



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.

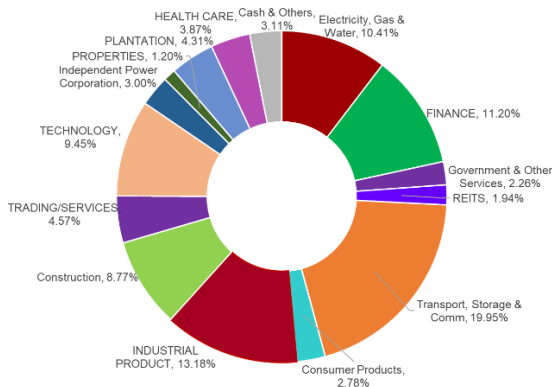
Fund Details

Unit NAV (31 August 2020)	: RM 1.2830
Fund Size (31 August 2020)	: RM 128.89 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% FBM EMAS Shariah Index + 50% Quant Shop GII All Index

Top Five Holding

1.	Northport Malaysia Berhad 19/12/24	6.26%
2.	Top Glove Corp Bhd	4.90%
3.	Public Islamic Bank Bhd 03/08/2022	4.39%
4.	EKVE Sdn Bhd 29/01/26	4.34%
5.	BINGMK 5.6 12/27/23	3.54%

Sector Allocation



Risk

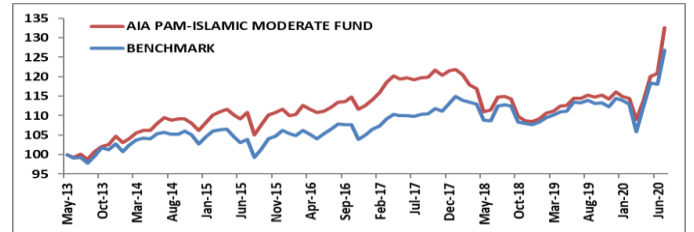
Investment risk involves the uncertainties relating to the country's economic situation, political condition and also price volatility of stocks held as a result of company specific risk.

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.

This fund fact sheet has not been reviewed by the Securities Commission Malaysia (“SC”) and Federation of Investment Managers Malaysia (“FIMM”). The SC and FIMM are not liable for this fund fact sheet and are not in any way associated with this fund fact sheet. The SC and FIMM are not responsible for the contents herein and do not make any representation on the accuracy or completeness of this fund fact sheet, either in whole or in part. A copy of the Replacement Disclosure Document dated 9 December 2016, its 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 (collectively referred to as the “Disclosure Document”) and the Product Highlights Sheet (“PHS”) have been registered and lodged with the SC. The registration of the Disclosure Document and lodgement of the PHS to the SC does not amount to nor indicate that the SC has recommended or endorsed the Private Retirement Scheme (“PRS”). A PHS highlighting the key features and risks of the PRS is available and investors have the right to request for a PHS. Investors are advised to obtain, read and understand the Disclosure Document and the PHS before making a contribution. We suggest that you compare and consider the fees, charges and costs involved prior to making a contribution. The Disclosure Document and the PHS can be obtained from our office, our authorised distributors, consultants or representatives. Any issue of units to which the Disclosure Document relates will only be made on receipt of an application form referred to and accompanying with a copy of the Disclosure Document. The price of units and distributions payable, if any, may go down as well as up. The past performance of the PRS should not be taken as an indicative of its future performance. Specific risks and general risks for the PRS is elaborated in the Disclosure Document. Investors are advised to understand the risks involved in the PRS and make your own risk assessment and seek professional advice, where necessary.

Historical Performance



%	1 Mth	1-Year	^3-Year	^5-Year	^Since Inception
Fund	0.66%	15.82%	11.50%	27.03%	33.41%
Index	-1.09%	9.98%	13.67%	26.22%	25.34%
Excess	1.75%	5.84%	-2.17%	0.81%	8.07%

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg at 31 August 2020. ^ Cumulative returns. The performance is calculated on NAV-to-NAV basis.

*Note: Change of performance reporting method from annualised to cumulative returns with effect from July 2020 to provide better clarity and follow common practice by industry players.

Market Review

Government Investment Issue (“GII”) closed mixed in Aug 2020 with selling pressure seen on the long end of the curve following the weaker than expected reopening of the 15Y MGII 11/34 auction, which onshore investors were quick to turn into profit taking mode. Meanwhile, some sporadic buying flows were seen on the short end of the curve ahead of the monetary policy committee meeting scheduled in Sept 2020 as the yield curve steepened. MYR strengthened by 1.78% against the greenback to end the month at MYR4.1640, mainly due to USD weakness.

The FBMS declined by 2.0% MoM on 28 August 2020. The local Index underperformed the MSCI Asia Ex Japan Index, which rose by 3.0% in MYR terms over the same period. Foreigners were net sellers of the local market with a net outflow of RM1.5 bn in August 2020, bringing total foreign outflow to RM20.5 bn YTD. Over the month of August, the government has announced a national digital infrastructure plan known as Jalanan Digital Negara (Jendela) as part of efforts to improve digital communications in the country.

Market Outlook

While Covid-19 pandemic will continue to linger until a credible vaccine is found, global central banks will remain largely accommodative in the monetary policy space while fiscal policy will remain expansionary in support of growth. Given the pre-emptive monetary and financial measures taken to support the domestic economy thus far, the measures should remain supportive to the local economy in the near term. With the widening fiscal deficit, a larger supply of government bonds will continue to weigh on the yield curve. The local sukuk market shall continue to be supported by ample onshore liquidity though a knee-jerk market reaction is not ruled out should FTSE Russell Index's decision is to reduce or exclude domestic government sukuk from the index.

On the equity front, we were cautiously optimistic on selected sectors with high degree of earnings visibility or sectors that are expected to benefit from a rapid recovery in tandem with the gradual reopening of the economy. Unprecedented fiscal and monetary stimulus rolled out across the world have provided some support to the general health of the economy, although we are cognizant that the swift rebound in financial markets may have also priced in a rapid pace of recovery that is far from guaranteed.