



Jun 2023

MONTHLY FUND PERFORMANCE UPDATE AIA ELITE CONSERVATIVE FUND

Investment Objective

The Fund seeks long-term total return (combination of capital growth and income) and at the same time minimize short term capital risk by investing in a portfolio of equities and fixed income securities. The Fund's expected average exposure to equities will be approximately 30% over the long-term, however this exposure may vary from time to time. The other 70% will be invested in fixed income or money market instruments.

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

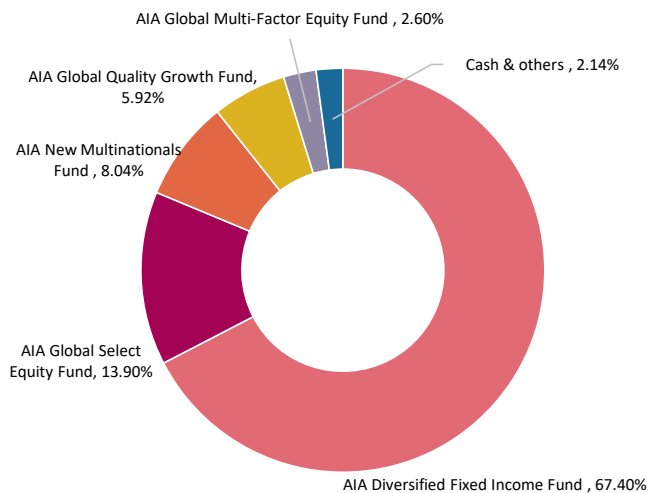
Fund Details

Unit NAV (30 Jun 2023)	: RM 1.02377
Fund Size (30 Jun 2023)	: RM 85.497 million
Fund Currency	: Ringgit Malaysia
Fund Inception	: 3 August 2020
Offer Price at Inception	: RM1.00
Fund Management Charge	: 1.15% p.a.
Investment Manager of Underlying Fund	: AIA Investment Management Private Limited
Fund Type	: Fund-of-Funds
Basis of Unit Valuation	: Net Asset Value
Frequency of Unit Valuation	: Daily

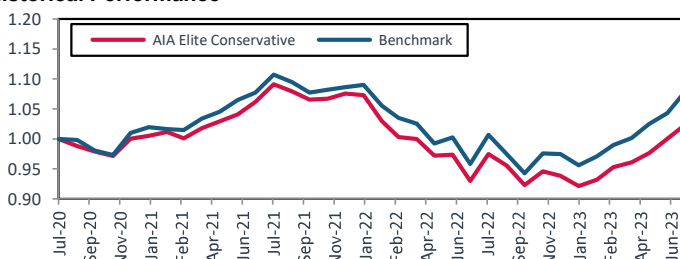
Top Holdings

1	AIA Diversified Fixed Income Fund	67.40%
2	AIA Global Select Equity Fund	13.90%
3	AIA New Multinationals Fund	8.04%
4	AIA Global Quality Growth Fund	5.92%
5	AIA Global Multi-Factor Equity Fund	2.60%

Asset and Sector Allocation



Historical Performance



Historical Performance (cont'd)

Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund [^]	2.31%	11.11%	10.17%	N/A	N/A	2.38%
Benchmark [*]	3.46%	12.94%	12.62%	N/A	N/A	7.92%
Excess	-1.15%	-1.83%	-2.45%	NA	NA	-5.54%

[^] 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.

^{*} 30% MSCI All Country World Index + 70% 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 rebounded in June 2023 as risk appetite improve with the resolution of the US debt ceiling. Cyclical sectors such as Consumer Discretionary and Industrials led the rally in June 2023 while the defensive sectors lagged. Equity showed signs of broadening as the mid-cap and small cap equity indices outperformed the large cap equity index. In terms of styles, growth and momentum outperformed while minimum volatility and high dividend lagged. Across the major geographic regions, US equities had a strong month in June 2023 while Asia ex Japan and China equities were the laggards. Fixed Income markets had a mixed month. Treasuries were down in June 2023 as the UST 10Y yield increased by 19 bps in June 2023 and ended 1H 2023 at 3.84%. High yield outperformed investment grade in June 2023 and within the high yield complex, Asia high yield outperformed the US high yield. Leveraged loans index enjoyed another positive month in June 2023, bringing the 1H 2023 return to 6%. Commodities rallied in June 2023. Growth sensitive commodities such as oil and copper were up about 3% in June 2023. Gold was down in June 2023 despite the US Dollar Index ("DXY Index") registering a 1% decline.

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 do well in that environment.

Over the short term, while there are signs of weakness as exemplified by the US banking sector stress, current economic releases do not suggest that US is about to enter a recession imminently. The US manufacturing sector is showing signs of weakness but that is counterbalanced by a resilient services sector. The US labour market remains strong and wage growth is healthy. In addition, the Q1 2023 US corporate earnings season has been encouraging and as at 30 June 2023, FactSet Research reports that analysts are projecting the S&P 500 to deliver earnings growth of 0.9% and revenue growth of 2.4% for calendar year 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. 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.