

AIA Global Balanced Fund

August 2023

Investment Objective

This Sub-Fund seeks to achieve long-term capital appreciation through investment in equities, equity-related securities and fixed income securities in global markets. (wef 1 December 2021)

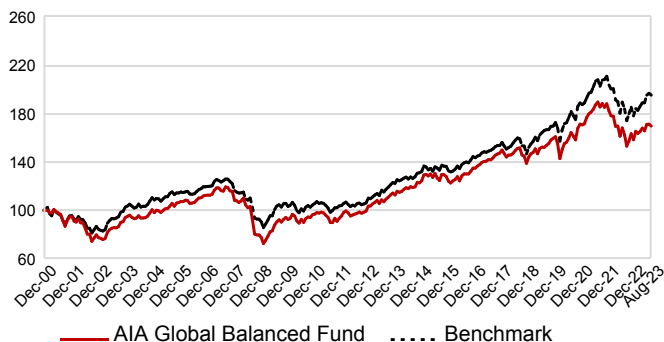
Key Fund Facts

Launch Date	11 December 2000	Subscription	Cash, CPF(OA & SA) and SRS
Launch Price	SGD 1.000	Pricing Frequency	Daily
Manager of ILP Sub-Fund	AIA Investment Management Private Limited	Management Fees	1.50% p.a. of Net Asset Value
Name of Underlying Fund(s)	Equities: - Nikko AM Shenton Global Opportunities Fund (wef 1 December 2021) - Harris Associates Global Equity Fund (wef 1 December 2021) Fixed Income: -AIA Investment Funds – AIA Singapore Bond Fund -Legg Mason Western Asset Global Bond Trust	Bid Offer	SGD 1.612 SGD 1.697
		Fund Size	SGD 169.5M
Risk Classification	Medium to High Risk		

Performance Period

	1 Month	3 Months	6 Months	1 Year	3 Year^	5 Year^	10 Year^	Since Inception^
Fund (bid-to-bid)	-0.92%	2.35%	3.67%	4.47%	1.08%	2.32%	4.71%	2.36%
Benchmark	-0.80%	3.30%	6.87%	6.16%	2.40%	4.08%	5.42%	3.10%

AIA Global Balanced Fund



Notes (1) Performance of the fund is in SGD on a bid to bid basis with net dividends reinvested, without taking into consideration the fees and charges payable through deduction of premium or cancellation of units (2) ^ denotes annualised returns (3) Current benchmark: 60% MSCI World Index & 15% FTSE World Government Bond Index ex Japan (hedged to S\$) & 25% Markit iBoxx SGD TR (wef 1 December 2021) (4) Previous benchmark: 60% MSCI World Index & 40% FTSE World Govt Bond Index

The combined benchmark is reflective of the fund's investment focus

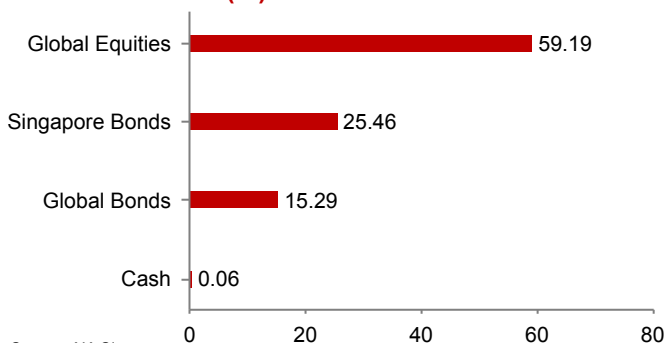
Past Performance is not necessarily indicative of future performance.

Current Manager AIA Investment Management Private Limited	Effective Date 1 November 2017
Underlying Fund Managers Nikko Asset Management Asia Limited Harris Associates L.P. AIA Investment Management Private Limited (Fixed Income)	Effective Date 1 December 2021 1 December 2021 13 July 2021

Source: AIA Singapore

Asset Allocation (%)

(As of 31 August 2023)



Source: AIA Singapore

The Underlying Investments
Nikko AM Shenton Global Opportunities Fund

(As of 31 August 2023)

Nikko Asset Management Asia Limited

Top Holdings	Holdings (%)
MICROSOFT CORPORATION	6.80
ACCENTURE PLC CLASS A	3.50
NETFLIX, INC.	3.00
KBR, INC.	2.90
HALEON PLC	2.90
TOTAL	19.10

