



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.

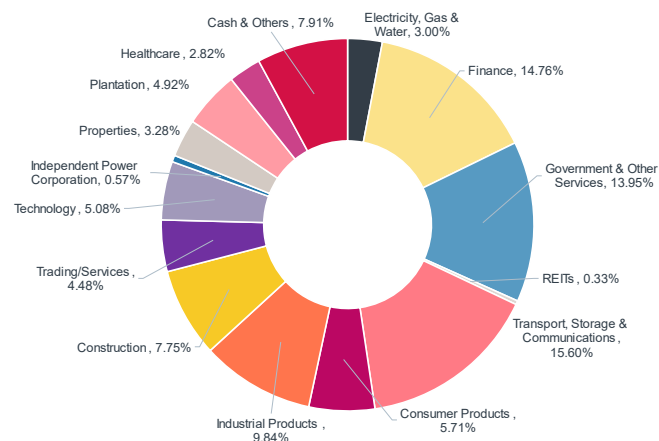
Fund Details

Unit NAV (28 February 2025)	: RM 1.2402
Fund Size (28 February 2025)	: RM 129.9 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	3.55%
2.	SPETCHEM IMTN 5.50% 27.07.2037	3.52%
3.	TELEKOM MALAYSIA BHD	3.15%
4.	GAMUDA BHD	2.67%
5.	JOHORCORP IMTN 4.720% 11.06. 2027	2.50%

Sector Allocation



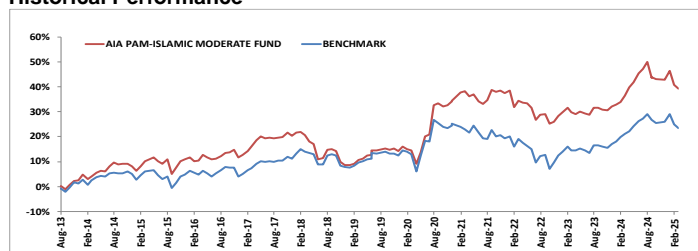
Risk

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	-0.98%	2.13%	21.85%	26.55%	39.35%
Benchmark	-1.21%	1.76%	9.19%	16.37%	23.32%
Excess	0.23%	0.37%	12.66%	10.18%	16.03%

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg as of 28 February 2025.

^ 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”) yield curve mildly bull-steepened in February 2025. MGS yields traded in a relatively tight range despite the strong rally in US treasuries (“UST”) where yields tumbled aggressively amidst safe-haven demand and heightened concerns on the impact of President Trump’s trade policy on US economic growth. Domestically, ample liquidity from domestic investors continued to support the market at current levels. Foreign inflows spurred buying activity towards the end of the month but was quickly met with profit taking pressure which capped any meaningful movements in terms of yields.

Malaysia’s January 2025 headline inflation was unchanged at 1.7% Year-on-Year (“YoY”) (December 2024: +1.7% YoY), supported by softening in information and communication services and clothing & footwear components. Core inflation was also steady at 1.8% YoY in January 2025 (December 2024: +1.8% YoY). The Industrial Production Index for Malaysia increased by 4.6% YoY in December 2024 (November 2024: 3.6%), driven by expansion across all sectors. The final reading of Malaysia’s 4Q24 GDP growth came in at 5.0% YoY (3Q24: 5.4% YoY), bringing the 2024 full year figure to 5.1% YoY (2023: 3.6% YoY). GDP growth was driven by strong domestic demand and a recovery in exports.

The FBMS (“Index”) fell -2.8% Month-on-Month (“MoM”) to close at 11,411.79 in February 2025. The Index underperformed the MSCI Asia ex Japan Index which rose 1.07% MoM in Malaysian Ringgit (“MYR”) terms over the same period. Foreign investors remained net sellers of Malaysian equities amounting to MYR2.2 billion while local institutions remained net buyers amounting to MYR1.2 billion during the month.

Market Outlook

With recent US economic data releases coming in mixed, the trend for a moderation in inflation and a softening in the labour market has somewhat slowed. At the most recent US Federal Open Market Committee meeting, the US Fed kept the interest rate unchanged, citing concerns on the progress of inflation and potential risks from fiscal and trade policies by President Trump’s administration. We are cautiously optimistic on the equity and fixed income market in the near term. With these uncertainties ahead, we maintain our view that market volatility would persist as the US 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 President Trump’s trade policies. Locally, while our optimism on equities has moderated, the market is likely to remain supported by stable corporate earnings, various ongoing government initiatives, stronger tourism recovery, resilient domestic consumption and political stability.



Disclaimer

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