



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.

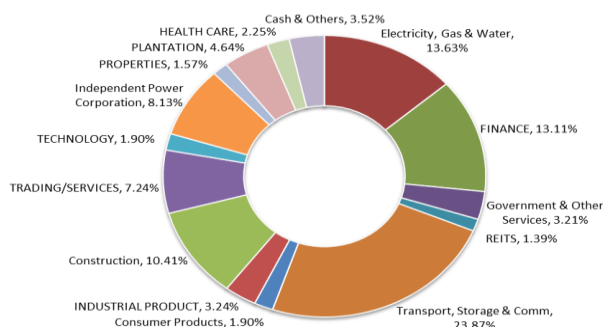
Fund Details

Unit NAV (31 July 2019)	: RM 1.1001
Fund Size (31 July 2019)	: RM 109.45 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	7.19%
2.	Public Islamic Bank Bhd 03/08/2022	5.11%
3.	EKVE Sdn Bhd 29/01/26	4.91%
4.	Malakoff Power Bhd 17/12/19	4.59%
5.	Tenaga Nasional Bhd	4.35%

Sector Allocation



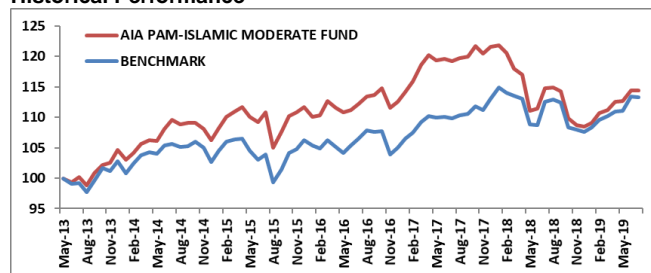
Risk

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		-0.02%	4.81%	-0.27%	0.67%	0.87%
Index		-0.10%	4.56%	0.67%	2.08%	1.41%
Excess		0.08%	0.25%	-0.95%	-1.41%	-0.54%

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

Market Review

Government Investment Issue were generally well bid in July 2019, in line with lower global yields following US Federal Reserve's decision to cut its policy Fed Funds Target Rate by 25 bps. This was further supported by the stronger Malaysian ringgit on the back of US dollar weakness, which saw buying interests mainly focussed on the belly to the long end of the curve from both local and foreign investors. MYR strengthened by 0.13% against the greenback to close the month at MYR4.1265.

The FBMS fell 1.07% MoM to close at 12,002.94 pts in July, in line with the overall softness in the regional equity markets. This could be due to concerns on trade war between the US and China and slowing global growth. The local Index outperformed the MSCI Asia Ex-Japan Index, which fell 2.56% in MYR terms over the same period. Foreigners were net sellers of the local market with a net outflow of MYR79 million during the month, bringing year-to-date net outflow to MYR4.7 billion. On the corporate front, key news included Tenaga's internal restructuring and plans to split its portfolio into domestic power generation and electricity retail business.

Market Outlook

Against the backdrop of global geopolitical uncertainties, as well as the increasing likelihood of a prolonged trade tension, global monetary policy accommodation is likely to be extended. This shall continue to lend support to fixed income assets, barring any risk of a currency war. While the risk of index exclusion for domestic government bonds remain, ample onshore liquidity shall remain supportive of the local sukuk market albeit a knee-jerk market reaction is not ruled out.

On the equity front, the recent proposal by President Trump to impose a 10% tariff on USD300 billion worth of imports from China effective 1st Sept 2019 has caused jitters to the local market. Despite this, we continue to look out for opportunity to accumulate fundamentally solid companies with good earnings visibility at lower levels as we expect the equity market to gradually recover over the long run, underpinned by Malaysia's strong macroeconomic fundamentals. Malaysia is under-owned by foreigners and has underperformed its regional peers on a year-to-date basis. We also see potential support from the revival of infrastructure projects and potential relocation of activities to Malaysia as a result on the ongoing US-China trade spat. 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.