September 2024

MONTHLY FUND PERFORMANCE UPDATE
AIA STRATEGIC EQUITY FUND

Investment Objective

The Fund aims to maximize medium to long term growth of capital and income through investments in a diversified portfolio of equity securities listed on local and foreign bourses. The Fund is suitable for investors that are willing to take higher investment risk in return for potential higher returns by diversifying their investments into foreign equities.

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

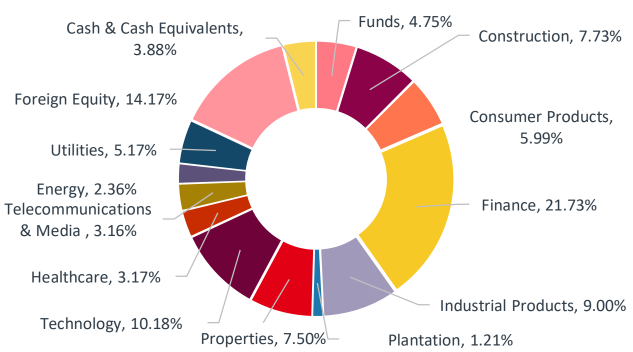
Fund Details

Unit NAV (30 September 2024)	:	RM 1.68370
Fund Size (30 September 2024)	:	RM 1,295.973 million
Fund Currency	:	Ringgit Malaysia
Fund Inception	:	6 May 2020
Offer Price at Inception	:	RM1.00
Fund Management Charge	:	1.50% p.a.
Investment Manager	:	AIA Bhd.
Basis of Unit Valuation	:	Net Asset Value
Frequency of Unit Valuation	:	Daily

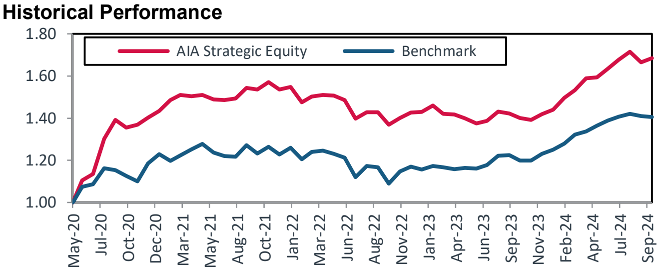
Top Holdings

1	MALAYAN BANKING BHD	7.10%
2	CIMB GROUP HOLDINGS BHD	6.49%
3	TENAGA NASIONAL BHD	5.17%
4	TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	4.07%
5	RHB BANK BHD	3.40%

Sector Allocation



Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund^	-2.92%	8.69%	17.10%	7.86%	N/A	66.47%
Benchmark*	-0.79%	6.54%	14.95%	10.67%	N/A	40.85%
Excess	-2.12%	2.14%	2.15%	-2.81%	N/A	25.62%

^ 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.

** Benchmark will be revised from 70% FBM 100 + 30% MSCI World Index to 70% FBM 100 (Source: Bursa Malaysia) + 25% MSCI Asia ex-Japan Index + 5% MSCI World Index (Source: Bloomberg), effective 1 January 2024.*

** Performance Benchmark is reported on a price return basis from 1st May 2021 (from total return previously)*

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

Market Review

The FTSE Bursa Malaysia KLCI ("Index") fell 1.8% Month-on-Month (MoM) to close at 1,648.91 points in September 2024. The Index underperformed the MSCI Asia ex Japan Index, which rose 3.31% MoM in Malaysian Ringgit ('MYR') terms over the same period. Foreign investors remained net buyers of Malaysian equities amounting to MYR509 million while local institutions were net sellers of MYR508 million during the month. Bursa Malaysia's average daily transaction value ("ADTV") fell 10.9% MoM to MYR3.3 billion in September 2024. During the month, IHH (+14.2%), QL Resources (+8.0%) and SD Guthrie (+4.6%) were the key gainers while key detractors were Petronas Dagangan (-15.3%), YTL Corp (-13.4%) and MISC (-7.0%). Sector wise, Healthcare (+6.9%), Construction (+5.2%) and Property (+4.2%) were the key performers, while Energy (-8.7%), Technology (-7.3%) and Telecom (-3.1%) were the key detractors. Major news during the month included Malaysia's central bank leaving the benchmark interest rate unchanged citing sustained economic growth and low inflation, the Health Minister Datuk Seri Dr Dzulkefly Ahmad introducing a new sugar-sweetened beverage ("SSB") tax as part of efforts to combat non-communicable diseases, the US Federal Reserve beginning its interest rate cut cycle with an initial cut by half a percentage point, and the Malaysian government announcing incentives to stimulate the Forest City Special Financial Zone which includes special corporate income tax rates and a 0% tax rate for family offices.

The United States ("US") equity market closed higher in September 2024. Investors gained confidence when the US Federal Reserve lowered rates by 50 basis points in September 2024, a decrease that exceeded earlier expectations. US economic data were mixed, with the Consumer Price Index trending lower while payroll data remained strong and jobless claims stabilised. US corporates reported annual earnings growth of 11%, their best figure since the fourth quarter of 2021. MSCI Asia ex Japan rose 8.19% MoM in USD terms in September 2024. China surprised investors with aggressive fiscal and monetary stimulus package in September designed to lift economic growth to its 5.0% target. This boosted investor sentiment and the China and Hong Kong market rose more than 23% and 15% respectively in September 2024. Another year-to-date laggard, Thailand market rose 12% on a strengthening currency and the new government's stimulus progress. Worst performing market was Korea as Samsung Electronics shares fell to March 2023 levels on weaker-than-expected memory recovery. Taiwan market was rather muted in September 2024 given concerns over a slowdown in global technology demand, particularly related to iPhone supply chains.

Market Outlook

We are cautiously optimistic of the equity market in the near term. Volatility is likely a recurring theme in the near term given the uncertainty over macro conditions, geopolitics, and investors' positioning. Investors are now watching the macro data closely to gauge the extent of the US economic slowdown, recession risks and the quantum of interest rate cut going forward. Over in Asia, rate cut cycle in a non-recessionary environment is typically positive for equity markets and most currencies. In China, the government is rolling out fiscal stimulus, with a focus on supporting capital markets, consumer consumption and stabilizing the property prices. Its outlook remains challenging structurally. However, China's monetary and fiscal support is gaining momentum given room for monetary easing, and increasingly more commitment to reflate the economy. Domestically in Malaysia, we expect a brighter outlook given the lower political risk premium amidst a more stable unity government coupled with stronger corporate earnings upside arising from the implementation of the government's growth initiatives and a rising foreign direct investment. The execution of the already announced economic initiatives such as the National Energy Transformation Roadmap ("NETR"), Malaysia My Second Home ("MM2H"), Special Economic Zone ("SEZ"), National Semiconductor Strategy ("NSS"), infrastructure projects rollout and the much-anticipated petrol and diesel 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.

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Lipper Leader Fund for:

1. 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