



September 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 (30 September 2024)	: RM 1.47203
Fund Size (30 September 2024)	: RM 880.063 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

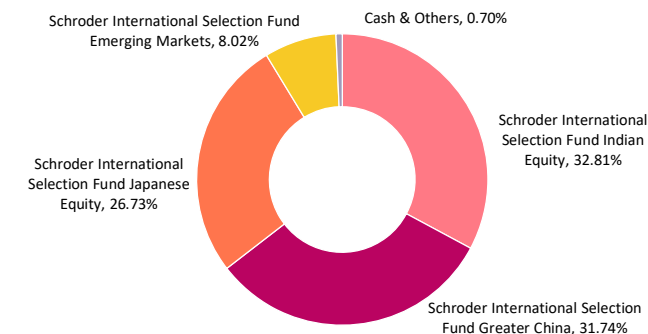
### Underlying Fund Details

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

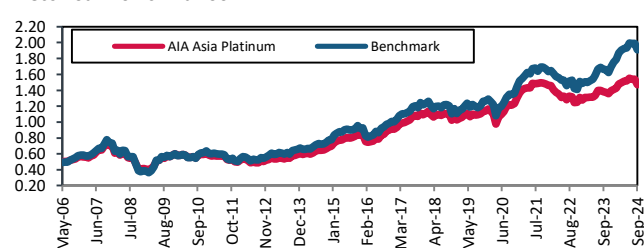
### Top Fund Holdings

1	Schroder International Selection Fund Indian Equity	32.81%
2	Schroder International Selection Fund Greater China	31.74%
3	Schroder International Selection Fund Japanese Equity	26.73%
4	Schroder International Selection Fund Emerging Markets	8.02%

### Fund Allocation



### Historical Performance



### Historical Performance (cont'd)

Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund~	0.77%	-1.66%	6.97%	-1.25%	33.51%	194.41%
Benchmark*	0.83%	0.37%	15.13%	12.94%	58.48%	282.35%
Excess	-0.07%	-2.03%	-8.16%	-14.20%	-24.97%	-87.94%

~ 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 surged and materially outperformed other emerging and developed world markets in the third quarter of 2024. This followed an announcement in September 2024 by the Chinese authorities of a raft of stimulus measures in a bid to reverse a slowdown in the broader economy. The Hong Kong market also rallied strongly because of these measures. The US Federal Reserve's 50 basis-points cut was an additional positive factor that boosted markets. Taiwan was a notable laggard because of profit-taking, especially in technology stocks, after strong recent outperformance.

September 2024 marked another record month for the Japanese equity market, characterized by substantial news regarding Japanese future and persistently high volatility. Following significant market dislocation in August 2024, investor sentiment improved considerably towards the end of that month, a trend that continued into early September 2024. However, weaker-than-expected US economic indicators, such as the ISM and job reports, raised concerns about a potential downturn in the US economy, which gradually impacted the market. Additionally, the appreciation of the Japanese Yen ("JPY") negatively affected the Japanese equity market.

The Federal Reserve's decision to cut interest rates by 50 basis points alleviated some uncertainty, and relatively solid US economic indicators followed, contributing to a buoyant US stock market. The Japanese equity market was further invigorated by expectations that Ms. Sanae Takaichi, an expansionist, would win the Liberal Democratic Party ("LDP") leadership election. However, at the end of September 2024, the dramatic outcome of the LDP election had a significant impact on the Japanese equity market, resulting in a notable drop the day after Mr. Ishiba won the run-off against Takaichi. Consequently, the market declined for two consecutive months, with the September 2024 return of the TOPIX Total Return at -1.5% in local terms.

MSCI India registered positive gains of 7.3% in Q3, and performance lagged relative to the broader Asian region. In terms of sector performance, health care, technology and communications led, while real estate, energy and industrials lagged. Net inflow from foreign investors was strong with around USD 1.6bn over the quarter.

### Market Outlook

The latest stimulus measures announced in China are no doubt helpful, in our view, especially in boosting market sentiment. But fiscal policies should be more effective in turning around the economic situation as demand remains sluggish. Underlying manager will look for additional fiscal stimulus to support the weak links in the economy, including in investment, consumption, and employment, among others, before we can turn more positive on the macroeconomic outlook.

Moving forward, the sustainability of the market recovery will likely depend on the effectiveness of policy support and the magnitude of economic improvement. Specifically, domestic consumption and investment demand will need to pick up for the economy to bottom out. Externally, a friendlier US-China relationship would also be very helpful in sustaining the positive sentiment in the markets, although this may need to wait until after the US presidential election in November 2024. Longer term, effective structural reform and economic restructuring are needed for the China market to shake off its prolonged weakness.

The dramatic outcome of the leadership election for the Liberal Democratic Party ("LDP") has had a significant impact on the Japanese equity market in the short term. Veteran politician Mr. Shigeru Ishiba won the run-off against Ms. Sanae Takaichi and was subsequently appointed as the new Prime Minister. He immediately called for a snap election, scheduled for 27 October 2024. Initially, the market reacted negatively during the overnight trading session on 27 September, and the Japanese market experienced a considerable decline on the day Ishiba's leadership began. However, this can be viewed as a reversal of the so-called "Takaichi Trade," which was characterized by a weakening JPY and rising stock prices in the last week of September 2024 prior to the LDP election, attributed to her expansionary fiscal policy and commitment to ongoing monetary easing. In the first half of October 2024, the market appeared to regain momentum, but this seemed to be more influenced by conditions in the US, leaving the market's direction and sentiment yet to be fully established. The anticipated momentum surrounding the prospect of Japan's first female Prime Minister or significant rejuvenation for the country has diminished. Additionally, concerns linger regarding Prime Minister Ishiba, who is perceived as lacking a reformist stance, which could lead to negative perceptions among foreign investors in the Japanese stock market. Ishiba is primarily known for advocating fiscal reconstruction, and his consideration of increasing the financial capital gains tax is viewed with caution by the market. Nevertheless, Ishiba has stated that he will inherit the policies of the Kishida administration as a foundational guideline, and his new cabinet members are generally regarded as a solid lineup. It is anticipated that economic policies promoting wage increases to stimulate domestic demand, along with a supportive stance for normalizing the Bank of Japan's monetary policy, could provide reassurance to the market.

Consensus expects Nifty Index earnings to grow 8% in Financial Year 2025 (ending March'25) pulled down by muted earnings growth for banks and consumer staples. Next year, consensus expects Nifty earnings growth to normalize back to 15%. Nifty index is trading at price-to-book ("P/B") ratio of 3.5x and a price-to-earnings ("P/E") ratio of 21x based on FY26 earnings, which are above historical average. Foreign inflows have picked up since election results with YTD inflows of close to USD 10bn, while flows into domestic funds continue to be strong. We remain constructive on the market overall and will be using periods of market weakness for entry opportunities in select areas of domestic economy.



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)

This document is for informational use only. Investments are subject to investment risks including the possible loss of the principal amount invested. The value of the units may fall as well as rise. Past performance of the fund is not an indication of its future performance. This is not a pure investment product such as unit trust and please evaluate the options carefully and satisfy that the Investment-Linked Insurance / Takaful plan chosen meets your risk appetite. Please refer to the Fund Fact Sheet for more information about the fund.