



HEALTHIER, LONGER,  
BETTER LIVES

# AIA BRUNEI FUNDS PERFORMANCE REPORT 2023

For Policyholders

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22 March 2024

Dear AIA Policy Owner,

We are pleased to inform you on the performance of AIA Investment Linked Policy (ILP) Funds in 2023.

The global economy continued to expand at a slower pace in 2023. Despite the fastest pace of rate hikes by the Federal Reserve, the US economy managed to successfully navigate the tightening monetary conditions and avoided the much-anticipated recession. While the growth picture in most regions globally was benign in 2023, China stood out as an outlier. It was a challenging year for the world's second largest economy with various headwinds ranging from a fragile job market to property market deleveraging. Sentiment to Chinese assets dampened and investors will be watching for more concrete measures from policymakers to support economic development. Over 2023, China's inflation dipped significantly from multi-year highs reached in 2022, though it remained relatively elevated compared to the last decade. In the US, inflation in food, energy and core goods decelerated from the high levels in 2023. The decline in inflation prompted policymakers to contemplate an end to interest rate hike cycle.

It was a volatile year for fixed income as the U.S. Federal Reserve maintained its hiking regime in 2023, pushing the Federal Funds target rate to a range of 5.25% - 5.5%. Bond yields were driven by both market expectations of the U.S. monetary policy and concerns over a "banking crisis" related to the collapse of Silicon Valley Bank. The 10-yr and 30-yr US Treasury bond yields peaked in October at 4.99% and 5.11% respectively before a sharp retreat towards year end (10yr: 3.88%, 30yr:4.03%) to levels close to the start of the year. Signs of inflation pressure moderating prompted policymakers to contemplate easing the rate hike cycle. In Singapore, the 10-yr government bond yield ended the year lower at 2.71% (-39bps) while the 30-year closed higher at 2.70% (+24bps). Meanwhile equity markets finished strongly after a most spectacular 1H performance, with the S&P500 enjoying a hefty gain of 24.4% and MSCI World Index rising 21.9%. While some other major developed markets also posted strong returns of over 20%, this was not quite the same story for emerging markets, especially Asia. The MSCI Asia ex-Japan advanced by a subdued 6%, dragged down by double-digit losses of its largest contributor – China. The end of the zero-COVID strategy and ensuing reopening growth spurt were short-lived as gross domestic product figures declined significantly due to waning confidence of businesses, investors, and consumers. The poor performance from China was mitigated by much better outcomes in Taiwan, Korea, and India. The North Asian markets benefited from the recovery in the technology sectors while India corporate's resilient earnings growth continued to attract strong domestic fund inflows.

2024 looks to be more favorable than 2023, with fundamentals supporting a more positive outlook; potential tailwinds from loosening financial and credit conditions. Muted oil prices could provide impetus for inflation to decline further and should boost risk assets. Equity concentration in the S&P500 Index is now at levels not seen since 1970s, with the rally dominated by a cluster of big-name technology stocks. Potential escalation of geopolitical tensions given ongoing conflicts in Middle East and Europe may lead to higher inflation risks. This has implications for financial stability as policymakers carefully balance multiple objectives. At AIA, we value asset quality and seek promising long term sustainable

growth to navigate the multitude of challenges that currently confront macroeconomic and financial markets.

AIA is a leading life insurer in Brunei with BND 76 million assets under management invested in investment-linked insurance funds as of 31 December 2023

Thank you for your continued support and trust in AIA. We look forward to delivering long-term value for our policyholders and being your insurer of choice.

Yours sincerely,



**Wong Sze Keed**  
Chief Executive Officer  
AIA Singapore

## FUNDS INFORMATION

As at 31 December 2023

### AIA BRUNEI BALANCED FUND

#### Investment Objective

AIA Brunei Balanced Fund aims to achieve a balance between long-term capital growth and stable income by pursuing a strategic asset allocation of 60% in equities and 40% in bonds.

#### Asset Allocation

It does this by investing 60% in PineBridge Asia Ex Japan Equity Fund and 40% in PineBridge Global Bond Fund.

