



October 2023

## MONTHLY FUND PERFORMANCE UPDATE AIA ASIA PLATINUM FUND

### Investment Objective

By investing in equity and equity-related securities of companies in three regional markets i.e. Greater China, India and Japan, this Fund is aimed at providing long-term capital growth. From time to time, this Fund may invest in global Emerging Markets' securities in times of adverse investment climate in any of these three regional markets. The investment in global Emerging Markets will be allocated across markets which include but are not limited to Central & Eastern Europe, South East Asia, Latin America and Africa.

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

### Fund Details

Unit NAV (31 Oct 2023)	: RM 1.35681
Fund Size (31 Oct 2023)	: RM 767.979 million
Fund Currency	: Ringgit Malaysia
Fund Inception	: 29 May 2006
Offer Price at Inception	: RM 0.50
Fund Management Charge	: 1.50% p.a.
Investment Manager	: AIA Bhd.
Fund Type	: Fund-of-Funds
Basis of Unit Valuation	: Net Asset Value
Frequency of Unit Valuation	: Daily

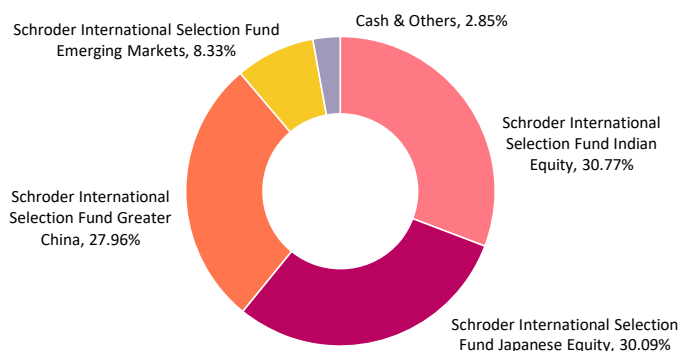
### Underlying Fund Details

Name	: Schroder International Selection Fund Indian Equity Schroder International Selection Fund Japanese Equity Schroder International Selection Fund Greater China Schroder International Selection Fund Emerging Markets
Investment Manager	: Schroder International

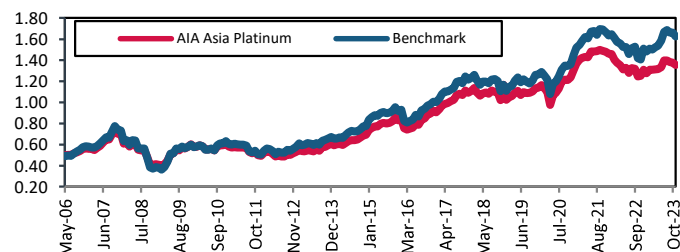
### Top Fund Holdings

1	Schroder International Selection Fund Indian Equity	30.77%
2	Schroder International Selection Fund Japanese Equity	30.09%
3	Schroder International Selection Fund Greater China	27.96%
4	Schroder International Selection Fund Emerging Markets	8.33%

### Fund Allocation



### Historical Performance



### Historical Performance (cont'd)

Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund~	-1.41%	3.17%	8.35%	9.73%	32.72%	171.36%
Benchmark*	-2.16%	5.67%	15.39%	19.38%	46.76%	224.93%
Excess	0.76%	-2.51%	-7.03%	-9.65%	-14.04%	-53.57%

~ 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 AC Golden Dragon DTR Net + 30% MSCI India DTR Net + 30% Tokyo Stock Exchange First Section TR Index + 10% MSCI Emerging Market DTR Net (Source: Bloomberg)

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

### Market Review

Chinese and Hong Kong equities fell in October 2023. Investor sentiment towards China continued to weaken due to the country's economic slowdown. The ongoing real estate debt crisis added to concerns. Taiwan fell, but was ahead of the benchmark index, with improving economic trends evident in technology exports and manufacturing.

The Japanese equity market declined in October 2023, with the TOPIX Total Return index falling by 3.0% in local terms amid weaker investor sentiment. The Japanese yen ("JPY") was weakened further. The persistent rise in long-term yields in both the US and Japan continued to benefit financial stocks while growth stocks, especially in the small cap space, continued to suffer.

MSCI India declined 3.0% for the month and outperformed the regional market, with the NIFTY remaining close to lifetime highs. Sector-wise, property, consumer staples and communication outperformed, while utilities, industrials and materials lagged. Foreign investor flows saw another month of net outflows as the market priced in a 'higher for longer' interest rate scenario given healthy economic data in the US.

Emerging Market ("EM") equities fell and lagged their developed market peers in October 2023 against a backdrop of rising bond yields and conflict in the Middle East.

### Market Outlook

While the Underlying Manager share many of the market's concerns about the structural headwinds China faces, the Underlying Manager still believes there is room for the authorities to surprise positively with well-coordinated policy support for the economy. The Underlying Manager also thinks that better-managed businesses with stronger franchises can still deliver growth, despite a slower Gross Domestic Product ("GDP") backdrop.

The Taiwanese market has delivered strong returns this year, owing to optimism over the technology cycle bottoming out and AI. Despite the Underlying Manager's long-term constructive view on Taiwan's semiconductor stocks, the Underlying Manager is conscious that the market may have over-delivered and could consolidate in the next few months as valuations are highly elevated.

While the Underlying Manager's mid to long term positive views on Japan has not changed, there are increasing concerns surrounding Japanese market, namely geopolitical risk, stagflation risk (persistent inflation with low wage growth), currency fluctuation, and political risk.

The first half earnings season started with a bit weaker results mainly from technology stocks and that weighed on the investors' sentiments, however, the earnings figures are getting much stronger and the Underlying Manager expects further upside for full year. More importantly, a number of Japanese companies also responded to the Tokyo Stock Exchange's initiatives.

The Bank of Japan ("BOJ") has well controlled their policy stance and the market expectations, and the Underlying Manager is confident that the BOJ will eventually normalize their super monetary easing sooner or later, without much impacting the market. Nonetheless, compared to earnings strength and macro development toward better economic backdrop with mild inflation in Japan, the valuation level looks attractive especially after some correction over the last months.

A deceleration in developed market growth could be a headwind for Emerging Market ("EM"), at least in the near term. However, a slowdown in US growth may lead bond yields and the dollar to lower and the US Federal Reserve to initiate policy easing.

In the absence of a major financial crisis, this scenario should benefit EM. In China, there is sufficient policy flexibility to support GDP growth, and speculation around additional policy measures is growing. The Underlying Manager expects stimulus to remain incremental and growth to be relatively muted, even if it improves at the margin. The structural outlook continues to look weak.

Aggregate EM valuations are reasonable. EM equities are close to the historical median on a 12-month forward price-earnings basis. On a price-to-book measure, EM is slightly below its historical median and is cheap versus history on a dividend yield basis.



### Lipper Leader Fund for:

1. Preservation

Lipper uses a ranking system of 1 to 5. A ranking of 5 means the fund is in the top 20% of funds in that category while a ranking of 1 means the fund is in the bottom 20%.

Source: [www.lipperleaders.com](http://www.lipperleaders.com)