

AIA Global Dynamic Income Fund

September 2023

Investment Objective

The ILP Sub-Fund aims to provide regular income and total return over the long term by investing in a variety of attractive income generating asset classes including but not limited to fixed income securities, equities, covered call options and collective investments.

Key Fund Facts

(As of 30 September 2023)

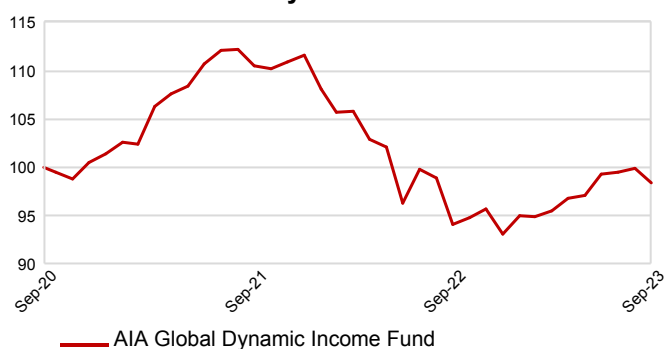
Launch Date	8 September 2020	Subscription	Cash and SRS
Launch Price	SGD 1.000	Sales Charge (For Cash and SRS)	Up to 5%*
Manager of ILP Sub-Fund	AIA Investment Management Private Limited	Pricing Frequency	Daily
Name of Underlying Fund(s)	Equities: -AIA Investment Funds - AIA Equity Income Fund Fixed Income: -AIA Investment Funds - AIA Diversified Fixed Income Fund -AIA Investment Funds - AIA US High Yield Bond Fund	Management Fees	1.35% p.a. of Net Asset Value
		Bid	SGD 0.833
		Fund Size	SGD 359.1M
Risk Classification	Medium to High Risk		

Performance

(As of 30 September 2023)

Period	1 Month	3 Months	6 Months	1 Year	3 Year [^]	Since Inception [^]
Fund (bid-to-bid)	-1.43%	-0.85%	3.10%	4.56%	-0.36%	-0.52%

AIA Global Dynamic Income Fund



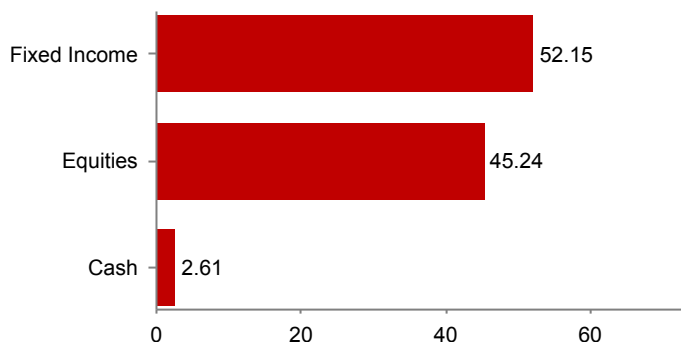
Notes (1) Performance of the fund is in SGD on a bid to bid basis with net dividends reinvested, without taking into consideration the fees and charges payable through deduction of premium or cancellation of units (2) [^] denotes annualised returns.

Past Performance is not necessarily indicative of future performance.

Source: AIA Singapore

Asset Allocation (%)

(As of 30 September 2023)



The Underlying Investments

(As of 30 September 2023)

AIA Investment Funds - AIA Diversified Fixed Income Fund

Investment Manager: AIA Investment Management Private Limited

Top Holdings	Holdings (%)
CBT US 2YR NOTE (CBT) Dec23	3.97
CBT US 10yr Ultra Fut Dec23	2.25
eBay Inc 3.45% 01/08/2024	1.57
CBT US LONG BOND(CBT) Dec23	1.55
Equinix Inc 2.625% 18/11/2024	1.48
TOTAL	10.82

AIA Investment Funds - AIA US High Yield Bond Fund

Investment Manager: AIA Investment Management Private Limited

Top Holdings	Holdings (%)
CCO Holdings LLC 4.5% 15/08/2030	1.01
Mozart Debt Merger Sub Inc 3.875% 01/04/2029	0.79
DIRECTV Holdings LLC 5.875% 15/08/2027	0.76
CHSCommunity Health Systems Inc 6% 15/01/2029	0.75
Organon Finance 1 LLC 4.125% 30/04/2028	0.71
TOTAL	4.02

AIA Investment Funds - AIA Equity Income Fund

Investment Manager: AIA Investment Management Private Limited

Top Holdings	Holdings (%)
Microsoft Corp	2.38
Apple Inc	2.04
BlackRock Inc	1.87
Walmart Inc	1.87
Baker Hughes Co	1.82
TOTAL	9.98

Source: AIA Investment Management Private Limited

Manager's Commentary

(As of 30 September 2023)

Macro Review

The US labor market remained resilient with nonfarm payrolls increasing by 336,000 and unemployment rate came in at 3.8% in September 2023. The US manufacturing sector remained in contraction and showed some tentative signs of inflecting up from the lows reached in June 2023. US services sector dipped in September 2023, though has been in the expansionary territory since January 2023. Citi's Economic Surprise Index for remained in positive territory, though off its highs year-to-date reached in July 2023. US headline inflation came in at 3.7% in September 2023, up from the 2023 year to date low of 3.0% in June 2023. The Federal Reserve held rates at upper bound of 5.5% in the September 2023 FOMC meeting.

