



## 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.

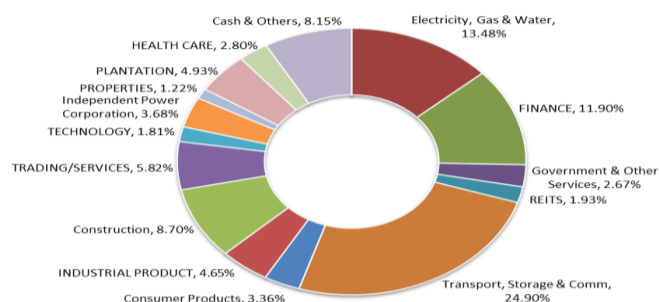
### Fund Details

Unit NAV (31 March 2020)	: RM 1.0485
Fund Size(31 March 2020)	: RM 105.25 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	7.42%
2.	Public Islamic Bank Bhd 03/08/2022	5.32%
3.	EKVE Sdn Bhd 29/01/26	5.08%
4.	Tenaga Nasional Bhd	4.33%
5.	BINGMK 5.6 12/27/23	4.20%

### Sector Allocation



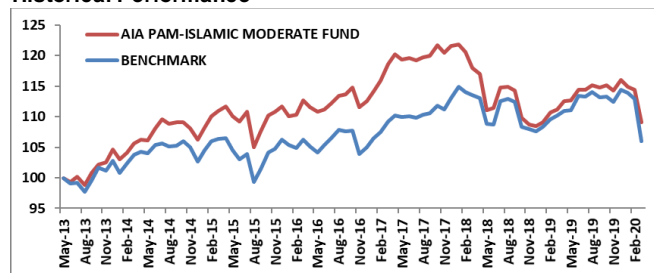
### Risk

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	-4.66%	-4.97%	-1.89%	-2.77%	-0.34%
Index	-6.20%	-6.39%	-3.87%	-1.00%	-0.08%
Excess	1.53%	1.42%	1.98%	-1.77%	-0.27%

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg as at 31 March 2020. ^ Annualised return

### Market Review

Government Investment Issue saw heavy sell-off across the curve on the back of global risk-off sentiments as investors seek safe haven assets in a potential crunch in global liquidity as well as the plunge in oil prices. Fears of the negative impact of lower oil price along with the Covid-19 outbreak would bring serious downside risks to Malaysia's growth outlook saw both onshore and offshore investors sold across the curve with yields rising by 23 to 66 bps. Notwithstanding that, the continuous selling pressure in emerging market currencies in the region saw MYR weaken by 2.52% against the greenback to close the month at MYR4.3212.

The FBMS fell by 9.1% MoM in March outperformed the MSCI Asia Ex Japan Index, which fell 10.2% in MYR terms over the same period. Foreigners were net sellers of the local market with a net outflow of USD1.3bn. In view of the unprecedented outbreak of Covid-19 and MCO in place, the Malaysian government had announced a RM250bn economic stimulus package in supporting the local economy.

### Market Outlook

With the outbreak of Covid-19 and the drag to the global economy, global central banks have turned to monetary policy easing as pre-emptive measures over concerns on the heightened downside risks to growth outlook. We continue to believe that central banks will remain largely accommodative in the monetary policy space while fiscal policy is likely tilted towards an expansionary stance in support of growth. While the period before Covid-19 outbreak peaks globally remains uncertain coupled with oil supply and demand shock, market volatility is expected to persist in the near term, resulting in wide bid-ask spreads. That said, the recent liquidity easing measures by BNM are supportive to the domestic sukuk market.

On the equity front, we have recently turned cautious on equities following the recent outbreak of the Covid-19 which is expected to have a negative impact on the global economy. If the situation worsens, the strategy would inevitably turn defensive due to potential downgrades in macro fundamentals and corporate earnings. Given the near-term turbulence, asset allocation in the first quarter could prudently favour cash/sukuk. However, such crisis can also present opportunities and the funds would be looking at weighing up equities particularly on oversold companies with good fundamentals and growth prospects. Malaysia's 2020 economy could remain resilient thanks to domestic pump priming activities on revival of selective mega projects.

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, Sixth Supplemental Replacement Disclosure Document dated 15 April 2019, Seventh Supplemental Replacement Disclosure Document Dated 24 August 2019 and Eighth Supplemental Replacement Disclosure Document dated 14 February 2020 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.