



## 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.

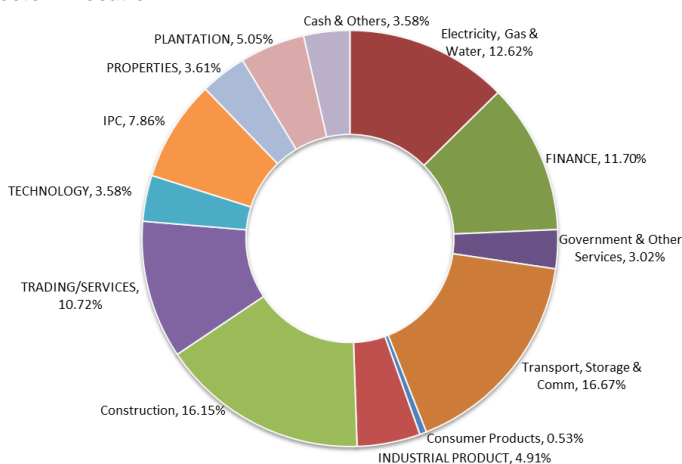
### Fund Details

Unit NAV (31 Mar 2018)	: RM 1.1595
Fund Size (31 Mar 2018)	: RM 113.46 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	6.76%
2.	Public Islamic Bank Bhd 03/08/2022	4.81%
3.	EKVE Sdn Bhd 29/01/26	4.57%
4.	Malakoff Power Bhd 17/12/19	4.46%
5.	Tenaga Nasional Bhd	4.30%

### Sector Allocation



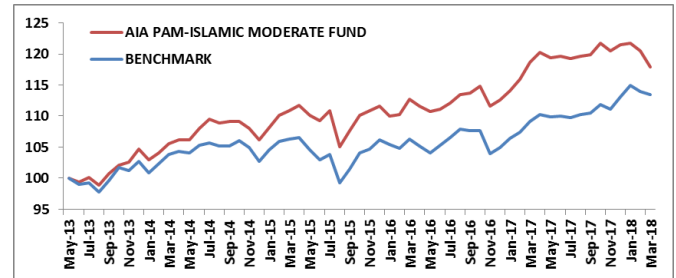
### Risk

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	-2.18%	-1.65%	-0.58%	2.07%	-
Index	-0.44%	2.71%	3.96%	2.20%	-
<b>Excess</b>	<b>-1.74%</b>	<b>-4.36%</b>	<b>-4.54%</b>	<b>-0.13%</b>	<b>-</b>

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg as at 31 March 2018. ^ Annualised return

### Market Review

The Malaysian equity market recorded losses in March with the FBM Shariah Emas Index fell 1.47%. Global Foreign funds continued to be small net seller in March (-RM61.6mil), the second consecutive month of selling where they sold RM1.1bil in February. That said, foreign funds were still net buyers of RM2.2bil in year to date. Other than steep tariffs on imported steel and aluminum, U.S. President Donald Trump proposed to impose tariffs US\$50bil worth of Chinese imports. China retaliated back with proposed tariffs on US\$50bil worth of imports

The best performer for the period was the Consumer Index, led by Nestle, F&N and IHH. This could be due to investors switching to defensive sector given heightened market volatility. The Technology Index was the worst performer for the period. The trade war fears together with the selloff in U.S. technology added pressure to semiconductor related stocks.

### Market Outlook

Key takeaway from Bank Negara Malaysia's Annual Report 2017 released in March was the revision in official 2018 real GDP growth forecast to 5.5% - 6.0%, from 5.0%-5.5% made in October 2017, supported by the strengthening of global conditions and the continued growth in domestic demand. BNM also trimmed official inflation forecast to 2.0-3.0% (previously 2.5-3.5%). This supports a stay of OPR view for the remaining year.

The current trade frictions between the US and China are not expected to escalate into a full-blown trade war as that will stoke inflation and lower the growth potentials for both countries. Government officials from both sides have been indicating openness to discussion on avoiding these trade barriers. Despite heightened volatility, equity markets will be supported by rising corporate earnings and a gradual removal of monetary policy accommodation by most central banks. 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.