April 2025

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 (30 April 2025)	:	RM 0.29975
Fund Size (30 April 2025)	:	RM 103.685 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

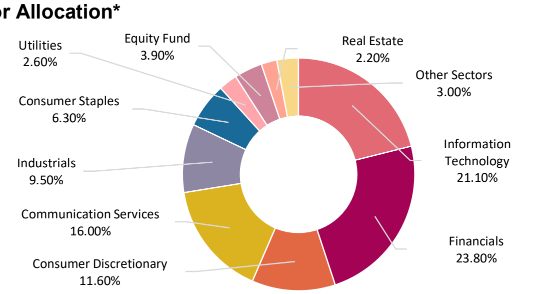
Underlying Fund Details

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

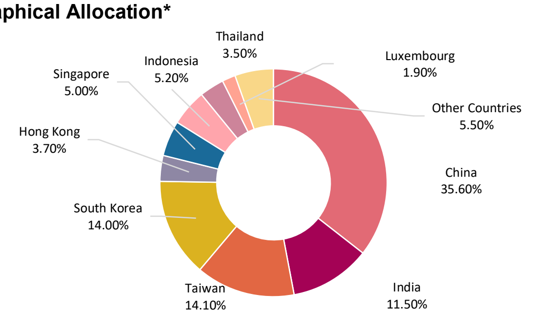
Top Holdings*

1	Taiwan Semiconductor Manufacturing Co Ltd	9.00%
2	Tencent Holdings Ltd	7.70%
3	Samsung Electronics Co Ltd	6.30%
4	HDFC Bank Ltd	5.60%
5	Alibaba Group Holding Ltd	3.60%

Sector Allocation*

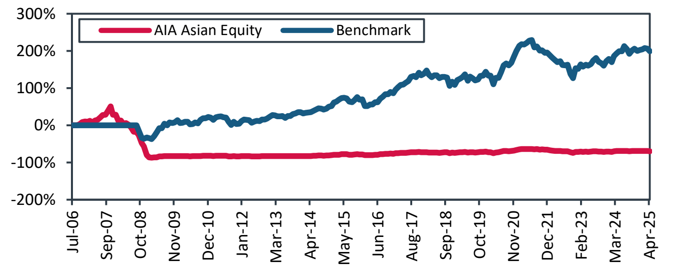


Geographical Allocation*



**Underlying fund data*

Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund~	-3.10%	-2.64%	-2.79%	-2.14%	11.48%	-70.03%
Benchmark*	-2.04%	-2.11%	0.17%	11.05%	31.40%	199.73%
Excess	-1.06%	-0.53%	-2.96%	-13.19%	-19.92%	-269.75%
Underlying (^)	-0.60%	-0.73%	8.77%	3.34%	N/A	-9.24%

~ 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

China weakened in April 2025 and underperformed other Asian markets. It experienced a turbulent month due to larger-than-expected US tariff hikes and the consequent retaliation from the Chinese government. This led to a sharp correction. However, the market had partially recovered by the end of the month as US-China tensions eased. A 90-day reprieve on the US reciprocal tariffs (except for China) also supported sentiment. Taiwan's market also sold off on the US tariff threat, but it recovered later in the month and produced positive returns in US dollar ("USD") due to the stronger Taiwan dollar ("TWD").

Emerging market ("EM") equities, as measured by the MSCI EM index, rose in April 2025, helped by a weaker USD, and outperformed developed markets ("DM").

Equities across the emerging and developed world experienced significant swings following "Liberation Day" on 2nd April 2025, which saw US President Donald Trump announce sweeping tariffs on imported goods. The tariffs were larger and broader than expected, although they were later suspended for 90 days for most countries, allowing negotiations to start. This helped share prices to recover. Mexico was the top-performing index market, as the country faced no new trade tariffs on 2nd April 2025. Brazil was also notably strong, aided by local currency strength, while India continued to perform well, supported by a rate cut, an improving inflation outlook and a weaker USD. Korea, Malaysia and Indonesia also posted returns that beat the index. China underperformed, as its retaliatory response on tariffs escalated over the month. Turkey was the largest faller in the index in US dollar terms, given the weaker Turkish lira ("TRY"), ongoing inflationary pressures and an unexpected rate hike mid-month.

MSCI India rose 4.8% in April 2025, and outperformed relative to the region. In terms of sector performance, energy and communications were among the outperformers, while real estate, technology and materials detracted the most. Foreign investors rotated back to the market with around USD510 million net inflow.

The Japanese equity market ended April 2025 higher with the TOPIX Total Return Gross Index up 0.33% Month-on-Month ("MoM") and the Nikkei Stock Average ("Nikkei 225") Total Return rising 1.21% (both in Japanese yen ("JPY") terms). Stocks were weighed down to an extent by concerns regarding a global economic downturn and a slowdown in fuel demand because of the intensifying trade friction between the US and China, spurred by the tariffs levied by the new US administration, with energy-related stocks being particularly impacted. On the other hand, the US administration announced a 90-day pause to the additional tariffs beyond the base "reciprocal tariffs" for certain countries and territories, which alleviated some concerns regarding a deterioration to the global economy. Additionally, remarks made by the US president prompted rising expectations for an ease of trade tensions between the US and China as well as room for tariff negotiations between the US and Japan, with such developments supporting Japanese equities overall.

