



Aug 2023

## MONTHLY FUND PERFORMANCE UPDATE AIA MEDIUM CAP FUND

### Investment Objective

The Fund seeks medium to long-term growth of capital and income through investment in a diversified portfolio of stocks. Focus will be on small and medium sized enterprises and growth stocks. The Fund is suitable for high risk tolerance equity investors.

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

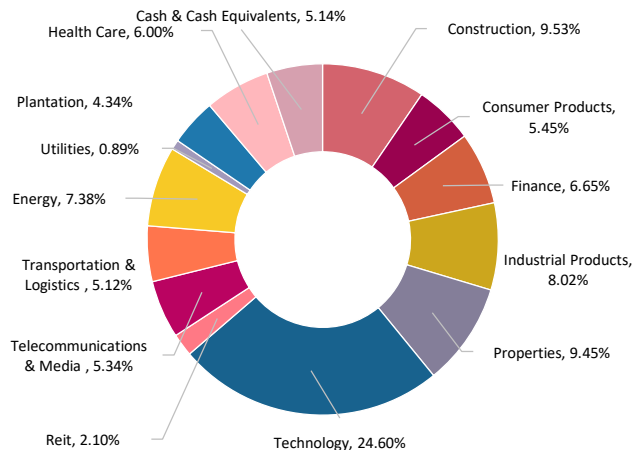
### Fund Details

Unit NAV (31 Aug 2023)	: RM 6.44440
Fund Size (31 Aug 2023)	: RM 1,060.913 million
Fund Currency	: Ringgit Malaysia
Fund Inception	: 1 July 2001
Offer Price at Inception	: RM1.00
Fund Management Charge	: 1.475% p.a.
Investment Manager	: AIA Bhd.
Basis of Unit Valuation	: Net Asset Value
Frequency of Unit Valuation	: Daily

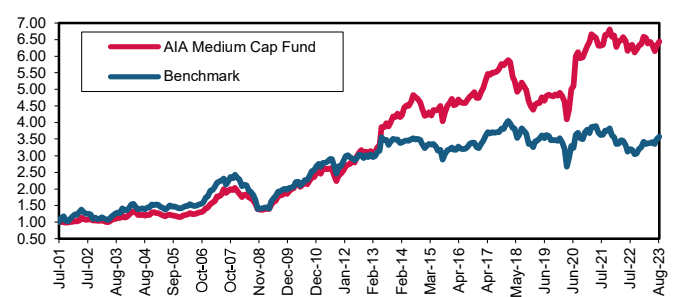
### Top Holdings

1	GAMUDA BHD	9.03%
2	INARI AMERTRON BHD	7.75%
3	TIME DOTCOM BHD	5.34%
4	MALAYSIA AIRPORTS HOLDINGS BHD	5.12%
5	GREATECH TECHNOLOGY BHD	4.50%

### Sector Allocation



### Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund <sup>A</sup>	2.03%	-1.71%	1.55%	5.27%	26.65%	544.44%
Benchmark <sup>*</sup>	2.39%	6.30%	12.36%	-3.15%	-4.35%	257.43%
Excess	-0.36%	-8.01%	-10.81%	8.42%	31.00%	287.01%

<sup>A</sup> 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.

<sup>\*</sup> 100% FBM70 Index (Source: Bursa Malaysia)

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

### Market Review

The FBMKLCI ("Index") corrected 0.51% Month-on-Month ("MoM") to close at 1,451.94 pts on 30 August 2023. The Index outperformed the MSCI Asia Ex Japan Index, which fell 3.88% MoM in Malaysian Ringgit ("MYR") terms over the same period. Foreign investors stayed net buyers of Malaysian equities amounting to MYR0.14 billion in August 2023 while local institutions turned net buyers with net buy value of MYR0.43 billion. Bursa Malaysia's average daily transaction value ("ADTV") rose by 11.6% MoM to MYR2.2 billion in August 2023. During the month, Mr DIY (+6.0%), Sime Darby (+5.5%) and Tenaga Nasional (+2.5%) were the key gainers while key detractors were Axiata (-11.6%), Dialog (-10.9%) and Kuala Lumpur Kepong (-7.6%). Sector wise, Property (+12.3%), Utilities (+10.8%) and Construction (+7.1%) were the key performers while Telecom (-1.4%), Plantation (-3.5%) and Healthcare (-6.2%) were the key detractors. Major news during the month include the state election for 6 states where state assemblies were left unchanged with three wins each for the ruling party (Pakatan Harapan ("PH") and Barisan Nasional ("BN") alliance) and the opposition (Perikatan Nasional ("PN")). PH-BN won in Penang, Selangor and Negeri Sembilan while PN won Kedah, Kelantan and Terengganu. The government also launched Phase 2 of the National Energy Transition Roadmap which highlights six energy transition levers, being 1) energy efficiency, 2) renewable energy, 3) hydrogen, 4) bioenergy, 5) green mobility and 6) carbon capture, utilisation and storage.

### Market Outlook

We are cautiously optimistic on the equity market in the near term. We are of the view that we have already seen the peak of US Federal Reserve ("Fed")'s hawkishness and equities valuation has been partially adjusted downwards accordingly. Investors are now watching the macro data closely to gauge the extent of future rate hike in the US and the timing of a rate cut going forward. Over in Asia, China's policy easing is gaining momentum with the earlier-than-expected policy rate cut, housing policy adjustment, and efforts to revitalize the capital market and stabilize foreign trade and investment. The increasing pace of policy easing is encouraging and important to contain the risk of a downward spiral in economic activity. Domestically in Malaysia, we expect a better outlook given the lower political risk premium with a relatively more stable unity government coupled with corporate earnings recovery from the implementation of government initiatives and mega projects. Downside risks to the market could stem from a prolonged deep US recession, worsening geopolitical tension, weak China economic recovery and domestic politics.