



December 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 Dec 2023)	: RM 1.40983
Fund Size (31 Dec 2023)	: RM 809.060 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

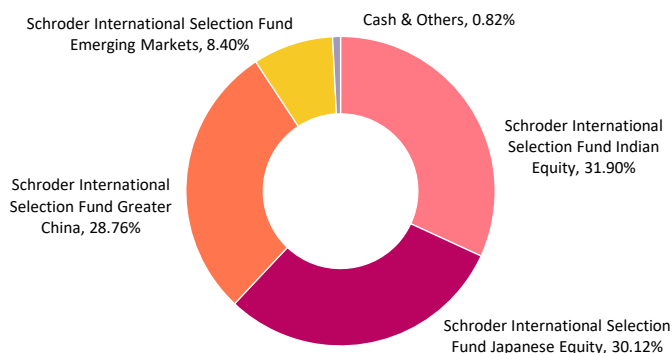
### Underlying Fund Details

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

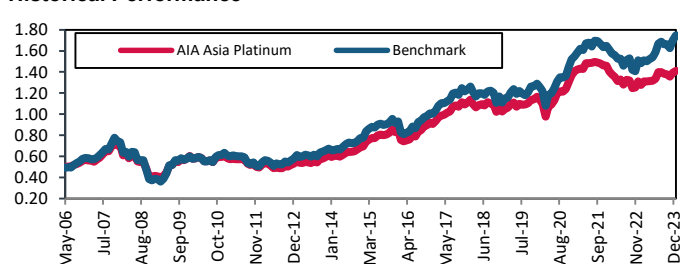
### Top Fund Holdings

1	Schroder International Selection Fund Indian Equity	31.90%
2	Schroder International Selection Fund Japanese Equity	30.12%
3	Schroder International Selection Fund Greater China	28.76%
4	Schroder International Selection Fund Emerging Markets	8.40%

### Fund Allocation



### Historical Performance



### Historical Performance (cont'd)

Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund~	1.15%	0.78%	10.39%	3.11%	37.42%	181.97%
Benchmark*	3.04%	4.83%	17.85%	15.05%	57.52%	249.83%
Excess	-1.88%	-4.05%	-7.46%	-11.94%	-20.10%	-67.87%

~ 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 equities fell in the fourth quarter, while they rose mildly in Hong Kong and were strong in Taiwan. The fall in China's market came as economic data remained lacklustre. Taiwan outperformed, helped by ongoing signs of export strength in technology.

MSCI India was up 11.9% over the quarter and outperformed the regional market. Sector-wise, property and utilities led the gains, while industrials also advanced higher. Meanwhile, financials and health care registered more modest returns in comparison. Foreign investor flows saw large scale buying with US dollar ("USD") 6.1bn net inflow during the period as market expectations shifted from "higher for longer" to a "US Goldilocks".

The Japanese equity market performed weaker and the TOPIX Total Return index was slightly down by -0.2% in local terms. The US stock market continued to surge but Japanese Yen ("JPY") appreciation weighed on the Japan market. Growth style continued to perform well while value suffered. Small cap regained some from underperformance against large cap stocks.

Emerging market ("EM") equities rose strongly in December as the US economy appeared to be on track to achieve a 'soft landing', and the US Federal Reserve ("Fed") signalled lower rates in 2024. Emerging Markets ("EM") returns were, however, not as strong as those of developed market peers, with China again a drag on performance.

### Market Outlook

Sentiment towards China remains very fragile amid mixed macroeconomic data and continued earnings pressure. The market continues to look for more monetary policy easing from the authorities. Investors are also looking at how China can address its numerous structural headwinds – including weak demographics, high debt, property market weakness and elevated geopolitical risks – and uncover new growth drivers.

The China market has been de-rated substantially over the past two years, and a mismatch of valuations against fundamentals has thrown up more opportunities in selective areas. We believe there is room for the authorities to surprise positively with well-coordinated policy support for the economy. We also see plenty of alpha-generating opportunities in the market, given China's competitive edge in many areas.

Japan started 2024 with disasters, a significant earthquake in Noto region on 1st January 2024, and awful accident at Tokyo Haneda airport on 2nd January 2024. However, the market was not hurt by the news, rather it went up to another post-bubble high, hitting 35,000 yen by Nikkei early January 2024. The Japanese Yen ("JPY") has been stable, and the corporate earnings remain solid with modestly positive revision index, which will continue to provide comfort to investors. In addition to overseas investors, Japanese retail money seems to come into the market under the renewed tax-exempt scheme, Nippon Individual Saving Account ("NISA"), for individual investors. Japan's macroeconomic development has been solid, and the Bank of Japan ("BOJ") is expected to take a sensible step to policy normalization in April 2024 after confirming wage growth. Japanese companies continue to express their plan to increase wages and solid earnings will be supportive. Corporate governance reform is also expected to step up amid continuous push by Tokyo Stock Exchange. Based on improving corporate fundamentals, Japan's valuation level remains attractive.

Indian market has performed well with MSCI India rising by 20.8% in 2023. Small and mid-cap stocks have done even better, supported by ongoing inflows into domestic mutual funds. India positively surprised on economic growth with 3Q Gross Domestic Product ("GDP") at 7.6% Year-on-Year ("YoY"). Strong government capex was a key driver as fixed asset investment grew 11% during the quarter. However, private consumption remained weak at 3.1%. Consumer Price Index ("CPI") fell to 5.6% in November 2023, while core inflation (ex-food and energy) softened to 4.1% - lowest since March 2020. Reserve Bank of India ("RBI") kept policy rates on hold at 6.5% amidst soft consumption and steady core inflation.

The 2024 outlook is for EM to see greater disinflation, opening the door to further monetary policy loosening. The degree of prospective easing differs by market. EM valuations are cheap on a range of measures, even if the degree of cheapness is lower than that seen a year ago. Earnings per share growth expectations for 2023 are negative, but a rebound of 18% is projected for 2024.



### 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)