### PORTFOLIO OVERVIEW

#### PineBridge Asia ex Japan Equity Fund\*

2023 had been another rollercoaster ride for investors in Asia. We started the year strongly with the excitement of China re-opening after 'zero Covid-19' but fizzled by mid of 1Q. Sentiment turned south on the back of subdued consumption demand, wobbly property sector, patchy economic recovery, slowing factory output, weaker than expected credit growth environment and falling exports due to slowing global economy. These led to some selloffs as investors started to doubt the recovery in China despite low base in 2022. Additionally, the heightened US-China tension had worsened the selloff in the China equity market, putting investors in fear. Not everything was bad - Investor enthusiasm towards the developing Artificial Intelligent (AI) themed opportunities and technology segments were increasing throughout 2023 making Taiwan and Korean the hubs for long term opportunities.

Asian equities continued to be under stress in early part of 2H 2023 as interest rates continued to rise, oil price heading north while global demand was slowing, coupled with domestic economic issues unique to each geography led the sell off in Asian equities. Both rate sensitive and technology heavy markets were sold off. As inflation started to peak out, bond yields and USD were lower – Asian equities reacted favourably, especially those markets sensitive to interest rate and global growth. However, China was the outlier ending the year with a negative print. China continued to grapple with a weak domestic growth, real estate sector crisis and slow demand recovery on the ground. Investors remained cautious while awaiting government announcement for more targeted fiscal measures against a deflationary backdrop. For 2023, Taiwan, Korea and India led in return, while Hong Kong, China and Thailand posted double digit losses.

The fund underperformed its benchmark in 2023, this was largely due to the underperformance in the first half of 2023. By geographic location, our overweight position in China in the 1H 2023 was the key detractor, while our positions in Taiwan, Korea and India contributed to the fund performance. By sector, consumer staples and real estate dragged the fund performance, while utilities and industrials contributed to the performance of the fund.

\* Source: PineBridge Investments Asia Ltd.

## FUNDS INFORMATION

As at 31 December 2023

**AIA BRUNEI BALANCED FUND****PineBridge Global Bond Fund<sup>^</sup>**

2023 was an incredibly eventful year in markets, with plenty of forces for investors to navigate. In March, there was significant turmoil following the collapse of Silicon Valley Bank, leading to some of the biggest bond market moves in decades. In May, we saw growing excitement about the potential growth impact from AI, leading to a major outperformance from big tech stocks. Then from the summer, the prospect of interest rates remaining higher for longer led to a major bond selloff, which briefly pushed the 10yr Treasury yield above 5% for the first time since the Global Financial Crisis. Geopolitical events remained in focus too, particularly after Hamas' attack on Israel in October. But from late-October onwards there was an astonishing rally across several asset classes, as declining inflation led investors to grow increasingly excited about a soft landing. That then got further momentum in December, particularly after the Federal Reserve signalled 75bps of rate cuts for 2024.

The fund outperformed (gross of fees) its benchmark, the Bloomberg Barclays Global Aggregate Total Return Index (USD Hedged), during the annual reporting period ending 31 December 2023. The fund's relative outperformance was driven mainly by security selection, slightly offset by negative contribution from asset allocation.

<sup>^</sup> Source: PineBridge Investments Europe Ltd.

During the year, there were no changes in the investment objectives, strategies, restrictions and limitations of the fund.

There were no distributions made during the year.

**Fund Performance (As of 31 December 2023)**

Period	Fund %	Benchmark %
3-month	3.30	2.71
6-month	0.71	0.85
1-year	-0.77	4.92
3-year <sup>^</sup>	-10.83	-4.69
5-year <sup>^</sup>	0.00	2.46
10-year <sup>^</sup>	0.83	3.68
Since inception <sup>^</sup>	1.78	2.26

Notes (1) Performance of the fund is in BND 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) <sup>^</sup> denotes annualised returns (3) Benchmark: 60% MSCI AC Asia ex Japan DTR Net Index & 40% Bloomberg Barclays Global Aggregate Total Return Index (USD Hedged)

## FUNDS INFORMATION

As at 31 December 2023

### **AIA BRUNEI BALANCED FUND**

#### **Soft Commissions**

PineBridge Asia ex Japan Equity Fund

As per the PineBridge Global Funds Unaudited Interim Financial Statements as of 30 June 2023, PineBridge Investments Asia Limited (the “Investment Manager”) has entered into soft commission arrangements with selected brokers where it obtains services from third parties. These services relate essentially to research and price information, performance measurement and portfolio valuation, and analysis all of which are believed to be helpful in the overall discharge of the Investment Manager’s duties to clients. As such services generally benefit all of the Investment Manager’s clients in terms of input into the investment decision making process, the soft credits utilised are not allocated on a specific client basis. Under such arrangements, no direct payment is made for these services or benefits. The trades were executed by the Investment Manager on the best available terms and there was no churning of trades.

