



## AIA PAM – Moderate Fund

### Investment Objective

The Fund seeks to provide returns through a combination of income\* and capital growth.

\*Income will be reinvested in additional Units in the Fund

### Investment Strategy

The Fund will invest in equities that are trading below their fair value and equities offering a dividend yield above the market average. The Fund will invest in local and foreign markets. The Fund will also invest at least 35% of its NAV in local fixed income instruments with a minimum credit rating of “BBB3” or “P2” by RAM or equivalent rating by MARC.

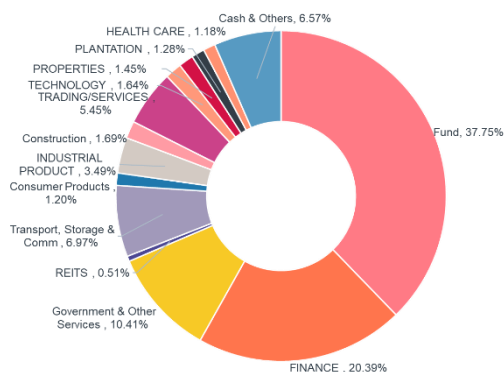
### Fund Details

Unit NAV (28 February 2022)	: RM 1.3348
Fund Size (28 February 2022)	: RM 165.64 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	: 25% FBMT 100 Index + 15% MSCI AC Asia ex Japan Index + 40% Quant Shop MGS All Bond Index + 20% MSCI World Index

### Top Five Holding

1.	SCHRODER GLOB SUST GRTH-CA	16.18%
2.	FIDELITY FDS-ASIA P OP-I USD	14.23%
3.	FIDELITY FDS-GL FOCUS-IAUSD	5.51%
4.	MGS 2/2020 2.632% 15.4.2031	2.16%
5.	GENTING CAPITAL IMTN 4.42% 8.06.22	2.00%

### Sector Allocation



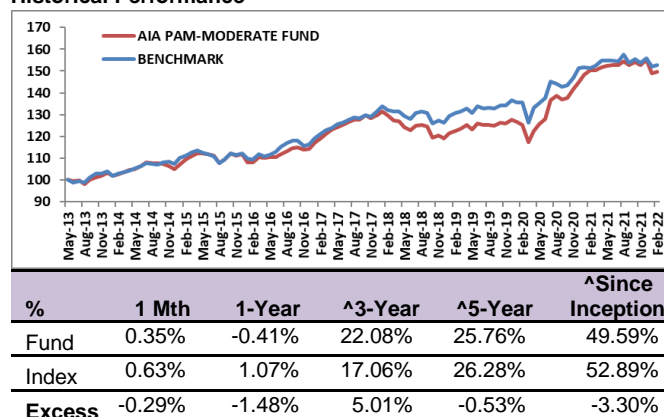
### Risk

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, country risk and currency 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



Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg as at 28 February 2022. ^ Cumulative returns. The performance is calculated on NAV-to-NAV basis.

### Market Review

Malaysian Government Securities (“MGS”) bonds traded mixed during the month amid escalating Ukraine-Russia military conflict. The short-dated bonds outperformed as local government securities traded relatively range bound compared to the volatility seen in the global rates market. On the currency front, Malaysian ringgit (“MYR”) weakened by 0.37% against the greenback to close the month at MYR4.1985.

Global equities ended lower in February amid heightened geopolitical tension, adding further volatility in markets already impacted by inflation, potential interest rate hikes and persistent pandemic concerns. Equity sell-offs in developed markets had spilled over to Asia. China equity market underperformed in February due to geopolitical tension and a fresh wave of Covid-19 cases following the Lunar New Year celebration.

The FBMKLCI Index grew 6.4% Month-on-Month (“MoM”) on 28 February 2022, outperforming the MSCI Asia Ex Japan Index, which fell by 2.1% MoM (in MYR terms) over the same period. Foreign investors turned net buyers of Malaysian equities in February amounting to MYR2.8bn while local institutional investors remained net sellers of MYR2.7bn. Market volatility and soaring commodity prices are likely to persist with the ongoing Russia-Ukraine conflict. Amid this volatility, Malaysian equities stand out given its market composition where commodities account for 27% of the Index.

### Market Outlook

The Ukraine-Russia conflict is a key risk to global growth and could drive risk-off sentiment. 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. Overall, the domestic financial system liquidity remains ample, which shall remain supportive of the bond market.

On equity, investors are assessing the implications of geopolitical tension over the near term. The impact of higher energy prices and commodity prices on inflation and global growth trajectory should be the risk to watch. The recent regulatory changes, property crisis and power crunch in China are also near-term economic headwinds. Downside risks to the market could stem from further deterioration and protracted global energy disruption, stagflation, and a potentially new Covid variant. Conversely, any resolution to the geopolitical tension with minimal disruption on global energy supply should rerate equities.

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