



November 2024

MONTHLY FUND PERFORMANCE UPDATE AIA BALANCED FUND

Investment Objective

The Fund is to maximize total returns with reasonable safety of principal through investment in a diversified portfolio of equity, fixed income securities and cash equivalent securities. The Fund is suitable for investors who are willing to take moderate risk to achieve a reasonable return.

Notice: Please refer to the Fund Fact Sheet for more information about the Fund.

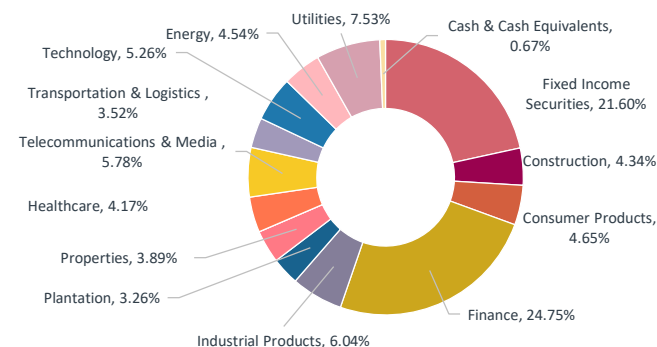
Fund Details

Unit NAV (30 November 2024)	: RM 4.80697
Fund Size (30 November 2024)	: RM 3,025.900 million
Fund Currency	: Ringgit Malaysia
Fund Inception	: 15 March 2000
Offer Price at Inception	: RM1.00
Fund Management Charge	: 1.20% p.a.
Investment Manager	: AIA Bhd.
Basis of Unit Valuation	: Net Asset Value
Frequency of Unit Valuation	: Daily

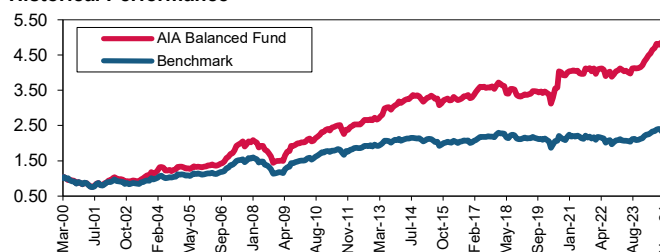
Top Holdings

1	MALAYSIA GOVERNMENT SECURITIES	7.45%
2	TENAGA NASIONAL BHD	6.23%
3	MALAYAN BANKING BHD	5.50%
4	CIMB GROUP HOLDINGS BHD	5.41%
5	PUBLIC BANK BHD	4.97%

Asset and Sector Allocation



Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund ^a	0.46%	3.40%	15.54%	18.92%	40.47%	380.70%
Benchmark*	0.35%	1.09%	10.95%	10.62%	12.22%	135.51%
Excess	0.11%	2.31%	4.59%	8.29%	28.25%	245.19%

^a Calculation of past performance is based on NAV-to-NAV. This is strictly the performance of the investment fund, and not the returns earned on the actual premiums/contributions paid of the investment-linked product.

* 70% FBM 100 (Source: Bursa Malaysia) + 30% MGS All Index (Source: RAM QuantShop @ www.quantshop.com)

Notice: Past performance of the Fund is not an indication of its future performance.

Market Review

The FBKMLCI ("Index") fell 0.5% Month-on-Month ("MoM") to close at 1,594.29 points in November 2024. The Index outperformed the MSCI Asia ex Japan Index, which declined 3.4% MoM in Malaysian Ringgit ("MYR") terms over the same period. Foreign investors remained net sellers of Malaysian equities amounting to MYR3.1 billion while local institutions remained net buyers amounting to MYR3.3 billion during the month. Bursa Malaysia's average daily transaction value ("ADTV") grew 6.5% MoM to MYR2.7 billion in November 2024. During the month, Sunway Bhd (+11.0%), YTL Power (+9.3%) and Petronas Dagangan (+9.0%) were the key gainers while key detractors were Mr. DIY (-17.4%), Petronas Chemicals (-14.0%) and PBB Group (-6.0%). Sector wise, Healthcare (+5.3%), Plantation (+3.8%) and Utilities (+3.6%) were the key performers, while Telecom (-3.1%), Energy (-2.7%) and Industrial Production (-2.2%) were the key detractors. Key news during the month include Bank Negara Malaysia announcing overnight policy rate which was unchanged at 3.0%, Malaysia's Gross Domestic Product ("GDP") expanding by 5.3% Year-on-Year ("YoY") in the third quarter of 2024, Malaysia government announcing plans to implement a two-tier pricing mechanism for targeted RON95 petrol subsidy, Donald Trump being elected as the 47th president of the United States and the U.S Federal Reserve cutting its benchmark interest rate by 25 basis points to 4.5-4.75%.

