



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

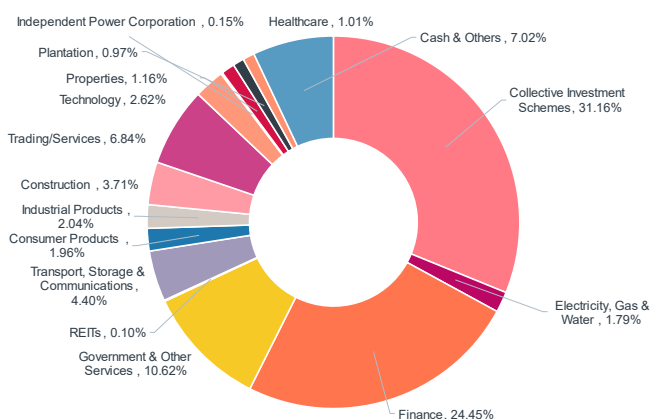
Unit NAV (31 October 2024)	: RM 1.4173
Fund Size (31 October 2024)	: RM 196.7 million
Fund Currency	: Ringgit Malaysia
Fund Launch	: May 16, 2013
Fund Inception	: June 05, 2013
Fund Management Charge	: up to 1.50% p.a

Investment Manager	: AIA Pension and Asset Management Sdn. Bhd.
Basis of Unit Valuation	: Net Asset Value (NAV)
Frequency of Unit Valuation	: Daily
Benchmark	: 25% FBM100 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	10.88%
2.	FIDELITY FUNDS-GLOBAL FOCUS FUND	10.20%
3.	SCHRODER ISF SUSTAINABLE ASIAN EQUITY	5.35%
4.	FIDELITY FUNDS-ASIA PACIFIC OPPORTUNITIES FUND	4.73%
5.	MALAYAN BANKING BHD	3.16%

Sector Allocation



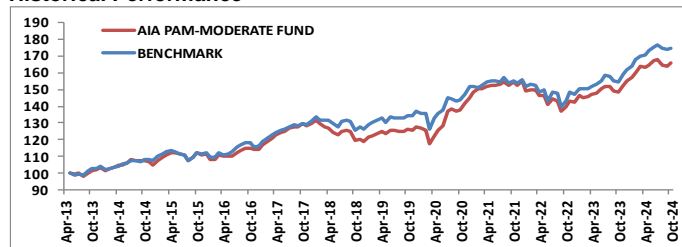
Risk

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	0.97%	11.81%	31.27%	54.36%	65.76%
Benchmark	0.30%	13.17%	30.08%	61.72%	74.58%
Excess	0.67%	-1.36%	1.19%	-7.35%	-8.82%

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg as of 31 October 2024

^ Cumulative returns. The performance is calculated on NAV-to-NAV basis. Past performance is not an indicative of future performance.

Market Review

Malaysian Government Securities (“MGS”) yields surged in October 2024, tracking the move in US treasury (“UST”) yields. Stronger-than-expected US economics and labour market data, as well as hawkish comments from US Federal Reserve (“Fed”) chairman Jerome Powell at the start of the month led to some repricing of Fed rate cut expectations. The market then shifted focus from US economic data to the increasing odds of not just a Trump presidency, but also a Republican sweep of the Congress in the upcoming US election. This led to another round of sell-off in UST on concerns of higher fiscal deficit and reduced scope of US rate cuts going forward due to the likelihood of inflationary pressures from the imposition of tariffs and reduction in taxes, among others.

Dow Jones and S&P 500 were down in October 2024 amid uncertainty ahead of the presidential election and ongoing doubts about the path of interest rates. Disappointing quarterly updates for some large companies also weighed on market returns. Meanwhile, share prices in China (CSI300: -3.2%) and Hong Kong (HIS: -3.8%) experienced sharp declines in the month after stimulus measures by the Chinese government, in a bid to boost the country's flagging economy, failed to bolster investor sentiment.

The FBMKLCI (“Index”) fell 2.85% Month-on-Month (MoM) to close at 1,601.88 in October 2024. The Index underperformed the MSCI Asia ex Japan Index, which rose 1.40% MoM in Malaysian Ringgit (“MYR”) terms over the same period. Foreign investors turned net sellers of Malaysian equities amounting to MYR1.8 billion while local institutions turned net buyers amounting to MYR1.8 billion during the month.

Market Outlook

Although recent US economic data releases have surprised on the upside, the trend for a moderation in inflation and a softening in the labour market remains intact. As the Fed finally embarked on an easing cycle, Fed Chair Powell has signalled that the outsized move is a recalibration to preserve the currently strong labour market from downside risk and a commitment not to fall behind the curve. We maintain our view that market volatility would persist as the Fed and the market would remain reactive to data releases and developments in key geopolitical events, central banks’ monetary policy decisions and the upcoming US presidential elections. Domestically, BNM may keep its Overnight Policy Rate unchanged in the coming meetings as it observes the domestic inflation trend. These factors are supportive of the domestic 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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