



## 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.

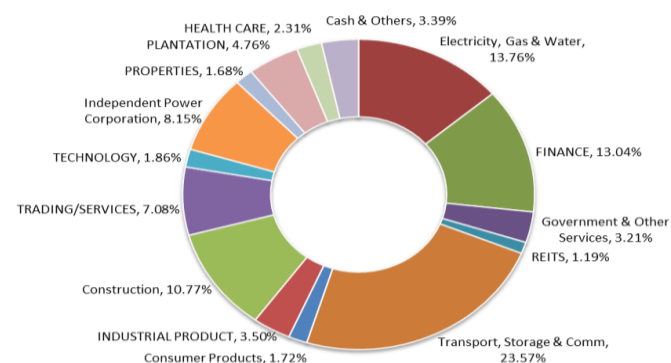
### Fund Details

Unit NAV (30 June 2019)	: RM 1.1004
Fund Size (30 June 2019)	: RM 109.12 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	7.18%
2.	Public Islamic Bank Bhd 03/08/2022	5.09%
3.	EKVE Sdn Bhd 29/01/26	4.89%
4.	Malakoff Power Bhd 17/12/19	4.61%
5.	Tenaga Nasional Bhd	4.47%

### Sector Allocation



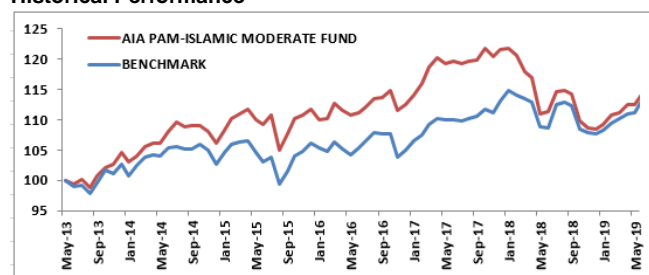
### Risk

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	1.61%	5.45%	2.66%	0.97%	1.15%
Index	2.04%	5.33%	4.27%	2.49%	1.48%
Excess	-0.44%	0.12%	-1.62%	-1.52%	-0.33%

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg as at 30 June 2019. ^ Annualised return

### Market Review

Government Investment Issue continued to rally strongly across the curve in June 2019, following the dovish tone by the US Federal Reserve. With an expectation of easing, the market turned risk-on and this spurred strong buying interest in the local bond space particularly on the longer end of the yield curve. Malaysian ringgit strengthened by 1.38% against the greenback to close the month at MYR4.1335.

The FBMS rose 2.9% MoM, in line with the overall improvements in the regional equity markets. This could be fueled by optimism on a potential trade truce between US and China at the G20 summit in Japan. The Index registered a 5.5% gains in 1H 2019. After four consecutive months of net selling, foreigners turned net buyers in June with a net inflow of MYR135 million. However, Malaysia still saw a net foreign selling of MYR4.7 billion on a year-to-date basis on the back of global uncertainties and Malaysia's lackluster corporate earnings expectations, amongst others. On the corporate front, key news included YTL Corporation's announcement of its plan to delist its property development arm, YTL Land and Development, Telekom Malaysia's appointment of its managing director and group CEO, and Putrajaya's offer to pay Gamuda and Lingkaran Trans Kota Holdings ("Littrak") MYR4.5 billion to take over four toll highways in the Klang Valley.

### Market Outlook

Global central banks remain dovish and as trade tension further escalates, fixed income assets remain appealing relative to risk assets. On potential offshore outflows of domestic government sukuk due to headlines surrounding index exclusion, ample onshore liquidity shall remain supportive of the local sukuk market, albeit a knee-jerk market reaction is not ruled out in the worst-case scenario of an exclusion.

There are still structural challenges in arriving at a final deal, the temporary trade truce between US and China should bode well for the Asian equities as investors were fearing the worse if President Trump had implemented further tariffs on the remaining imports from China. Economic data continues to point to weak growth due to the global trade uncertainty. However, we are comforted that global central banks have turned more dovish and the Chinese government will be ready to implement more stimulus if needed to avoid a hard landing for its economy. That said, 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.