**August 2024**

# MONTHLY FUND PERFORMANCE UPDATE
# AIA GLOBAL BALANCED FUND *(previously known as AIA Eleven Plus Fund)*

## Investment Objective

The primary goal of this Fund is to provide long-term total return (combination of capital growth and income) with moderate risk by investing through exposure in a diversified portfolio of global equities and fixed income securities. It is also flexible by allowing investments in newer funds launched in the future. The Fund adopts a relatively balanced approach towards equities and bond exposure with the aim of providing stable growth of your investment. The Fund's expected average exposure to equities will be approximately 60% over the long term, however this exposure may vary from time to time and can go up to 80%. The balance is invested in the fixed income or money market instruments.

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

## Fund Details

| | | |
|---|---|---|
| Unit NAV (31 August 2024) | : | RM 1.06243 |
| Fund Size (31 August 2024) | : | RM 263.803 million |
| Fund Currency | : | Ringgit Malaysia |
| Fund Inception | : | 25 October 2007 |
| Offer Price at Inception | : | RM 0.50 |
| Fund Management Charge | : | 1.50% p.a. |
| Investment Manager | : | AIA Bhd. |
| Fund Type | : | Fund-of-Funds |
| Basic of Unit Valuation | : | Net Asset Value |
| Frequency of Unit Valuation | : | Daily |

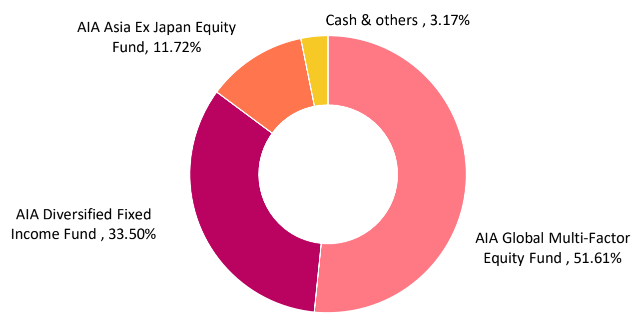
## Underlying Fund Details

| | | |
|---|---|---|
| Name | : | AIA Global Multi-Factor Equity Fund<br>AIA Diversified Fixed Income Fund<br>AIA Asia Ex Japan Equity Fund<br>AIA Greater China Equity Fund<br>AIA India Equity Fund |
| Investment Manager | : | AIA Investment Management Private Ltd. |

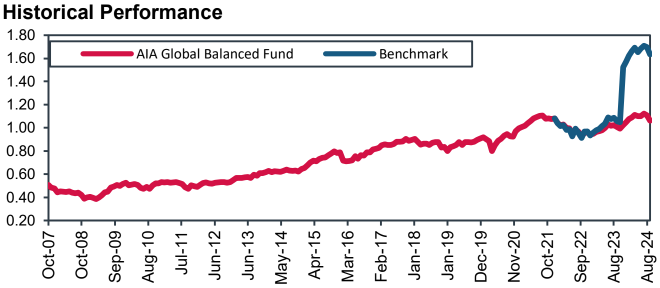
## Top Fund Holdings

| | | |
|---|---|---|
| 1 | AIA Global Multi-Factor Equity Fund | 51.61% |
| 2 | AIA Diversified Fixed Income Fund | 33.50% |
| 3 | AIA Asia Ex Japan Equity Fund | 11.72% |

## Fund Allocation




## Historical Performance




## Historical Performance *(cont'd)*

| Cumulative Performance | 1-Mth | 6-Mth | 1-Year | 3-Year | 5-Year | Since Inception |
|---|---|---|---|---|---|---|
| Fund~ | -4.28% | -2.49% | 3.63% | -3.96% | 21.47% | 112.49% |
| Benchmark* | -3.78% | -1.63% | 9.28% | N/A | N/A | N/A |
| Excess | -0.50% | -0.87% | -5.65% | N/A | N/A | N/A |

*~ 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.*

** Prior to fund restructuring effective from January 2022, there was no benchmark available. Post restructuring the benchmark is 60.0% MSCI World Price Index + 40.0% Barclays Global Aggregate Corporate Total Return Index (Source: Bloomberg). Calculation of the benchmark since inception performance is based on the date the fund restructuring exercise was completed which is 31 January 2022. Meanwhile, calculation of the Fund's since inception performance is based on the Fund's inception date of 25 October 2007.*

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

### Market Review

For the equity market, despite a challenging start, where investors anticipated a potential recession due to a weak jobs report at the end of July 2024, global equity markets managed to achieve gains in August 2024, with a significant rally in the final three weeks of the month. Markets were buoyed by reassuring signs of potential rate easing before the year's end and a mix of economic data that painted a more nuanced picture. Earnings remained a bright spot, tempering some concerns over the labor market. The trend of shifting away from the "Magnificent 7" stocks and the information technology sector towards the broader market, which began in July 2024, continued as equal weighted benchmarks significantly outperformed during the month.

For the fixed income market, August 2024 saw significant market volatility, a rarity for what is typically a quiet month. Equities experienced a 10.4% trading range, and the VIX index spiked to 65, a level not reached since the pandemic. This volatility was driven mainly by two factors: a weaker-than-expected non-farm payroll number, with the unemployment rate rising to 4.3%, and the unwinding of the Japanese Yen ("JPY") 'carry trade' prompted by a hawkish Bank of Japan ("BoJ"), which led to a 12% sell-off in the Nikkei. Investors quickly began to de-risk on recession fears, with the rates market pricing in over five interest rate cuts by the end of the year. However, this bearish sentiment largely reversed as strong retail sales and muted jobless claims data suggested consumer strength and a more resilient economy than initially thought. Additionally, at the Jackson Hole conference, US Federal Reserve ("Fed") Chairman Powell strongly indicated that the Fed would begin cutting rates in September 2024, which further supported risk assets, leading the S&P to finish the month up 2.43%. Against this backdrop, the option adjusted spread for U.S. Investment Grade Credit Index tightened 1 basis point (bp) to 87bps, resulting in a monthly excess return of 18bps. Spreads on the index widened to 104 bps in conjunction with the market volatility in the beginning of the month but rallied back as recession fears diminished. Strong corporate earnings also helped to bolster sentiment. With the reporting season nearly complete, the year-on-year ("YoY") earnings per share ("EPS") growth of the S&P 500 is 10.9%. If 10.9% is the actual earnings growth rate for the quarter, it will mark the highest earnings growth rate since forth half of 2021 ("Q4 2021"). Primary market supply printed at USD127.7bn, including USD100.1bn incorporates and USD28.6bn in non-corporates. This marks the eight straight month in a row with supply printing over USD100 million (mm). Year-to-date total primary issuance has registered at USD1.319tn which is outpacing last year's supply through August by ~USD247mm. In respect to performance, the best-performing sectors were Sovereigns, Restaurants, Paper, Brokers & AM, and Life. The worst performing were Supermarkets, Home Construction, Oil Field Services, Foreign Local Government, and Technology. AAA bonds fared the best across the investment grade quality spectrum, while A and BBB were tied for the worst.

### Market Outlook

With the US Fed easing their rate hike cycle and the resilient labor market conditions despite the earlier rate hike, it is very likely that a soft-landing scenario can be achieved. Underlying manager favor factors such as low volatility, small size, quality, and value while maintaining neutral positions in growth, dividend, and momentum factors.

For Fixed income portion, currently, it maintains a slight overweight position on duration while keeping an underweight on spread duration. The Fund's strategy focuses on maintaining portfolio carry through proactive security selection.

### Lipper Leader Fund for:

1. Total Return
2. Consistent Return

*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*