



September 2023

## 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 (30 Sep 2023)	: RM 1.18382
Fund Size (30 Sep 2023)	: RM 397.992 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

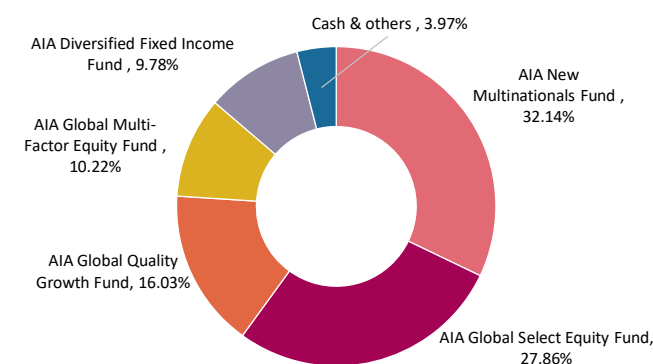
### Underlying Fund Details

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.

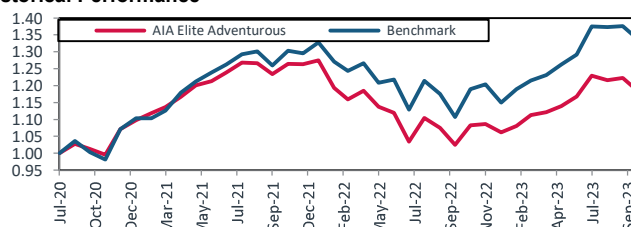
### Top Holdings

1	AIA New Multinationals Fund	32.14%
2	AIA Global Select Equity Fund	27.86%
3	AIA Global Quality Growth Fund	16.03%
4	AIA Global Multi-Factor Equity Fund	10.22%
5	AIA Diversified Fixed Income Fund	9.78%

### 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>	-3.20%	5.60%	15.43%	16.91%	N/A	18.38%
Benchmark*	-2.84%	8.59%	20.80%	33.31%	N/A	33.71%
Excess	-0.35%	-2.99%	-5.38%	-16.40%	NA	-15.32%

<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.

\* 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 posted negative returns in September 2023, for the 2<sup>nd</sup> consecutive month. Energy was the only sector that delivered positive returns whereas the other sectors posted negative returns. In September 2023, Consumer Staples and Utilities were down more than the broad market which is atypical during equity stress periods. Large cap equities outperformed both mid cap and small cap equities. In terms of styles, growth and quality lagged while the rest of the styles outperformed. Across the major geographic regions, Asia equities outperformed US and Europe equities.

Most fixed income markets were down in September 2023. Treasuries were down as US 10-year yield rose by 46 basis points and ended September 2023 at 4.57%. US high yield outperformed US investment grade for the 6<sup>th</sup> consecutive month. In terms of geographic region, EUR corporate bonds underperformed US corporate bonds in translated USD terms. Leveraged loans index enjoyed another positive month in September 2023, bringing year to September 2023 return to around 10%.

The broad commodities market was down in September 2023. Growth sensitive commodities diverged as copper was down, but oil was up. Gold was also down and the Dollar Index demonstrated safe haven characteristic and was up in September 2023.

### 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. The Federal Reserve ("Fed") has maintained their rhetoric that the fight for inflation is not over. With expectations for rate cuts checked, one of the supports for risk assets is under pressure. We assess that a stable bond market is needed to provide the next leg up for risk assets.

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, earnings are not expected to dip meaningfully in the near term. As of 29 September 2023, Factset reports that for Q3 2023, the estimated year-over-year earnings decline for the S&P 500 is marginal at negative 0.1%. Factset reports that analysts are projecting the S&P 500 to deliver earnings growth of 12.2% and revenue growth of 5.6% for CY 2024. 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. The Elite portfolios remain underweight equities. Elite's equity strategy is anchored by AIA New Multinationals Fund and AIA Global Select Equity Fund to provide a balance between investment styles. In addition, AIA Global Quality Growth Fund will also play a part to improve upside capture. We continue to apply bi-directional risk management for the Elite portfolios.