Aug 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 Aug 2023)	:	RM 2.25471
Fund Size (31 Aug 2023)	:	RM 75.880 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

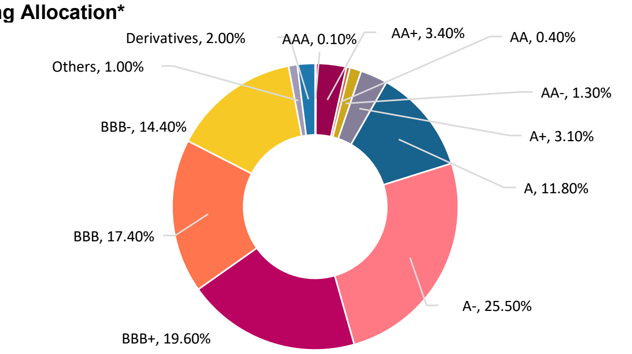
Underlying Fund Details

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

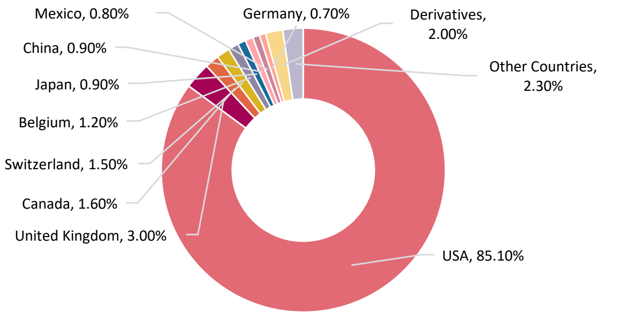
Top Holdings*

1	CBT US 10yr Ultra Fut Dec23	1.80%
2	eBay Inc 3.45% 01/08/2024	1.50%
3	Equinix Inc 2.625% 18/11/2024	1.40%
4	United States Treasury NoteBond 3.625% 15/05/2026	1.40%
5	UnitedHealth Group Inc 3.7% 15/12/2025	1.30%

Rating Allocation*

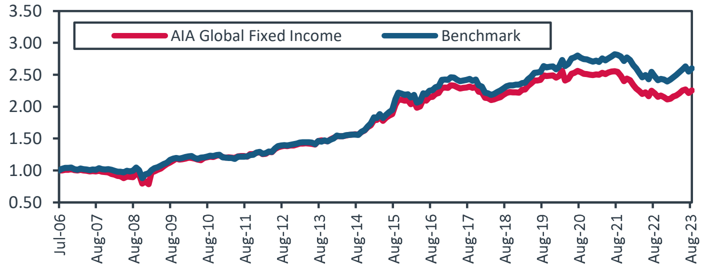


Geographical Allocation*



**Underlying fund data*

Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund~	1.89%	4.51%	2.01%	-11.20%	1.92%	125.47%
Benchmark*	1.94%	5.67%	4.97%	-5.97%	11.95%	159.83%
Excess	-0.05%	-1.16%	-2.96%	-5.23%	-10.03%	-34.36%
Underlying (^)	-0.79%	2.38%	-0.16%	N/A	N/A	-11.83%

~ 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 weakened against USD by 2.92% in August 2023.

Market Review

August 2023 proved to be an unusually eventful month for market participants, characterized by a prevailing risk-off sentiment driven largely by higher yields, robust economic data, and the expectation that the US Federal Reserve ("Fed") would maintain higher interest rates for an extended duration. The month kicked off with Fitch downgrading US Treasuries ("UST") to AA+ from AAA representing the first downgrade of US debt since S&P's downgrade in 2011. Fitch's rationale for the downgrade centered on anticipated fiscal deterioration over the next three years and a substantial and escalating government debt burden.

In respect to economic data, while indicators like nonfarm payrolls and Consumer Price Index ("CPI") pointed towards a moderation in labor strength and inflation, other data releases indicated the continued robustness of the US economy. Specifically wage growth trended higher, retail sales expanded at a rate nearly twice that of the market's expectations, industrial production exceeded projections and economists revised 3Q23 Gross Domestic Product ("GDP") growth estimates higher across the board. While credit spread volatility remained relatively subdued over the month, interest rates moved sharply higher driven by heavy Treasury issuance, the resilient economic data, and statements from the Federal Open Market Committee ("FOMC") minutes reinforcing the expectations of prolonged higher interest rates. Against this backdrop, the Bloomberg US Investment Grade Credit Index widened by 5 basis points ("bps") to 109 bps, resulting in a monthly excess return of -6 bps. Primary issuance over the month was USD78.9 billion, a level that represents one of the slowest Augusts since 2015. Notably, companies continued to favor issuing in the intermediate part of the yield curve relative to previous years, partly due to increased funding costs and a Treasury curve inversion.

In other developments, both S&P and Moody's took ratings actions against US banks. Several regional banks were downgraded, with both agencies putting other institutions on negative watch indicating the possibility of further rating actions. These downgrades were motivated by funding pressures, concerns about profitability, and risks associated with commercial real estate exposure.

In respect to performance, the best-performing sectors were Foreign Government Local Currency Bonds, Oil Field Services, Railroads, Media Entertainment, and Property & Casualty Insurance. The worst-performing were Gaming, Automotive, Metals and Mining, Lodging, and Supermarkets. AAA-rated bonds fared the best across the investment grade quality spectrum, while A-rated bonds fared the worst.

Performance Review

The Underlying Fund returned -0.83%, underperforming the Bloomberg Barclays US Corporate Bond Index by 5 bps over the month of August 2023. Security selection was the biggest detractor, primarily driven by the Underlying Fund's selection in Communication and Banks. However, this was offset by its duration and curve positioning as the curve bear steepened. The Underlying Fund continues to remain short beta and long duration against the benchmark.