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.

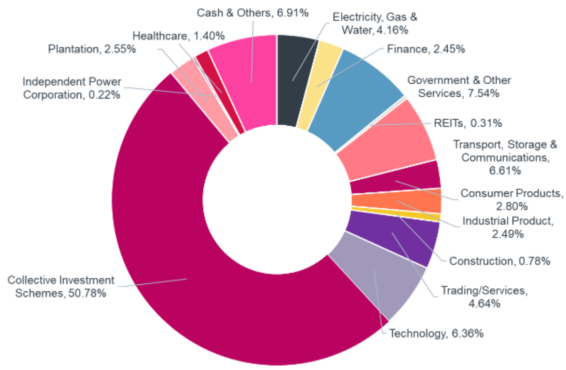
Fund Details

Unit NAV (30 June 2023)	: RM 0.5093
Fund Size (30 June 2023)	: RM 58.5 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	19.71%
2.	TEMPLETON SHARIAH GLOBAL EQUITY FUND	17.23%
3.	ISHARES MSCI WORLD ISLAMIC	10.58%
4.	SUSTAINABILITY GII 3/2022 4.662% 31.3.2038	3.68%
5.	ISHARES MSCI USA ISLAMIC	3.26%

Sector Allocation



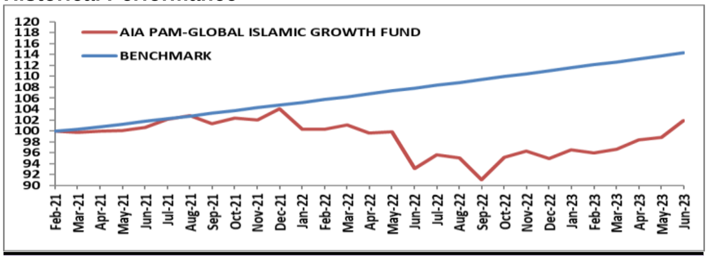
Risk

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	3.03%	9.43%	-	-	1.86%
Index	0.49%	6.00%	-	-	14.30%
Excess	2.54%	3.43%	-	-	-12.44%

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg at 30 June 2023.
^ Cumulative returns. The performance is calculated on NAV-to-NAV basis.

Market Review

Government Investment Issues ("GII") weakened across the curve in a bear flattening manner as local sentiment was largely driven by higher global rates following the unexpected rate hikes by the Reserve Bank of Australia and Bank of Canada earlier in the month, which raised concerns that central banks may not be done yet with their fight against inflation. Trading stayed cautious leading into a few other key rate decisions by the US Federal Open Market Committee ("FOMC"), the European Central Bank ("ECB") and Bank of Japan ("BoJ) mid-month. While the FOMC ultimately held Fed Funds rate unchanged in its June's meeting, hawkish guidance from Fed chair Jerome Powell for potentially another two more hikes this year offered no reprieve. Month-end and quarter-end buying flows across selected GII benchmark securities provided a lift to the local Sukuk market towards the end of the month, but this was insufficient to reverse the earlier losses.

Global market rebounded in June as the month started with a smoother-than-expected resolution to the US debt ceiling. Rally in technology stocks and optimism surrounding Artificial Intelligence (AI) AI drove equities higher. S&P500 Index and MSCI Europe increased by 6.47% and 2.25% respectively MTD in local currency terms. MSCI AC Asia Pacific ex Japan Index increased by 2.17% in USD terms in June 2023. Taiwan ROC and Korea were among the best performing markets while China and Hong Kong PRC lagged.

The FBMS ("Index") fell by 1.8% Month-on-Month ("MoM") to close at 10,414.87 pts on 30 June 2023. The Index underperformed the MSCI Asia Ex Japan Index, which rose 3.3% MoM in Malaysia Ringgit ("MYR") terms over the same period. Foreign investors stayed net sellers of Malaysian equities amounting to MYR1.3 billion in June 2023 while local institutions remained net buyers with MYR0.63 billion.

Market Outlook

Recent inflation readings and economic data from the US have shown signs of moderation. Although the US Federal Reserve ("Fed") continues to reiterate the need to maintain tighter monetary policy amidst robust labour market data, stresses in the US banking sector have called into question the ability of financial institutions to absorb further tightening in financial conditions. Domestically, BNM has kept the overnight policy rate ("OPR") unchanged at its recent monetary policy committee ("MPC") meeting. Against the backdrop of moderating inflation expectations as well as growth outlook in 2H23, the possibility of further OPR hikes for the rest of the year may be remote at this juncture, barring the uncertain timing of subsidy rationalization. For 2023, we expect rates volatility to linger due to uncertainties surrounding central banks' future monetary policy moves on the back of differing and changing views as market conditions evolve. We are cautiously optimistic on the equity market in the near term.

Disclaimer

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