September 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 (30 September 2024)	:	RM 2.21001
Fund Size (30 September 2024)	:	RM 115.942 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

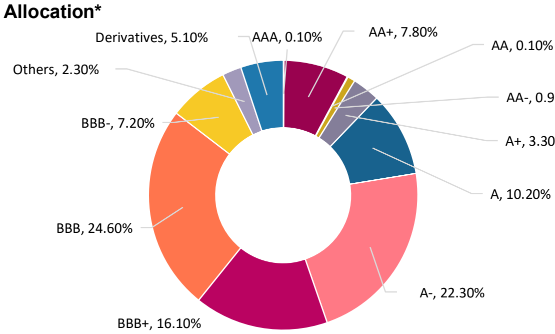
Underlying Fund Details

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

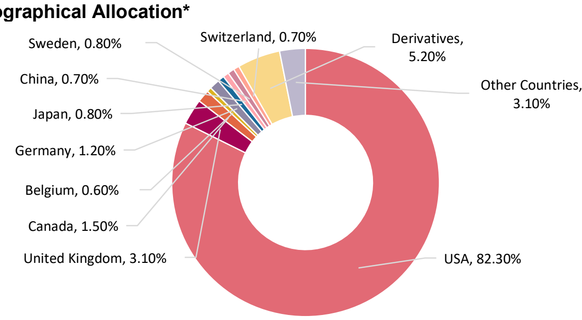
Top Holdings*

1	United States Treasury NoteBond 4.625% 30/06/2026	3.30%
2	CBT US 2YR NOTE (CBT) Dec24	2.20%
3	CBT US 5YR NOTE (CBT) Dec24	2.10%
4	CBT US 10yr Ultra Fut Dec24	1.90%
5	Morgan Stanley 1.164% VRN 21/10/2025	1.20%

Rating Allocation*

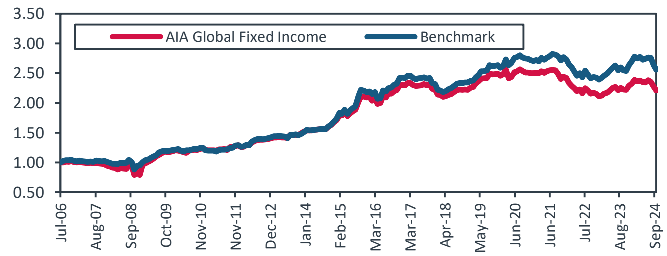


Geographical Allocation*



**Underlying fund data*

Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund~	-2.84%	-6.99%	-0.67%	-11.11%	-10.80%	121.00%
Benchmark*	-2.91%	-7.87%	0.36%	-8.18%	-2.35%	155.52%
Excess	0.08%	0.88%	-1.03%	-2.93%	-8.44%	-34.52%
Underlying (^)	1.61%	6.20%	14.12%	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 4.6% in September 2024.

Market Review

In the highly anticipated meeting, the Federal Open Market Committee ("FOMC") decided to reduce the federal funds target rate by 50 basis points ("bps") to a range of 4.75% to 5.00%. This cut aligned with recent changes in financial market expectations but was larger than most economists had predicted. The US Federal Reserve ("Fed") also released an updated summary of economic projections, indicating an additional 50 bps of cuts this year and 100 bps of cuts in 2025. Their objective statement was revised to include supporting the labour market alongside reducing inflation to 2%. The market reacted strongly to the news, with equities rising and rates rallying. Notably, after 26 months of inversion, the 2s10s Treasury curve steepened and moved into positive territory. Beyond the rate cut, economic data was mixed over the month. Labor market indicators showed a weakening trend consumer. In policy news, the European Central Bank ("ECB") lowered interest rates for the second time this year as inflation receded toward 2% and economic concerns grew. The Bank of Japan ("BOJ") held rates steady in their policy meeting and signaled potential hikes before the year-end, while China launched a series of monetary and fiscal policy measures aimed at stimulating their economy.

Against this backdrop, the option adjusted spread for US Investment Grade Credit Index tightened by 3 bps to 84 bps, resulting in a monthly excess return of 42 bps. Primary market supply printed at USD200.6 billion in Sep, including USD155.4 billion in corporates and USD45.1 billion in non-corporates. The worst-performing sectors were Autos, Exploration & production ("E&P"), Oil Field Services, Refining and Supranational. Single-A fared the best across the investment grade ("IG") quality spectrum, while AA bonds fared the worst.

Performance Review

In September 2024, the Underlying Fund delivered a return of 1.56%, underperforming the benchmark by 21 bps. The underperformance is primarily due to the Underlying Fund's underweight position in investment-grade corporates as spreads continue to grind tighter. However, effective security selection in the Utilities and Industrials sector helped offset some of this shortfall. There were no significant detractors during the month. The Underlying Fund continues to prefer the short to intermediate segments of the yield curve. After a weak summer period, growth data in the USD has inflected higher across the board. This, coupled with positive data revisions for 2023 and 1H24, has markedly improved the overall picture of the health of the US economy, and increased the probability of either no-landing or soft-landing trajectory. Despite the 50-bps surprise cut in Sep, the market has taken cues from the stronger growth data, and materially reduced FOMC rate cut expectations in recent weeks. The Underlying Fund Manager views demand for IG as extremely robust despite tight spreads, as yield buying continues to dominate flows. The Underlying Fund Manager believes that rates will be biased lower in 2024 and is maintaining a neutral duration stance.