



May 2025

**MONTHLY FUND PERFORMANCE UPDATE****AIA GLOBAL EQUITY FUND** (previously known as AIA International Small Cap Fund)**Investment Objective**

The Fund aims to provide long-term investment growth through exposure to a diversified portfolio of global equities and equity-related securities that exhibit various investment factor characteristics.

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

**Fund Details**

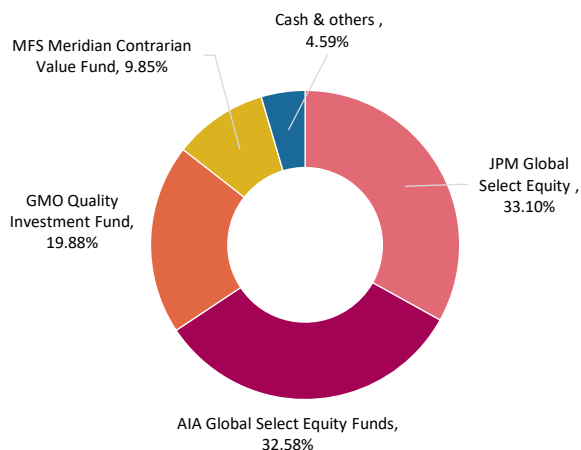
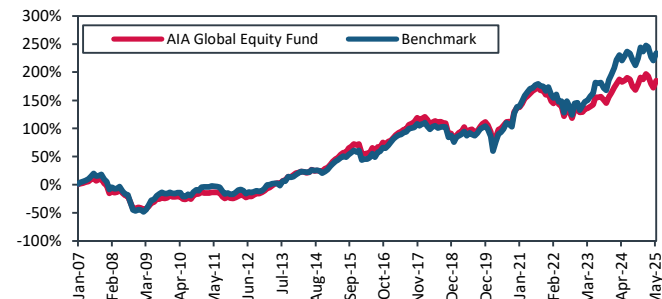
Unit NAV (31 May 2025)	: RM 1.42395
Fund Size (31 May 2025)	: RM 511.606 million
Fund Currency	: Ringgit Malaysia
Fund Inception	: 15 January 2007
Offer Price at Inception	: RM 0.50
Fund Management Charge	: 1.50% p.a.
Investment Manager	: AIA Bhd.
Fund Type	: Fund-of-Funds
Basis of Unit Valuation	: Net Asset Value
Frequency of Unit Valuation	: Daily

**Underlying Fund Details**

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

**Top Fund Holdings**

1	JPM Global Select Equity	33.10%
2	AIA Global Select Equity Funds	32.58%
3	GMO Quality Investment Fund	19.88%
4	MFS Meridian Contrarian Value Fund	9.85%

**Fund Allocation****Historical Performance**

Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund~	4.69%	-2.01%	-0.20%	18.92%	43.78%	184.79%
Benchmark*	4.26%	-2.90%	1.41%	34.57%	76.12%	233.89%
Excess	0.43%	0.89%	-1.61%	-15.65%	-32.34%	-49.10%

~ 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.

\* 100% MSCI World Index (Source: Bloomberg)

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

**Market Review**

Global equities rebounded in May 2025, recovering much of April 2025's losses and trimming the year-to-date decline to just 0.6%. A surprise U.S.–China trade agreement led to a substantial rollback of tariffs, easing global trade tensions and restoring investor confidence. The U.S. reversed many of its earlier levies, including the 125% tariffs on Chinese goods, sparking a rally in equity markets and a rebound in the U.S. dollar. Despite this, economic uncertainty persisted. The US Federal Reserve ("Fed") held interest rates steady at 4.25%–4.50%, citing stalled progress on inflation and emerging signs of labour market weakness. While headline inflation slowed to 2.4%, core inflation remained elevated at 2.8%, prompting concerns about stagflation. U.S. equities surged 6% in May 2025, led by gains in technology and healthcare, while Treasury yields eased amid growing expectations of rate cuts later in the year.

In the eurozone, economic momentum remained fragile. The European Central Bank ("ECB") maintained its benchmark interest rate at 2.25%, following April 2025's rate cut. The Hamburg Commercial Bank (HCOB) Flash Eurozone Composite Purchasing Managers' Index ("PMI") edged down to 49.8, indicating a mild contraction, and the European Commission revised its 2025 Gross Domestic Product ("GDP") growth forecast to just 0.9%. Inflation continued to ease, averaging 2.1% for the year, driven by softening demand and stabilizing energy prices. Despite the subdued macroeconomic backdrop, eurozone equities rose 4%, buoyed by improving investor sentiment. A Eurobarometer poll showed trust in European Union institutions at its highest level since 2007, particularly among younger demographics.

Geopolitical tensions remained elevated. The Russia–Ukraine conflict intensified further, with heavy fighting reported in eastern Ukraine and limited progress in ceasefire negotiations. Meanwhile, the third round of U.S.–Iran nuclear talks concluded with a preliminary framework agreement. Both sides agreed on enhanced monitoring of nuclear facilities and a phased easing of sanctions, though technical details remain unresolved.

Oil prices stabilized after April 2025's sharp decline, supported by expectations of stronger demand following the U.S.–China trade deal. However, the Organization of the Petroleum Exporting Countries (OPEC+) maintained elevated production levels, keeping prices range-bound amid lingering concerns over global growth.

**Performance Review/Outlook**

Risk assets extended their recovery in May 2025, building on April's 2025 rebound as optimism around global trade negotiations gained traction. The U.S. administration's announcement of a 90-day pauses on reciprocal tariffs above 10% (excluding China) helped ease recession fears and supported a broad-based rally in equities. While price action remained volatile, the tone was notably more constructive, with investors reassessing the likelihood of a more cooperative global trade framework. Nonetheless, uncertainty persists as the contours of a potential new world order—marked by selective protectionism and strategic trade alliances—continue to evolve. In the near term, the Underlying Fund Manager remains cautious and focused on monitoring tangible progress in trade talks, particularly between the U.S., China, and key European partners.

From a medium-term perspective, underlying growth conditions remain resilient. The JP Morgan Global Composite PMI held steady at 51.2 in May 2025, consistent with modest expansion. U.S. earnings forecasts for 2025 remain in the high-single digits, supported by strong performance in technology and healthcare sectors. These fundamentals provide a buffer against external shocks, including lingering tariff risks and geopolitical tensions. As always, the approach emphasizes disciplined investment processes, balancing medium-term return opportunities against downside risks. In this environment, staying anchored to fundamentals and avoiding reactionary shifts remains key to navigating ongoing market volatility.

**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)