Source: Nikko Asset Management Asia Limited, Harris Associates LP

Harris Associates Global Equity Fund

Harris Associates LP

Top Holdings	Holdings (%)
ALPHABET INC	4.50
LLOYDS BANKING GROUP PLC	4.20
CHARTER COMMUNICATIONS INC	3.70
MERCEDES-BENZ GROUP AG	3.50
BAYER AG	3.50
TOTAL	19.40

AIA Investment Funds – AIA Singapore Bond Fund

Investment Manager: AIA Investment Management Private Limited

Top Holdings	Holdings (%)
Singapore (Govt of) 3.375% 01/09/2033	7.01
Singapore Government Bond 2.625% 01/08/2032	5.37
Singapore Government Bond 2.25% 01/08/2036	4.77
Singapore (Govt) 2.75% 01/04/2042	4.48
Singapore (Government Of) 2.875% 01/07/2029	4.43
TOTAL	26.06

Source: AIA Investment Management Private Limited, Western Asset Management Singapore Pte Limited

Legg Mason Western Asset Global Bond Trust

Investment Manager: Western Asset Management Company Pte Ltd

Top Holdings	Holdings (%)
US Treasury N/B 1.250% 30 Nov 2026 United States	12.56
Bundesrepub. Deutschland (Br) 1.75% 15 Feb 2024 Germany	6.66
Bundesrepub. Deutschland (Reg S) (Br) 0.50% 15 Aug 2027 Germany	6.24
US Treasury N/B 2.250% 15 Nov 2024 United States	5.19
US Treasury N/B 0.375% 31 Jan 2026 United States	3.99
TOTAL	34.64

Manager's Commentary

(As of 31 August 2023)

Global activity data released in August continued to depict a broad economic slowdown though that is not strong enough to trigger an increase in unemployment. Manufacturing PMIs picked up slightly but generally remained in contraction territory. Meanwhile, services PMIs continued to decline rapidly and are now on average showing very limited growth. However, certain countries are doing better than others. The US is supported by strong non-residential investment while Europe and China are showing subpar rates of growth. Inflation continued to improve gradually but underlying inflation drivers are still too high for central banks to consider rate cuts. Monetary policy stance is likely to remain restrictive, although the scope for further rate hikes is now limited.

The Fed's commitment to fighting inflation was reiterated at the Jackson Hole symposium, which implied higher for longer policy rates. US policy makers took note of the stickiness in services prices while property prices generally came in stronger than expected. In addition, crude oil prices also reached their highest levels since November 2022. Meanwhile, consumer spending remained strong although the labour market began to show some signs of weakening (less job openings and higher unemployment rate). Leading indicators for Q3 are pointing to GDP growth well above potential, which shows the difficulty faced by the Fed to cool demand.

In China, economic indicators released in August continued to disappoint, especially retail sales. Similarly, industrial production came out weaker than expected as domestic consumption, private investment and foreign demand remained soft. Subpar growth also dragged consumer and producer inflation down into negative territory. Against this backdrop, the government took a slew of measures at the end of August to boost the property market and facilitate access to bank loans while more can be expected before year end.

In Europe, activity indicators weakened further in August. Both manufacturing and services PMI indices are now in contraction territory, led by Germany where weak domestic demand is weighing considerably on manufacturers. Meanwhile, inflation continued to decelerate albeit at a slow pace while national labour markets in the Eurozone and the UK remained relatively stable and close to multidecade lows. Furthermore, rising energy prices reduces the odds of bringing inflation down to target in the near term. Against this backdrop, monetary policy authorities retained their tightening bias, which contributes to weaker business and household sentiment.

Yields spiked in August on bond supply concerns (US Treasury refunding size was larger than anticipated and signals more supply will likely be necessary in future quarters) as well as positive economic surprise. Consequently, the US Treasuries curve steepened in August with 5yr/10yr/30yr yields rising by 8bp/15bp/20bp respectively. Like in the US, 30yr underperformed in the UK, Germany and Australia. Overall, long US bonds underperformed UK and Australian bonds.

Source: AIA Investment Management Private Limited

Please refer to the Product Summary applicable to the investment-linked policy which you have purchased or intend to purchase for these applicable fees and charges.

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