December 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 December 2024)	:	RM 2.30823
Fund Size (31 December 2024)	:	RM 131.043 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

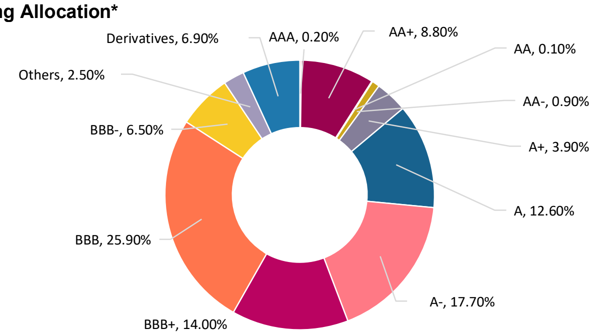
Underlying Fund Details

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

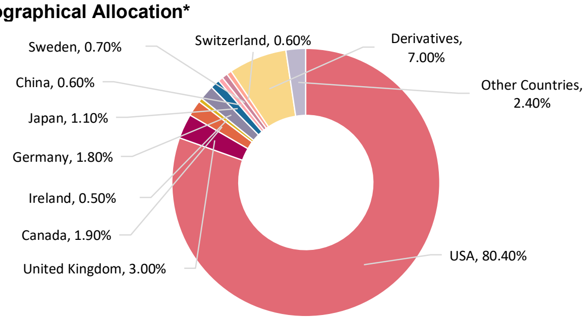
Top Holdings*

1	CBT US 10YR Ultra Fut Mar25	4.50%
2	United States Treasury NoteBond 4.25% 15/11/2034	2.50%
3	United States Treasury NoteBond 3.5% 30/06/2029	2.20%
4	CBT US 2YR NOTE (CBT) Mar25	1.90%
5	Deutsche Bank AGNew York NY 5.414% 10/05/2029	0.90%

Rating Allocation*

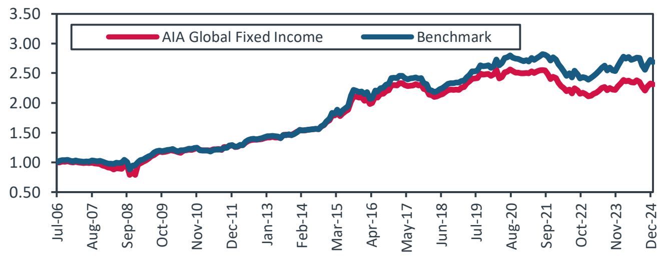


Geographical Allocation*



**Underlying fund data*

Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund~	-0.64%	-3.08%	-0.81%	-4.40%	-5.96%	130.82%
Benchmark*	-1.35%	-2.73%	-0.62%	-1.65%	3.91%	168.67%
Excess	0.71%	-0.35%	-0.19%	-2.75%	-9.87%	-37.85%
Underlying (^)	-1.34%	2.18%	2.27%	N/A	N/A	-4.99%

~ 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 weakened against the USD by 0.56% in December 2024.

Market Review

December 2024 saw a slew of economic releases as the market continued to digest the election result and potential volatility in the coming year. During the December 2024 Federal Open Market Committee ("FOMC") meeting, the US Federal Reserve ("Fed") lowered its policy rate by 25 basis points ("bps"), bringing the target Federal Funds Rate to a range of 4.25% - 4.50%, aligning with consensus expectations. The Summary of Economic Projections ("SEP"), commonly known as the "dot plot", revealed a surprisingly hawkish median of two cuts for 2025, compared to the four cuts projected in the September 2024 session. In other economic news, the Producer Price Index ("PPI") increased by about 0.2% from the previous month, reaching approximately 0.4% month-over-month. This rise reflects an uptick in the average selling price of goods and services produced in the US following the Fed's rate cuts in September 2024 and November 2024. This release also fueled belief that progress in curbing inflation has slowed. Small business optimism jumped in November 2024 (+8.0 pts to +101.7 pts), reaching its highest level since 2021, following President-elect Donald Trump's re-election, according to the latest data from the National Federation of Independent Business ("NFIB").

Additionally, Non-Farm Payrolls showed a +227k rise in November 2024, which was broadly in line with expectations. On the consumer side, retail sales for November 2024 increased, rising from approximately 0.4% Month-on-Month ("MoM") to 0.7% MoM, indicating elevated levels of consumer spending. However, The Conference Board reported an 8.1% decline in the consumer confidence index for December 2024, reversing the gains observed over the previous two months. The 2Y and 10Y Treasury yields rose by 12 bps and 40 bps, respectively, again ending the month above 4%.

Against this backdrop, the option-adjusted spread for the US Investment Grade Credit Index was 77 bps, resulting in a monthly excess return of -4 bps. Over the year, the index posted a total return of 2.03% and an excess return of 2.23%. Primary market supply for December 2024 was about USD34.5 billion, including USD33.5 billion in corporates and USD1.0 billion in non-corporates. Gross issuance for the year was the highest on record outside of 2020. In respect to performance, the best-performing sectors were Supermarkets, Aerospace/Defense, Gaming, Airlines and Financial companies. The worst-performing were Health Insurance, Sovereigns, Healthcare, Foreign Local Government and Media Entertainment. BBB bonds fared the best across the investment-grade quality spectrum, while crossover-rated bonds fared the worst.

Performance Review

In December 2024, the Underlying Fund delivered a -1.39% absolute return and outperformed the benchmark by approximately 55 bps primarily due to security selection across corporates. The underweight position in investment-grade corporates, as spreads continue to grind tighter was a detractor. The Underlying Fund focused on maintaining portfolio carry through active security selection throughout the month. No significant detractors were identified during the period. The Underlying Fund's outlook on positioning has remained consistent over the past few months. The Underlying Fund Manager sees the overall economic picture remaining supportive for credit assets, with above-trend GDP growth, steady inflation, and solid labor market performance still painting a "no-landing" picture. On the back of a hawkish SEP and press conference in December 2024, rates markets have meaningfully repriced, with only 2 rate cuts priced in through 2026. The Underlying Fund Manager expects spreads to remain rangebound through 1Q2025 as the market digests Trump's first 100 days, with an expected range of +75 to +90. As a result, the Underlying Fund Manager continues to be neutral duration.