

# AIA Global Dynamic Income Fund

June 2022

## 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 June 2022)

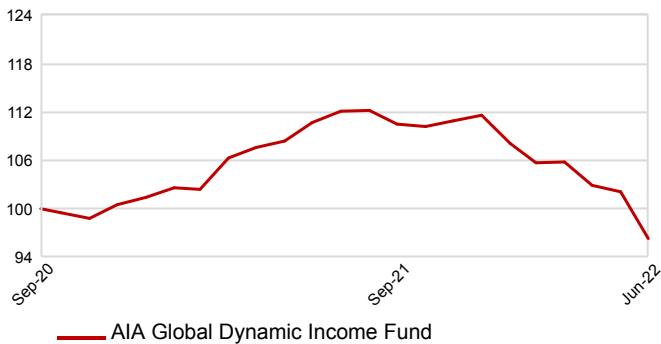
<b>Launch Date</b>	8 September 2020	<b>Subscription</b>	Cash and SRS
<b>Launch Price</b>	SGD 1.000	<b>Sales Charge (For Cash and SRS)</b>	Up to 5%*
<b>Manager of ILP Sub-Fund</b>	AIA Investment Management Private Limited	<b>Pricing Frequency</b>	Daily
<b>Name of Underlying Fund(s)</b>	<b>Equities:</b> -AIA Investment Funds - AIA Equity Income Fund <b>Fixed Income:</b> -AIA Investment Funds - AIA Diversified Fixed Income Fund -AIA Investment Funds - AIA US High Yield Bond Fund	<b>Management Fees</b>	1.35% p.a. of Net Asset Value
<b>Risk Classification</b>	Medium to High Risk	<b>Bid</b>	SGD 0.882
		<b>Fund Size</b>	SGD 284.6M

## Performance

(As of 30 June 2022)

Period	1 Month	3 Months	6 Months	1 Year	Since Inception <sup>^</sup>
Fund (bid-to-bid)	-5.76%	-9.02%	-13.74%	-13.01%	-2.09%

## AIA Global Dynamic Income Fund



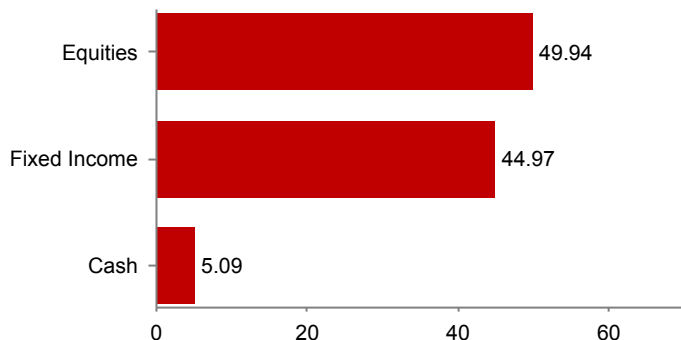
Notes (1) Performance of the fund is in SGD on a bid to bid basis with net dividends reinvested, without taking into consideration the fees and charges payable through deduction of premium or cancellation of units (2) ^ denotes annualised returns.

Past Performance is not necessarily indicative of future performance.

Source: AIA Singapore

## Asset Allocation (%)

(As of 30 June 2022)



**The Underlying Investments****AIA Investment Funds - AIA Diversified Fixed Income Fund**

Investment Manager: AIA Investment Management Private Limited	
Top Holdings	Holdings (%)
United States Treasury Bond 2.75% 31/05/2029	1.32
CBT US 2YR NOTE (CBT) Sep22	1.30
CBT US 5YR NOTE (CBT) Sep22	1.00
Goldman Sachs Group IncThe 3.102% VRN 24/02/2033	0.96
Blackstone Private Credit Fund 3.25% 15/03/2027	0.81
<b>TOTAL</b>	<b>5.39</b>

**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	1.14
Hilton Domestic Operating Co Inc 3.75% 01/05/2029	0.71
Ford Motor Credit Co LLC 5.125% 16/06/2025	0.64
MPT Operating Pship LP MPT Fin 4.625% 01/08/2029	0.60
Ford Motor Credit Co LLC 4.125% 17/08/2027	0.60
<b>TOTAL</b>	<b>3.69</b>

**AIA Investment Funds - AIA Equity Income Fund**

Investment Manager: AIA Investment Management Private Limited	
Top Holdings	Holdings (%)
Microsoft Corp	2.07
AT&T Inc	1.65
Tyson Foods Inc	1.37
CVS Health Corp	1.36
Sempra Energy	1.31
<b>TOTAL</b>	<b>7.76</b>

Source: AIA Investment Management Private Limited

**Manager's Commentary**

(As of 30 June 2022)

**Market Review**

Global markets continue to face several headwinds including hotter inflation and slowing growth as we move into the late cycle stage of the economy. The first half of 2022 has been one of the worst periods for developed market equities in recent times. The aggressive monetary policy from major central banks saw credit spreads widening, pushing bond prices lower alongside equities. Both the MSCI World index and S&P 500 declined by 16.1% in the second quarter of 2022, while MSCI Emerging Markets index lost 11.3%.

In June, the US Federal Reserve (Fed) hiked interest rate by a surprising 75 basis points (bps) raising recessionary fears. Fed has indicated that it is determined to get inflation under control, with the median Fed member now expecting interest rates at 3.8% by 2023. The Bloomberg Global Aggregate Corporate Bond index lost 8.7% for the quarter. Global investment grade (IG) credit spreads widened by 29 bps in June to 156 bps, and the sector returned -2.58% for the month, underperforming like-duration global government bonds by -1.52%. Global IG spreads widened as rising rates, inflation concerns, and weaker consumer sentiment weighed on risk sentiment. Global high yield bonds returned -6.99% in June and underperformed like-duration Treasuries by -6.27%. Spreads widened from 502 bps to 666 bps after weak economic data added to concern about a recession amid aggressive Federal Reserve policy.

**Portfolio Review**

- The AIA Global Dynamic Income Fund lost 5.76% for the month, bringing Inception to date returns to -2.09% (annualized).
- Negative absolute performance from the underlying funds detracted performance.

**Outlook**

The second half of 2022 is likely to remain volatile as major central banks continue to tighten monetary policy to tackle inflation, leading to increasing concern of weakening global growth and recession in the worst case. The reopening of borders will however see higher demand for services as tourism and travel gain pace with Covid-related restrictions easing, providing the much-needed tailwind to support global economies as we move into the second half of 2022.

The Fund continues to diversify across the 3 underlying strategies with allocation to global equities for income and a more defensive positioning. We remain neutral towards Investment Grade credits while increasing position towards High Yield bonds lately as we believe credit spreads have widened meaningfully year-to-date but remain relatively tame given the default and downgrade cycles have been benign.

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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