



August 2018

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.

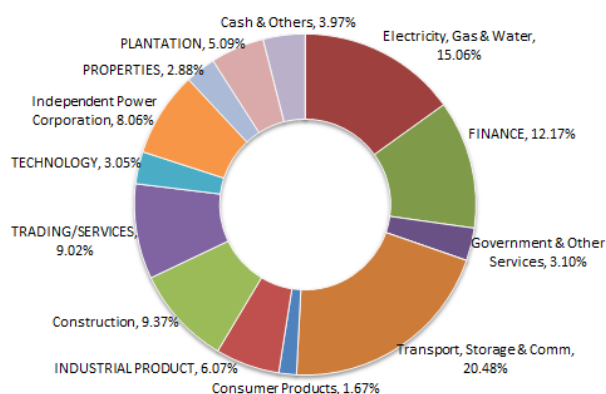
Fund Details

Unit NAV (30 August 2018)	: RM 1.1047
Fund Size (30 August 2018)	: RM 110.34 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	6.99%
2.	Tenaga Nasional Bhd	6.33%
3.	Public Islamic Bank Bhd 03/08/2022	4.97%
4.	EKVE Sdn Bhd 29/01/26	4.73%
5.	Malakoff Power Bhd 17/12/19	4.57%

Sector Allocation



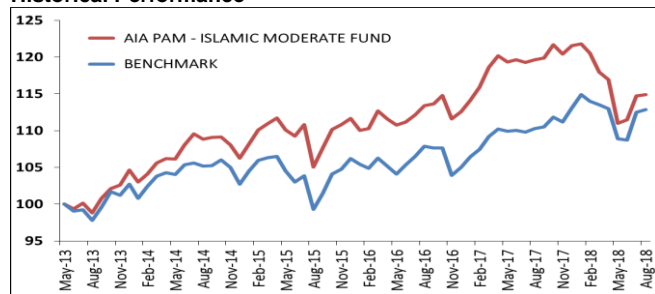
Risk

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	0.15%	-4.72%	-3.99%	3.03%	3.05%
Index	0.31%	-1.01%	2.36%	4.36%	2.91%
Excess	-0.16%	-3.71%	-6.35%	-1.33%	0.14%

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg as at 30 August 2018. ^ Annualised return

Market Review

Government Investment Issue (“GII”) strengthened with yield curve shifting 2 to 10 bps lower in Aug 2018, on the back of improved risk appetite for emerging market (“EM”) assets amid a steady Turkish lira. On a side note, USDMYR weakened slightly by 1.6% against the greenback to close the month at MYR4.1144. Foreign funds turned net buyers with MYR4 billion inflows in July 2018. The foreign holdings in Malaysian Government Securities (“MGS”) and GII increased to 24.8% (June 2018: 24.7%). The return of foreign demand was in sync with broad EM trend which had generally regained some interest of foreign investors after the major sell offs in May and June 2018.

The FBMS Index lost a marginal 0.03% MoM in August on the back of a soft corporate earnings season and weaker-than-expected 2Q18 GDP growth. On YTD basis, the FBMS Index was down 3.7%. In terms of sectors, the top performer in August was Technology while the key laggards were Construction and Property. Foreigners stayed net sellers for the fourth consecutive month, but with a marked reduction in cumulative net outflows. They sold MYR97 million during the month, bringing cumulative foreign net selling to MYR8.6 billion. Average trading value in August was about MYR2.2 billion. On the corporate front, key news included the MYR4.0 billion rights issue by Sapura Energy, Air Selangor's take-over of SPLASH and the shelving of the East Coast Railway Link and two pipeline projects for now.

Market Outlook

The Malaysian equity market will likely remain volatile in the near term given the concerns over the ongoing trade tension between US and China and its implications on global growth. Locally, investors are also watching out for the possibility of more changes in the GLC companies, Pakatan Harapan's policy execution, as well as its fiscal management. However, the new ruling coalition's promise of better governance, transparency and accountability should bode well for the domestic business environment and local equity market over the long term. On the local sukuk front, we believe the market should be well supported on the back of solid domestic fundamentals and ample onshore liquidity.

Replacement Disclosure Document dated 9 December 2016, First Supplemental Replacement Disclosure Document dated 26 January 2018, Second Supplemental Replacement Disclosure Document dated 11 May 2018 and Third Supplemental Replacement Disclosure Document dated 30 July 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, Supplemental Replacement Disclosure Documents 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.