Economic growth in Europe remained challenged with both manufacturing and services PMI in the contractionary zone for September 2023. Citi's Economic Surprise Index for Eurozone remained firmly in negative territory though showing signs of inflection from year-to-date lows reached in July 2023. Inflation in Eurozone fell to 4.3% in September based on flash figures, coming off the high of 10.6% reached in Oct 2022 though still a distance from the inflation target. ECB hiked rates by 25 bps in the September 2023 monetary policy meeting, bringing the interest rate on the main refinancing operations to 4.5%.

There are some tentative signs that China's economic growth is bottoming as Citi's Economic Surprise Index for China continued to increase in September from the July 2023 lows, though remained negative. For September 2023, China's manufacturing sector moved up to expansionary territory, after having been in contractionary territory since April 2023. China is experiencing muted inflation with headline CPI coming in at 0.1% in August 2023 and producer price inflation coming in at -3%, clear evidence that China is undergoing a different macro cycle compared to the other major developed economies.

Market Review

Global equities posted negative returns in September 2023, for the second consecutive month. For the second consecutive month, Energy was the only sector that delivered positive returns whereas the other sectors posted negative returns. In September, Consumer Staples and Utilities were down more than the broad market which is atypical during equity stress periods. Large cap equities outperformed both mid cap and small cap equities. In terms of styles, growth and quality lagged while the rest of the styles outperformed. Across the major geographic regions, Asia equities outperformed US and Europe equities.

Most fixed income markets were down in September 2023. Treasuries were down in September as US 10 year yield rose by 46 basis points in September 2023 and ended September 2023 at 4.57%. US high yield outperformed US investment grade for the sixth consecutive month. In terms of geographic region, EUR corporate bonds underperformed US corporate bonds in translated USD terms. Leveraged loans index enjoyed another positive month in September, bring year to September 2023 return to around 10%.

The broad commodities market was down in September 2023. Growth sensitive commodities diverged as copper was down but oil was up. Gold was also down in September and the Dollar Index demonstrated safe haven characteristic and was up in September.

Portfolio Review

- The AIA Global Dynamic Income Fund was down 1.42% for the month, and Inception to date returns at -0.51% (annualized)
- In terms of absolute performance, core underlying funds (AIA High Yield Bond Fund, AIA Diversified Fixed Income and AIA Equity Income Fund) were down for the month
- In terms of relative performance, AIA Equity Income Fund and AIA Diversified Fixed Income outperformed respective benchmark while AIA High Yield Bond Fund underperformed its benchmark
- Last quarterly dividend was paid in September 2023 (S\$0.014 per unit, annualized dividend yield of 6.36% pa)

Outlook

The investment landscape is one of the most challenging seen in decades. The economy needs to contend with the fastest rate hike in cycle and the largest ever quantitative tightening. The Federal Reserve has maintained their rhetoric that the fight for inflation is not over. With expectations for rate cuts checked, one of the supports for risk assets is under pressure. We assess that a stable bond market is needed to provide the next leg up for risk assets.

Over the short term, current economic releases do not suggest that US is about to enter a recession imminently. The US labour market remains strong and wage growth is healthy. In addition, earnings are not expected to dip meaningfully in the near term. As of 29 September 2023, Factset reports that for Q3 2023, the estimated year-over-year earnings decline for the S&P 500 is marginal at negative 0.1%. Factset reports that analysts are projecting the S&P 500 to deliver earnings growth of 12.2% and revenue growth of 5.6% for CY 2024. In such an environment, investors should not preclude the scenario of risk assets holding up over the short term

Given the confluence of forces pulling asset markets in different directions, for the AIA Global Dynamic Income Fund, the focus is to construct a well-diversified portfolio that is resilient to weakness in risk assets. We continue to watch the markets carefully and will emphasize bi-directional risk management for the AIA Global Dynamic Income Fund.

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.

AIA Global Dynamic Income Fund is an investment-linked policy (ILP) fund offered by AIA Singapore Private Limited ("AIA Singapore") and is only available under AIA Investment-Linked Policies. AIA Singapore is the product provider. This fact sheet is prepared by AIA Singapore and the information presented is for informational use only. Investments are subject to investment risks including the possible loss of the principal amount invested. Past performance, as well as the prediction, projection or forecast on the economy, securities markets or the economic trends of the markets are not necessarily indicative of the future or likely performance of the ILP funds. The performance of the ILP funds is not guaranteed and the value of the units in the ILP funds and the income accruing to the units, if any, may fall or rise. A product summary relating to the ILP funds is available and may be obtained from your AIA Financial Services Consultant. A potential investor should read the product summary before deciding whether to subscribe for units in the ILP funds. AIA Singapore does not warrant or make any representations regarding the use or the results of the use of the figures generated in terms of their correctness, accuracy, reliability, or otherwise.

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