chairman Jay Powell commented that the asset purchasing programme would likely wind down by mid-2022, which would equate to a USD10 billion taper in USTs per month and a USD5 billion taper in mortgage-backed securities ("MBS") per month, assuming tapering begins in November 2021 and completes by June 2022. The Fed's balance sheet reached USD8.6 trillion at the end of October. The updated dot plot survey of 18 Fed officials at the September meeting reflected a 9 to 9 split on whether rate hikes would begin in 2022 or 2023. Previously only 7 officials expected a rate hike in 2022, implying a slightly hawkish shift in the recent rate forecast. However, only 11 of the 18 officials in the survey currently serve as voting members on the policy committee, and Powell had continued to stress that the dot plot was not official forward guidance. Powell had also indicated that the tapering timeline would not directly signal when rate hikes may begin, and that lift-off would likely occur well after the asset purchasing programme concludes.

The European Central Bank ("ECB") kept monetary policy largely unchanged at its 28 October meeting, leaving the main refinancing operations rate at 0.0% and the main deposit facility rate at -0.5%. ECB President Christine Lagarde has indicated that key rates should remain at their present levels or lower until inflation stabilises at the 2% target over the medium term, and that rates will likely remain unchanged through 2022. The pandemic emergency purchase programme ("PEPP") is scheduled to conclude in March 2022, at a total size of EUR1.85 trillion. The ECB has indicated that it will decide by Dec whether a smaller asset purchase programme will follow in the 2Q22 after the PEPP concludes. Meanwhile, The Bank of Japan ("BOJ") kept monetary policy unchanged at its 27 October meeting, leaving the overnight interest rate at -0.1% and the yield target on the 10Y Japanese government bond at 0.0%. There have been no indications of expected rate adjustments or asset purchase tapering. Japan has struggled against deflationary pressures that have persisted since April 2020, with core inflation reaching 0.1% YoY in September, the first positive figure since March 2020. Prime Minister Fumio Kishida's Liberal Democrat Party secured a single party majority in the 31 October general election. His government is expected to maintain stability in monetary policy and international policy in the years ahead. Fiscal policy could become more expansionary under Kishida, who has expressed concern over income inequality and some of the consequences of Abenomics.

Performance Review

For the month, the Fund's A (Mdis) USD shares returned -0.48%, and its benchmark, the JP Morgan Global Government Bond Index, returned -0.29%.

The Fund's currency positions in Asia ex Japan contributed to absolute fund performance (the South Korean won ("KRW"), Indonesian rupiah ("IDR"), Chinese yuan ("CNY") and New Zealand dollar ("NZD") contributed, while the Indian rupee ("INR") detracted). However, currency positions in Latin America (the Brazilian real ("BRL") and Argentine peso ("ARS")) detracted from absolute fund results. The fund's net-positive position in the Japanese yen ("JPY") also detracted from absolute performance, as did its net-negative position in the Australian dollar ("AUD"). Positions in northern European currencies against the euro ("EUR") (the Norwegian krone ("NOK") and Swedish krona ("SEK")) contributed to absolute fund performance. The fund's position in the Canadian dollar ("CAD") against the EUR also contributed to absolute results. Meanwhile, select duration exposures in Latin America and Africa detracted from absolute fund performance (Brazil and Ghana detracted, Argentina contributed). Asia ex Japan duration exposure had mixed results (Indonesia contributed, South Korea detracted).

Market Outlook

The Underlying Manager expects macroeconomic conditions in much of the world to continue to improve through the remainder of 2021 into 2022. However, economic recoveries are likely to remain uneven as countries are at different stages of handling the pandemic and have varying vulnerabilities to high inflation and monetary tightening cycles. The Underlying Manager remains optimistic for the ongoing global recovery, particularly for a number of emerging markets that stand to benefit from strong trade dynamics. Structural risks associated with massive fiscal spending and excessive monetary accommodation also remain a medium to longer-term concern in several countries. Debt levels have risen significantly in just about every country. Additionally, financial market overreliance on extraordinary monetary accommodation creates the preconditions for a potential financial market shock when policy begins to normalise. Exiting the pandemic is unlikely to be a completely smooth transition. The Underlying Manager expects inflation figures to remain elevated in 2021 in many countries, driven by a combination of factors that include cyclical upswings associated with resurgent economic activity and supply disruptions in certain sectors. These factors should be largely transitory with inflation levels eventually moderating to secular trends in 2022. Many central banks have begun considering when and at what pace to begin normalising policy. Specific emerging markets with inflation concerns have already begun raising rates, such as Brazil, Mexico, Chile, Peru, Russia and Hungary, while other countries are looking towards normalising policy to keep ahead of the curve, given strengthening economic conditions. The Underlying Manager expects a growing divergence on the monetary policy front as certain developed market central banks trend towards policy normalisation ahead of others, such as Norway, South Korea and New Zealand, while certain emerging market central banks are compelled to tighten policy to contend with rising inflationary pressures.