PineBridge Global Bond Fund

As per the PineBridge Global Funds Unaudited Interim Financial Statements as of 30 June 2023, there were no soft commissions arrangements for the PineBridge Global Bond Fund.

## FUNDS INFORMATION

As at 31 December 2023

### AIA BRUNEI CONSERVATIVE FUND

#### Investment Objective

AIA Brunei Conservative Fund aims to achieve conservative long-term capital growth while earning stable income by pursuing a strategic asset allocation of 20% in equities and 80% in bonds.

#### Asset Allocation

It does this by investing 20% in PineBridge Asia Ex Japan Equity Fund and 80% in PineBridge Global Bond Fund.

### PORTFOLIO OVERVIEW

#### PineBridge Asia ex Japan Equity Fund\*

2023 had been another rollercoaster ride for investors in Asia. We started the year strongly with the excitement of China re-opening after 'zero Covid-19' but fizzled by mid of 1Q. Sentiment turned south on the back of subdued consumption demand, wobbly property sector, patchy economic recovery, slowing factory output, weaker than expected credit growth environment and falling exports due to slowing global economy. These led to some selloffs as investors started to doubt the recovery in China despite low base in 2022. Additionally, the heightened US-China tension had worsened the selloff in the China equity market, putting investors in fear. Not everything was bad - Investor enthusiasm towards the developing Artificial Intelligent (AI) themed opportunities and technology segments were increasing throughout 2023 making Taiwan and Korean the hubs for long term opportunities.

Asian equities continued to be under stress in early part of 2H 2023 as interest rates continued to rise, oil price heading north while global demand was slowing, coupled with domestic economic issues unique to each geography led the sell off in Asian equities. Both rate sensitive and technology heavy markets were sold off. As inflation started to peak out, bond yields and USD were lower – Asian equities reacted favourably, especially those markets sensitive to interest rate and global growth. However, China was the outlier ending the year with a negative print. China continued to grapple with a weak domestic growth, real estate sector crisis and slow demand recovery on the ground. Investors remained cautious while awaiting government announcement for more targeted fiscal measures against a deflationary backdrop. For 2023, Taiwan, Korea and India led in return, while Hong Kong, China and Thailand posted double digit losses.

The fund underperformed its benchmark in 2023, this was largely due to the underperformance in the first half of 2023. By geographic location, our overweight position in China in the 1H 2023 was the key detractor, while our positions in Taiwan, Korea and India contributed to the fund performance. By sector, consumer staples and real estate dragged the fund performance, while utilities and industrials contributed to the performance of the fund.

\* Source: PineBridge Investments Asia Ltd.



## FUNDS INFORMATION

As at 31 December 2023

**AIA BRUNEI CONSERVATIVE FUND****PineBridge Global Bond Fund<sup>^</sup>**

2023 was an incredibly eventful year in markets, with plenty of forces for investors to navigate. In March, there was significant turmoil following the collapse of Silicon Valley Bank, leading to some of the biggest bond market moves in decades. In May, we saw growing excitement about the potential growth impact from AI, leading to a major outperformance from big tech stocks. Then from the summer, the prospect of interest rates remaining higher for longer led to a major bond selloff, which briefly pushed the 10yr Treasury yield above 5% for the first time since the Global Financial Crisis. Geopolitical events remained in focus too, particularly after Hamas' attack on Israel in October. But from late-October onwards there was an astonishing rally across several asset classes, as declining inflation led investors to grow increasingly excited about a soft landing. That then got further momentum in December, particularly after the Federal Reserve signalled 75bps of rate cuts for 2024.

