



AIA PAM – Islamic Moderate Fund

Investment Objective

The Fund seeks to provide returns through a combination of income* and capital growth from a portfolio that is consistent with Shariah principles.

*Income will be reinvested in additional Units in the Fund

Investment Strategy

The Fund will invest in a Shariah-compliant portfolio comprising equities with potential for growth and equities that are trading below their fair value. The Fund will also invest at least 40% of its NAV in Sukuk and Islamic money market instruments with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC.

The Fund will only invest locally.

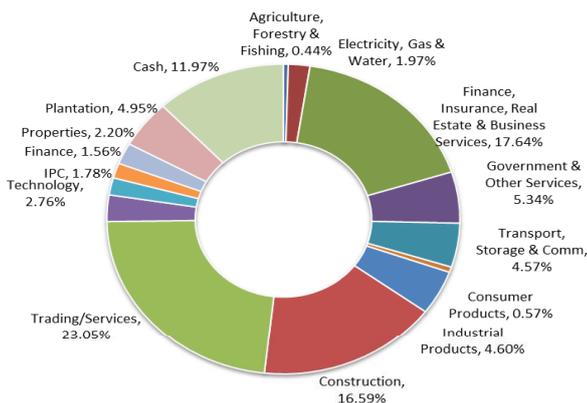
Fund Details

Unit NAV (29 Feb 2016)	: RM 1.1036
Fund Size (29 Feb 2016)	: RM 98.14 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.	EKVE Sdn Bhd 29/01/26	5.30%
2.	Malakoff Power Bhd 17/12/19	5.15%
3.	BGSM Mgt Sdn Bhd 27/12/23	4.40%
4.	Tenaga Nasional Berhad	4.29%
5.	Jimah East Power Sdn Bhd 04/06/21	3.91%

Sector Allocation



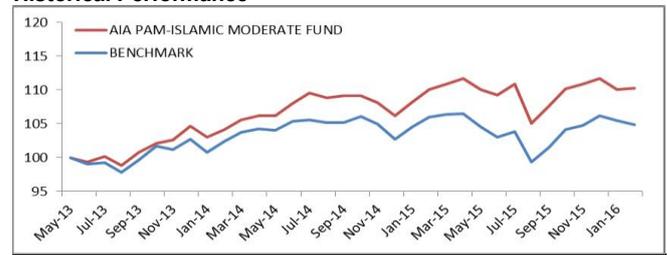
Risk

Investment risk involves the uncertainties relating to the country'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



%	1 Mth	6 Mths	1-Year	*3-Year	*5-Year
Fund	0.23%	4.99%	0.15%		
Index	-0.54%	5.58%	-1.06%		
Excess	0.77%	-0.59%	1.20%		

Source: AIA Pension and Asset Management Sdn. Bhd. Bloomberg as at 29 Feb 2016.

Market Review

Malaysian government bonds pared gains from the strong rally in January. The short to belly of the Government Investment Issue ("GI") curve saw selling pressures as MYR weakened against the USD by 1.3% to 4.2030 as at end-February, given the support from stronger crude oil price. Shariah-compliant corporate sukuk primary issuance was active with a total of RM9.9bil issuances during the month.

During the month, FBM Shariah Index fell 1.38% to end the month at 12,249 points, underperforming MSCI Asia ex-Japan, which increased by 0.15% in MYR term. The local market inched lower in line with the weakening Ringgit against USD by 1.3% despite stronger crude oil prices in the month. GDP growth data was released at 4.5% in 4Q2015, beating the market expectation and making the full year 2015 to 5.0%. The GDP growth was mainly driven by private sector and conducive labour market condition as well as expanded private investment. The GDP growth is forecasted to remain strong at 4.0%~4.5% for 2016.

Market Outlook

For fixed income, with the improved foreign sentiment on domestic markets, we increasingly see resilience of MYR against the volatility of crude oil price. Slower global economic outlook, including Malaysia, will be supportive of the local bond market.

For local equity, in the short run, we expect market to trade within a tight range from here. The market is expected to be supported by RM20bil ValueCap fund to be deployed in stages as well as the monetary easing policy undertaken by both BOJ and ECB to stimulate economy. In addition, investors' sentiment turned slightly positive as first US Fed rate hike of 25bps was concluded in December and further rate hike will likely be on gradual basis. However, the market upside could be capped by given the less attractive valuation, still-lingering political issues and external headwinds arising from the China's economy slowdown.