



December 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.

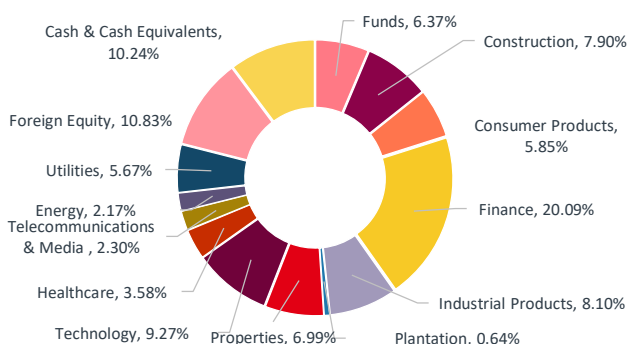
Fund Details

Unit NAV (31 December 2024)	: RM 1.77658
Fund Size (31 December 2024)	: RM 1,475.608 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

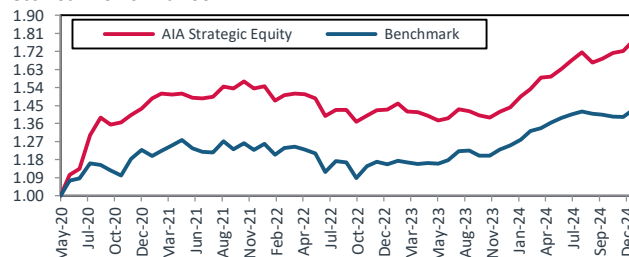
Top Holdings

1	MALAYAN BANKING BHD	6.51%
2	CIMB GROUP HOLDINGS BHD	6.06%
3	TENAGA NASIONAL BHD	5.67%
4	GAMUDA BHD	3.45%
5	RHB BANK BHD	3.22%

Sector Allocation



Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund ^A	3.19%	5.99%	23.40%	14.80%	N/A	77.66%
Benchmark [*]	2.68%	1.79%	14.42%	13.69%	N/A	43.08%
Excess	0.51%	4.19%	8.98%	1.12%	N/A	34.57%

^A 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 FBMKLCI ("Index") surged 3.0% Month-on-Month ("MoM") to close at 1,642.33 points in December 2024. The Index outperformed the MSCI Asia ex Japan Index, which rose by 0.7% MoM in Malaysian Ringgit ("MYR") terms over the same period. Foreign investors stayed net sellers of Malaysian equities amounting to RM2.9 billion during the month. Bursa Malaysia average daily transaction value ("ADTV") fell 5.6% MoM to MYR2.5 billion in December 2024. During the month, YTL Power (+30.0%), YTL Corp (+28.4%) and Petronas Chemical (+10.9%) were the key gainers while key detractors were PPB Group (-5.5%), RHB Bank (-4.1%) and QL Resources (-2.3%). Sector wise, only the Finance sector did not record a gain in December 2024, with the three best-performing sectors being Technology (+11.1%), Healthcare (+10.5%) and Utilities (+8.6%). Key news during the month included the Ministry of Finance said that RM10.8 billion had been withdrawn from EPF's Flexible Account (Account 3) as of end-September 2024, Malaysian Investment Development Authority ("MIDA") reported that Malaysia's approved investment rose 10.7% Year-on-Year ("YoY") for 9M24, and the U.S. Federal Reserve ("Fed") cutting its benchmark interest rate by 25 basis points ("bps") to 4.25% to 4.5%.

The United States ("US") equity market closed lower in December 2024 following the Fed's decision to cut interest rates by 25 bps but with a more cautious tone in cutting rates in the coming year. Some of the post-election excitement has subsided and investors are now awaiting potential policy announcements following Trump inauguration on 20 January 2025. MSCI Asia ex Japan inched up 0.08% MoM in US Dollar ("USD") terms in December 2024. Taiwan was the best performing market amid optimism on AI thematic play. China market closed higher with large-cap high yielders well bid as the 10-year China government bond yield hit historical low at 1.7%. China marked a historic pivot by loosening its monetary policy stance for the first time in 14 years, addressing the challenges in the economy. Hong Kong market closed lower as its retail and property markets stayed soft although IPO issuance picked up in 2H24. The South Korean market fell on political turmoil, following President Yoon Suk Yeol's declaration of martial law and triggering of political uncertainty and widespread protest.

Market Outlook

We are cautiously optimistic about the equity market, though volatility is expected in the near term due to uncertainties around geopolitics, Trump's policies, and macroeconomic conditions. Investors are closely monitoring global tariff policies for signs of inflationary pressure and its impact on global growth. We also expect performance divergence between developed and emerging markets, including currencies, whilst maintaining a positive outlook for the US market, post US-election, due to pro-domestic growth policies. In Asia, geopolitical tensions and a strong dollar may weigh on Asian equities. Rate cut cycle in a non-recessionary environment is typically positive for equity markets and most currencies. The Chinese government continues to roll out fiscal stimulus, with a focus on supporting capital markets, consumer consumption and stabilising the property prices. Its outlook remains challenging structurally. For Malaysia equities, although our optimism on equities has moderated, we remain positive due to strong corporate earnings, government initiatives, and rising foreign direct investment. The successful implementation of key initiatives, such as the National Energy Transformation Roadmap ("NETR"), Malaysia My Second Home ("MM2H"), and infrastructure projects, will be imperative for continuous Gross Domestic Product ("GDP") growth. 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 National Semiconductor Strategy ("NSS"), infrastructure projects rollout and the much-anticipated petrol 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.



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

This document is for informational use only. Investments are subject to investment risks including the possible loss of the principal amount invested. The value of the units may fall as well as rise. Past performance of the fund is not an indication of its future performance. This is not a pure investment product such as unit trust and please evaluate the options carefully and satisfy that the Investment-Linked Insurance / Takaful plan chosen meets your risk appetite. Please refer to the Fund Fact Sheet for more information about the fund.