



Jun 2015

## AIA PAM – Islamic Moderate Fund

### Investment Objective

The Fund seeks to provide returns through a combination of income\* and capital growth.

*\*Income will be reinvested in additional units in the Fund*

### Investment Strategy

The Fund will invest in equities that are trading below their fair value and equities offering a dividend yield above the market average. The Fund will invest in local and foreign markets.

The Fund will also invest at least 40% of its NAV in local fixed income instruments with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC.

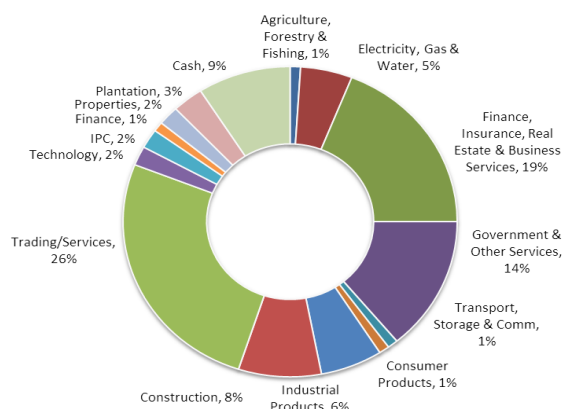
### Fund Details

Unit NAV (30 Jun 2015)	: RM 1.0932
Fund Size (30 Jun 2015)	: RM 37.94 million
Fund Currency	: Ringgit Malaysia
Fund Launch	: May 16, 2013
Fund Inception	: Jun 05, 2013
Fund Management Charge	: 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	: 50% FTSE Bursa Malaysia EMAS Shariah Index + 50% Quant Shop GII All Index

### Top Five Holding

1.	MGII 27/08/20	8.99%
2.	Northport Malaysia Berhad 19/12/24	6.53%
3.	Tenaga Nasional Berhad	4.61%
4.	Sabah Credit Corp 05/05/22	4.48%
5.	Sarawak Energy Berhad 04/07/24	4.06%

### Sector Allocation



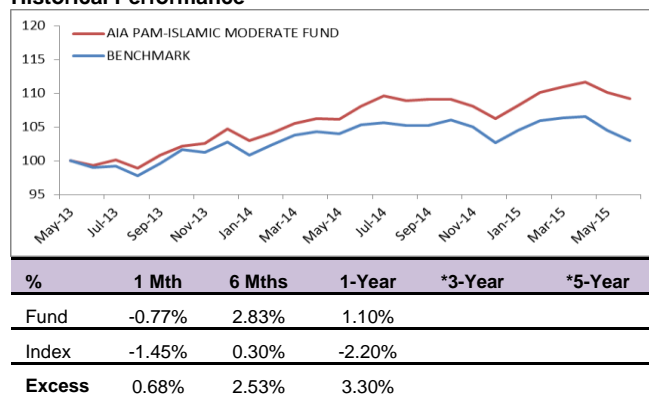
### Risk

Investment risk involves the uncertainties relating to Malaysia's economic situation, political condition and also price volatility of stocks held as a result of company specific risk.

### Risk Management

The Investment Manager employs structured investment process to minimize market risk. Investment guidelines also prescribe limits in terms of single user limit and strict and frequent stock evaluation to minimize company specific risk.

### Historical Performance



Source: AIA Pension and Asset Management Sdn. Bhd. Bloomberg as at 30 Jun 2015.

### Market Review

Malaysian sukuk market ended mixed in the month of June with market players taking a cautious stance ahead of the Fitch announcement on Malaysia's sovereign rating, while the short end papers pared gains in the absence of new BNM notes. Following the Fitch's upgrading Malaysia's sovereign rating outlook from 'Negative' to 'Stable' while reaffirming rating at A- on July 1, Malaysian sukuk market rallied. The rating agency cited the improving fiscal position of Malaysia, strong economic growth and low inflation as reasons for the affirmation and revision in rating outlook. On the corporate side, sukuk remains supported by subdued sukuk pipeline. In the primary market, Maxis Berhad, Benih Restu and Pengurusan Air SPV tapped the sukuk market.

During the month, FBM Syariah Index declined 2.92% to end the month at 12,209, underperforming MSCI Asia ex-Japan, which fell only 2.03% in MYR term. This is largely driven by weaker MYR, which fell 2.9% m-o-m against USD and worries of Greece to exit Eurozone as well as political concerns brought by the negative publicity on 1MDB. However, Malaysia market was slightly rallied on the last day of the month due to the positive surprise that Fitch maintains Malaysian sovereign rating and upgrades the outlook from 'Negative' to 'Stable'. On the corporate front, Westport Holdings has been included in the KLCI index, replacing Felda Global Ventures after the semi-annual review of FTSE Bursa Malaysia index series. Felda Global Ventures has entered into an agreement to acquire 37% stake in Eagle High Plantations and sugar concessions in Papua, Indonesia for US\$746mil. TNB had obtained approval from the Cabinet to take over 70% stake held by 1MDB in Project 3B. A consortium comprising Gamuda, Evia Real Estate and Maxdin has placed a tender worth of S\$346mil to potentially develop a leasehold plot of land in Toa Payoh, Singapore.

### Market Outlook

For fixed income, in the absence of fresh driver at the local front, we will likely to see range bound trading conditions in the GII market with a downside bias due to the volatile Ringgit.

For local equity, in the short run, we expect equity market to be volatile with some downside risk given Greece may exit the Eurozone if Greece leader fails to agree on bailout terms, reported political spat between Dr. Mahathir and PM Najib and loss of investors' confidence as a result of 1MDB's issues. Over the medium term, oil prices recovery above US\$55/barrel and 1MDB restructuring plan may contribute to a better prospect of Malaysia and prompt foreign investors to relook at the Malaysian Market.