February 2025

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 (28 February 2025)	:	RM 2.34194
Fund Size (28 February 2025)	:	RM 139.884 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

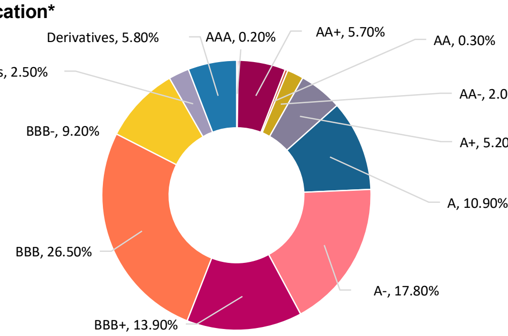
Underlying Fund Details

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

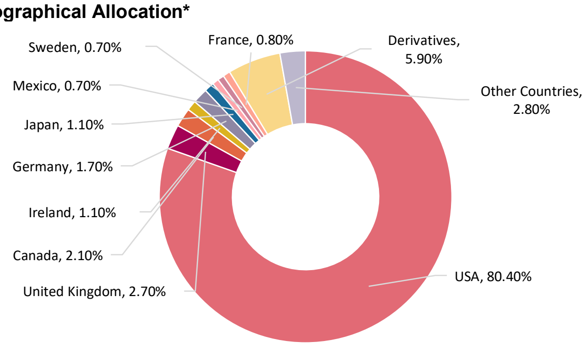
Top Holdings*

1	CBT US Long Bond (CBT) Jun25	2.90%
2	CBT US 2yrs NOTE (CBT) Jun25	2.40%
3	CBT US 5yrs NOTE (CBT) Jun25	2.30%
4	United States Treasury NoteBond 4.25% 30/11/2026	1.40%
5	United States Treasury NoteBond 4.25% 15/11/2034	1.30%

Rating Allocation*

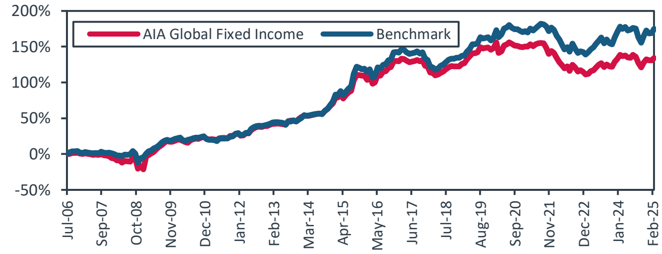


Geographical Allocation*



**Underlying fund data*

Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund~	1.50%	2.96%	-0.98%	2.62%	-8.49%	134.19%
Benchmark*	2.15%	4.53%	0.21%	5.87%	0.86%	175.11%
Excess	-0.65%	-1.57%	-1.19%	-3.26%	-9.35%	-40.92%
Underlying (^)	1.60%	0.50%	6.34%	N/A	N/A	-4.51%

~ 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 0.05% in February 2025.

Market Review

Mixed economic data in February 2025 reaffirmed uncertainty over the state of the broader economy and the US Federal Reserve's ("Fed") course over the next several months. Headline Consumer Price Index ("CPI") increased 3.0% Year-on-Year ("YoY"), while core CPI rose 0.45% Month-on-Month ("MoM"), both exceeding market expectations, on top of disappointing producer price index ("PPI") which increased by a seasonally adjusted 0.4% on the month, compared with estimates of 0.3%. U.S. retail sales declined by -0.9% in January 2025, against expectations of a -0.2%. Considering this data, amongst other factors such as tariff policy, the Fed remains on hold until the overall economic picture improves. January 2025's Federal Open Market Committee ("FOMC") minutes reflected this sentiment. Provided the economy remains near maximum employment, participants would want to see further progress on inflation before making additional adjustments to the target range for the federal funds rate. Also demonstrating economic slowing, the Bureau of Economic Analysis released its second estimate for US 4Q2024 Gross Domestic Product ("GDP"), which remained at 2.3%, the same as the initial estimate, confirming that 4Q2024's economic growth was slower than the 3.1% annualized growth observed in 3Q2024. However, the month finished with core Personal Consumption Expenditure ("PCE"), the US Fed's preferred inflation gauge, rising by 0.3% for the month, reflecting a 2.5% annual rate. The 12-month core measure decreased from the upwardly revised 2.9% level in December 2024.

According to FactSet, with 97% of the S&P 500 reporting, the blended earnings growth rate for the 4Q2024 is 18.2% as of the end of February 2025. In respect to performance, the best-performing sectors were foreign agencies, supranational, foreign local government, financial companies and gaming. The worst-performing were transportation services, railroads, refining, health insurance and natural gas. Aa+ fared the best across the investment grade quality spectrum, while Crossover rated bonds fared the worst.

Performance Review

The Underlying Fund returned 1.56% for the month, underperforming the benchmark by 0.48%. The intent of keeping carry in the portfolio through active security selection contributed 7 bps of performance to the portfolio, majorly coming from Utilities (Electric). Opportunistically, the Underlying Fund rotated out of lower yielding shorter duration issuers into longer duration bonds with an average yield of 5.9%. The Underlying Fund's outlook on positioning has remained consistent over the past few months. The overall economic picture remains supportive for credit assets, with above-trend GDP growth, manageable inflation risks, and solid labour market performance still painting a no-landing picture domestically. The Fed appears to be in wait-and-see mode, though 1-2 bps interest rate cuts remain priced in the market. Fundamentals trends are broadly stable and 4Q2024 earnings continue to point to steady revenue and profit growth, and relatively benign balance sheet deterioration, consistent with more of a mid-cycle outlook. The Underlying Fund Manager expects spreads to remain at the wide end of the range through 1Q2025 as the market digests Trump's first 100 days, with an expected range of +80 to +100 bps. That said, there is minimal cushion for any downside risk to the political, fiscal, or economic outlook. As a result, the Underlying Fund continues to be neutral duration.