



Jul 2023

MONTHLY FUND PERFORMANCE UPDATE

AIA GLOBAL FIXED INCOME FUND (previously known as AIA Asian Debt Fund)

Investment Objective

The Fund aims to maximise long-term return by investing in a diversified fixed income portfolio consisting primarily of investment grade bonds and other debt securities denominated in USD.

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

Fund Details

Unit NAV (31 Jul 2023)	: RM 2.21297
Fund Size (31 Jul 2023)	: RM 71.701 million
Fund Currency	: Ringgit Malaysia
Fund Inception	: 31 July 2006
Offer Price at Inception	: RM 1.00
Fund Management Fee	: 1.00% p.a.
Investment Manager	: AIA Bhd.
Fund Type	: Feeder Fund
Basis of Unit Valuation	: Net Asset Value
Frequency of Unit Valuation	: Daily

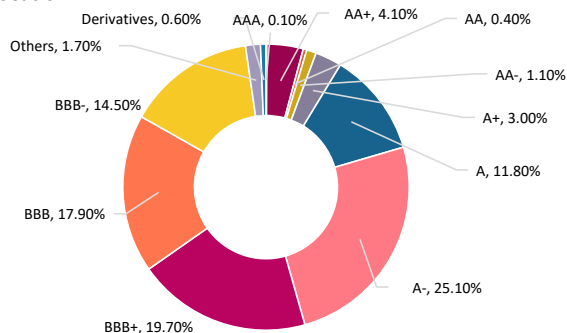
Underlying Fund Details

Name	: AIA Diversified Fixed Income Fund
Investment Manager	: BlackRock Financial Management, Inc.

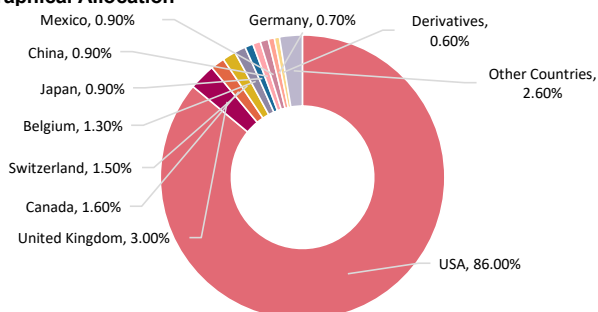
Top Holdings*

1	CBT US 10yr Ultra Fut Sep23	1.80%
2	eBay Inc 3.45% 01/08/2024	1.50%
3	CBT US ULTRA BOND CBT Sep23	1.40%
4	Equinix Inc 2.625% 18/11/2024	1.40%
5	United States Treasury NoteBond 3.625% 15/05/2026	1.40%

Rating Allocation*

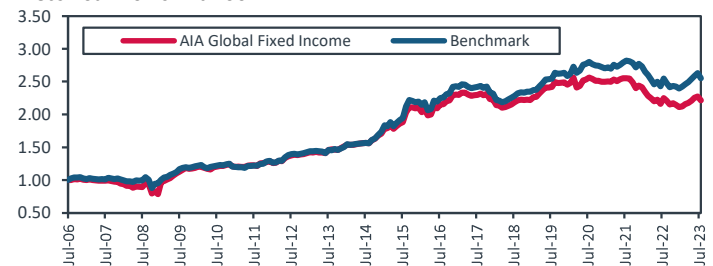


Geographical Allocation*



*Underlying fund data

Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund~	-2.57%	4.23%	-1.59%	-13.61%	1.32%	121.30%
Benchmark*	-3.03%	5.10%	0.18%	-9.01%	11.59%	154.87%
Excess	0.46%	-0.87%	-1.77%	-4.60%	-10.27%	-33.57%
Underlying (^)	0.72%	-0.29%	-1.88%	N/A	N/A	-11.13%

~ 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.

* 100% AIA Diversified Fixed Income Blended BBG/ Barclays/ JPM Benchmark (Source: Bloomberg)

^ Fund underwent the restructuring exercise in the month of January 2022. Calculation of the Underlying Fund's since inception performance is based on the date the fund restructuring exercise was completed which is 31 January 2022. Meanwhile, calculation of the Fund's since inception performance is based on the Fund's inception date of 31 July 2006. Underlying fund performance is in USD Term.

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 US dollar ("USD") and therefore, Malaysian ringgit ("MYR") movements against foreign currencies will affect the performance of the Fund. MYR strengthened against USD by 3.42% in July 2023.

Market Review

Boosted by disinflationary trends and the possibility of a soft economic landing, market sentiment was positive in July 2023. The June 2023 Consumer Price Index ("CPI") reading led the way, indicating that inflation was cooling. Headline CPI dropped to 3%, the lowest level since Mar 2021, and core CPI declined to 4.8%, a notable decrease from the 5.3% reported in May 2023. Additionally, the Producer Price Index ("PPI") rose 0.1% Year-on-Year in June 2023. These figures, coupled with declining but still elevated payrolls and a robust preliminary 2Q23 GDP number, reinvigorated the soft-landing narrative. Despite the lower inflation reading, the US Federal Reserve ("Fed") proceeded with a 25 bps rate hike bringing the Fed Funds rate to a range of 5.25%-5.50%, marking the highest level in 22 years. The policy statement was largely unchanged, with a continued emphasis on data dependency for future rate decisions. In the interest rates market, the yield curve continued to bear flatten with the 2Y US Treasury ("UST") selling off by 47 bps while the 10Y rose 17bps.

Elsewhere, the Bank of Japan ("BoJ") tweaked its yield curve control policy introducing greater flexibility by allowing 10Y Japanese government bond yields to fluctuate beyond the target range of +/- 0.5% up to +/- 1.0%. Against this backdrop, the Bloomberg US Investment Grade Credit Index tightened by 10bps to 104bps, resulting in a monthly excess return of 83bps. This tightening move brought spreads to their narrowest levels of the year, surpassing the levels observed in Feb 2023. Primary issuance over the month was USD96.7 billion skewed heavily towards financials with banks coming to the market in force.

In other news, the Telecommunications sector faced challenges following an article that AT&T and Verizon had abandoned more than 2000 miles of cables covered in toxic lead in the ground. Following the publication, both companies experienced significant declines in their stock prices, accompanied by an expansion of spreads in the credit markets. In respect to performance, the best-performing sectors were Independent Energy, Oil Field Services, Life Insurance, Refining, and Midstream. The worst-performing were Wirelines, Supranationals, Telecommunication, Foreign Government Local Currency Bonds and Construction Machinery. BBB rated bonds fared the best across the investment grade quality spectrum, while AAA rated bonds fared the worst.

Performance Review

The Underlying Fund returned 0.67%, outperforming its benchmark by 33 bps for the month of July 2023. Security selection was the biggest contributor, primarily driven by the Underlying Fund's selection in Banks and REITS. However, this was offset by its underweight allocation to corporates as spreads tightened over the month. The Underlying Fund's duration positioning also slightly detracted from returns as rates sold off. The Underlying Fund continues to remain short beta and long duration against the benchmark.