September 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 (30 Sep 2023)	:	RM 2.22487
Fund Size (30 Sep 2023)	:	RM 76.462 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

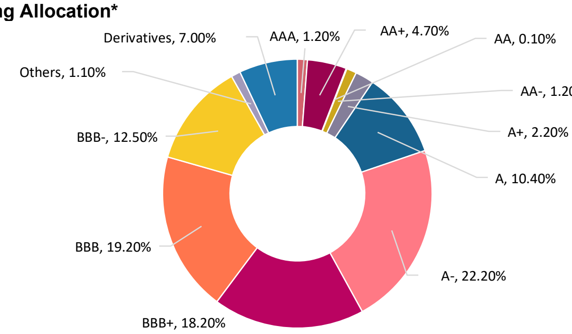
Underlying Fund Details

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

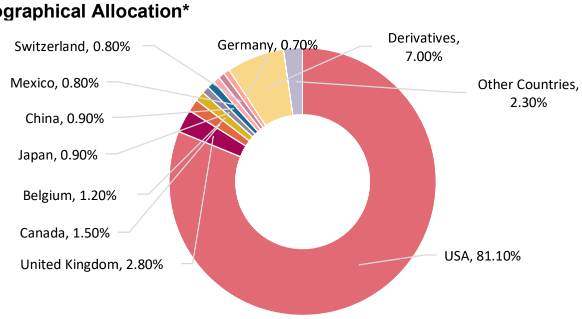
Top Holdings*

1	CBT US 2YR NOTE (CBT) Dec23	4.00%
2	CBT US 10yr Ultra Fut Dec23	2.20%
3	eBay Inc 3.45% 01/08/2024	1.60%
4	CBT US LONG BOND (CBT) Dec23	1.60%
5	Equinix Inc 2.625% 18/11/2024	1.50%

Rating Allocation*

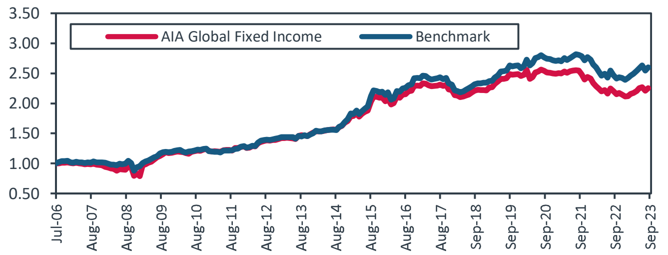


Geographical Allocation*



**Underlying fund data*

Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund~	-1.32%	2.34%	3.40%	-11.45%	-0.07%	122.49%
Benchmark*	-2.01%	2.12%	5.50%	-7.19%	9.07%	154.61%
Excess	0.68%	0.22%	-2.10%	-4.26%	-9.14%	-32.12%
Underlying (^)	-2.51%	-2.83%	4.05%	N/A	N/A	-14.04%

~ 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 1.22% in September 2023.

Market Review

In September 2023, corporate spreads remained relatively resilient despite several factors that exerted negative pressure on equities, including higher US Treasury ("UST") yields, negative consumer headlines, and rising energy prices. To start the month, labor markets demonstrated some signs of cooling as evidenced by Job Openings and Labor Turnover Survey ("JOLTS") data which exhibited a decline in both job openings and the quits rate. Concurrently, Non-Farm Payrolls ("NFP") registered below 200,000 for the third month in a row while the participation rate moved higher. With respect to inflation, core consumer price index ("CPI") printed 0.3%, moving the annualized rate to 4.39%. Although the figure was higher than the two prior monthly prints, annualized core CPI metrics are all trending lower, indicating an overall softer inflationary environment.

In monetary policy, as widely expected, the Federal Open Market Committee ("FOMC") maintained the target Federal Funds rate at 5.25% - 5.50% and left its 2023 median dot unchanged, potentially indicating another 25 basis points ("bps") hike before year end. In a more unexpected move, the median September dot plots for 2024 and 2025 were revised higher suggesting that the Federal Reserve ("Fed") intends to only cut rates by 50bps over each respective year and maintain a restrictive policy stance until 2026. This revision was driven by a more optimistic economic outlook with upward projections to the trajectory of gross domestic product ("GDP") growth and downward projections to the unemployment rate. The most noteworthy development over the month was the aggressive rise in interest rates and steepening of the yield curve with the 10-year UST hitting a 16-year high at 4.65%. Despite the cooling inflation and labor market data, yields have continued to move higher, driven by a pickup in term premium, improving economic growth projections and the Fed's indication that it is unlikely to pivot even if growth slows.

Outside of economic news, investors faced negative headlines surrounding a potential government shutdown, United Auto Workers labor strike and significantly higher oil prices driven by Organisation of Petroleum Exporting Countries ("OPEC") supply cuts. Against this backdrop, the Bloomberg US Investment Grade Credit Index widened by 3bps in September 2023, to 112bps, resulting in a monthly excess return of 3bps. Primary market issuance for September 2023 was about USD141.9 billion, including USD114.5 billion in corporates and USD27.4 billion in non-corporates. With rates persistently climbing higher, the Underlying Fund continues to see a lack of issuance in the back end of the curve with year-over-year long end issuance down nearly 13%.

In terms of recent news developments, the mergers and acquisitions landscape remain a prominent topic with Enbridge announcing the strategic acquisition of three US based utilities and Cisco announcing an acquisition with Splunk. In respect to performance, the best-performing sectors were Integrated Energy, Midstream, Electric, Refining, and E&P. The worst-performing were Sovereigns, Banking, Consumer Cyclical Services, Lodging, and Media. 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 -2.55%, outperforming the Bloomberg Barclays US Corporate Bond Index by 12bps over the month of September 2023. The Underlying Fund's duration positioning was the biggest detractor as rates sold off. Security selection strategy also detracted, primarily driven by the exposure in Financials, particularly Banks. However, this was marginally offset by the curve positioning. The Underlying Fund continues to remain short beta and long duration against the benchmark.