



## 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.

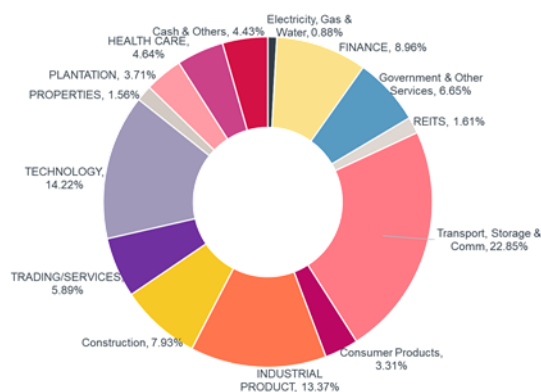
### Fund Details

Unit NAV (31 December 2021)	: RM 1.3073
Fund Size (31 December 2021)	: RM 138.47 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	5.78%	19.12.24	5.69%
2.	EKVE Sdn Bhd	5.25%	29.01.26	3.83%
3.	Petronas Chemicals			3.65%
4.	IHH Healthcare			3.63%
5.	BGSM Management	5.6%	27.12.23	3.19%

### Sector Allocation



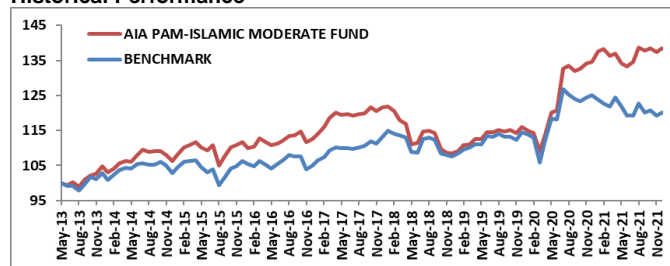
### Risk

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	0.79%	3.03%	27.71%	23.10%	38.56%
Index	0.71%	-3.99%	11.58%	14.40%	20.11%
Excess	0.08%	7.02%	16.13%	8.70%	18.45%

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

^ Cumulative returns. The performance is calculated on NAV-to-NAV basis.

### Market Review

Government Investment Issue ("GII") yield curve flattened, primarily driven by year-end rebalancing flows which drove the longer tenor yields lower while the front-end of the curve was pressured by the short-dated benchmark sukuk reopening auction amid thin year-end liquidity. On the currency front, MYR strengthened by 1.21% against the greenback to close the month at MYR4.1600. Foreign funds were net seller of MYR3.6 billion in Nov 2021 (Oct 2021: +MYR2.9 billion) partly due to the MYR10 billion MGS maturity on 30 Nov which was not fully rolled over in the domestic market.

The FBMS ("Index") rose by 1.1% Month-on-Month ("MoM") and outperformed the MSCI Asia Ex Japan Index, which fell by 0.1% MoM in Malaysian ringgit ("MYR") terms over the same period. During the month, sector performance was strong for Industrial Products & Services (+5.0%), Telecommunications & Media (+3.8%) and Utilities (+2.2%) while the laggards were Technology (-2.6%), Health Care (-2.3%) and Construction (-1.8%). Notable news flows during the month included the announcement by the Ministry of Finance that stamp duty cap for share trading will be reinstated at RM1,000, with a rate of 0.15%, and tax exemption of all types of foreign incomes for individuals as well as extension of tax the exemption of dividend incomes earned by limited liability companies and partnerships.

### Market Outlook

Global economy would generally see higher growth and inflation in 2022, hence monetary policy withdrawals are likely. However, there could be potential divergence of policy measures by key central banks driven by the pace of economic recovery. Domestically, Bank Negara Malaysia's policy measures should remain accommodative in the near term and the supply of sovereign bonds should be well absorbed by the market.

As for equity, investors are currently watching the macro data closely to gauge the strength of inflationary pressure and the timing of a QE tapering. That said, equities remain the preferred asset class given the expectation of bond yield resuming its upwards trend upon US Fed tapering in 2022.

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