August 2024

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 August 2024)	:	RM 2.27454
Fund Size (31 August 2024)	:	RM 117.160 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

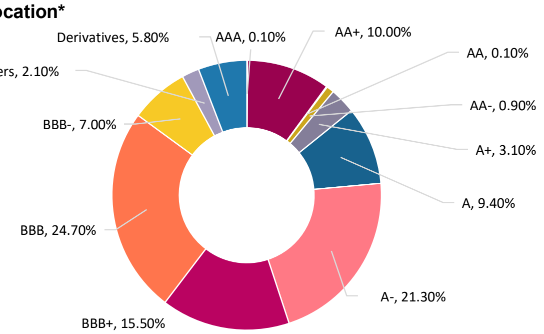
Underlying Fund Details

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

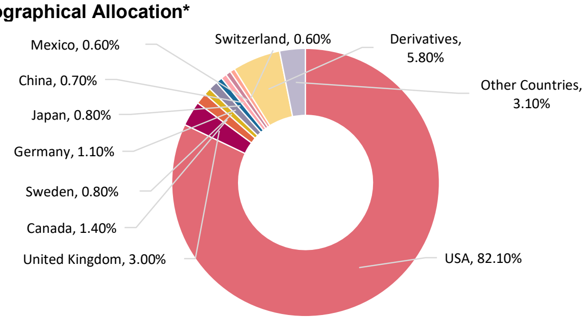
Top Holdings*

1	United States Treasury NoteBond 4.625% 30/06/2026	4.30%
2	CBT US 5yr Note (CBT) Dec24	2.70%
3	CBT US 10yr Ultra Fut Dec23	1.80%
4	United States Treasury NoteBond 4.625% 15/05/2026	1.40%
5	United States Treasury NoteBond 4.25% 30/06/2029	1.20%

Rating Allocation*

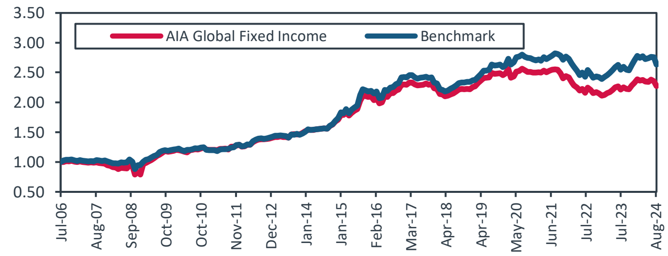


Geographical Allocation*



**Underlying fund data*

Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund~	-3.50%	-3.83%	0.88%	-10.69%	-8.71%	127.45%
Benchmark*	-4.44%	-4.14%	1.30%	-6.31%	-0.05%	163.18%
Excess	0.94%	0.31%	-0.42%	-4.38%	-8.66%	-35.73%
Underlying (^)	2.41%	5.81%	9.50%	N/A	N/A	-3.45%

~ 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 the USD by 5.9% in August 2024.

Market Review

August 2024 saw significant market volatility, a rarity for what is typically a quiet month. This volatility was driven mainly by two factors: a weaker-than-expected non-farm payroll number, with the unemployment rate rising to 4.3% and the unwinding of the Japanese Yen ("JPY") 'carry trade' prompted by a hawkish Bank of Japan ("BoJ"), which led to a 12% sell-off in the Nikkei. Investors quickly began to de-risk on recession fears, with the rates market pricing in over five interest rate cuts by the end of the year. However, this bearish sentiment largely reversed as strong retail sales and muted jobless claims data suggested consumer strength and a more resilient economy than initially thought. Additionally, at the Jackson Hole conference, US Federal Reserve ("Fed") Chairman Jerome Powell strongly indicated that the Fed would begin cutting rates in September 2024, which further supported risk assets.

Against this backdrop, the option adjusted spread for U.S. Investment Grade ("IG") Credit Index tightened 1 basis point ("bps") to 87 bps, resulting in a monthly excess return of 18 bps. Spreads on the index widened to 104 bps in conjunction with the market volatility in the beginning of the month but rallied back as recession fears diminished. Primary market supply printed at USD127.7 billion, including USD100.1 billion in corporates and USD28.6 billion in non-corporates. Year-to-date ("YTD") total primary issuance has registered at USD1.319 trillion which is outpacing last year's supply through August 2024 by ~USD247 million. In respect to performance, the best-performing sectors were Sovereigns, Restaurants, Paper, Brokers & AM, and Life. The worst performing were Supermarkets, Home Construction, Oil Field Services, Foreign Local Government and Technology. AAA bonds fared the best across the investment grade quality spectrum, while A and BBB were tied for the worst.

Performance Review

In August 2024, the Underlying Fund delivered a return of 2.37%, outperforming the benchmark by 79 bps. This strong performance was primarily due to the Underlying Fund's duration and curve positioning. After a significant sell-off in early August 2024, long high-quality cohorts excelled in the latter part of the month, which influenced allocation and security selection performance. The positioning outlook has remained relatively unchanged over the past few months. Concerns about economic strength and the sustainability of corporate earnings have heightened risk asset volatility in August 2024. Additionally, worries about the Fed's ability to keep pace with economic changes have shifted market sentiment to a "bad news is bad news" perspective. Despite stable inflation data, the Fed has shifted its focus to labor and growth, anticipating 3-4 rate cuts in the latter half of the year. Emerging growth fears and increased political risk premiums have made the vulnerability of IG spreads at current valuations more apparent. The recent spike in volatility has highlighted both the negative convexity of spreads within +100 and the resilience of IG in the absence of significant growth downturns. The Underlying Fund Manager continues to believe that rates will likely trend lower in 2024, but it is currently maintaining a neutral duration and an underweight position in spread duration.