



January 2025

## 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 January 2025)	: RM 1.12381
Fund Size (31 January 2025)	: RM 285.529 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

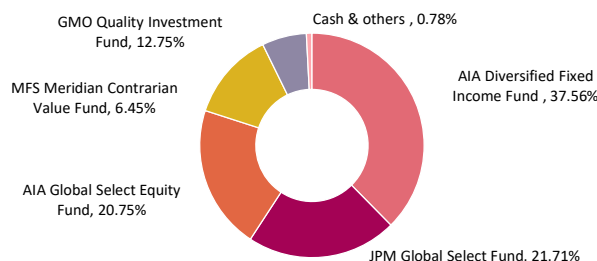
#### Underlying Fund Details

Name	: AIA Global Select Equity Fund AIA Diversified Fixed Income Fund GMO Quality Investment Fund JPMorgan Global Select Equity Fund MFS Meridian Contrarian Value Fund
Investment Manager	: AIA Investment Management Private Ltd. JP Morgan Asset Management GMO & Co LLC MFS Investment Management

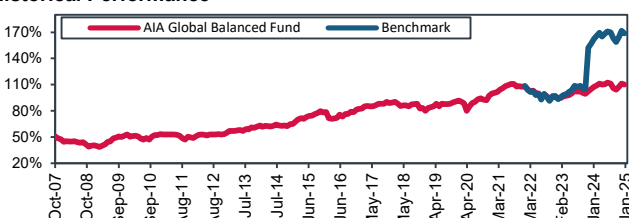
#### Top Fund Holdings

1	AIA Diversified Fixed Income Fund	37.56%
2	JPM Global Select Fund	21.71%
3	AIA Global Select Equity Fund	20.75%
4	GMO Quality Investment Fund	12.75%
5	MFS Meridian Contrarian Value Fund	6.45%

#### Fund Allocation



#### Historical Performance



#### Historical Performance (cont'd)

Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund~	2.04%	1.25%	4.46%	7.68%	24.48%	124.76%
Benchmark*	2.01%	1.41%	6.03%	20.38%	N/A	N/A
Excess	0.03%	-0.15%	-1.57%	-12.70%	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

Global equities advanced in January 2025. European equities rallied strongly as investors took advantage of attractive valuations and the European Central Bank ("ECB") further reduced borrowing costs. US stocks also rose but gains were capped by weakness in technology companies following Chinese start-up Deepseek's Artificial Intelligence ("AI") success as well as the US Federal Reserve's ("Fed") pausing of its interest rate cutting cycle. After financial markets had mostly shut on 31 January 2025, President Trump announced significant trade tariffs on Canada, Mexico and China. The January 2025 CBOE Volatility Index ("VIX") closed at 17.4, down 0.9% month-on-month ("MoM"). (A VIX reading below 20 is widely viewed as an indicator of market stability.) Most sectors of the MSCI All Country World Index ("ACWI") were higher, led by Communication Services, Healthcare and Financials. Conversely, Information Technology was the only sector in negative territory. The AIA Global Select Equity Fund returned 4.73% over the month compared with the MSCI All Country World Index's ("ACWI") return of 3.36%.

For the fixed income market, January 2025 saw continued signs of steady economic growth as the US Federal Reserve ("Fed") projected a more cautious "wait-and-see" tone regarding rates policy in the new year. Earlier in the month, the December 2024 Federal Open Market Committee ("FOMC") meeting minutes indicated that Fed policymakers supported slowing the pace of interest rate cuts due to concerns about stalling inflation, prior to the announcement of a 25 basis points ("bps") cut. Towards the end of the month, Fed Chair Powell reiterated multiple times that the central bank was "in no hurry" to change its policy stance, effectively ruling out a rate cut at the upcoming March 2025 meeting. This was amidst relatively strong economic data released over the month. U.S. Gross Domestic Product ("GDP") data showed 2.3% annualized growth in 4Q 2024 on the back of strong consumer spending, which grew by 4.2%, marking the first time since 2021 where spending rose more than 3% in consecutive quarters. Also released in January 2025, nonfarm payrolls showed strength in December 2024, with an addition of +256,000 jobs, lowering the unemployment rate to 4.1% and bolstering the argument for a robust labour market. Core Consumer Price Index ("CPI") also reported slightly below estimates for December 2024. While headline CPI accelerated to 0.4% Month on Month ("MoM") from 0.3% MoM in November 2024, core CPI (which strips out the more volatile energy and food components) grew 0.2% MoM last month. Headline CPI accelerated due to price strength in energy components—fuel oil, motor oil, and energy services. Core CPI however, moderated due to further softening in shelter prices. The month was punctuated the start of the Trump administration, which has promised to implement tariffs against key U.S. trading partners, in addition to broader deregulation, which could affect both domestic economic strength and consequently, future Fed policy decisions. Against this backdrop, the option-adjusted spread for the US Investment Grade Credit Index tightened by 2bps in January 2025 to 75bps, resulting in a monthly excess return of 14bps. In January 2025, the index posted a total return of 0.56% and an excess return of 0.14%. Primary market supply for January 2025 was about \$265.2 billion, including \$169.2 billion incorporates and \$96.0 billion in non-corporates. According to FactSet, with 36% of the S&P 500 reporting, the blended earnings growth rate for the fourth quarter is 13.2% as of the end of January 2025. In respect to performance, the best-performing sectors were Sovereigns, Healthcare, Aerospace/ Defense, Railroads and Pharmaceuticals. The worst-performing were Electric, Natural Gas, Transportation Services, P&C and Foreign Local Govt. Crossover fared the best across the investment grade quality spectrum, while Aa+ rated bonds fared the worst.

#### Market Outlook

The outlook for equities over the medium term remains constructive. On the fundamentals front, the US economy remains resilient and earnings growth in 2025 is expected to be higher than that of 2024. On monetary policy, liquidity conditions are expected to be supportive as central banks around the globe are easing monetary policy. The Fed is on a rate cut cycle. In addition, Chinese policy makers have also embarked on monetary easing and the Politburo has indicated plans to increase public spending to support economic growth.

Investors have enjoyed 2 years of double digit returns in equity markets. The Underlying Manager is still bullish on the market in 2025 although the quantum of gains expected is lesser compared to last 2 years. While the past 2 years has seen Magnificent 7 stocks dominate the stock market, the earnings growth differential between the Magnificent 7 stocks and the rest of the stock market is expected to decline in 2025. This could provide the setup for the stock market advance to be more broad-based and less concentrated. As 2025 unfolds, volatility could rise in view of the uncertainty on the policy measures that the new US Administration would embark on as President-elect Trump begins his second term as US President.



#### 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](http://www.lipperleaders.com)