Malaysian Government Securities ("MGS") yields moved lower in November 2024, paring some losses from the previous month as risk sentiment improved after the passing of key events, namely the US Presidential Elections and rate decisions by the US Federal Reserve ("Fed") and Bank Negara Malaysia ("BNM"). The MGS market initially weakened, tracking higher US Treasury ("UST") yields in reaction to Donald Trump's victory on expectations of the implementation of inflationary policies and potentially shallower rate cut path by the Fed. However, yields eventually ended lower for the month as risk sentiment improved after the Fed cut rates by 25 basis points ("bps") and Trump announced Scott Bessent as his choice for Treasury Secretary. On the local side, BNM kept the overnight policy rate ("OPR") unchanged at 3.00% with a neutral tone as expected, which saw minimal reaction from the market. The local market benefited from the announcement of cancellation of the 3Y Government Investment Issue ("GI") auction with the government citing better fiscal cash flows. Additionally, the 10Y MGS auction was postponed from November 2024 to December 2024. The announcement led to strong buying by local dealers, especially in the 7Y to 10Y part of the curve. Towards the end of the month, the domestic market was also boosted by month-end rebalancing inflows as foreign buying further supported the MGS market. On currencies, Malaysia Ringgit ("MYR") depreciated 1.59% against the US Dollar ("USD") to close at 4.4475 from 4.3780 as at end November 2024. MGS levels as at end November 2024 were: 3Y at 3.46% (-6 bps), 5Y at 3.59% (-6 bps), 7Y at 3.77% (-13 bps), 10Y at 3.81% (-12 bps), 15Y at 4.02% (-9 bps), 20Y at 3.93% (-9 bps) and 30Y at 4.8% (-6 bps).

Fixed income foreign flows registered a net outflow of MYR11.4 billion in October 2024 (September 2024, 2024: MYR1.0 billion), bringing Year-to-date ("YTD") net foreign inflows to MYR7.3 billion. Foreign holdings in MGS and GII dipped to 21.7% in October 2024 (September 2024: 22.6%).

There were 2 government securities auctions during the month: The 15Y MGS 4/39 reopening auction with a tender size of MYR3.0 billion with a private placement of MYR2.0 billion drew a bid-to-cover ("BTC") ratio of 2.672x at an average yield of 4.015% and 5Y GII 7/29 reopening auction with a tender size of MYR4.5 billion drew a BTC ratio of 2.005x at an average yield of 3.657%.

On the economic data front, Malaysia's foreign reserves increased to USD118.0 billion as of 15 November 2024 (30 October 2024: USD117.6 billion). The reserves are sufficient to finance 4.6 months of retained imports and 0.9x of short-term external debt. Malaysia's October 2024 headline inflation inched up to 1.9% Year-on-Year ("YoY") (September 2024: +1.8% YoY), driven by increases in food & beverage (+2.3% YoY) and personal care, social protection & misc. goods and services (+3.4% YoY). On trade data, October 2024 exports increased 1.6% YoY (September 2024: -0.6% YoY) while imports grew 2.6% YoY (September 2024: +10.9% YoY). Exports were largely supported by strong demand for manufactured goods consisting of electrical and electronics ("E&E"), rubber, processed food and machinery equipment and parts. Growth in imports was led by higher imports of parts and accessories of non-transport capital goods. Trade surplus narrowed to MYR12.0 billion (September 2024: MYR13.2 billion). Malaysia's Industrial Production for September 2024 eased to +2.3% YoY (August 2024: +4.1% YoY). The moderation was driven by softer pace of growth for manufacturing (+3.2% YoY vs +6.5% YoY in August 2024) and electricity (+3.9% YoY vs +4.1% YoY in August 2024). Q3/24 Gross Domestic Product ("GDP") growth came in at 5.3% YoY, matching the advanced estimates. Growth was driven by stronger construction activity on the back of stronger investment activity. Exports was also a strong driver, rising 11.8% YoY to match a 2-year high. Private consumption growth was strong at 4.8% YoY despite slowing from 6.0% YoY in Q2/24 partly due to low base effects.

