Jun 2023

MONTHLY FUND PERFORMANCE UPDATE
A-DANA STRATEGIC DYNAMIC

Investment Objective

The Fund seeks long-term total return (combination of capital growth and income) through a portfolio of Shariah-compliant investments across global markets and asset classes. The Fund adopts a dynamic and flexible asset allocation to mitigate downside risk. The Fund will aim to achieve a target net return of 6% per annum over the long term.

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

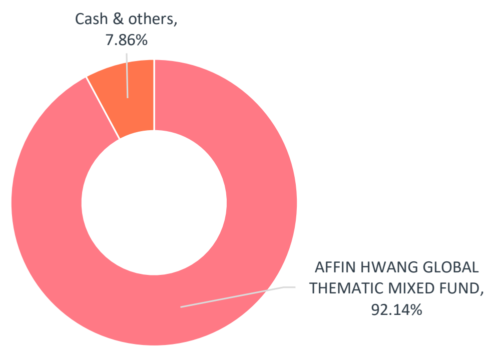
Fund Details

Unit NAV (30 Jun 2023)	:	RM 1.10419
Fund Size (30 Jun 2023)	:	RM 18.826 million
Fund Currency	:	Ringgit Malaysia
Fund Inception	:	15 June 2022
Offer Price at Inception	:	RM1.00
Fund Management Charge	:	1.50% p.a.
Takaful Operator	:	AIA PUBLIC Takaful Bhd.
Fund Type	:	Feeder Fund
Basis of Unit Valuation	:	Net Asset Value
Frequency of Unit Valuation	:	Daily

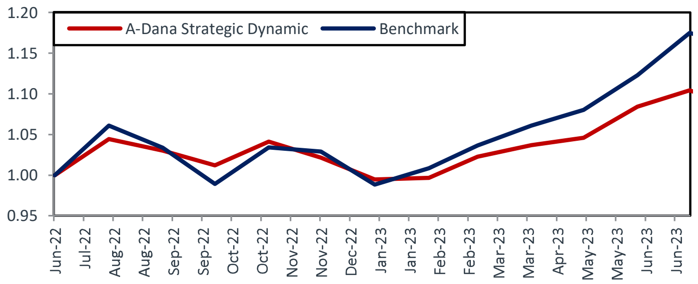
Underlying Fund Details

Name	:	Affin Hwang AIIMAN Global Thematic Mixed Asset Fund
Type	:	Mixed Assets (Shariah)
Investment Manager	:	Affin Hwang Asset Management Berhad

Sector Allocation



Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund~	1.84%	11.00%	10.42%	N/A	N/A	10.42%
Benchmark*	4.62%	18.84%	17.47%	N/A	N/A	17.47%
Excess	-2.79%	-7.84%	-7.05%	N/A	N/A	-7.05%

~ *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.*

* *65.0% Dow Jones Islamic Market World Total Return Index + 35.0% Dow Jones Sukuk Index (Source: Bloomberg)*

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

Market Review

Global equities gained in Q2 2023 with Developed Markets ("DM") leading the advance, notably the US. Major central banks raised interest rates during the quarter while the US Federal Reserve ("Fed") elected to pause in June 2023. The MSCI AC World Index climbed 6.2% Quarter-on-Quarter ("QoQ") while the Dow Jones Islamic Market ("DJIM") World Index gained 7.6% QoQ. US equities ended the quarter higher with the S&P 500 gaining 8.7% QoQ. The advance came amid moderating inflation and signs that the US economy remains resilient. The MSCI Europe rose 2.8% in the month of June 2023. The European Central Bank ("ECB") raised interest rates twice in the quarter, taking the main refinancing rate to 4.0%. Growth data also showed that the region experienced a mild recession, with Gross Domestic Product ("GDP") declines of 0.1% in both Q4 2022 and Q1 2023. The strong momentum of Japan equities accelerated in June 2023, with the Tokyo Stock Price ("TOPIX") Index rising 5.2% in Q2 2023. Gains were driven by continuous buying from foreign investors, ongoing expectations of corporate governance reforms and structural shifts in the Japanese macro economy. Japanese yen ("JPY") weakness and strength in the US equity market further supported a risk-on mode towards Japan equities. The MSCI Asia Pacific ex-Japan declined 1.0% in Q2 2023. Chinese equities were lower as its economic rebound started to slow due to lacklustre consumer spending, as well as weak demand for exports following interest rate rises in the US and Europe. The MSCI China declined 9.7%. Conversely, Indian equities achieved strong gains, driven by foreign inflows and steady earnings. Encouraging economic data also boosted sentiment towards the country. The MSCI India advanced 12.3%. The MSCI Emerging Markets rose 0.9% but underperformed Developed Markets. Geopolitical tensions and concerns on China's economic recovery contributed towards its underperformance. US debt ceiling uncertainty further added to the negative mood, although this was resolved in early June 2023.

The second quarter of 2023 saw a significant drop in market volatility even as government bond yields were on the rise. Over the period, the US 10Y yield climbed from 3.47% to 3.81% while the 2Y yield rose from 4.03% to 4.87%. Meanwhile, corporate balance sheets remained relatively strong, despite some uptick in default rates. Global high yields outperformed global investment grade credits as immediate recessionary concerns were pared back while sukuks returned flat during the quarter (measured by Bloomberg Barclays Global Aggregate Custom Sukuk ex-MYR). Commodities prices fell 3.8%. Industrial metals and energy were the worst performing sectors, while livestock prices rose during the quarter. Meanwhile, gold fell 2.5% as it faced challenging headwinds from resilient economic activity in the US. Within currencies, the US Dollar strengthened by 0.4% (as measured by the US Dollar Index ("DXY Index")), while the MYR depreciated 5.5% against the greenback in Q2 2023.

Market Outlook

Market narratives changed quickly. A few months ago, investors were fretting about rising interest rates, slowing economic growth and persistently high inflation. These concerns have since subsided while the tense regional banking crisis in early 2023 has proven to be short-lived. The better mood is not entirely unjustified. Big companies have been performing relatively well in a challenging environment. Technology stocks, growth stocks and even cryptocurrencies have been top performers so far in 2023 as appetite for risk assets returns.

Given that economic growth is still positive, the Underlying Manager remains in a window of opportunity where equity prices might be supported. As such, the Underlying Manager remains neutral on equities for now. In fixed income, with inflation still elevated and central banks maintaining a hawkish tone, government bonds fared less well. In particular, the challenge with US government bonds is that the inversion of the yield curve makes it expensive to wait for the rally in yields. For this reason, the Underlying Manager continues to favour local emerging market debt ("EMD") and European investment grade debt as they should benefit from any stability in yields and offer better carry. In the case of local EMD, inflation dynamics in emerging markets and a weaker US dollar ("USD") are also very supportive of the position. In commodities, it remains positive on gold. Despite headwinds from higher real rates and robust USD, it still expects gold to perform on signs of any cracks in the labour market.

The Underlying Manager believes the investment opportunities in this economic environment are different from those in the past with the era of low interest rates clearly behind us. The Underlying Manager thinks the coming months will have their own share of twists and turns as it navigates the path of interest rates or even confront the possibility of recession finally emerging. Therefore, it remains essential for the Underlying Manager to stay agile and take advantage of opportunities when they arise.