



## AIA PAM – Dynamic Asia Ex-Japan Fund

### Investment Objective

The Fund seeks to provide income and capital growth over the Medium to Long Term with investments predominantly in the Asia Ex-Japan market.

### Investment Strategy

The Fund will invest between 20% and 80% of its NAV in equities, including collective investment schemes and between 20% and 80% of its NAV in local fixed income instruments, money market instruments and/or deposits with financial institutions.

The Fund will invest in local and foreign markets.

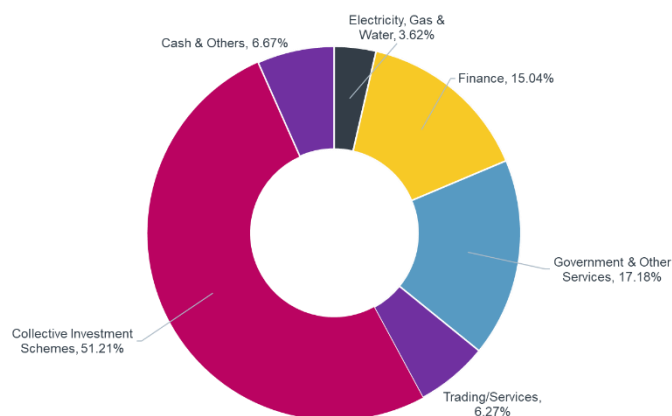
### Fund Details

|                             |   |
|-----------------------------|---|
| Unit NAV (30 June 2024)     | : RM 1.0410   |
| Fund Size (30 June 2024)    | : RM 19.5 million   |
| Fund Currency               | : Ringgit Malaysia  |
| Fund Launch                 | : September 26, 2023  |
| Fund Inception              | : October 17, 2023  |
| Fund Management Charge      | : up to 1.80% p.a   |
| Investment Manager          | : AIA Pension and Asset Management Sdn. Bhd.                          |
| Basis of Unit Valuation     | : Net Asset Value (NAV)   |
| Frequency of Unit Valuation | : Daily   |
| Benchmark                   | : 50% MSCI AC Asia ex Japan Index + 50% Quant Shop MGS All Bond Index |

### Top Five Holding

|    |   |        |
|----|---|--------|
| 1. | INVESCO ASIAN EQUITY FUND                     | 18.95% |
| 2. | FIDELITY FUNDS – SUSTAINABLE ASIA EQUITY FUND | 18.49% |
| 3. | SCHRODER ISF ASIAN OPPORTUNITIES              | 13.99% |
| 4. | CIMBI IMTN 4.130% 27.03.2034                  | 4.67%  |
| 5. | MGS 3/2018 4.642% 07.11.2033                  | 4.36%  |

### Sector Allocation



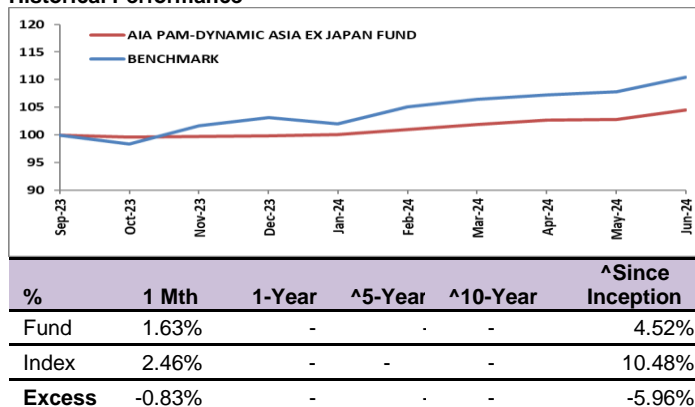
### Risk

General investment risks involve market risk, fund manager risk, inflation risk and liquidity risk. Specific risks of the Fund involve credit/default risk, interest rate risk, particular security risk, country risk, currency risk and shariah status reclassification risk.

### Risk Management

Investment Manager aims to reduce investment risks through structured and disciplined investment process, rigorous and disciplined credit research and analysis, portfolio diversification and strict and frequent stock evaluation to minimize company specific risk.

### Historical Performance



Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg at 30 June 2024.  
^ Cumulative returns. The performance is calculated on NAV-to-NAV basis.

### Market Review

The Malaysian Government Securities ("MGS") yield curve bull steepened in June 2024 tracking global rates movement as the US Federal Reserve ("Fed") kept the Fed Funds target rate on hold at the June's Federal Open Market Committee ("FOMC") meeting. Fed Chair Powell continues to cite 2 conditions that would prompt rate cuts namely slowing inflation or unexpected weakness in the labour market. Market participants seem encouraged by the series of softer United States ("US") economic data releases on inflation and labour market in recent months. On the domestic front, the government announced the float on diesel prices that is expected to save Malaysian Ringgit ("MYR") 4 billion on subsidies each year and a 13% salary increment to public servants that would take place at the end of the year.

Foreign flow for Ringgit bonds ended June 2024 with a small reversal (-MYR 0.6billion) after three conservative months of net gain (MYR7.7billion in March 2024 to May 2024). Outflows mostly occurred in the first half of the month and recovered in the second half of 2024.

Global market closed mixed in June 2024 with the S&P500 Index rising by 2.47% Month-on-Month ("MoM"), as economic data indicating slowing inflation and better-than-expected consumer sentiment figures. Meanwhile, the MSCI Europe fell by 1.12% MoM amid political uncertainties. Asian markets expanded as well with the MSCI AC Asia Ex-Japan growing by 3.87% in United States Dollar (USD) terms, mainly contributed by Korea and Taiwan amid buoyant Artificial Intelligence (AI) related tech demand.

The FBMKLCI ("Index") fell 0.41% MoM to close at 1590.09 basis points (pts) in June 2024. The Index underperformed the MSCI Asia ex Japan Index, which rose 4.09% MoM in 'MYR terms over the same period. Foreign investors turned net sellers of Malaysian equities amounting to MYR61 million while local institutions turned net buyers of MYR264 million during the month.

### Market Outlook

All eyes will be on the Fed's potential pivot to interest rate cuts amid sign of a slower economic growth and easing inflation. Although inflation continues to moderate, recent US economic data releases are suggestive of a resilient US economy and labour market. As such, we are of the opinion that the Fed will likely proceed carefully to avoid any premature rate cuts which could fuel reflation risks. Domestically, Bank Negara Malaysia may keep its Overnight Policy Rate unchanged in the coming meetings as it observes the domestic inflation trend. These factors are supportive of the domestic bond market while the market observes developments on global central banks' monetary policy decisions, geopolitical risks, and the US presidential elections. We are cautiously optimistic on the equity and fixed income market in the near term.



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