



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

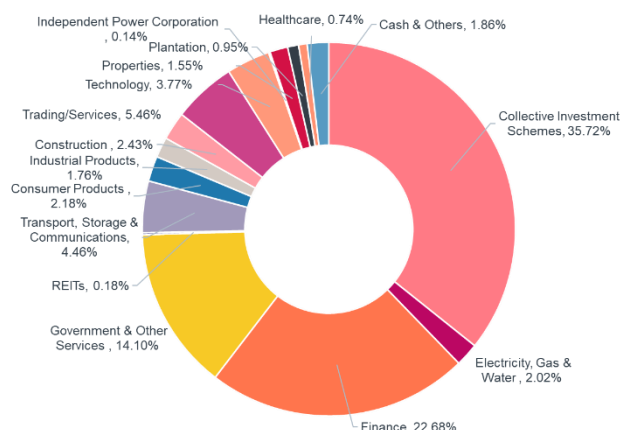
Unit NAV (29 March 2024) : RM 1.3980
Fund Size (29 March 2024) : RM 202.2 million
Fund Currency : Ringgit Malaysia
Fund Launch : May 16, 2013
Fund Inception : June 05, 2013
Fund Management Charge : up to 1.50% p.a

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.	SCHRODER ISF GLOBAL SUSTAINABLE GROWTH	10.78%
2.	FIDELITY FUNDS-GLOBAL FOCUS FUND	10.67%
3.	FIDELITY FUNDS-ASIA PACIFIC OPPORTUNITIES FUND	9.30%
4.	SCHRODER ISF SUSTAINABLE ASIAN EQUITY	4.98%
5.	MGS 3/2018 4.642% 07.11.2033	3.42%

Sector Allocation



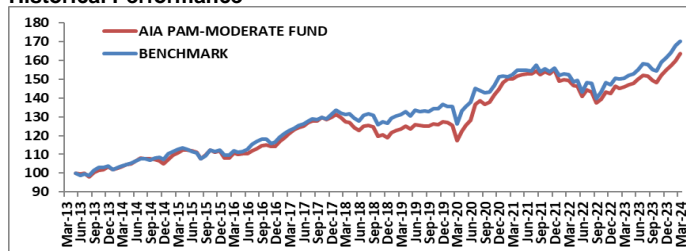
Risk

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	2.20%	12.18%	32.27%	57.93%	63.50%
Index	1.22%	12.92%	29.44%	64.17%	70.10%
Excess	0.98%	-0.74%	2.83%	-6.24%	-6.60%

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg at 29 March 2024
^ Cumulative returns. The performance is calculated on NAV-to-NAV basis.

Market Review

The Malaysian Government Securities (“MGS”) traded mixed in March 2024 as Bank Negara Malaysia (“BNM”) kept the Overnight Policy Rate (“OPR”) unchanged at 3.00% for the fifth consecutive Monetary Policy Committee (“MPC”) meeting. BNM’s statement highlighted that the Malaysian economy is expected to improve in 2024, driven by the recovery in exports and resilient domestic expenditure. Export growth is turning positive after contracting since March 2023 and will continue to be supported by stronger global trade. Tourist arrivals and spending are poised to rise further. Inflation in 2024 is expected to remain moderate, broadly reflecting stable demand conditions and contained cost pressures.

Global market closed with a positive note in March 2024 with S&P500 Index and MSCI Europe grew by 3.10% and 3.53% respectively due to continued optimism over artificial intelligence (“AI”) related stocks and expectations of potential Fed interest rate cut this year. Asian market also closed positively as the MSCI Asia Ex -Japan grew by 2.32%. US Manufacturing PMI grew by 50.3 in March, higher than consensus forecast of 48.4. US Consumer Price Index (“CPI”) on the other hand, rose by 3.8% YoY, an uptick from the 3.2% YoY rise in February, boosted by shelter and energy.

The FBMKLCI (“Index”) fell 0.99% Month-on-Month (“MoM”) to close at 1,536.07 pts in March 2024. The Index underperformed the MSCI Asia ex Japan Index, which rose 1.91% MoM in Malaysian Ringgit (“MYR”) terms over the same period. Foreign investors turned net sellers of Malaysian equities amounting to MYR2.9 billion while local institutions became net buyers of MYR3.5 billion during the month. Sector wise, Property (+9.3%), Construction (+5.6%) and Transport (+3.6%) were the key performers, while Telecom (-2.6%), Consumer (-1.2%) and REIT (-0.5%) were the key detractors.

Market Outlook

All eyes will be on the Fed’s potential pivot to interest rate cuts amid signs of a slower economic growth and easing inflation. Although inflation continues to moderate, recent US economic data releases are suggestive of a resilient US economy and labour market. As such, we think the US Federal Reserve (“Fed”) will likely proceed carefully to avoid any premature rate cuts which could fuel reflation risks. Domestically, BNM may keep its OPR unchanged in the coming meetings as it observes the domestic inflation trend. These factors are supportive of the domestic bond market while the market observes developments on global central banks’ monetary policy decisions, geopolitical risks, and the US presidential elections. We are cautiously optimistic on the equity and fixed income market in the near term.



Disclaimer

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