



## MONTHLY FUND PERFORMANCE UPDATE AIA ELITE ADVENTUROUS FUND

### Investment Objective

The Fund seeks long-term total return (combination of capital growth and income) with higher risk by investing in a portfolio of mostly equities and a small proportion of fixed income securities. The Fund's expected average exposure to equities will be approximately 90% over the long-term, however this exposure may vary from time to time. The other 10% will be invested in fixed income or money market instruments.

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

### Fund Details

Unit NAV (31 Jul 2023)	: RM 1.21539
Fund Size (31 Jul 2023)	: RM 395.759 million
Fund Currency	: Ringgit Malaysia
Fund Inception	: 3 August 2020
Offer Price at Inception	: RM1.00
Fund Management Charge	: 1.50% p.a.
Investment Manager	: AIA Bhd.
Fund Type	: Fund-of-Funds
Basic of Unit Valuation	: Net Asset Value
Frequency of Unit Valuation	: Daily

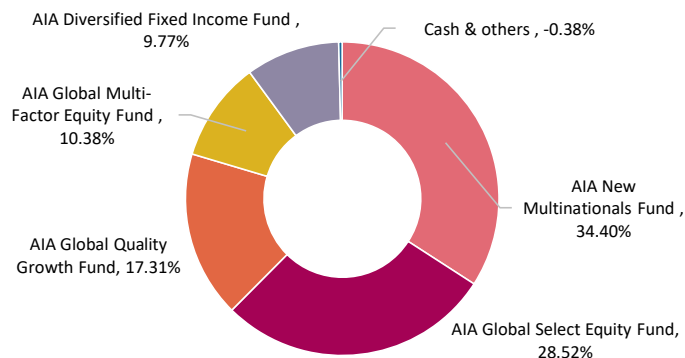
### Underlying Fund Details

Name	: AIA Global Multi-Factor Equity Fund AIA Global Quality Growth Fund AIA New Multinationals Fund AIA Diversified Fixed Income Fund AIA Global Select Equity Fund.
Investment Manager	: AIA Investment Management Private Ltd.

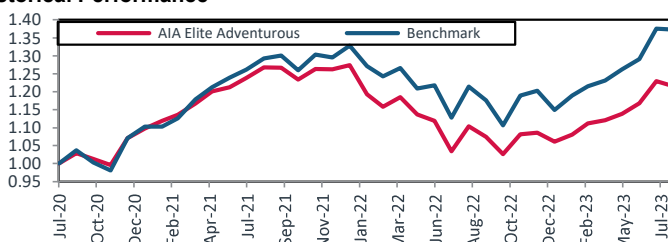
### Top Holdings

1	AIA New Multinationals Fund	34.40%
2	AIA Global Select Equity Fund	28.52%
3	AIA Global Quality Growth Fund	17.31%
4	AIA Global Multi-Factor Equity Fund	10.38%
5	AIA Diversified Fixed Income Fund	9.77%

### Sector Allocation



### Historical Performance



### Historical Performance (cont'd)

Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund <sup>^</sup>	-1.15%	12.45%	10.05%	21.54%	N/A	21.54%
Benchmark <sup>*</sup>	-0.12%	15.44%	13.10%	37.33%	N/A	37.33%
Excess	-1.03%	-2.99%	-3.05%	-15.79%	NA	-15.79%

<sup>^</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> 90% MSCI All Country World Index + 10% Bloomberg Barclays Global Aggregate Corporate Total Return Index (Source: Bloomberg)

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

### Market Review

Global equities continued to rally in July 2023 with macro data in US indicating that US recession is not imminent. Cyclical sectors outperformed defensive sectors. The equity showed signs of broadening as the mid-cap and small cap equity indices outperformed the large cap equity index. In terms of styles, size outperformed while minimum volatility and momentum lagged. Across the major geographic regions, positive returns were seen across major geographic returns and Asia equities stood out and registered a return of 6.2%.

Fixed Income markets had a mixed month. Treasuries were down in July 2023 as US 10 year yield rose by 12 basis points ("bps") and ended July 2023 at 3.96%. US high yield outperformed US investment grade for the 4<sup>th</sup> consecutive month. In terms of geographic region, Euro corporate bonds outperformed US corporate bonds.

Leveraged loans index enjoyed another positive month in July. Commodities rallied in July 2023. Growth sensitive commodities such as oil and copper were up in July 2023 while Gold was also up and the Dollar Index registering a 1% decline in the same corresponding period.

### Market Outlook

The investment landscape is one of the most challenging seen in decades. The economy needs to contend with the fastest rate hike in cycle and the largest ever quantitative tightening. Over the medium term, the risk reward for risk assets is asymmetric. There is lots of room for disappointment. If the labour market remains resilient, inflation is likely to remain sticky and the US Federal Reserve ("Fed") will not have the headroom to cut rates. In turn, that translates to a de-facto tightening and risk assets could be impacted. On the other hand, if a recession eventually hits the economy, risk assets would also not do well in that environment.

Over the short term, current economic releases do not suggest that US is about to enter a recession imminently. The US labour market remains strong and wage growth is healthy. In addition, the Q2 2023 US corporate earnings reporting season is ongoing and thus far, the results have been encouraging. As at 4 August 2023, Factset reports that of those companies that have reported earnings for the second quarter, a higher percentage have reported actual EPS above the mean EPS estimate relative to the 5-year average and 10-year average. Factset reports that analysts are projecting the S&P 500 to deliver earnings growth of 0.9% and revenue growth of 2.5% for Calendar Year ("CY") 2023. In such an environment, investors should not preclude the scenario of risk assets holding up over the short term.

Given the confluence of forces pulling asset markets in different directions, for the Elite portfolios, the focus is to construct a well-diversified portfolio that is resilient to weakness in risk assets. The Elite portfolios remain underweight equities. Within the equity allocation of the Elite portfolios, we have increased allocation to strategies that either have the potential to outperform during down markets or have demonstrated the ability to do well should the current environment persist. We continue to watch the markets carefully and will emphasize bi-directional risk management for the Elite portfolios.