



October 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.

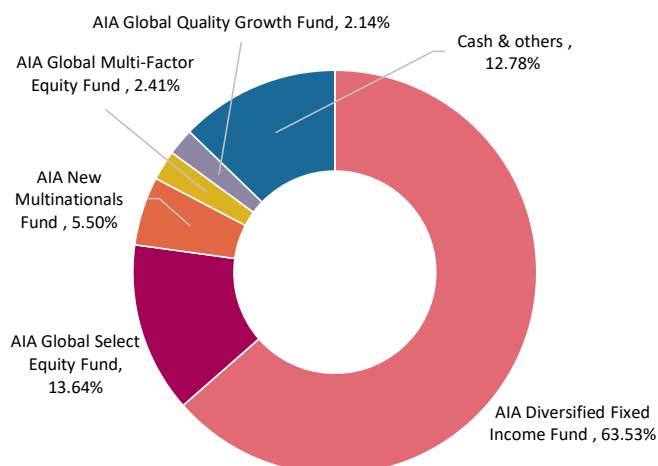
### Fund Details

Unit NAV (31 Oct 2023)	: RM 0.98836
Fund Size (31 Oct 2023)	: RM 88.537 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

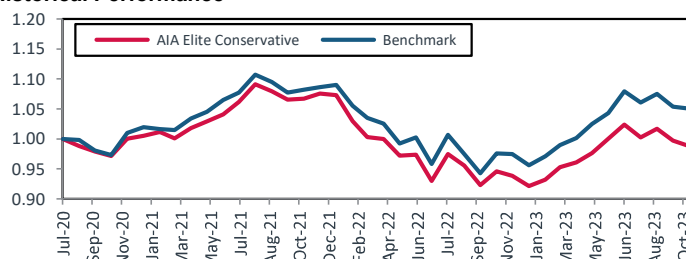
### Top Holdings

1	AIA Diversified Fixed Income Fund	63.53%
2	AIA Global Select Equity Fund	13.64%
3	AIA New Multinationals Fund	5.50%
4	AIA Global Multi-Factor Equity Fund	2.41%
5	AIA Global Quality Growth Fund	2.14%

### 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 <sup>^</sup>	-0.87%	1.21%	4.55%	1.74%	N/A	-1.16%
Benchmark <sup>*</sup>	-0.33%	2.49%	7.63%	7.94%	N/A	5.05%
Excess	-0.54%	-1.28%	-3.08%	-6.20%	N/A	-6.21%

<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> 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 posted negative returns in October 2023, down for the third consecutive month. Utilities was the only sector that delivered positive returns whereas the other sectors posted negative returns with Consumer Discretionary as the laggard. Large cap equities fell less than both mid cap and small cap equities. In terms of styles, high dividend and size 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 October 2023. Treasuries were down as US 10-year yield rose by 36 basis points ("bps") in October 2023 and ended at 4.93%. US high yield outperformed US investment grade for the 7<sup>th</sup> consecutive month. In terms of geographic region, euro ("EUR") corporate bonds underperformed US corporate bonds in translated United States dollar ("USD") terms.

The broad commodities market was up modestly in October 2023. Growth sensitive commodities such as copper and oil were down. Gold appreciated and the Dollar Index demonstrated safe haven characteristic and was up in October 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 US Federal Reserve ("Fed") has maintained their rhetoric that the fight for inflation is not over. 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 resilient though there are some tentative signs of slowing. In addition, earnings are not expected to dip meaningfully in the near term. As of 3 November 2023, Factset reports that for Q4 2023, the estimated year-over-year for S&P 500 earnings growth is positive. In addition, Factset reports that analysts are projecting the S&P 500 to deliver earnings growth of 11.9% and revenue growth of 5.5% for calendar year ("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, the focus for the Elite Funds is to construct a well-diversified portfolio. The balance of risks is evenly matched. Fundamentals remain resilient with labour market remaining tight and earnings growth inflecting from the 2022 lows. The technical picture is showing signs of improvement through equities remain volatile. As such, on the asset allocation level, the Elite Funds remain underweight equities and looking for signs of stabilization before adding risk to the portfolio. On the intra asset level, Elite's equity portfolio is anchored by AIA New Multinationals Fund and AIA Global Select Equity Fund, which offer a blend of investment styles. We actively monitor the markets and will be disciplined to increase risk when conditions are appropriate.