



AIA PAM – Growth Fund

Investment Objective

The Fund seeks to provide returns through capital growth.

Investment Strategy

The Fund will invest up to 90% of its NAV equities with a bias towards equities with potential for growth. The Fund will invest in local and foreign markets. The Fund will also invest at least 10% of its NAV in local fixed income instruments with a minimum credit rating of “BBB3” or “P2” by RAM or equivalent rating by MARC.

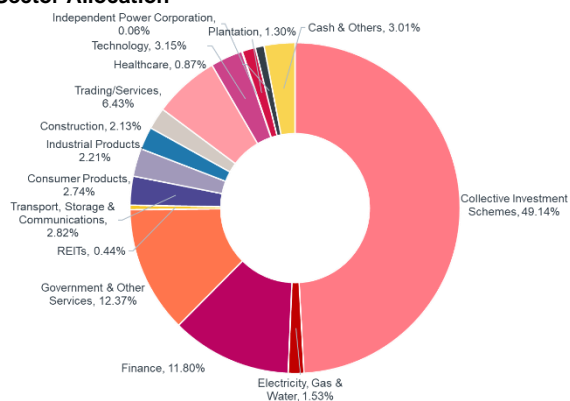
Fund Details

| | |
|-----------------------------|---|
| Unit NAV (31 May 2023) | : RM 1.3479 |
| Fund Size (31 May 2023) | : RM 404.1 million |
| Fund Currency | : Ringgit Malaysia |
| Fund Launch | : May 16, 2013 |
| Fund Inception | : June 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 + 20% MSCI AC Asia ex Japan Index + 20% Quant Shop MGS All Bond Index + 30% MSCI World Index |

Top Five Holding

| | | |
|----|--|--------|
| 1. | SCHRODER ISF GLOBAL SUSTAINABLE GROWTH | 14.72% |
| 2. | FIDELITY FUNDS-GLOBAL FOCUS FUND | 14.60% |
| 3. | FIDELITY FUNDS-ASIA PACIFIC OPPORTUNITIES FUND | 12.39% |
| 4. | SCHRODER ISF SUSTAINABLE ASIAN EQUITY | 7.44% |
| 5. | SUSTAINABILITY GII 3/2022 4.662% 31.3.2038 | 2.67% |

Sector Allocation



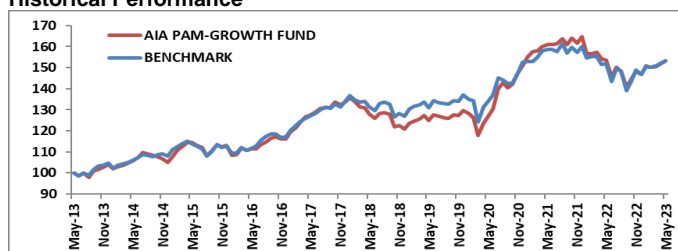
Risk

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 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 | 0.91% | -0.26% | 20.65% | 19.93% | 53.26% |
| Index | 0.72% | 0.89% | 14.29% | 16.66% | 53.27% |
| Excess | 0.19% | -1.14% | 6.35% | 3.27% | -0.01% |

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg at 31 May 2023

^ Cumulative returns. The performance is calculated on NAV-to-NAV basis.

Market Review

Malaysian Government Securities (“MGS”) traded with mixed sentiment mixed in May 2023. Sentiment at the start of the month was supported by lower yields in the US after a slew of data releases towards the end of April 2023 which missed expectations. However, the sentiment quickly deteriorated throughout the month, as hawkish statements from Federal Reserve Open Market Committee (“FOMC”) members and concerns on the US debt ceiling extension talks led to sharp rises in US Treasury yields and a stronger US Dollar (“USD”). MGS yields tracked and moved higher in response, but losses were capped by buying interest from local investors towards the end of the month due to attractive valuations and optimism on the eventual resolution of the debt ceiling extension.

Global market was volatile in May due to the US debt ceiling impasse. S&P500 was flat, MSCI Europe declined by 2.4% and MSCI Japan rose by 4.5% respectively MTD in local currency terms. MSCI AC Asia Pacific ex Japan Index fell 2.65% in USD terms in May 2023. Taiwan ROC and Korea KOSPI were among the best performing markets while China and Hong Kong PRC lagged.

The FBMKLCI (“Index”) fell by 2.03% Month-on-Month (“MoM”) to close at 1,387.12 pts on 31 May 2023. The Index underperformed the MSCI Asia Ex Japan Index, which rose 1.25% MoM in Malaysia Ringgit (“MYR”) terms over the same period. Foreign investors stayed net sellers of Malaysian equities amounting to MYR0.73 billion in May 2023 while local institutions remained net buyers with MYR0.71 billion.

Market Outlook

Recent US economic data releases are suggestive of a softening in economic activities and a moderation in inflation, though labour market conditions remain stubbornly strong. Although the US Federal Reserve (“Fed”) continues to reiterate the need to maintain tighter monetary policy, the financial sector instability in the US may impede the Fed from further rate hikes. Locally, with still resilient domestic growth outlook and upside risk to inflation, BNM may keep the door opened for further rate increases. 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 and fixed income market in the near term. We continue to favour corporate bonds for yield pickup.



Disclaimer

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