



## 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.

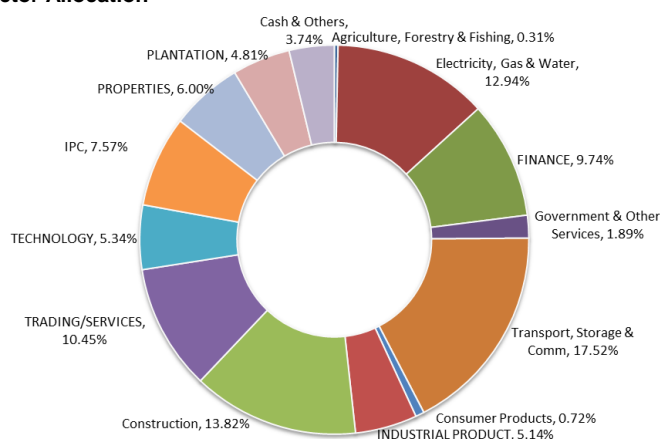
### Fund Details

Unit NAV (30 Nov 2017)	: RM 1.1842
Fund Size (30 Nov 2017)	: RM 116.20 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	: 50% FTSE Bursa Malaysia EMAS Shariah Index + 50% Quant Shop GII All Index

### Top Five Holding

1.	Northport Malaysia Berhad 19/12/24	6.65%
2.	Tenaga Nasional Bhd	4.66%
3.	EKVE Sdn Bhd 29/01/26	4.51%
4.	Malakoff Power Bhd 17/12/19	4.36%
5.	BGSM Management Bhd 27/12/23	3.78%

### Sector Allocation



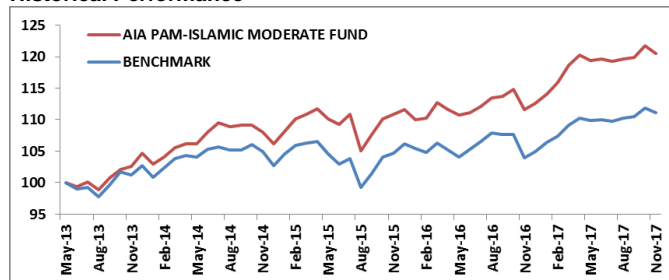
### Risk

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	-1.03%	0.92%	7.92%	3.68%	-
Index	-0.58%	1.11%	6.97%	1.93%	-
<b>Excess</b>	<b>-0.44%</b>	<b>-0.19%</b>	<b>0.96%</b>	<b>1.75%</b>	<b>-</b>

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg as at 30 November 2017. ^ Annualised return

### Market Review

In November, the Malaysian equity market edged lower with FBM Emas Shariah index down 1.4%. Malaysian government bond yields increased to 4.1% from 3.9% before ended the month lower at given the shift in the tone of Monetary Policy Statement. November saw net foreign outflows of about MYR15.4 million, marking the fourth consecutive month of outflows. In terms of sector performance, construction and property sectors underperformed during the month following the news of the MRT3 tender to 'build-and-finance' model which is perceived be a disadvantage to local contractors and the freeze on luxury property projects in Klang valley, respectively. Malaysia's Q3 GDP growth came in better than expected at 6.2% yoy, driven by robust private sector spending while public sector remained supportive of growth.

On the corporate front, key developments included the demerger exercise with the listing of Sime Darby Plantation Bhd and Sime Darby Property Bhd and the removal of Digi from the Shariah-compliant list. Notable price movements were seen ahead of potential changes in the component stocks of the FBMKLCI Index. FTSE Russell and Bursa Malaysia jointly announced that Westports and Sime Darby Property will be removed from the FBM100 Index with effect from 6 December 2017 while Nestle Bhd and Press Metal to replace British America Tobacco and IJM Corp effective 18 December 2017.

### Market Outlook

For fixed income, domestic institutions should lend support to the bond market over the near term. On the external front, the December FOMC meeting has priced in closed to 98.0% of interest rate hike by another 25 bps. Any hawkish remarks by major central banks will likely weigh on the sentiment of regional bond markets, including Malaysia's.

Moving forward, the positive tone in global markets could continue given the robust economic data from the US and the decent earnings reported by domestic banks in the recent third quarter results. With the President Trump's tax reform plans having passed the Senate, Congress is expected to ratify before going to the President Trump. On the local front, earnings momentum have picked up in the third quarter driven by the banking sector. With no major domestic macro data anticipated, the focus may switch to foreign fund flows.

Replacement Disclosure Document dated 9 December 2016 of the AIA Private Retirement Scheme has been registered with the Securities Commission Malaysia, who takes no responsibility for their contents. Copies of the Replacement Disclosure Document and Product Highlights Sheet (known as "PHS") are available from our office and all authorised agents/distributors of AIA Pension and Asset Management Sdn Bhd and you have the right to request for the Replacement Disclosure Document and PHS. Please read and understand the contents of the Replacement Disclosure Document and PHS before making any investment decision. Units are issued upon our receipt and satisfactory processing of a duly completed application form referred to in and accompanying the Replacement Disclosure Document. In the event of discrepancy between the fact sheet and the Replacement Disclosure Document, the information in the Replacement Disclosure Document shall prevail.