**November 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 Nov 2023) | : | RM 1.12399 |
| Fund Size (30 Nov 2023) | : | RM 22.812 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 |

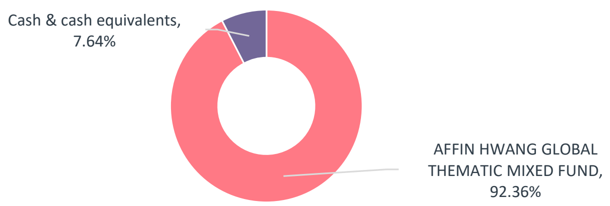
## Underlying Fund Details

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

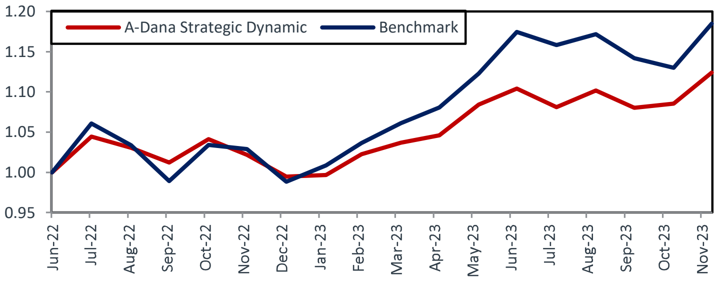
## Top Holdings

| | | |
|---|---|---|
| 1. | Affin Hwang Global Thematic Mixed Fund Islamic Global Equity Index Fund | 92.36% |
| 2. | Shariah compliant money market instruments and/or Cash | 7.64% |

## Sector Allocation




## Historical Performance




| Cumulative Performance | 1-Mth | 6-Mth | 1-Year | 3-Year | 5-Year | Since Inception |
|---|---|---|---|---|---|---|
| Fund~ | 3.55% | 3.66% | 10.01% | N/A | N/A | 12.40% |
| Benchmark* | 4.84% | 5.52% | 15.13% | N/A | N/A | 18.48% |
| Excess | -1.29% | -1.86% | -5.12% | N/A | N/A | -6.09% |

~ *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 November 2023 as slowing inflation in the US and other regions gave hope that interest rates may have reached their peak. The MSCI AC World Index rose +9.2% while the DJIM World Index rebounded +9.7%. S&P 500 advanced +9.1%, supported by indications of economic easing in the US. The Consumer Price Index ("CPI") reading fell to 3.2% year-on-year ("YoY"), 50 basis points ("bps") down from September 2023's numbers, encouraging the view that inflation is on course back to the Fed's 2% target and that further rate hikes may not be needed.

MSCI Europe increased +9.6% amid steeper-than-expected drops in inflation. While markets rejoiced at the promising inflation numbers, European Central Bank ("ECB") policymakers warned that it was premature to rule out any further hikes and emphasized the need to carefully monitor the impact of monetary tightening which may surface in other parts of the financial sector. Japan equities gained as inflation slowed, with the Topix up +7.7%. The Bank of Japan ("BOJ") did not meet this month but the market received a glimpse of October 2023's Monetary Policy Committee ("MPC") meeting minutes where the Japanese Central Bank revised the inflation forecasts for 2023 and 2024 up to 2.7% from the projected 1.9% three months ago and also redefined the conduct of the yield curve control, allowing the upper bound of 1.0% as a reference.

MSCI Asia Pacific ex-Japan climbed +7.4%, with all markets ending the month in positive territory. South Korea, Taiwan and the Philippines led the rebound while China failed to match the gains achieved by its regional peers due to ongoing concerns over weaker domestic economic growth. Despite signals of fresh support for its struggling real estate sector, investor appetite remained subdued. Meanwhile, MSCI Emerging Markets gained a strong +8.0% this month.

Within fixed income, bonds rallied amid growing speculation that central banks might be close to ending rate hikes. The US 10-year yield dropped from 4.91% to 4.34%, while the 2-year yield declined from 5.10% to 4.73%. The US Federal Reserve ("Fed") kept interest rates unchanged at the Federal Open Market Committee ("FOMC") meeting on 1 November 2023. Credit markets also advanced and outperformed government bonds. Sukuks was up +2.6% over the month. Commodities declined -2.7%. Energy and livestock were the worst performing components of the index. Prices for oil were modestly lower over the month due to uncertainty in the market over the Organization of the Petroleum Exporting Countries ("OPEC") production quotas. Gold gained +2.6%, driven by a retreating US Dollar ("USD") and expectations that the Fed has finished hiking interest rates. Within currencies, the USD weakened -3.0% (as measured by the DXY index) while the Malaysian ringgit ("MYR") appreciated +2.3% against the greenback.

## Market Outlook

It is probably fair to say that investors are looking for some good news in 2024. Inflation has peaked, providing a pathway for central banks to ease monetary policy next year. It is therefore no surprise that investors are now pricing in a soft landing. In fact, they are now buying into the idea that the US Federal Reserve ("Fed") has not just finished raising interest rates but will be looking to cut them next year.

The Fund is tactically positioned for continued equity strength over the short-term with a preference for Developed Markets. Despite the inflationary environment, household spending and consumer demand in Developed Markets have proven to be robust, largely thanks to excess savings accumulated during the Covid-19 crisis and strong wage growth. While these reserves have been dwindling and discretionary expenditure will likely come under some pressure with mortgage costs increasing, the Underlying Manager expect wage growth to support real income growth as inflation subsides.

Following the significant rally in bond markets, the Underlying Manager remain less weighted in bonds (relative to equities) for the Fund, given that markets may now be over-optimistic about US rate cuts. The Underlying Manager are cognisant that they are still in an environment where inflation could prove to be more sticky and yields being structurally higher.

In other asset classes, the Underlying Manager continue to see the appeal of commodities as a hedge against stagflation and geopolitical risk. The Underlying Manager retain their positive view on Gold as the heightened levels of real interest rates, strong technical factors and a lack of correlation from Chinese domestic demand should drive gold prices higher in the short term. In currencies, the Underlying Manager maintain their long position in the US Dollar ("USD") as an important source of diversification. Market participants are itching to price a Fed pivot and inflation could prove to be a little too sticky for comfort in 2024 once favourable base effects drop out.

In the short term, the Underlying Manager can still give the soft landing narrative the benefit of doubt as data are moving in the right direction. Rates are reaching a plateau and should not move much higher as inflation continues to decline. This makes risk assets relatively attractive for the first time in quite a while.