



## 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.

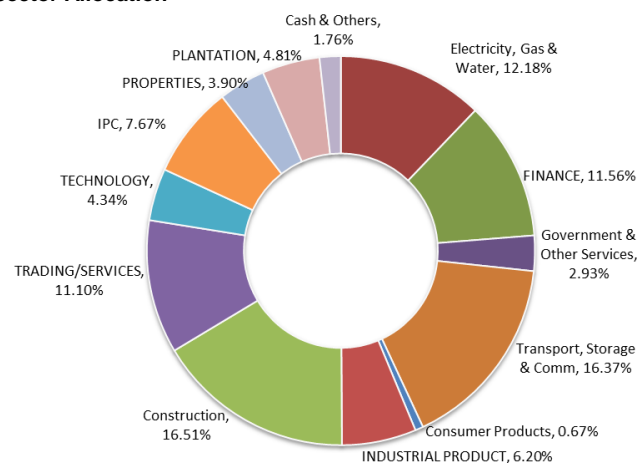
### Fund Details

Unit NAV (28 Feb 2018)	: RM 1.1853
Fund Size (28 Feb 2018)	: RM 116.26 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	6.59%
2.	Public Islamic Bank Bhd 03/08/2022	4.70%
3.	EKVE Sdn Bhd 29/01/26	4.47%
4.	Malakoff Power Bhd 17/12/19	4.35%
5.	Tenaga Nasional Bhd	4.06%

### Sector Allocation



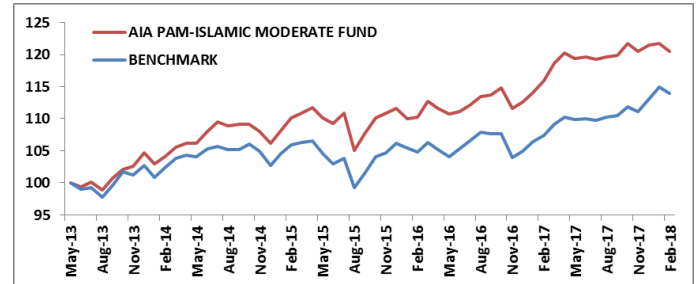
### Risk

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	-1.02%	0.76%	4.01%	3.07%	-
Index	-0.76%	3.40%	6.13%	2.47%	-
<b>Excess</b>	<b>-0.26%</b>	<b>-2.64%</b>	<b>-2.12%</b>	<b>0.60%</b>	<b>-</b>

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg as at 28 February 2018. ^ Annualised return

### Market Review

The FBM Shariah Emas Index started the month on a weak footing as the index tracked the sell-down in global markets earlier in the month on 5 February 2018. The Malaysian equity market recorded losses in February with the FBM Shariah Emas fell by -1.68%. Foreign funds bought around RM3.4 bil net in January but turned net sellers in the first week of February with around RM2.0 bil worth of shares sold net. However, market recovered steadily, in line with the rebound in global indices. Foreign funds turned net buyers in mid-February, reducing the selling for the month to RM1.1 bil.

The best performer for the period was the Consumer Index. The biggest movers were Nestle (+13.06%) after it reported a stellar 4Q17 results and its avenue as defensive play. The Construction Index was the worst performer for the period where it fell -5.93%. The biggest laggards were IJM (11.97%), Gamuda (-3.12%) and Sunway Construction (-6.25%). IJM reported weaker results which missed consensus' estimates on the back of lower contribution from the property segment and the manufacturing division.

Malaysian government sukuks closed mixed in the month of February 18 as global market volatilities spiked. Government Investment Issue (“GII”) 20Y was the biggest loser, selling off +8 bps while GII 30Y yield dropped the most among benchmark government bonds by 4bps. Foreign holdings in MGS and GII moderated to 28.7% (January 18: 29.3%).

### Market Outlook

For fixed income, while fear of a more hawkish Fed could send yields higher, a looming ‘trade war’ could trigger risk aversion which would benefit sukuk markets. Over the longer term however, we believe that local sukuk market should be well supported on the back of solid domestic fundamentals and onshore liquidity.

Worries on more than three interest rate hike in the US weigh on the market sentiment of late. Nevertheless, earnings delivery by corporates have been exceeding expectations. On the local front, investors remain cautiously optimistic on equities as the general elections draw closer.

Replacement Disclosure Document dated 9 December 2016 and First Supplemental Replacement Disclosure Document dated 26 January 2018 of the AIA Private Retirement Scheme have been registered with the Securities Commission Malaysia, who takes no responsibility for their contents. Copies of the Replacement Disclosure Document and Product Highlights Sheet (collectively known as “Disclosure Document”) 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 Disclosure Document. Please read and understand the contents of the Disclosure Document 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 Disclosure Document. In the event of discrepancy between the fact sheet and the Disclosure Document, the information in the Disclosure Document shall prevail.