



December 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 Dec 2023)	RM 2.32712
Fund Size (31 Dec 2023)	RM 88.866 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

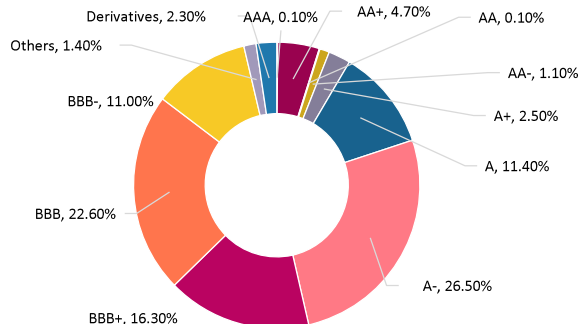
Underlying Fund Details

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

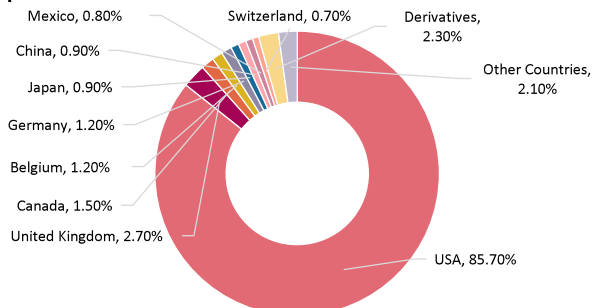
Top Holdings*

1	CBT US 10yr Ultra Fut Mar24	1.90%
2	CBT US LONG BOND (CBT) Mar24	1.50%
3	eBay Inc 3.45% 01/08/2024	1.50%
4	Morgan Stanley 1.164% VRN 21/10/2025	1.40%
5	Equinix Inc 2.625% 18/11/2024	1.40%

Rating Allocation*

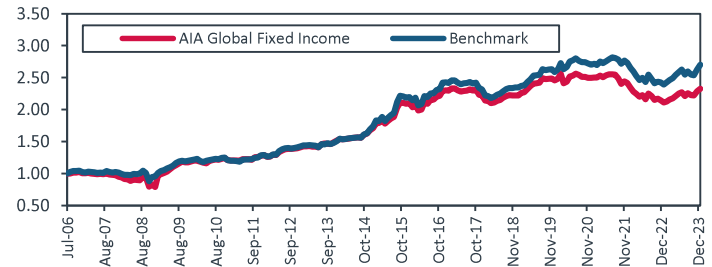


Geographical Allocation*



*Underlying fund data

Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund~	1.79%	2.46%	10.20%	-6.71%	4.77%	132.71%
Benchmark*	2.89%	2.86%	12.99%	-0.01%	15.23%	170.35%
Excess	-1.10%	-0.40%	-2.79%	-6.70%	-10.46%	-37.64%
Underlying (^)	4.04%	5.30%	8.32%	N/A	N/A	-7.09%

~ 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.

* Benchmark will be revised from 100% AIA Diversified Fixed Income Blended BBG/ Barclays/ JPM Benchmark to 100% Bloomberg Barclays U.S. Corporate Bond Index, effective 1 October 2023. (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 1.47% in December 2023.

Market Review

December 2023 was an eventful month for market participants, driven by the US Federal Reserve's ("Fed") dovish pivot, prevailing risk-on sentiment, and robust consumer and economic data. The Fed held its current policy rate range at 5.25% to 5.50%, keeping it unchanged for the third straight meeting. The median Summary of Economic Projection ("SEP") dots for Q4 2024 and Q4 2025 were revised down to 4.6% and 4.3%, respectively, suggesting the Fed intends to cut policy rates by 75 basis points ("bps") in the upcoming year.

The Fed's revision was driven by economic data supporting a soft-landing scenario and decelerating inflationary pressures. The Fed's personal consumption expenditure ("PCE") projections were revised downward from September 2023 estimates, with 2024 predictions down to 2.4% from 2.5% and 2025 predictions down to 2.1% from 2.2%. Retail sales grew slightly month over month, while a drop in December 2023 unemployment claims surprised to the upside. Strong economic and consumer data, alongside anticipation of loosening financial conditions, led to a rally. Yield on the ten-year treasury dipped below 4% by month end, while the two-year settled at its lowest level since June 2023.

Within the credit market, yields continue to attract broad institutional demand. Against this backdrop, the U.S. Investment Grade Credit Index tightened 4 bps month over month to 93 bps, closing near the tightest level of the year, and resulting in a monthly excess return of 26 bps.

Performance Review

In December 2023, the Underlying Fund returned 4.0%, resulting in an underperformance by 34 bps compared to the benchmark. The main reason for this underperformance was its sector allocation, specifically due to a reduced exposure to Corporates as spreads declined throughout the month. The Underlying Fund's underweights to Consumer Non-cyclicals and Consumer Cyclicals were the largest detractors, but this was offset partially by its positive security selection in Banks and its duration positioning. Currently, the Underlying Fund is keeping a short beta and a neutral duration relative to the benchmark.