



December 2024

MONTHLY FUND PERFORMANCE UPDATE AIA ASIAN EQUITY FUND

Investment Objective

The Fund invests in a diversified portfolio of shares issued by companies incorporated in Asia excluding Japan and Australia. It is suitable for very aggressive investors who are willing to take high risk in order to achieve higher potential returns.

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

Fund Details

| | |
|------------------------------|----------------------|
| Unit NAV (31 December 2024) | : RM 0.30540 |
| Fund Size (31 December 2024) | : RM 103.092 million |
| Fund Currency | : Ringgit Malaysia |
| Fund Inception | : 31 July 2006 |
| Offer Price at Inception | : RM 1.00 |
| Fund Management Fee | : 1.50% p.a. |
| Investment Manager | : AIA Bhd. |
| Fund Type | : Feeder Fund |
| Basis of Unit Valuation | : Net Asset Value |
| Frequency of Unit Valuation | : Daily |

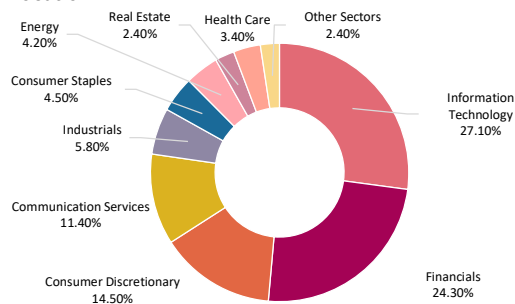
Underlying Fund Details

| | |
|--------------------|--|
| Name | : AIA Asia Ex Japan Equity Fund |
| Investment Manager | : AIA Investment Management Private Ltd. |

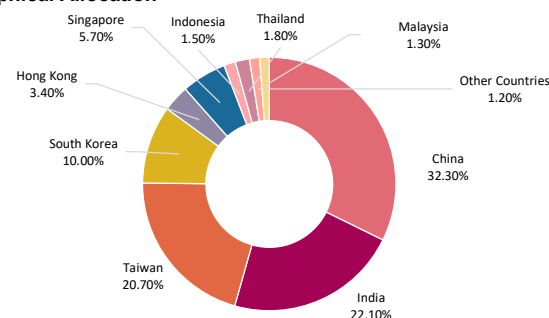
Top Holdings*

| | | |
|---|---|-------|
| 1 | Taiwan Semiconductor Manufacturing Co Ltd | 9.80% |
| 2 | Tencent Holdings Ltd | 6.10% |
| 3 | Samsung Electronics Co Ltd | 3.40% |
| 4 | Alibaba Group Holding Ltd | 2.80% |
| 5 | Reliance Industries Ltd | 2.00% |

Sector Allocation*

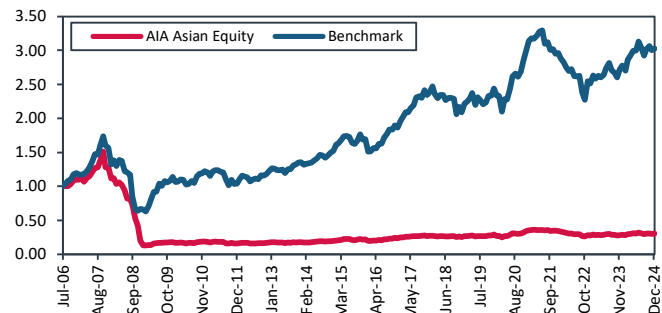


Geographical Allocation*



*Underlying fund data

Historical Performance



| Cumulative Performance | 1-Mth | 6-Mth | 1-Year | 3-Year | 5-Year | Since Inception |
|------------------------|-------|--------|--------|---------|---------|-----------------|
| Fund~ | 0.83% | -3.82% | 6.41% | -11.38% | 4.35% | -69.46% |
| Benchmark* | 0.74% | -3.30% | 8.95% | 2.30% | 24.12% | 202.82% |
| Excess | 0.08% | -0.52% | -2.54% | -13.69% | -19.76% | -272.28% |
| Underlying (^) | 0.31% | 1.80% | 11.40% | N/A | N/A | -11.06% |

~ 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 AC Asia ex Japan DTR Net Index (Source: Bloomberg)

^ Fund underwent the restructuring exercise in the month of January 2022. Calculation of the Underlying Fund's 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 31 July 2006. Underlying fund performance is in USD Term.

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

Market Review

MSCI Asia ex-Japan ("MXASJ") rose 12.5% (total return) in 2024. The gap between the best and worst performing major market was the largest since 2009. The best performing market was Taiwan (+36.3% total return) while Korea was the worst performing (-22.8%). Over the course of the year, there were three major drawdowns and three rallies. Early in the year, Chinese equities saw substantial volatility in small caps, structured products and Quant strategies before 'national team' buying helped turn the market around and crowd in foreign buying by March 2024. Korea followed a similar pattern, but for different reasons – unwind of overbought conditions in early January 2024 followed by unveiling of value-up program, which drove strength in Financials and Autos. China momentum built from there, and for a while all major markets in Asia were doing well with artificial intelligence ("AI") upside driving Taiwan and small caps and Industrials driving India upside into elections. A brief bout of 'higher for longer' concerns in April 2024 was easily dealt with, and a second leg of the rally sustained into July 2024. United States ("US") macro conditions then rose to prominence as a sudden 'Goldilocks' rotation drove an unwind of crowded positions across AI, Momentum, Carry trades, etc. This was followed by a brief recession scare in early August 2024. But markets quickly recovered from that. Mid-September 2024 saw the third major rally play out as a policy turn in China sharply raised stimulus expectations, leading to the biggest one-month rally in MSCI China since 2008. This rally stalled out by mid-October 2024 and reversed somewhat as markets then focused on the U.S election, where a Trump win brought the third drawdown in Asian equities as markets began anticipating large-scale U.S tariffs on China.

Market Outlook

MXASJ closed at 12.6x forward twelve months price-to-earnings ratio ("FTM P/E"). Korea's FTM P/E further derated to 7.8x (-1.6 standard deviation ("SD")). India and Taiwan are trading at 21.9x and 16.6x FTM P/E respectively, which is around 1SD above their respective 10-year averages. China and Hong Kong are trading below their respective 10-year averages, with FTM P/E ratios at 10.0x and 11.7x respectively. ASEAN is generally undervalued. Taiwan (+26.9%) saw the largest forward twelve months earnings per share ("FTM EPS") revision in 2024, and this momentum continued into December 2024. Korea (-6.1%) saw significant downward revisions. Notably, December 2024 marked the fourth consecutive month of downward FTM EPS forecast revisions in Korea, with cuts across almost all sectors. Analysts slightly raised their FTM EPS forecasts for China (+0.4%) and Hong Kong (+0.6%) in anticipation of forthcoming stimulus.