

AIA Regional Fixed Income Fund

August 2023

Investment Objective

This fund is managed to provide stable income with capital preservation by investing primarily in high credit quality Singapore dollar fixed income instruments issued by Singapore and non-Singapore entities. The fund therefore provides Singapore dollar-based investors with an alternative to low-yielding bank fixed deposits by seeking to achieve higher returns with low incremental risks.

Key Fund Facts

Launch Date	2 September 1997	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	0.85% p.a. of Net Asset Value
Risk Classification	Low to Medium Risk	Bid	SGD 2.32
		Offer	SGD 2.443
		Fund Size	SGD 1,366.9M

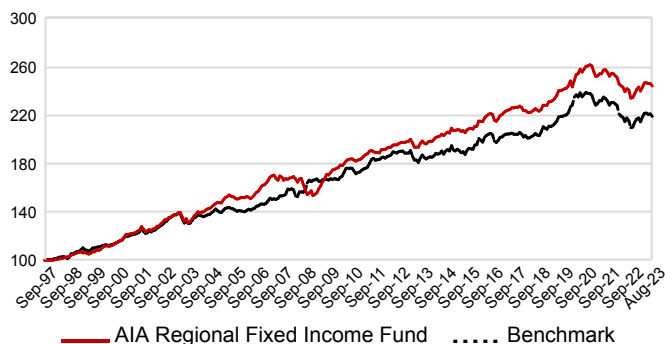
(As of 31 August 2023)

Performance

Period	1 Month	3 Months	6 Months	1 Year	3 Year [^]	5 Year [^]	10 Year [^]	Since Inception [^]
Fund (bid-to-bid)	-0.77%	-1.07%	1.75%	1.44%	-1.52%	1.62%	2.36%	3.50%
Benchmark	-0.94%	-1.23%	2.08%	1.77%	-2.34%	1.35%	1.93%	3.07%

(As of 31 August 2023)

AIA Regional Fixed Income Fund



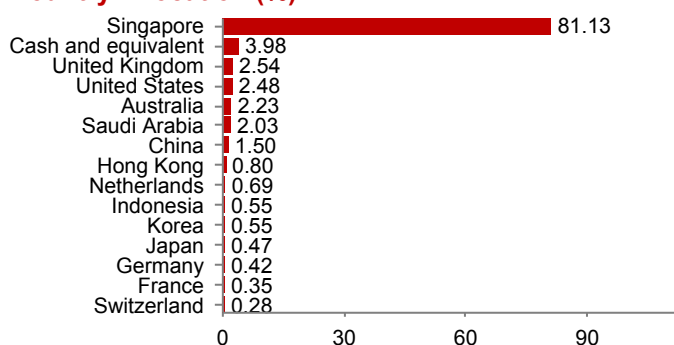
Notes (1) Performance of the fund is in SGD on a bid to bid basis with net dividends reinvested, without taking into consideration the fees and charges payable through deduction of premium or cancellation of units (2) [^] denotes annualised returns (3) Current Manager: AIA Investment Management Pte Ltd (w.e.f 1 September 2017) (4) Current benchmark: Markit iBoxx SGD Overall Index TR (wef 4 January 2021) (5) Previous benchmark: JP Morgan Sing Govt Bond Index All (since inception to 3 January 2021).

Past Performance is not necessarily indicative of future performance.

Source: AIA Singapore

Country Allocation (%)

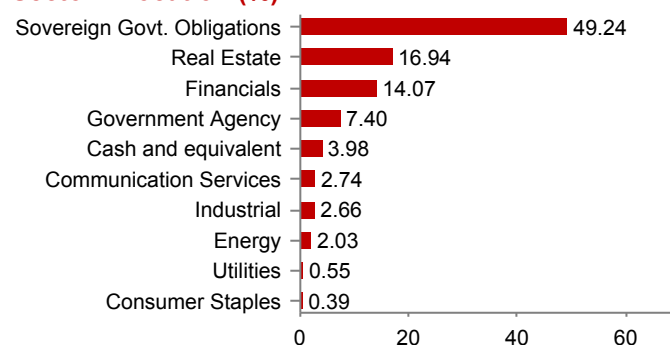
(As of 31 August 2023)



Source: AIA Investment Management Private Limited

Sector Allocation (%)

(As of 31 August 2023)



Top Holdings

(As of 31 August 2023)

	Holdings (%)
SINGAPORE GOV'T SIGB 3 3/8 09/01/33	6.45
SINGAPORE GOV'T SIGB 2 5/8 08/01/32	4.88
SINGAPORE GOV'T SIGB 2 1/4 08/01/36	4.35
SINGAPORE GOV'T 2.75% SIGB 01/04/42	4.11
SINGAPORE GOV'T SIGB 2 7/8 09/01/30	4.05
SINGAPORE GOV'T SIGB 2 7/8 07/01/29	4.02
SINGAPORE GOV'T SIGB 3 1/2 03/01/27	3.38
SINGAPORE GOV'T SIGB 2 3/4 03/01/46	2.96
US TREASURY N/B T 3 5/8 05/15/53	2.48
SINGAPORE GOV'T SIGB 2 5/8 05/01/28	2.45
TOTAL	39.13

Source: AIA Investment Management Private Limited

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. 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. As at end August, the Fund held a slightly overweight duration position vs the benchmark on an overall level and has an overweight allocation to corporates segment where all-in yields remain attractive.

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.

Disclaimer with regard to Markit Benchmark: The index referenced herein (the "Index") is the proprietary property of Markit North America, Inc., Markit Indices GmbH and/or its affiliates ("Index Provider") and has been licensed for use in connection with the fund (or other investment vehicle) or securities referenced herein ("Fund"). The Fund is not sponsored, endorsed or promoted by the Index Provider and the Index Provider does not make any warranties or representations on the accuracy, fitness or purpose or results to be obtained by using the Index and disclaims all liabilities in this regard. The Index provided by IHS Markit is subject to disclaimer currently available here (and as updated by IHS Markit from time to time): <https://ihsmarkit.com/Legal/disclaimers.html> and/or in the prospectus for the Fund.

AIA Regional Fixed 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.

E. & O. E.

AIA Singapore Private Limited (Reg No.201106386R)

1 Robinson Road, AIA Tower, Singapore 048542 Monday - Friday: 8.45am - 5.30pm AIA Customer Care Hotline: 1800 248 8000 aia.com.sg