AIA PAM – Global Islamic Growth Fund

Investment Objective

The Fund seeks to provide returns through capital growth by investing in Shariah-compliant securities predominantly in the global markets

Investment Strategy

The Fund will invest at least 60% to 90% of its NAV in Shariah-compliant equities including Islamic collective investment schemes. The Fund will also invest at least 10% of its NAV in Sukuk, Islamic deposit and/or Islamic money market instruments.

The Fund will invest in local and foreign markets.

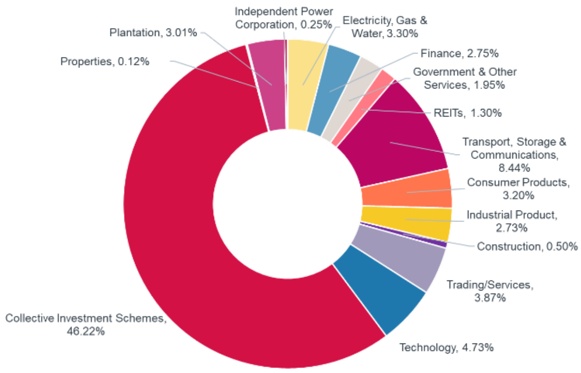
Fund Details

Unit NAV (31 December 2022)	: RM 0.4745
Fund Size (31 December 2022)	: RM 57.3 million
Fund Currency	: Ringgit Malaysia
Fund Launch	: February 23, 2021
Fund Inception	: March 16, 2021
Fund Management Charge	: up to 1.50% 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	: Target return of 6% per annum

Top Five Holding

1.	ISHARES MSCI EM ISLAMIC	18.56%
2.	TEMPLETON SHARIAH GB E-IAUSD	15.11%
3.	ISHARES MSCI WORLD ISLAMIC	9.61%
4.	ISHARES MSCI USA ISLAMIC	2.94%
5.	TNB POWER GENERATION 5.05% 02.06.2037	1.80%

Sector Allocation



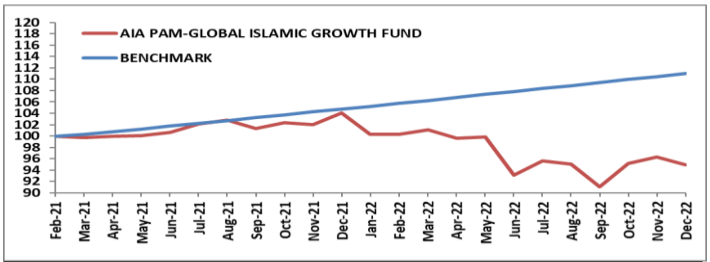
Risk

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



%	1 Mth	1-Year	^3-Year	^5-Year	^Since Inception
Fund	-1.43%	-8.84%	-	-	-5.10%
Index	0.49%	6.00%	-	-	11.02%
Excess	-1.92%	-14.84%	-	-	-16.12%

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg at 31 December 2022.
^ Cumulative returns. The performance is calculated on NAV-to-NAV basis.

Market Review

Government Investment Issues ("GII") yield curve twist steepened in December 2022 amid seasonally thin year-end liquidity. The market has generally shrugged off the 50bps hike in the federal funds target rate during December's Federal Open Market Committee ("FOMC") meeting and the hawkish tilt in US Federal Reserve ("Fed") Chair Jerome Powell's messaging in the post-meeting press conference and focused instead on a potential Fed pivot on the back of recessionary fears and November's weaker-than-expected US Consumer Price Index ("CPI") report.

Developed markets corrected in December 2022 on recession fears as S&P 500 Index, MSCI Europe and MSCI Japan declined by 5.8%, 3.5% and 5.2%, respectively in local currency terms. As US CPI is easing from the peak, the Fed is planning to slow the pace of rate hikes. USD weakened by 2.3% in December 2022 accordingly whilst the Euro appreciated by 2.9% and the Japanese Yen appreciated by 5% as Bank of Japan widened the target band for 10y bond yield from +/- 25bps to +/-50bps. As expected, the Fed delivered 50bps rate hike and indicated they will continue to raise interest rates to meet the 2% inflation target. European Central Bank also delivered a 50bps rate hike. The MSCI AC Asia Pacific ex Japan Index declined by 0.7% in USD terms in December 2022. China and Hong Kong were the best performing markets on the back of China's change in zero-covid policy, while Taiwan and Korea were among the worst performers.

The FBMS ("Index") rallied 1.44% Month-on-Month ("MoM") to close at 10,938.55 pts on 30 December 2022. The Index outperformed the MSCI Asia Ex Japan Index, which fell 1.27% MoM in Malaysia Ringgit ("MYR") terms over the same period. Foreign investors stayed net sellers of Malaysian equities amounting to MYR1.4 billion in December 2022, which local institutions stayed net buyers with MYR1.6 billion. During the month, sector wise, Plantation (+5.9%), Transportation & Logistics (+5.8%) and Health Care (+4.9%) where the key performers while Property (-5.0%), Financial Services (-2.0%) and Telecommunications & Media (-1.4%) were the key detractors.

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 Fed's hawkishness and equities valuation has been partially adjusted downwards accordingly. Investors are now watching the macro data closely to gauge the extend of the recession in the US from the aggressive rate hikes. On the other hand, China has signalled towards a gradual reopening of its economy which will mitigate the impact of the US recession. Domestically, corporate earnings is expected to improve in 2023 with by the expiry of the one-off prosperity tax. Downside risks to the market could stem from a prolonged deep US recession, worsening geopolitical tension, domestic politics and policy direction.

Disclaimer

This fund fact sheet has not been reviewed by the Securities Commission Malaysia ("SC") and Federation of Investment Managers Malaysia ("FIMM"). The SC and FIMM are not liable for this fund fact sheet and are not in any way associated with this fund fact sheet. The SC and FIMM are not responsible for the contents herein and do not make any representation on the accuracy or completeness of this fund fact sheet, either in whole or in part. A copy of the Second Replacement Disclosure Document dated 23 February 2021 ("Disclosure Document") and the Product Highlights Sheet ("PHS") have been registered and lodged with the SC. The registration of the Disclosure Document and lodgement of the PHS to the SC do not amount to nor indicate that the SC has recommended or endorsed the Private Retirement Scheme ("PRS"). A PHS highlighting the key features and risks of the PRS is available and investors have the right to request for a PHS. Investors are advised to obtain, read and understand the Disclosure Document and the PHS before making a contribution. We suggest that you compare and consider the fees, charges and costs involved prior to making a contribution. The Disclosure Document and the PHS can be obtained from our office, authorised distributors, consultants or representatives. Any issue of units to which the Disclosure Document relates will only be made on receipt of an application form referred to and accompanying with a copy of the Disclosure Document. The price of units and distributions payable, if any, may go down as well as up. The past performance of the PRS should not be taken as an indication of its future performance. Specific risks and general risks for the PRS are elaborated in the Disclosure Document. Investors are advised to understand the risks involved in the PRS and make your own risk assessment and seek professional advice, where necessary.