On the primary corporate bond space, notable issuances included MYR1.6 billion Malaysia Airports Holdings Bhd iMTN, MYR1.3 billion Berapi Mobility Sdn Bhd iMTN and MYR1.0 billion Bank Simpanan Nasional iMTN. On rating actions, MARC upgraded Point Zone (M) Sdn Bhd's MYR3.0 billion iMTN programme to AA from AA-, citing sustained improvement in operating performance of KPJ as underlined by stronger operating margins and cash flow generation. Separately, RAM raised the outlook on TIME dotcom Bhd's ("TIME") MYR1.0 billion iMTN programme rated AA2 to positive from stable, citing TIME's sustained superior financial metrics and steady business expansion.

Market Outlook

We are cautiously optimistic about the equity market, though volatility is expected in the near term due to uncertainties around geopolitics, Trump's policies, and macroeconomic conditions. Investors are closely monitoring global tariff policies for signs of inflationary pressure and its impact on global growth. We also expect performance divergence between developed and emerging markets, including currencies, whilst maintaining a positive outlook for the US market, post US-election, due to pro-domestic growth policies. In Asia, geopolitical tensions and a strong dollar may weigh on Asian equities. Rate cut cycle in a non-recessionary environment is typically positive for equity markets and most currencies. The Chinese government continues to roll out fiscal stimulus, with a focus on supporting capital markets, consumer consumption and stabilising the property prices. Its outlook remains challenging structurally. For Malaysia equities, although our optimism on equities has moderated, we remain positive due to strong corporate earnings, government initiatives, and rising foreign direct investment. The successful implementation of key initiatives, such as the National Energy Transformation Roadmap (NETR), Malaysia My Second Home (MM2H), and infrastructure projects, will be imperative for continuous GDP growth. We expect a brighter outlook given the lower political risk premium amidst a more stable unitary government coupled with stronger corporate earnings arising from the implementation of the government's growth initiatives and a rising foreign direct investment. The execution of National Semiconductor Strategy ("NSS"), infrastructure projects rollout and the much-anticipated petrol subsidies rationalization will be watched closely. Downside risks to the market could stem from a hard landing US recession, worsening geopolitical tension, weaker-than-expected China's stimulus measures, and poor execution of domestic growth initiatives.

Although recent US economic data releases have surprised on the upside, the trend for a moderation in inflation and a softening in the labour market remains intact. As the Fed finally embarked on an easing cycle, Fed Chair Powell has signaled that the outsized move is a recalibration to preserve the currently strong labour market from downside risk and a commitment not to fall behind the curve. We maintain our view that market volatility would persist as the Fed and the market would remain reactive to data releases and developments in key geopolitical events, central banks' monetary policy decisions as well as implications from a Trump presidency.

Lipper Leader Fund for:

1. Total Return
2. Consistent Return
3. Preservation

Lipper uses a ranking system of 1 to 5. A ranking of 5 means the fund is in the top 20% of funds in that category while a ranking of 1 means the fund is in the bottom 20%. Source : www.lipperleaders.com

This document is for informational use only. Investments are subject to investment risks including the possible loss of the principal amount invested. The value of the units may fall as well as rise. Past performance of the fund is not an indication of its future performance. This is not a pure investment product such as unit trust and please evaluate the options carefully and satisfy that the Investment-Linked Insurance / Takaful plan chosen meets your risk appetite. Please refer to the Fund Fact Sheet for more information about the fund.