The fund outperformed (gross of fees) its benchmark, the Bloomberg Barclays Global Aggregate Total Return Index (USD Hedged), during the annual reporting period ending December 31, 2023. The fund's relative outperformance was driven mainly by security selection, slightly offset by negative contribution from asset allocation.

<sup>^</sup>Source: PineBridge Investments Europe Ltd.

During the year, there were no changes in the investment objectives, strategies, restrictions and limitations of the fund.

There were no distributions made during the year.

**Fund Performance (As of 31 December 2023)**

Period	Fund %	Benchmark %
3-month	2.68	2.53
6-month	-0.09	1.28
1-year	1.46	5.30
3-year <sup>^</sup>	-6.49	-2.92
5-year <sup>^</sup>	-0.96	1.43
10-year <sup>^</sup>	0.27	2.64
Since inception <sup>^</sup>	0.71	1.65

Notes (1) Performance of the fund is in BND 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) <sup>^</sup> denotes annualised returns (3) Benchmark: 80% Bloomberg Barclays Global Aggregate Total Return Index (USD Hedged) & 20% MSCI AC Asia ex Japan DTR net Index.

## FUNDS INFORMATION

As at 31 December 2023

### **AIA BRUNEI CONSERVATIVE FUND**

#### **Soft Commissions**

##### PineBridge Asia ex Japan Equity Fund

As per the PineBridge Global Funds Unaudited Interim Financial Statements as of 30 June 2023, PineBridge Investments Asia Limited (the “Investment Manager”) has entered into soft commission arrangements with selected brokers where it obtains services from third parties. These services relate essentially to research and price information, performance measurement and portfolio valuation, and analysis all of which are believed to be helpful in the overall discharge of the Investment Manager’s duties to clients. As such services generally benefit all of the Investment Manager’s clients in terms of input into the investment decision making process, the soft credits utilised are not allocated on a specific client basis. Under such arrangements, no direct payment is made for these services or benefits. The trades were executed by the Investment Manager on the best available terms and there was no churning of trades.

##### PineBridge Global Bond Fund

As per the PineBridge Global Funds Unaudited Interim Financial Statements as of 30 June 2023, there were no soft commissions arrangements for the PineBridge Global Bond Fund.

## FUNDS INFORMATION

As at 31 December 2023

### AIA BRUNEI GROWTH FUND

#### Investment Objective

AIA Brunei Growth Fund aims to achieve long-term capital appreciation by investing in equity securities that are expected to benefit from the development and growth of the economies of the Asian region.

#### Asset Allocation

It does this by investing 100% in PineBridge Asia Ex Japan Equity Fund.

### PORTFOLIO OVERVIEW

#### PineBridge Asia ex Japan Equity Fund\*

2023 had been another rollercoaster ride for investors in Asia. We started the year strongly with the excitement of China re-opening after 'zero Covid-19' but fizzled by mid of 1Q. Sentiment turned south on the back of subdued consumption demand, wobbly property sector, patchy economic recovery, slowing factory output, weaker than expected credit growth environment and falling exports due to slowing global economy. These led to some selloffs as investors started to doubt the recovery in China despite low base in 2022. Additionally, the heightened US-China tension had worsened the selloff in the China equity market, putting investors in fear. Not everything was bad - Investor enthusiasm towards the developing Artificial Intelligent (AI) themed opportunities and technology segments were increasing throughout 2023 making Taiwan and Korean the hubs for long term opportunities.

Asian equities continued to be under stress in early part of 2H 2023 as interest rates continued to rise, oil price heading north while global demand was slowing, coupled with domestic economic issues unique to each geography led the sell off in Asian equities. Both rate sensitive and technology heavy markets were sold off. As inflation started to peak out, bond yields and USD were lower – Asian equities reacted favourably, especially those markets sensitive to interest rate and global growth. However, China was the outlier ending the year with a negative print. China continued to grapple with a weak domestic growth, real estate sector crisis and slow demand recovery on the ground. Investors remained cautious while awaiting government announcement for more targeted fiscal measures against a deflationary backdrop. For 2023, Taiwan, Korea and India led in return, while Hong Kong, China and Thailand posted double digit losses.

