



## 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.

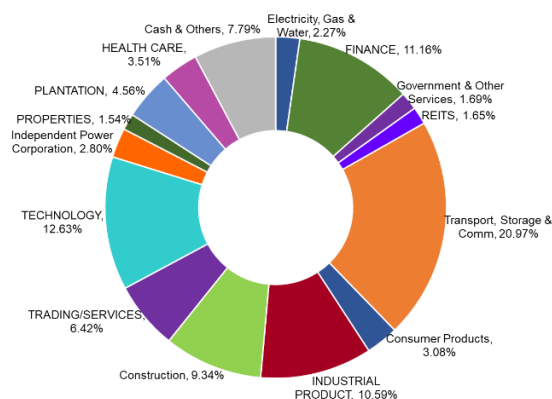
### Fund Details

Unit NAV (31 March 2021)	: RM 1.3100
Fund Size (31 March 2021)	: RM 136.06 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	5.81%
2.	EKVE Sdn Bhd 29/01/26	3.96%
3.	PBKM 4.65 08/03/27	3.34%
4.	BINGMK 5.6 12/27/23	3.30%
5.	TOPGMK 3.95 PERP 02/27/25	2.99%

### Sector Allocation



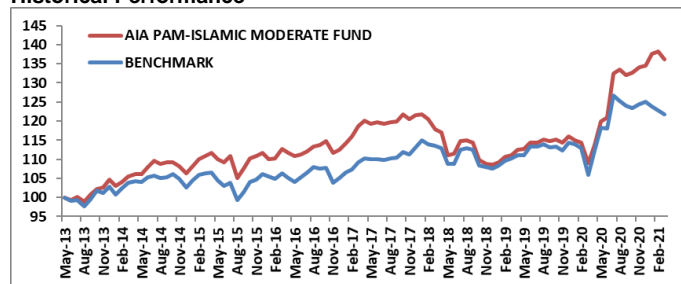
### Risk

General investment risks involve market risk, fund manager risk, inflation risk and liquidity risk. Specific risks of the Fund involve credit/default risk, interest rate risk, particular security risk and reclassification of shariah status risk.

### Risk Management

Investment Manager aims to reduce investment risks through structured and disciplined investment process, rigorous and disciplined credit research and analysis, portfolio diversification and strict and frequent stock evaluation to minimize company specific risk.

### Historical Performance



%	1 Mth	1-Year	^3-Year	^5-Year	^Since Inception
Fund	-1.49%	24.94%	15.51%	20.91%	36.22%
Index	-0.86%	14.92%	7.26%	14.57%	21.74%
Excess	-0.63%	10.02%	8.25%	6.34%	14.47%

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg at 31 March 2021.

^ 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

Malaysian Government Securities yield curve continued to bear steeper during the month in line with global rates movement while BNM decided to maintain the Overnight Policy Rate at 1.75% in the Monetary Policy Committee meeting. Meanwhile, Malaysia was removed from the FTSE Russell Watch List and retain its membership in the flagship World Government Bond Index ("WGBI").

The FBMS was down 1.0% Month-on-Month on 31 March 2021. The Index underperformed the MSCI Asia Ex Japan Index, which declined by 0.3% MoM in MYR terms over the same period. Foreigners were neutral with buy/sell flows evenly balanced. Key news during the month included the government unveiled a RM20bn stimulus package, dubbed PERMERKASA, of which RM11bn is a direct fiscal injection. Bank Negara Malaysia revised its 2021 GDP forecast range to 6.0%-7.5% from 6.5-7.5% previously to reflect potential downside risks arising from COVID-19 containment measures, commodity supply shocks and increased financial market volatility.

### Market Outlook

With the vaccine rollouts, we expect an expansive reopening of the global economies towards 2H2021, which should lead to a recovery and a reflationary theme. Positive growth prospects and potentially higher funding via supply of government sukus for the stimulus measures would keep the yield curve steep. That said, ample liquidity in the domestic financial system remains supportive of the domestic sukuk market.

Meanwhile for equity, we are cautiously optimistic on the equity markets. An expansive reopening of major economies should lead to a synchronized economic recovery. Globally, monetary and fiscal policies are expected to remain accommodative and supportive. Given the rising long-term yield outlook as economic recovery gathers momentum, funds are expected to rotate into equities from bonds. Domestically, the revival of stalled infrastructure projects, trade diversion into Malaysia from the ongoing US China tension, and the recovery in commodity prices should bolster growth and exports going forward. Downside risks to the market could stem from any delay in roll-out of mass vaccination and uncertainties from the fluid domestic political landscape.

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