



December 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.

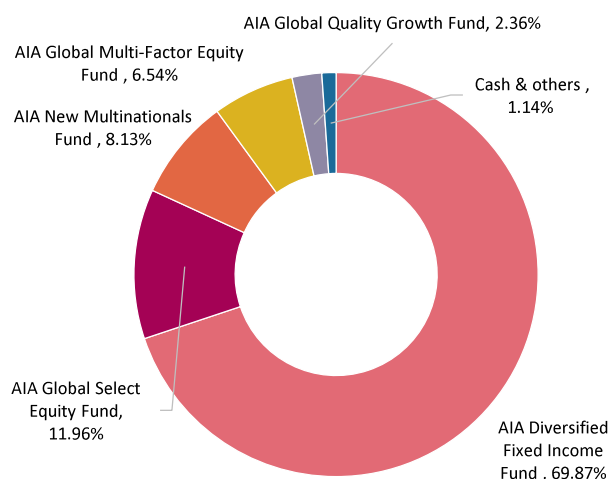
Fund Details

Unit NAV (31 Dec 2023)	: RM 1.05039
Fund Size (31 Dec 2023)	: RM 94.919 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

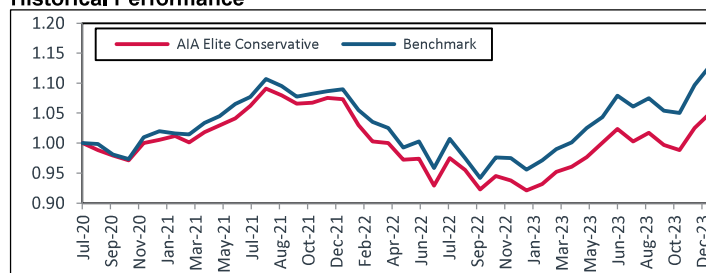
Top Holdings

1	AIA Diversified Fixed Income Fund	69.87%
2	AIA Global Select Equity Fund	11.96%
3	AIA New Multinationals Fund	8.13%
4	AIA Global Multi-Factor Equity Fund	6.54%
5	AIA Global Quality Growth Fund	2.36%

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 [^]	2.44%	2.60%	14.00%	4.47%	N/A	5.04%
Benchmark [*]	2.97%	4.66%	18.20%	10.77%	N/A	12.95%
Excess	-0.54%	-2.06%	-4.20%	-6.30%	N/A	-7.91%

[^] 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 continued to rally in December 2023 and was up for the second consecutive month. December 2023 saw a broad-based rally as the Industrial sector outperformed the benchmark and made new highs. Small cap equities outperformed large cap equities in December 2023. In terms of investment styles, value and small size led while minimum volatility lagged. Across the major geographic regions, Europe equities outperformed while Chinese equities continued to lag.

There was also broad-based strength in the fixed income markets in December 2023. Treasuries rallied as US 10-year yield continued to decline. US investment grade led the rally amongst the fixed income complex in December 2023 and outperformed High Yield.

The broad commodities market was down in December 2023. There was divergence in performance of the growth sensitive commodities such as copper and oil where copper was up while oil was down. Gold appreciated in December 2023. Asia currencies and the developed economy currencies broadly appreciated against the United States dollar ("USD") in December 2023.

Market Outlook

The macro backdrop for 2024 is more positive compared to 2023 as the headwind of monetary policy tightening could transition to the tailwind of loosening financial conditions. At the point of writing, the Federal Funds Target Rate is above the US inflation rate, thus opening the door for rate cuts by the US Federal Reserve ("Fed") if the central bank's focus shifts to protecting economic growth. Oil prices remain in a downtrend despite actions taken by The Organization of the Petroleum Exporting Countries ("OPEC+") on supply cuts. Muted oil prices could provide impetus for inflation to decline further from current levels, and that could boost risk assets.

Fundamentals support a more positive market outlook compared to 2023. Earnings trajectory has resumed its uptrend. Market internals are also confirming the recent advance with cyclical equities outperforming defensive equities and market breadth improving. Turning to technical, cross asset price action is constructive with equity volatility muted and credit spreads contained. In addition, the start of a Fed cutting cycle is typically bullish for equities, unless the rate cut cycle is followed by a recession. In terms of valuations, equity valuations are not cheap, driven by the "Magnificent 7" AI related stocks which have contributed to the bulk of the equity gains. However, stripping out the "Magnificent 7" stocks, valuations of the other names in the US equity market are not as stretched. Should rapid rate cuts indeed materialize in 2024, there could be catch up from sectors and investment styles which have lagged in 2023 such as small cap and value stocks, and catalyze the next leg of the equity rally.