



Aug 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.

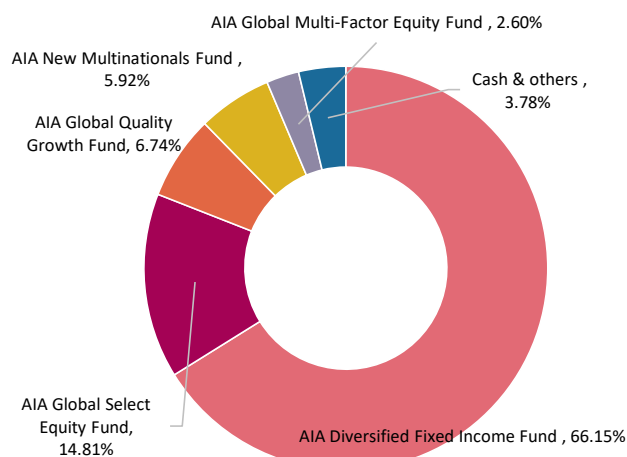
Fund Details

| | |
|---------------------------------------|---|
| Unit NAV (31 Aug 2023) | : RM 1.01692 |
| Fund Size (31 Aug 2023) | : RM 86.503 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 |

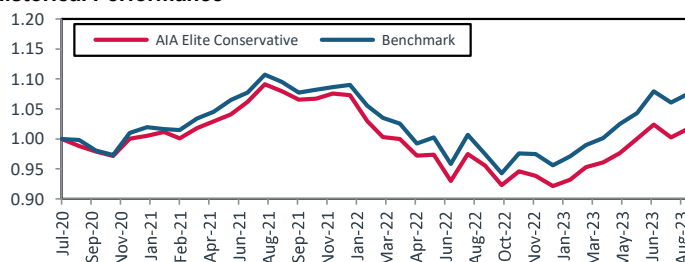
Top Holdings

| | | |
|---|-------------------------------------|--------|
| 1 | AIA Diversified Fixed Income Fund | 66.15% |
| 2 | AIA Global Select Equity Fund | 14.81% |
| 3 | AIA Global Quality Growth Fund | 6.74% |
| 4 | AIA New Multinationals 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 ^A | 1.42% | 6.80% | 6.47% | 2.91% | N/A | 1.69% |
| Benchmark [*] | 1.32% | 8.58% | 10.25% | 7.66% | N/A | 7.49% |
| Excess | 0.10% | -1.78% | -3.79% | -4.76% | NA | -5.80% |

^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.

^{*} 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 took a breather and was down in August 2023. Energy was the only sector that delivered positive returns in August 2023 and the IT sector and Communication Services sector outperformed the broad market in August 2023. Large cap equities outperformed both mid cap and small cap equities. In terms of styles, growth, quality, minimum volatility, momentum and high dividend outperformed while size and value lagged. Across the major geographic regions, US equities outperformed both Europe and Asia equities.

Fixed Income markets had a mixed month. Treasuries were down in August 2023 as US 10-year yield rose by 15 basis points and ended the month at 4.11%. US high yield outperformed US investment grade for the fifth consecutive month. In terms of geographic region, euro ("EUR") corporate bonds underperformed US corporate bonds in translated US dollar ("USD") terms as EUR depreciated against USD. Leveraged loans index enjoyed another positive month in August 2023, bring year to August 2023 return to high single digits.

Commodities was broadly down in August 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 August 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. Over the medium term, the risk reward for risk assets is asymmetric. 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, results have been encouraging for the Q2 2023 earnings season. As at 1 September 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 1.2% 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 Funds, the focus is to construct a well-diversified portfolio that is resilient to weakness in risk assets. The Elite Funds remain underweight equities. Within the equity allocation of the Elite Funds, we have exposure to strategies that have both growth and value tilts. We continue to apply bi-directional risk management for the Elite Funds.