



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.

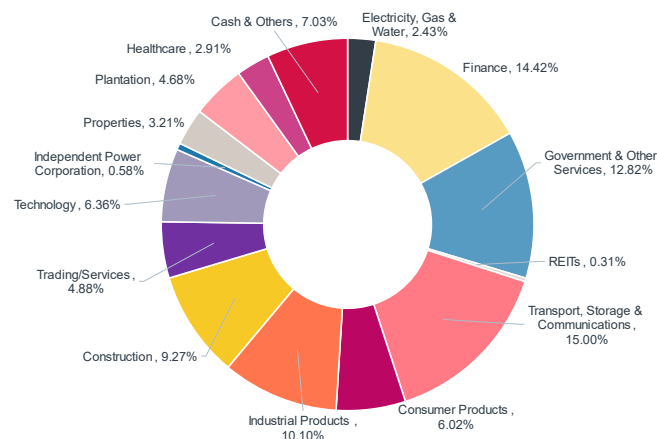
Fund Details

Unit NAV (30 November 2024)	: RM 1.2712
Fund Size (30 November 2024)	: RM 133.5 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.	GII MURABAHAH 6/2019 4.119%	30.11.2034	3.46%
2.	SPETCHEM IMTN 5.50%	27.07.2037	3.41%
3.	TELEKOM MALAYSIA BHD		2.85%
4.	GAMUDA BHD		2.65%
5.	JOHORCORP IMTN 4.720%	11.06.2027	2.44%

Sector Allocation



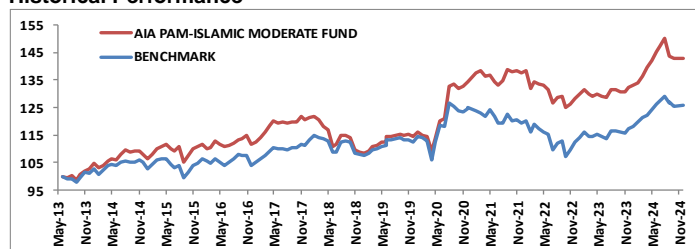
Risk

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	^5-Year	^10-Year	^Since Inception
Fund	-0.09%	8.12%	24.93%	32.16%	42.83%
Benchmark	0.37%	7.47%	12.03%	19.92%	25.87%
Excess	-0.46%	0.65%	12.90%	12.24%	16.96%

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg as of 30 November 2024.

^ Cumulative returns. The performance is calculated on NAV-to-NAV basis. Past performance is not an indicative of future performance.

Market Review

The Government Investment Issues (“GII”) yields moved lower in November 2024, paring some losses from the previous month as risk sentiment improved after the passing of key events, namely the US Presidential Elections and rate decisions by the US Federal Reserve (“Fed”) and Bank Negara Malaysia (“BNM”). The GII market initially weakened, tracking higher US Treasury (“UST”) yields in reaction to Donald Trump’s victory on expectations of the implementation of inflationary policies and potentially shallower rate cut path by the Fed. However, yields eventually ended lower for the month as risk sentiment improved after the Fed cut rates by 25 bps. On the local side, BNM kept the overnight policy rate (“OPR”) unchanged at 3.00% with a neutral tone as expected, which saw minimal reaction from the market. The domestic market was also boosted by month-end rebalancing inflows as foreign buying further supported the GII market.

Fixed income foreign flows registered a net outflow of MYR11.4 billion in Oct 2024 (Sep 2024: MYR1.0 billion), bringing YTD net foreign inflows to MYR7.3 billion. Foreign holdings in MGS and GII dipped to 21.7% in Oct 2024 (Sep 2024: 22.6%).

Malaysia’s Oct headline inflation inched up to 1.9% YoY (Sep 24: +1.8% YoY), driven by increases in food & beverage (+2.3% YoY) and personal care, social protection & miscellaneous goods and services (+3.4% YoY). Malaysia’s Industrial Production for September 2024 eased to +2.3% YoY (Aug 24: +4.1% YoY). The moderation was driven by softer pace of growth for manufacturing (+3.2% YoY vs +6.5% in Aug) and electricity (+3.9% YoY vs +4.1% in Aug). 3Q24 GDP growth came in at 5.3% YoY, driven by stronger construction activity on the back of stronger investment activity.

The FBMS (“Index”) fell 0.2% Month-on-Month (MoM) to close at 12,034.69 points in November 2024. The Index outperformed the MSCI Asia ex Japan Index, which fell 3.4% MoM in Malaysian Ringgit (“MYR”) terms over the same period. Foreign investors maintained net sellers of Malaysian equities amounting to MYR3.1 billion while local institutions turned net buyers amounting to MYR3.3 billion during the month.

Market Outlook

Although recent US economic data releases have surprised on the upside, the trend for a moderation in inflation and a softening in the labour market remains intact. As the Fed finally embarked on an easing cycle, we maintain our view that market volatility would persist as the Fed and the market would remain reactive to data releases and developments in key geopolitical events, central banks’ monetary policy decisions as well as implications from Trump presidency. Domestically, BNM may keep its Overnight Policy Rate unchanged in the coming meetings as it observes the domestic inflation trend. These factors are supportive of the domestic market while the market observes developments on global central banks’ monetary policy decisions and geopolitical risks. We are cautiously optimistic on the equity and fixed income market in the near term.



Disclaimer

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