The fund underperformed its benchmark in 2023, this was largely due to the underperformance in the first half of 2023. By geographic location, our overweight position in China in the 1H 2023 was the key detractor, while our positions in Taiwan, Korea and India contributed to the fund performance. By sector, consumer staples and real estate dragged the fund performance, while utilities and industrials contributed to the performance of the fund.

\* Source: PineBridge Investments Asia Ltd.

## FUNDS INFORMATION

As at 31 December 2023

**AIA BRUNEI GROWTH FUND**

During the year, there were no changes in the investment objectives, strategies, restrictions and limitations of the fund.

There were no distributions made during the year.

**Fund Performance (As of 31 December 2023)**

Period	Fund %	Benchmark %
3-month	4.25	2.86
6-month	2.02	0.27
1-year	-2.06	4.24
3-year <sup>^</sup>	-14.48	-6.80
5-year <sup>^</sup>	1.35	3.01
10-year <sup>^</sup>	1.80	4.31
Since inception <sup>^</sup>	2.04	2.63

*Notes (1) Performance of the fund is in BND 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) <sup>^</sup> denotes annualised returns (3) Benchmark: MSCI AC Asia ex Japan DTR Net Index.*

**Soft Commissions**

As per the PineBridge Global Funds Unaudited Interim Financial Statements as of 30 June 2023, PineBridge Investments Asia Limited (the "Investment Manager") has entered into soft commission arrangements with selected brokers where it obtains services from third parties. These services relate essentially to research and price information, performance measurement and portfolio valuation, and analysis all of which are believed to be helpful in the overall discharge of the Investment Manager's duties to clients. As such services generally benefit all of the Investment Manager's clients in terms of input into the investment decision making process, the soft credits utilised are not allocated on a specific client basis. Under such arrangements, no direct payment is made for these services or benefits. The trades were executed by the Investment Manager on the best available terms and there was no churning of trades.

## Statement of Assets and Liabilities

As at 31 December 2023

	AIA Brunei Balanced Fund	AIA Brunei Conservative Fund	AIA Brunei Growth Fund
	\$	\$	\$
Investments in Funds	1,659,709	2,602,472	71,890,069
Value of Investments	<b>1,659,709</b>	<b>2,602,472</b>	<b>71,890,069</b>
<b>Other Assets</b>			
Interest Bearing Deposits and Bank Balances	6,118	13,443	174,959
Total Assets	1,665,827	2,615,915	72,065,028
<b>Liabilities</b>			
Other Liabilities	(5,187)	(13,731)	(183,012)
<b>Value of Fund as at 31 December 2023</b>	<b>1,660,640</b>	<b>2,602,184</b>	<b>71,882,016</b>

The accompanying notes form an integral part of these Statements.

# Capital and Income Account

From 1 January 2023 to 31 December 2023

	AIA Brunei Balanced Fund	AIA Brunei Conservative Fund	AIA Brunei Growth Fund
	\$	\$	\$
Value of Fund as at 1 January 2023	1,664,691	2,659,647	66,703,076
Amounts Received by the Fund for Creation of Units	218,206	287,199	12,821,886
Amounts Paid by the Fund for Liquidation of Units	(208,923)	(383,199)	(6,318,141)
Net Cash into/(out of) the Fund	9,283	(96,000)	6,503,745
<b>Fund Expenses</b>			
Management Fees	(24,772)	(38,941)	(726,828)
Other Expenses	(11,953)	(12,709)	(16,351)
	(36,725)	(51,650)	(743,179)
<b>Net Gains/(Losses) on Investments</b>			
Exchange Loss	(29,306)	(50,980)	(912,761)
Net Realised Gain/(Loss) on Sale of Investments	15,395	(9,014)	54,097
Unrealised Appreciation in Value of Investment during the Year	37,302	150,181	277,038
	23,391	90,187	(581,626)
Increase/(Decrease) in Net Asset Value for the Year	(4,051)	(57,463)	5,178,940
<b>Value of Fund as at 31 December 2023</b>	<b>1,660,640</b>	<b>2,602,184</b>	<b>71,882,016</b>

The accompanying notes form an integral part of these Statements.

