



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

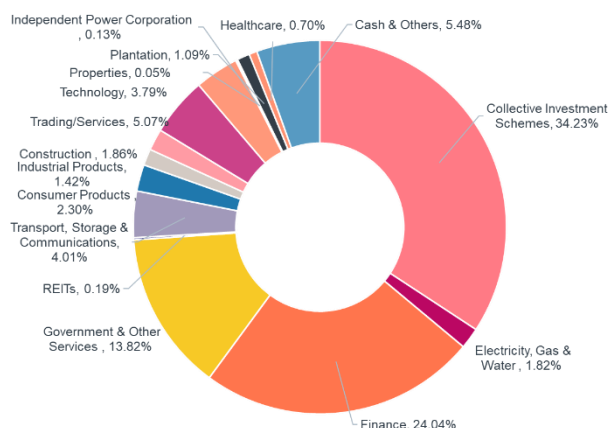
Unit NAV (30 November 2023) : RM 1.3017
 Fund Size (30 November 2023) : RM 189.7 million
 Fund Currency : Ringgit Malaysia
 Fund Launch : May 16, 2013
 Fund Inception : June 05, 2013
 Fund Management Charge : up to 1.50% p.a

Investment Manager : AIA Pension and Asset Management Sdn. Bhd.
 Basis of Unit Valuation : Net Asset Value (NAV)
 Frequency of Unit Valuation : Daily
 Benchmark : 25% FBM 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	9.88%
2.	SCHRODER ISF GLOBAL SUSTAINABLE GROWTH	9.86%
3.	FIDELITY FUNDS-GLOBAL FOCUS FUND	9.74%
4.	SCHRODER ISF SUSTAINABLE ASIAN EQUITY	4.76%
5.	MALAYAN BANKING BHD	2.80%

Sector Allocation



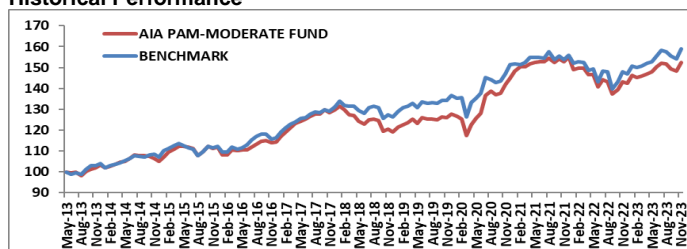
Risk

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	^5-Year	^10-Year	^Since Inception
Fund	2.69%	6.27%	26.54%	49.35%	52.24%
Index	3.11%	7.39%	24.95%	54.44%	59.05%
Excess	-0.42%	-1.12%	1.59%	-5.09%	-6.81%

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg at 30 November 2023

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

Market Review

The Malaysian Government Securities (“MGS”) yield curve shifted lower during the month in tandem with the strong rally in US Treasuries (“UST”) after the US Federal Open Market Committee (“FOMC”) kept the fed funds rate unchanged. While this was largely expected, market participants had a neutral to slightly dovish assessment of US Federal Reserve (“Fed”) chairman Jerome Powell’s speech. Other factors which contributed to the rally in UST included the weaker-than-expected purchasing manager’s index (“PMI”) data, lower-than expected coupon supply from the UST quarterly refunding announcement, as well as weaker labour market and inflation prints. Domestic bonds tracked the rally as market participants who were previously light on positioning decisively added on positions.

Foreign funds turned net buyers for local bonds in November 2023 with MYR5.4 billion inflows (October: -MYR2.6billion) as lower UST yields supported risk sentiment and dampened the demand for USD.

Developed markets rallied in November 2023 with S&P500 Index and MSCI Europe rose by 8.92% and 6.25% respectively, contributed by a plunge in bond yields that accelerated as a sign where the inflation is tamed. Similar trend was seen in Asia Market with the MSCI Asia Ex Japan Index increased by 6.86% in USD terms. US Consumer Price Index (“CPI”) registered at 3.2% YoY, lower than market expectation of 3.3%. The released data suggested that central banks have likely reached the peak of tightening phases, providing support to both equity and fixed income market.

The FBMKLCI (“Index”) rose 0.74% Month-on-Month (“MoM”) to close at 1,453 pts on 30 November 2023. The Index underperformed the MSCI Asia Ex Japan Index, which rose 4.57% MoM in Malaysian Ringgit (“MYR”) terms over the same period. Foreign investors turned net buyers of Malaysian equities amounting to MYR1.6 billion in November 2023 while local institutions turned net sellers with net sell flow of MYR1.5 billion.

Market Outlook

Latest FOMC meeting in November left rates unchanged with market estimating the hiking cycle is over. Although recent inflation readings and economic data from the US have shown signs of moderation, the US Federal Reserve (“Fed”) continues to reiterate the need to maintain tighter monetary policy. Domestically, BNM has kept the OPR unchanged at its recent Monetary Policy Committee (“MPC”) meetings. Moving forward, we expect rate volatility to remain due to uncertainties surrounding economic data and central banks’ future monetary policy moves as market conditions evolve. We are cautiously optimistic on the equity and fixed income market in the near term.



Disclaimer

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