# AIA PAM – Growth Fund

## Investment Objective

The Fund seeks to provide maximize returns through capital growth.

## Investment Strategy

The Fund will invest in local and foreign equities with a bias towards equities with potential for growth. The Fund will also invest at least 30% of its NAV in local fixed income instruments with a minimum credit rating of “BBB3” or “P2” by RAM or equivalent rating by MARC.

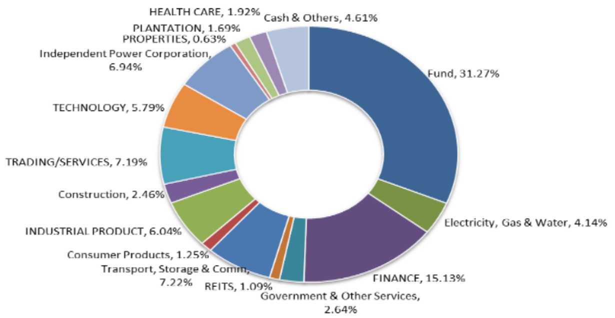
## Fund Details

| | |
|---|---|
| Unit NAV (30 September 2020) | : RM 1.3110 |
| Fund Size (30 September 2020) | : RM 219.92 million |
| Fund Currency | : Ringgit Malaysia |
| Fund Launch | : May 16, 2013 |
| Fund Inception | : Jun 05, 2013 |
| 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 | : 30% FBMT 100 Index + 30% MSCI AC Asia ex Japan Index + 40% Quant Shop MGS All Bond Index |

## Top Five Holding

| | | |
|---|---|---|
| 1. | FIDELITY FDS-ASIA P OP-I USD | 18.74% |
| 2. | Schroder In Asia P XJP E-CAC | 9.04% |
| 3. | Public Islamic Bank Bhd 08/08/22 | 4.76% |
| 4. | iShares MSCI Asia ex-Japan ETF | 3.50% |
| 5. | GENTMK 4.42 06/08/22 | 2.88% |

## Sector Allocation



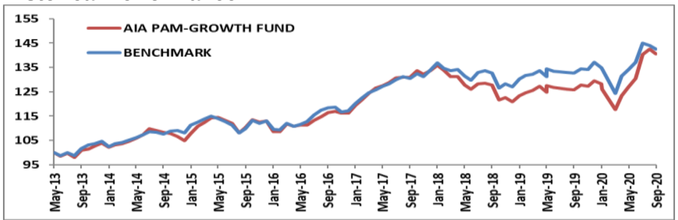

## Risk

General investment risks such as 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 and currency 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 | -1.46% | 11.68% | 7.27% | 27.35% | 40.54% |
| Index | -1.09% | 7.35% | 9.12% | 29.62% | 42.46% |
| **Excess** | -0.37% | 4.33% | -1.86% | -2.27% | -1.92% |

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg at 30 September 2020
^ Cumulative returns. The performance is calculated on NAV-to-NAV basis.
*Note: Change of performance reporting method from annualised to cumulative returns with effect from July 2020 to provide better clarity and follow common practice by industry players.

## Market Review

Malaysian Government Securities traded mixed in Sept 2020 following Bank Negara Malaysia’s decision to maintain the Overnight Policy Rate at 1.75% during the Monetary Policy Committee meeting. Meanwhile, FTSE Russell’s World Government Bond Index decided to keep Malaysia on its watch list until Mar 2021 and acknowledged BNM’s initiatives to improve market liquidity and accessibility. Prime Minister Tan Sri Muhyiddin Yassin also announced an additional MYR10 billion worth of economic stimulus package. During the month, MYR strengthened by 0.18% against the greenback to end the month at MYR4.1565.

The FBM100 fell by 2.08% MoM on 30 September 2020. The local Index underperformed the MSCI Asia Ex Japan Index, which fell by 1.9% MoM in MYR terms over the same period. Foreigners were net sellers of the local market with a net outflow of RM2.0 bn in September 2020, bringing total foreign outflow to RM22.5 bn YTD. Over the month of September, Covid-19 cases have resumed its upward trajectory following the formation of several clusters originating from Kedah and Sabah. Meanwhile, Asian equities traded sideways, led by a strengthening dollar, escalating tensions between the US and China, a resurgence in global infection cases, stalled US fiscal negotiations and US November elections.

## Market Outlook

In its recent Monetary Policy Committee meeting, BNM took a pause on its monetary policy easing cycle and held the OPR at 1.75%. BNM highlighted that economic activity continues to recover as latest high frequency indicators show that labour market conditions, household spending and trade activity have continued to improve. Global central banks will remain largely accommodative in the monetary policy space while fiscal policy will remain expansionary in support of growth. With the widening fiscal deficit, a larger supply of government bonds will continue to weigh on the yield curve. Nevertheless, the local bond market shall continue to be supported by ample onshore liquidity.

We remain cautiously optimistic on selected sectors with high degree of earnings visibility or sectors that are expected to benefit from a rapid recovery in tandem with the gradual reopening of the economy. Unprecedented fiscal and monetary stimulus rolled out across the world have provided some support to the general health of the economy, although we are cognizant that the swift rebound in financial markets may have also priced in a rapid pace of recovery that is far from guaranteed.