



## 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.

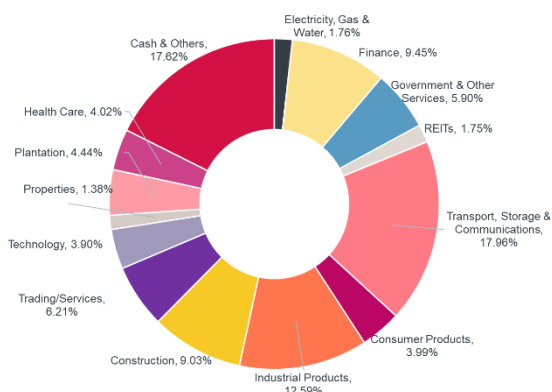
### Fund Details

Unit NAV (30 June 2022)	: RM 1.1711
Fund Size (30 June 2022)	: RM 126.4 million
Fund Currency	: Ringgit Malaysia
Fund Launch	: May 16, 2013
Fund Inception	: June 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.	EKVE SDN BHD 5.25% 29.01.26	4.08%
2.	PETRONAS CHEMICALS	4.04%
3.	IHH HEALTHCARE	3.50%
4.	BGSM MANAGEMENT 5.6% 27.12.23	3.42%
5.	TG EXCELLENCE 3.95% 27.2.2120	3.15%

### Sector Allocation



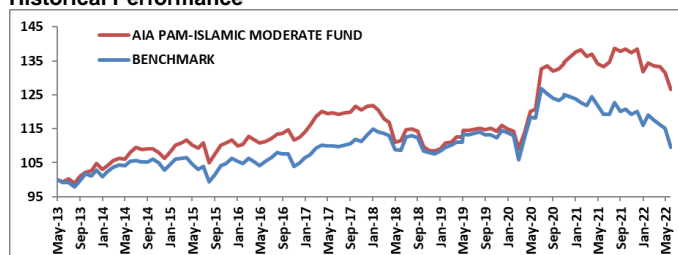
### Risk

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	-3.69%	-4.94%	10.70%	5.86%	26.65%
Index	-4.82%	-8.15%	-3.39%	-0.45%	9.55%
Excess	1.13%	3.22%	14.09%	6.32%	17.11%

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg at 30 June 2022.

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

### Market Review

Malaysian Government Securities ("MGS") yield curve bear flattened tracking global rates movement after the 75 basis points ("bps") rate hike by the US Federal Reserve ("Fed") at the June Federal Open Market Committee ("FOMC") meeting. The yields of 3-year, 5-year and 10-year MGS rose to 3.51% (+5bps), 3.96% (+21 bps) and 4.26% (+6 bps) respectively as of end-June 2022. Malaysia's Consumer Price Index accelerated to 2.8% year on year ("YoY") in May 2022 (April 2022: +2.3% YoY) while core inflation rose for the eighth consecutive month at 2.4% YoY in May 2022 (Apr 2022: 2.1%) indicating a rising price trend.

In the equity space, the FBMKLCI ("Index") fell by 8.02% Month-on-Month ("MoM") to close at 1,444.22 pts on 30 June 2022, underperforming the MSCI Asia Ex Japan Index, which fell by 4.48% MoM in Malaysian ringgit ("MYR") terms over the same period. Foreign investors were net sellers of Malaysian equities totalling RM1.3 billion during the month while retailers and local institutions turned net buyers. After a volatile first quarter, global markets ended May broadly flat despite significant intra-month volatility. Key macro risks such as the war in Ukraine (with no clear sign of resolution), hawkish central bank policy and China's covid restriction continue to dominate headlines. Both the MSCI World index and S&P 500 gained 0.2% for the month while the MSCI Emerging Market index rose 0.5%. US headline inflation for May came in higher than expected at 8.6%, hitting a high since 1981. As a result, the Fed raised interest rate by 75 basis points (bps) in its June meeting and the rate is expected to hike between 50-75 bps in the next meeting to combat inflation.

### Market Outlook

Apart from Japan, global central banks have started to hike policy rates with clear commitments to rein in inflationary expectations leading to an environment of rising interest rates which would put pressure on the valuation for stocks. Ongoing geopolitical tension between Russia and Ukraine remains unabated with EU now committing to restrict energy imports from Russia while sourcing for alternative supplies elsewhere with clear implications for global energy markets and supply chain. Recent US inflation data raised expectations of further interest rate hikes by US Federal Reserve which resulted in heightened market volatility and increased risk aversion among investors.

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 Second Replacement Disclosure Document dated 23 February 2021 ("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 do 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, 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 indication of its future performance. Specific risks and general risks for the PRS are 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.