



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

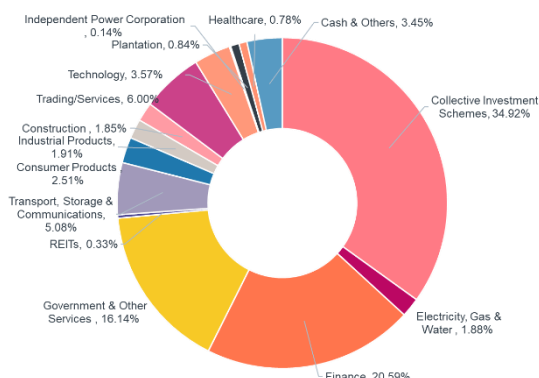
Unit NAV (30 April 2023)	: RM 1.2849
Fund Size (30 April 2023)	: RM 182.7 million
Fund Currency	: Ringgit Malaysia
Fund Launch	: May 16, 2013
Fund Inception	: June 05, 2013
Fund Management Charge	: up to 1.50% p.a

Investment Manager	: AIA Pension and Asset Management Sdn. Bhd.
Basis of Unit Valuation	: Net Asset Value (NAV)
Frequency of Unit Valuation	: Daily
Benchmark	: 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.	FIDELITY FUNDS-ASIA PACIFIC OPPORTUNITIES FUND	11.44%
2.	FIDELITY FUNDS-GLOBAL FOCUS FUND	9.36%
3.	SCHRODER ISF GLOBAL SUSTAINABLE GROWTH	9.17%
4.	SCHRODER ISF SUSTAINABLE ASIAN EQUITY	4.95%
5.	SUSTAINABILITY GII 3/2022 4.662% 31.3.2038	3.55%

Sector Allocation



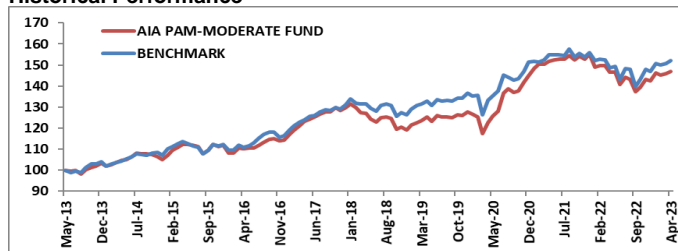
Risk

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



%	1 Mth	1-Year	^3-Year	^5-Year	^Since Inception
Fund	0.78%	0.21%	19.89%	15.54%	46.89%
Index	0.90%	2.27%	14.25%	15.58%	51.99%
Excess	-0.12%	-2.06%	5.64%	-0.04%	-5.10%

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg at 30 April 2023
^ Cumulative returns. The performance is calculated on NAV-to-NAV basis.

Market Review

Malaysian Government Securities (“MGS”) strengthened in April 2023, with yields shifting lower in a bull-flattening manner. Sentiment at the start of the month was lifted by a slew of economic and job data releases from the US which missed expectations, as well as ongoing news on the US banking sector stress. These have continued to anchor expectations that the US Federal Reserve (“Fed”) may refrain from further interest rate hikes. Long-end bonds rallied during the month, driven by offshore buying in a move to extend duration as well as investors’ search for yields.

Developed markets were supported by resilient economic momentum in April 2023 with S&P 500 and MSCI Europe rose by 1.5% and 2.2% respectively. MSCI AC Asia Pacific ex Japan Index fell by 1.8% in USD terms in April 2023 with Indonesia and India being the best performing markets while China and Taiwan lagged due to intensified geopolitical tension between US, China and Taiwan. US Consumer Price Index (“CPI”) slowed to 4.9% YOY in April 2023 (March 2023: 5.0% YOY), while core inflation eased to 5.5% YOY (March 2023: 5.6%).

The FBMKLCI (“Index”) corrected 0.5% Month-on-Month (“MoM”) to close at 1,415.95 pts on 28 April 2023. The Index outperformed the MSCI Asia Ex Japan Index, which fell 2.19% MoM in Malaysia Ringgit (“MYR”) terms over the same period. Foreign investors stayed net sellers of Malaysian equities amounting to MYR0.25 billion in April 2023 while local institutions remained net buyers with MYR0.21 billion.

Market Outlook

Recent US economic data releases are suggestive of a softening in economic activities and a moderation in inflation, though labour market conditions remain stubbornly strong. Although the Fed continues to reiterate the need to maintain tighter monetary policy, the financial sector instability in the US may impede the Fed from further rate hikes. Locally, with still resilient domestic growth outlook and upside risk to inflation, BNM may keep the door open for further rate increases. For 2023, we expect rates volatility to linger due to differing expectations and uncertainties on the extent and timing of the remaining policy changes. Domestically, with the positive outlook on domestic growth and moderate inflation forecast for 2023, BNM is expected to conclude its monetary policy tightening cycle in 1H2023. We are cautiously optimistic on the equity market in the near term.



Disclaimer

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