



August 2024

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 August 2024)	: RM 1.46084
Fund Size (31 August 2024)	: RM 868.308 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

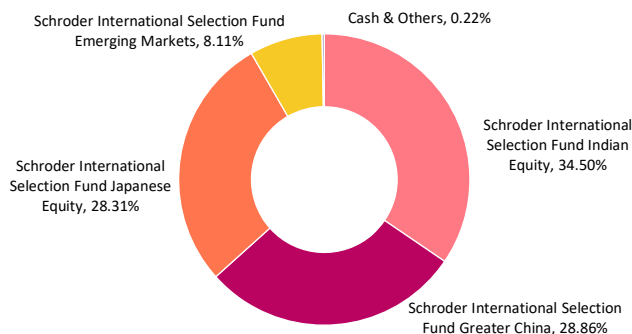
Underlying Fund Details

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

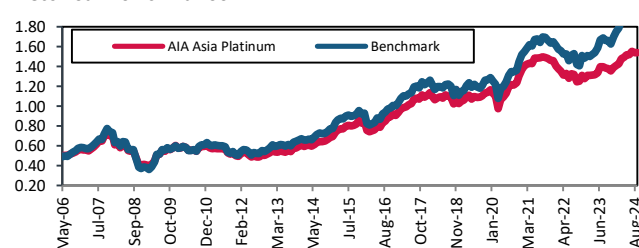
Top Fund Holdings

1	Schroder International Selection Fund Indian Equity	34.50%
2	Schroder International Selection Fund Greater China	28.86%
3	Schroder International Selection Fund Japanese Equity	28.31%
4	Schroder International Selection Fund Emerging Markets	8.11%

Fund Allocation



Historical Performance



Historical Performance (cont'd)

Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund~	-5.06%	-1.19%	5.66%	-2.45%	33.86%	192.17%
Benchmark*	-4.71%	1.54%	13.98%	11.83%	60.52%	279.18%
Excess	-0.35%	-2.73%	-8.32%	-14.28%	-26.66%	-87.02%

~ 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 rose in August 2024 but underperformed other Asian markets. China's offshore market delivered positive returns as large-cap internet companies posted resilient quarterly earnings, while in Hong Kong, high yield stocks benefited from rising expectations of a US interest rate cut. The onshore market was, however, weak as hopes of domestic policy stimulus dissipated. The Taiwanese market rallied and outperformed other Asian markets.

The Japanese equity market experienced increased volatility due to a sharp sell-off in the early part of the month. However, investor sentiment improved significantly towards the end of the month. In August 2024, the Tokyo Stock Price Index (TOPIX) Total Return recorded a moderate decline of -2.9% in Japanese Yen (JPY) terms. The market turbulence was attributed to a significant movement in the JPY, which appreciated throughout the month. Consequently, there was a modest improvement in Sterling-based returns, which was down by -1.9%.

MSCI India registered positive gains of 1.1% in August 2024 and performed largely in-line with the region. Sector-wise, communications, health care and technology led, while real estate, utilities and industrials lagged. Monthly foreign investor flow continued to be positive with US Dollar (USD) 1.2bn net inflow.

Emerging market ("EM") equities produced positive returns in August 2024 but underperformed developed market ("DM") peers. Growing fears of a US recession and a Bank of Japan ("BoJ") interest-rate hike – which caused the unwinding of carry trades – saw markets fall sharply at the start of the month. However, dovish comments from US Federal Reserve ("Fed") Chairman Jerome Powell at the annual Jackson Hole summit later in the month and the weaker USD boosted EM. The ASEAN markets, all of which were boosted by currency appreciation against the dollar, were the best performing index countries. Brazil's outperformance was also helped by local currency strength.

Market Outlook

The Third Plenum provided high-level development plans that are regarded as generally positive, while the end-July 2024 Politburo meeting addressed issues of concern to the market – boosting domestic consumption, addressing overcapacity etc. Nevertheless, investors seem to be waiting for more concrete policies before they turn more positive on the growth outlook for China.

Whether China's markets can resume the recovery will depend on the effectiveness of policy support and the sustainability of the economic improvement. A meaningful turning point in key economic data and corporate guidance are required for a more substantial and sustainable recovery to occur. Externally, a friendlier US-China relationship will also be very helpful in sustaining the positive sentiment in markets, although this may need to wait until after the US presidential election in November 2024.

In Taiwan, the market rebounded and stabilized in August 2024, after falling in July 2024. Following the impressive run in the first half of 2024, investors have become increasingly concerned about the pace and timing of AI-related revenues. Underlying managers remain cautious on AI as valuations have priced in very high expectations that could be hard to meet. The volatility in Taiwan's technology sector will likely increase because at these valuations, the sector is extremely sensitive to the direction of interest rates and the outlook for US mega-technology stocks. Underlying managers remain selective in our investments and prefer stocks that are globally competitive with strong pricing ability and earnings visibility.

Consensus expects Nifty Index earnings to grow 9% in FY 25 (March'25) after a strong 20% growth in previous year. The slowing earnings growth expectation appears reasonable as post-pandemic pent up growth starts to normalize. Nifty Index is trading at price-to-book ("P/B") ratio of 3.7x and a price-to-earnings ("P/E") multiple of 23x based on forward earnings which are above historical averages. Foreign inflows have picked up since election results with over USD3.0bn inflows in June 2024 as well as July 2024. Flows into domestic funds continue to remain strong. Flows into domestic funds continue to remain strong. Underlying managers remain constructive on the market overall and will be using periods of market weakness for entry opportunities in select areas of domestic economy.

Over the past year, there has been a secular trend of a weakening JPY and rising stock prices in Japan. However, this trend has quickly reversed within a few days, with a sharp decline from the peak reached on 11th July 2024. Meanwhile, Japanese companies have generated robust profits, and corporate governance reforms have been progressing, partly spurred by the Tokyo Stock Exchange. The amount of share buyback program has surged in this fiscal year (starting from April 2024), and Japanese companies will take advantage of the weakness in stock prices to actively buy back their own shares. This will undoubtedly support the market and ultimately contribute to a better capital structure for individual companies. In terms of the macro environment, the BoJ normalization of monetary policy and the interest rate hike at the end of July 2024 serve as evidence that the Japanese economy is steadily recovering despite short-term weakness in consumer sentiment observed this year. Real wage growth has finally turned to positive for June 2024 figures, although this seems to have been upward adjusted by summertime bonus payments. Therefore, underlying manager may need to observe the volatility in this figure for a few more months before confirming robust real wage growth, which will ultimately boost consumption in Japan.

Global growth continues to be underpinned by a resilient US economy. Strong final demand in the US is benefiting other economies, including those in EM. Leading indicators are supportive of the global goods cycle, which is anticipated to extend into 2025. The global technology cycle also remains positive and is beneficial to EM.

EM valuations are modestly above the historical median on several measures, including on a 12-month forward price-to-earnings ("P/E") and a price-to-book ("P/B") basis, though this is distorted in part by the high valuations in certain large markets. Most EM, excluding India, are cheap at the individual market level against their own history; meanwhile, the valuation gap to DM remains close to its widest level in 20 years.



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