# Notes to the Statements

## As at and for the year ended 31 December 2023

These notes form an integral part of and should be read in conjunction with the Statements.

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### ***Accounting Convention***

The Statements, expressed in Brunei dollars are prepared in accordance with the historical cost convention, modified by the revaluation of investments at market prices.

The Funds' policyholders are from Brunei with the subscriptions and redemptions of the units denominated in Brunei dollars.

#### ***Expenditure Recognition***

Other expenses are recognised on an accrual basis.

#### ***Investments at Fair Value***

Purchases of investments are recognised on the trade date. Investments in Funds are valued at quoted market prices. Changes in fair value of investments are recognised in the Capital and Income Account.

#### ***Disposal of Investments***

Sales of investments are recognised on the trade date. For the purpose of determining net realised gains or losses on sale of investment, the cost of disposal of investment is determined on the weighted average cost basis. All gains and losses are taken up in the Capital and Income Account.

#### ***Financial Derivatives***

Financial derivatives are financial instruments which include forward contracts. Financial derivatives outstanding at the balance sheet date are measured at their respective fair values provided by a financial service provider. The resulting unrealised gains or losses are taken to the Capital and Income Account.

#### ***Foreign Currencies***

Foreign currency monetary assets and liabilities are translated at exchange rates prevailing at the balance sheet date. Foreign currency transactions are translated at exchange rates on transaction dates. Differences in exchange are included in the Capital and Income Account.

### 2. TAXATION

No tax is payable on the gains accruing to the policyholders.



# Independent Auditor's Report to AIA Singapore Private Limited - Brunei Darussalam Branch

## Report on the Audit of the Investment-Linked Insurance Business Financial Statements

### *Opinion*

In our opinion, the investment-linked insurance business financial statements of AIA Singapore Private Limited - Brunei Darussalam Branch (the "Branch") for the financial year ended 31 December 2023 are prepared, in all material respects, in accordance with the provisions of the Brunei Darussalam Central Bank ("BDCB") Notice No. TIU/N-1/2022/18 ("Notice") and the Funds' accounting policies.

### *What we have audited*

The investment-linked insurance business financial statements of the Branch comprise:

- the Statements of Assets and Liabilities as at 31 December 2023;
- the Capital and Income Accounts for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We are independent of the Branch in accordance with the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (the "Code"), together with the ethical requirements that are relevant to our audit of the financial statements in Brunei Darussalam, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

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Bandar Seri Begawan BS8111, Brunei Darussalam  
T: +673 224 1951, [www.pwc.com/ph/brunei](http://www.pwc.com/ph/brunei)





## **Independent Auditor's Report AIA Singapore Private Limited - Brunei Darussalam Branch**

### ***Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use***

We draw attention to Note 1 to the investment-linked insurance business financial statements, which describes the basis of accounting. This investment-linked insurance business financial statements is prepared to assist the Branch in meeting the requirements of the Brunei Darussalam Central Bank (BDCB). As a result, the investment-linked insurance business financial statements may not be suitable for another purpose.

Our report is intended solely for the Branch and the Policyholders and should not be used by or distributed to parties other than the Branch and the Policyholders. Our opinion is not modified in respect to this matter.

### ***Other Information***

Management is responsible for the other information. The other information comprises the relevant sections of the AIA Brunei Fund Performance Report 2023 included in pages 2 to 11 and excludes the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Notice and in accordance with the accounting policies set out in Note 1, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



## Independent Auditor's Report AIA Singapore Private Limited - Brunei Darussalam Branch

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Investment-Linked Insurance Business Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Branch's internal control.



## Independent Auditor's Report AIA Singapore Private Limited - Brunei Darussalam Branch

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### PricewaterhouseCoopers Services

A handwritten signature in blue ink, appearing to read 'Xiang Yui', is written over a faint, stylized background graphic.

Chai Xiang Yui  
Partner

Brunei Darussalam  
22 March 2024

**AIA Singapore Private Limited, Brunei Branch**

(Reg. No. RFC20004468)

Registered insurer in respect of life insurance business

5th Floor, Pavo Point, Simpang 37, Jalan Kianggeh,  
Kampung Kianggeh, BA1211, Brunei Darussalam  
[aia.com.bn](http://aia.com.bn)