AIA PUBLIC TAKAFUL

AIA PUBLIC Takaful Bhd. 201101007816 (935955-M)

September 2024

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 September 2024)	:	RM 1.13963
Fund Size (30 September 2024)	:	RM 30.235 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

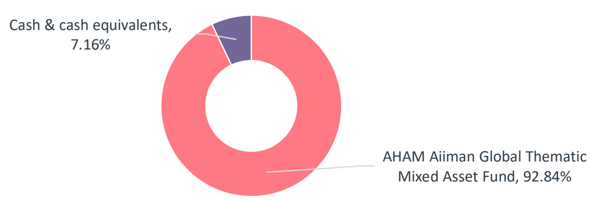
Underlying Fund Details

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

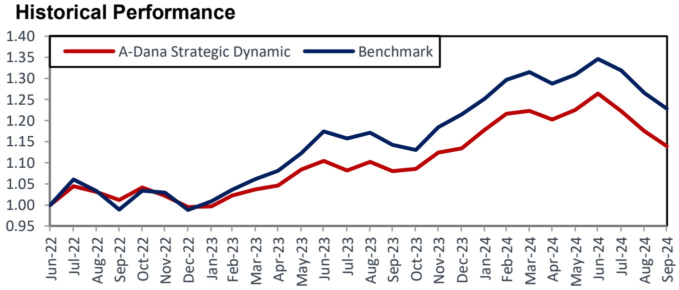
Top Holdings

1.	AHAM Aiiman Global Thematic Mixed Asset Fund Islamic Global Equity Index Fund	92.84%
2.	Shariah compliant money market instruments and/or Cash	7.16%

Sector Allocation



Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund~	-3.01%	-6.84%	5.51%	N/A	N/A	13.96%
Benchmark*	-2.90%	-6.63%	7.56%	N/A	N/A	22.83%
Excess	-0.11%	-0.21%	-2.05%	N/A	N/A	-8.87%

~ *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

Despite pronounced volatility on several occasions, global equities gained in Q3 of 2024, with some markets achieving record highs. A combination of weaker US economic data, an interest rate hike from the Bank of Japan ("BoJ") and thin summer liquidity triggered a sell-off in early August 2024. However, markets rallied by quarter-end, bolstered by robust corporate earnings, a US Federal Reserve ("Fed") interest rate cut, a less hawkish tone from the BoJ and new Chinese stimulus. Overall, the MSCI AC World Index gained +6.6% while the DJIM World Index rose +4.9%. The S&P 500 continued to edge higher, up +5.9%. It was a tumultuous period for the US equity market, posting both its biggest one-day slump and best rebound since 2022 due to a weak jobs report that stoked fears of a recession in early August 2024. Changing expectations for the path of US interest rates also shaped the quarter, along with noticeable rotation away from technology stocks.

MSCI Europe rose +6.5% as the prospect of lower interest rates saw investors reassessing some previously out-of-favour parts of the market such as real estate, utilities, and healthcare. The European Central Bank (ECB) kept interest rates on hold at its July 2024 meeting but cut by 25 basis points ("bps") in September 2024. In Japan, Q3 of 2024 brought high volatility to its stock market. It reached a new high in early July 2024 before a significant dislocation in early August 2024. The market subsequently stabilised towards the end of August 2024 and into September 2024 as the US Federal Reserve's 50bps rate cut allayed fears around a US economic slowdown. Despite a volatile quarter, the Tokyo Stock Price Index ("Topix") climbed +6.8%, supported by a stronger Japanese Yen ("JPY").

Asian equities achieved solid gains with the MSCI AC Asia Pacific ex-Japan Index advancing +10.6%. Thailand was a top performer, boosted by currency strength and delivery of its first phase of a new government stimulus package. China also posted double-digit returns against a backdrop of monetary stimulus measures. Overall, this helped the MSCI EM to deliver strong gains in Q3 of 2024 with the index up +8.7%.

In fixed income, US Treasury yields fell substantially over the quarter with the 10-year hitting 3.78% as of end-September 2024 from the previous quarter's 4.40%. Given the rally in sovereign bond yields, global credit markets also performed strongly with high yields outperforming investment grades. Overall, sukuks climbed +4.3% over the quarter.

Commodities returned +0.7% while Gold advanced +13.2% as it continued to be supported by the shift into a declining interest-rate cycle and a preference for safe-haven investments in times of geopolitical tensions. Within currencies, the US Dollar ("USD") depreciated -4.8% (as measured by the DXY Index) while the Malaysian Ringgit ("MYR") appreciated +14.4% against the greenback in Q3.

Market Outlook

Global equities are back at record highs with the US continuing to perform well, buoyed by the first interest rate cut from the Fed in over four years. However, it is not just the US that is driving higher. Chinese stocks, which have lagged other markets since 2021, also rallied as investors hope that recent stimulus measures will revive its economic growth. This latest leg of the equity market rebound comes amid significant geopolitical uncertainty.

Against this backdrop, consistent with the conclusion Underlying Manager reached in recent months, Underlying Manager remains in the soft-landing camp when it comes to the US economy. Falling inflation is giving the Fed room for manoeuvre and while employment is softening, labour markets are still quite healthy. All in all, this leads the Underlying Manager to maintain a positive view on US equities. Underlying Manager has also upgraded their view on China/Emerging Market ("EM") in the short-term as Underlying Manager believes that Chinese equities have more room to rerate post the PBoC stimulus announcements in September 2024. Consequently, Underlying Manager initiated a new position in iShares MSCI EM Islamic ETF in the Fund last month.

In fixed income, Underlying Manager believes there is some room in the near term for yields to move higher given their soft-landing view. Underlying Manager has therefore downgraded their view on duration to negative and have reduced their exposures to bonds across most of their multi-asset portfolios. In the longer term, Underlying Manager recognises that bonds, hopefully at higher yield levels, will have a role to play in the portfolio to hedge against recession risks. Over time, the normalisation of the yield curve should also help bonds to regain attractiveness as growth diversifiers. For now, Underlying Manager plans on maintaining a bearish view on this asset class as Underlying Manager believes that market expectations for rate cuts are too optimistic.

Meanwhile, Underlying Manager maintains positive view on Gold as it should not only benefit from lower rates but also protects against concerns of excessive fiscal spending. In their quest to look for diversifiers in their portfolio, Underlying Manager is also retaining preference for the United States Dollars ("USD") as Underlying Manager thinks that this position could gain not only from a repricing at the front end, consistent with a soft-landing scenario, but also offers attractive rewards in the event of a more pronounced slowdown or severe market disruption.

The months ahead will not be without challenges. Markets are hyper-focused on the incoming economic data to determine whether the Fed will need to accelerate or decelerate its easing cycle from here. At the same time, their attention is also turning to the forthcoming US election on 5 November 2024. The current backdrop of slower growth increases the global economy's vulnerability to external shocks, and this will undoubtedly impact segments of the financial markets. As portfolio managers, Underlying Manager believes that it is important to dynamically adjust risk levels while also being nimble and flexible in their approach to sourcing opportunities during this challenging yet exciting final quarter of the year.