Market Outlook / Fund Positioning

The trade conflict between China and the US is ongoing, with complex and prolonged negotiations expected. However, markets seem to believe that the worst-case scenario has passed, and future talks will likely reduce tariffs to more manageable levels. Aside from a possible trade deal, a weaker economy and more relaxed monetary policy in the US would also probably support the performance of China's market. Locally, a greater policy response from the Chinese authorities is expected to cushion the tariff shocks. The Underlying Fund Manager could see the government speed up the implementation of the policies that have already been announced. However, the July 2025 Politburo meeting might be a more reasonable time for the authorities to formulate a larger and more effective support package.

China is at the epicenter of the tariff battle and average tariffs between the US and China have risen remarkably. Uncertainty remains over the outcome of trade negotiations between the two countries.

While tariffs will negatively impact Chinese growth, the authorities have several tools at their disposal to support the economy. Further policy action could drive improved market performance, but it is likely to continue to be incremental anything more would be a positive surprise and execution will be key.

The fluid nature of the tariff situation calls for caution as price discovery continues. However, market volatility presents opportunities, and the Underlying Fund Manager will look to take advantage of the current volatility and excessively elevated risk premia. The weak USD trend looks to be establishing itself. Once the Underlying Fund Manager are through the near-term volatility, that is a clear medium-term positive for emerging markets. Headline EM valuations appear more in line with their own history while EM's trade at a discount relative to DM across most valuation metric.

US has imposed 26% reciprocal tariffs in India, which was subsequently suspended for 90 days. Pharma, a large exporting segment is currently exempt from tariffs. Chemicals, industrial products, gems & jewelry are few other sectors that will be impacted by tariff. There is no direct impact on the portfolio, and the Underlying Manager do not own companies that have large US trade exposure. However, the escalation in trade friction is a headwind for broader global economic growth, as well as for India, in the medium term.

In a retaliatory move to a terrorist attack on 22nd April 2025, India carried out an operation targeting terrorist training camps in Pakistan. Similar strikes were also conducted in 2016 and 2019 to terrorist events then. The Underlying Fund Manager expects the tension to gradually diffuse as has been the precedence in similar prior incidents. The Underlying Fund Manager has not made any changes to the portfolio but will monitor closely and adjust if situation evolves differently.

Global financial markets have been rocked by major turmoil since US President Trump's administration announced higher tariffs. The Japanese equity market dropped sharply on 7th April 2025, and then began to gradually rebound. For the next month or so, the Underlying Fund Manager will need to be cautious of the risk of a short-term correction based on the direction of US tariff increases and Japanese corporate earnings as the peak of their announcement season approaches. However, from summer onward, the Underlying Manager believe the market could move upward again on expectations for uncertainty to recede in the latter half of the year.

When considering the tariffs being introduced by the US, the Underlying Fund Manager believes it is necessary to divide them into three distinct categories: additional tariffs, reciprocal tariffs, and the very high extra tariffs on Chinese goods. The additional tariffs are seen as a tool to reduce the ballooning US national debt and are therefore likely to stay in place. Meanwhile, the reciprocal tariffs are generally seen as more of an industrial policy tool and will be subject to one-on-one negotiations with individual countries. Because of this, it may take some time before the final versions of these tariffs are put into place. As for the extra tariffs on Chinese goods, although this is strategic in nature, the Underlying Fund Manager believes it is likely to be adjusted depending on China's response. A 90-day pause to implementation of the reciprocal tariffs was already announced. In making such a decision, the Trump administration may have been eyeing the rise in long term interest rates and thinking ahead to the mid-term elections in 2026. There is a high possibility that the US economy could slow down because of price passthrough of the higher tariff costs. However, the Underlying Fund Manager do not think it is necessary to consider the possibility of a full-blown recession unless the impact spreads to the elevation of credit risk. Additionally, the Underlying Fund Manager expects the JPY to USD exchange rate to continue to stay in the lower half of the 140 -150 range until the tariff issue calms down. If the USD further weakens, it could accelerate inflation in the US, so American policymakers are likely to wish to avoid this scenario for the time being. That said, it is possible that from next year onward, the focus will shift from the issue of tariffs to the issue of foreign exchange rates. The Japanese economy is growing steadily, and the Underlying Manager believe there continues to be significant room for a rerating of Japanese stocks considering Japanese companies' solid progress on structural reforms and governance reforms. The view is unchanged that Value investment strategy, which reflects companies' fundamentals, will continue to have a relative advantage, and the Underlying Fund Manager believe a correction in the equity market presents investment opportunities for our strategy.