



October 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.

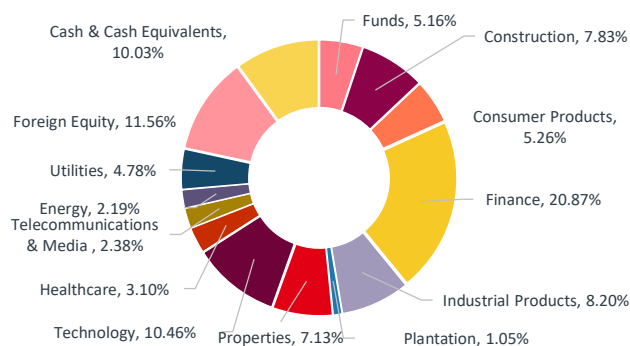
### Fund Details

Unit NAV (31 October 2024)	: RM 1.71288
Fund Size (31 October 2024)	: RM 1,360.656 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

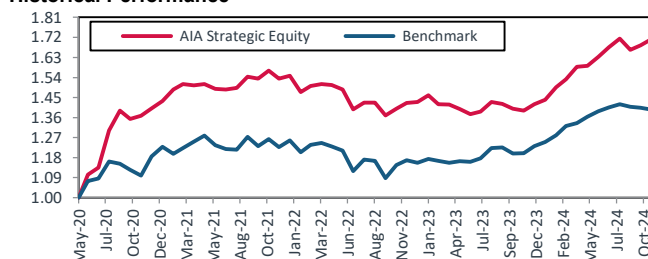
### Top Holdings

1	MALAYAN BANKING BHD	6.85%
2	CIMB GROUP HOLDINGS BHD	6.23%
3	TENAGA NASIONAL BHD	4.78%
4	RHB BANK BHD	3.36%
5	GAMUDA BHD	3.27%

### Sector Allocation



### Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund <sup>A</sup>	1.73%	7.53%	23.21%	9.04%	N/A	71.29%
Benchmark <sup>*</sup>	-0.65%	2.29%	16.30%	10.44%	N/A	39.51%
Excess	2.39%	5.24%	6.91%	-1.40%	N/A	31.78%

<sup>A</sup> 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.

<sup>\*</sup> 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.

<sup>\*</sup> Performance Benchmark is reported on a price return basis from 1<sup>st</sup> May 2021 (from total return previously)

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

### Market Review

The FBMKLCI ("Index") fell 2.85% Month-on-Month ("MoM") to close at 1,601.88 in October 2024. The Index underperformed the MSCI Asia ex Japan Index, which rose 1.40% MoM in Malaysian Ringgit ("MYR") terms over the same period. Foreign investors turned net sellers of Malaysian equities amounting to MYR1.8 billion while local institutions turned net buyers amounting to MYR1.8 billion during the month. Bursa Malaysia's average daily transaction value ("ADTV") fell 25% MoM to MYR2.5 billion in October 2024. During the month, KLK (+4.2%), Sunway Bhd (+4.0%) and RHB Bank (+3.7%) were the key gainers while key detractors were YTL Corp (-20.7%), YTL Power (-15.0%) and Axiata (-10.3%). Sector wise, Construction (+2.2%), REIT (+1.8%) and Healthcare (+1.3%) were the key performers, while Utilities (-7.2%), Telecom (-3.1%) and Consumer (-2.5%) were the key detractors. Major news during the month included Malaysian Prime Minister Datuk Seri Anwar announcing that the government would only implement a broad based goods and services tax ("GST") in a few years contingent on raising the minimum monthly wage to MYR3,000-MYR4,000, the unveiling of the 2025 national budget totalling MYR421 billion or 20.2% of Gross Domestic Product ("GDP"), Secretary General of Treasury Datuk Johan Mahmood Merican mentioning the consideration of a tiered pricing mechanism for RON 95 petrol subsidies similar to the model used earlier in 2024 for retargeting the diesel subsidy, and Malaysia being recognized as one of the 13 BRICS partner countries.

The United States ("US") equity market closed lower in October 2024 amid uncertainty ahead of the US presidential election and the potential implications of a policy shift on inflation and interest rates. Under the expectation of 'higher for longer scenario', most Asia market experienced foreign outflows. MSCI Asia ex Japan equities fell 4.51% in US Dollar ("USD") terms in October 2024. India and South Korea were the worst-performing market, while Taiwan was the only market in the index ended in positive territory. Indian share price experienced the biggest decline in the index due to weak corporate results. A lack of details on China's stimulus and extreme overbought levels led China and Hong Kong to fall almost 6% from end-September 2024. Korean stocks fell on disappointing earnings results and weakening won. Taiwan market achieved modest gains in the month despite market volatility, with semiconductor and construction stocks among the main gainers.

### 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, clarity of Trump's policies, 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 stabilising 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, maximum tariff implementation of Trump's tariff policy, and poor execution of domestic growth initiatives.



### 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](http://www.lipperleaders.com)