



## 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.

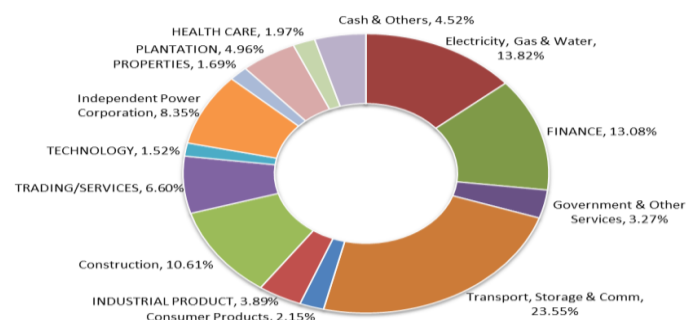
### Fund Details

Unit NAV (31 Mar 2019)	: RM 1.0687
Fund Size (31 Mar 2019)	: RM 106.49 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	7.30%
2.	Public Islamic Bank Bhd 03/08/2022	5.17%
3.	EKVE Sdn Bhd 29/01/26	4.95%
4.	Malakoff Power Bhd 17/12/19	4.73%
5.	Tenaga Nasional Bhd	4.37%

### Sector Allocation



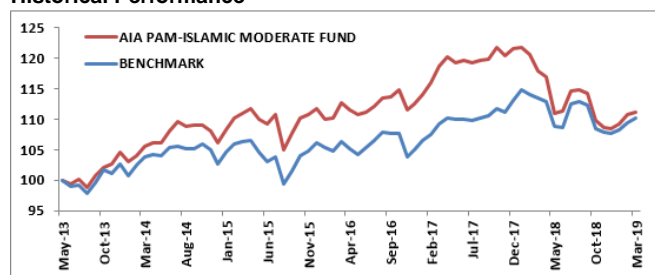
### Risk

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	0.39%	-2.75%	-5.77%	-0.46%	1.03%
Index	0.62%	-1.96%	-2.91%	1.22%	1.21%
Excess	-0.24%	-0.79%	-2.86%	-1.68%	-0.18%

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg as at 31 Mar 2019. ^ Annualised return

### Market Review

Government Investment Issue continued to rally strongly across the curve in Mar 2019, following the dovish tone by the US Federal Reserve. This was further supported by the change in Bank Negara Malaysia's tone towards a slight dovish stance, despite maintaining the overnight policy rate at 3.25% in the second Monetary Policy Committee meeting of the year. In BNM's 2018 Annual Report, Malaysia's 2019 GDP growth is projected to be in the range of 4.3% to 4.8%, with a point forecast of 4.7%, which is below the Ministry of Finance's assumption of 4.9% in Budget 2019. MYR weakened by 0.2% against the greenback to close the month at MYR4.0820.

The FBMS fell 0.4% mom in March, bringing 1Q19 return to 1.6%. The Invest Malaysia 2019 conference failed to lift sentiment, which was partly hampered by growth concerns. Foreigners were net sellers of the local market with a net outflow of MYR1.6 billion during the month, doubling February's MYR0.8 billion net outflow. Year-to-date foreign net outflow amounted to MYR1.3 billion. On the corporate front, key news included Yinson's US\$902m contract win for the charter, operations and maintenance of a floating production storage and offloading vessel from First Exploration & Petroleum Development Company and VS Industry's agreement with US-based Bissell International to manufacture home care products under the Bissell brand name on a box-build basis.

### Market Outlook

Globally, central banks are generally tilted towards a slight dovish tone, on the back of slowing growth momentum and tame inflation environment. Malaysia has also joined the pact in that the central bank has downgraded both growth and inflation forecasts for 2019 in the latest BNM's 2018 Annual Report. This may draw the appeal of local fixed income assets relative to risk assets, which balances concern of higher local government bond supply.

Locally, we see downside risks in Malaysian corporate earnings, the volatility in oil prices and the potential share overhang from divestment by Government funds. But the market should be supported by the incrementally more positive newsflow on the US-China trade talks, and the less hawkish US Federal Reserves, which should be positive for Emerging Markets. Further out, we expect the local market to deliver mid-single digit returns for 2019, driven by still positive earnings growth and further certainty over the government's policy direction over time. We will remain vigilant to the constantly evolving market conditions and will adjust our strategy accordingly.

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, Third Supplemental Replacement Disclosure Document dated 30 July 2018, Fourth Supplemental Replacement Disclosure Document dated 19 October 2018, Fifth Supplemental Replacement Disclosure Document dated 18 January 2019 and Sixth Supplemental Replacement Disclosure Document dated 15 April 2019 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.