



October 2023

## MONTHLY FUND PERFORMANCE UPDATE AIA ASIA OPPORTUNITY FUND

### Investment Objective

AIA Asia Opportunity Fund aims to provide capital appreciation over the medium to long term by investing primarily in equities and equity related instruments in companies with significant business operations in the Asian excluding Japan region.

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

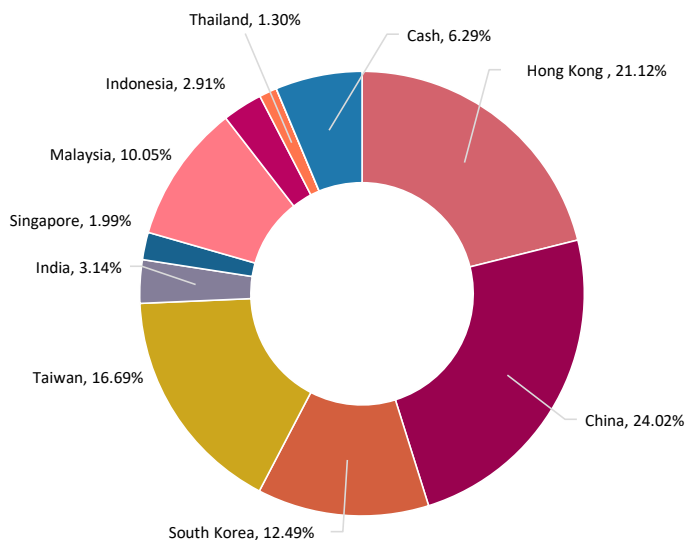
### Fund Details

Unit NAV (31 Oct 2023)	: RM 0.84228
Fund Size (31 Oct 2023)	: RM 208.972 million
Fund Currency	: Ringgit Malaysia
Fund Inception	: 30 April 2009
Offer Price at Inception	: RM 0.50
Fund Management Charge	: 1.50% p.a.
Investment Manager	: AIA Bhd.
Basis of Unit Valuation	: Net Asset Value
Frequency of Unit Valuation	: Daily

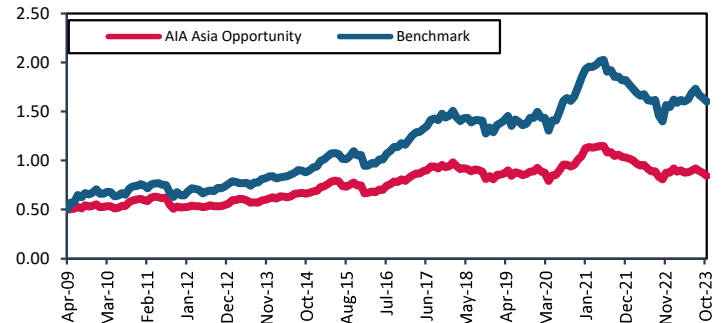
### Top Holdings

1	Taiwan Semiconductor Manufacturing	7.89%
2	Tencent Holdings Ltd	6.78%
3	iShares Core S&P BSE Sensex	6.75%
4	Alibaba Group Holding Ltd	5.25%
5	Samsung Electronics Co Ltd	4.86%

### Geographical Allocation



### Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund~	-3.38%	-3.70%	4.29%	-11.75%	3.94%	68.46%
Benchmark*	-2.45%	0.08%	14.40%	-3.06%	25.77%	220.07%
Excess	-0.93%	-3.78%	-10.11%	-8.69%	-21.83%	-151.62%

~ 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.

\* 100% MSCI AC Asia ex Japan DTR Net Index (Source: Bloomberg)

**Notice:** Past performance of the Fund is not an indication of its future performance.

### Market Review

Global market fell in October 2023 amid worries that US interest rates may remain higher for longer given still strong inflation. The US economy expanded at an annualized rate of 4.9% in Q3 2023, exceeding market forecast of 4.3% growth, which was largely driven by strong consumer spending. Asia equities fell in October 2023, with almost all index market ending the month in negative territory. There was a broad sell-off as concerns over rising interest rates and geopolitics weakened sentiment. Pressure on equities has been exacerbated by the conflict in the Middle East, which has driven a flight towards asset perceived as safe havens. Indonesia and South Korea were the weakest index markets in October 2023. Indonesia market was dragged by surprise rate hike and weakness in foreign exchange ("FX"). In South Korea, chip makers and battery names were under pressure amid investors' fears of global economic slowdown. Chinese shares were weaker on economic slowdown and on concerns over ongoing US-China tensions.

### Market Outlook

We are cautiously optimistic on the equity market in the near term. We are of the view that we have already seen the peak of US Federal Reserve ("Fed")'s hawkishness and equities valuation has been partially adjusted downwards accordingly. Investors are now watching the macro data closely to gauge the extent of future rate hike in the US and the timing of a rate cut going forward. Over in Asia, China's policy easing is gaining momentum with the earlier-than-expected policy rate cut, housing policy adjustment, and efforts to revitalize the capital market and stabilize foreign trade and investment. The increasing pace of policy easing is encouraging and important to contain the risk of a downward spiral in economic activity. Domestically in Malaysia, we expect a better outlook given the lower political risk premium with a relatively more stable unity government coupled with corporate earnings recovery from the implementation of government initiatives and mega projects. Downside risks to the market could stem from a prolonged deep US recession, worsening geopolitical tension, weak China economic recovery and domestic politics.