



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

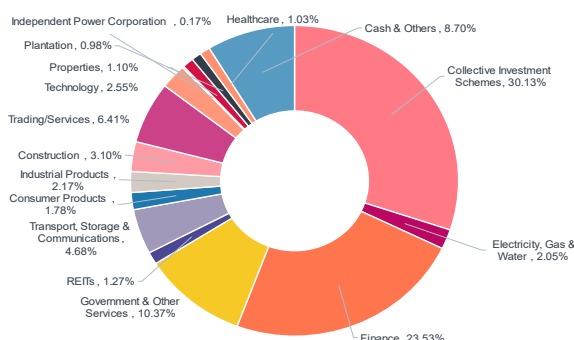
Unit NAV (31 December 2024) : RM 1.4355
Fund Size (31 December 2024) : RM 203.7 million
Fund Currency : Ringgit Malaysia
Fund Launch : May 16, 2013
Fund Inception : June 05, 2013
Fund Management Charge : up to 1.50% p.a

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.	SCHRODER ISF GLOBAL SUSTAINABLE GROWTH	10.56%
2.	FIDELITY FUNDS-GLOBAL FOCUS FUND	10.08%
3.	SCHRODER ISF SUSTAINABLE ASIAN EQUITY	5.13%
4.	INVESCO ASIAN EQUITY FUND	4.35%
5.	MALAYAN BANKING BHD	2.98%

Sector Allocation



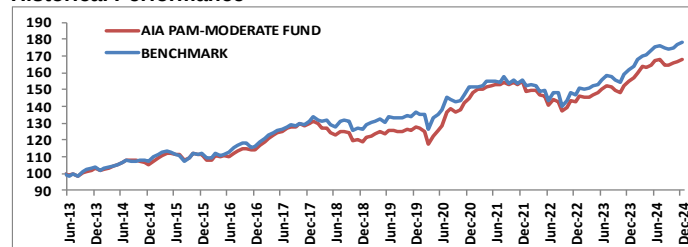
Risk

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	0.70%	8.37%	31.64%	59.90%	67.89%
Benchmark	0.74%	10.40%	30.46%	66.29%	78.29%
Excess	-0.04%	-2.03%	1.18%	-6.38%	-10.40%

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg as of 31 December 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") yield curve bear flattened in the last month of the year as the 3-month KLIBOR climbed 11 basis points ("bps") higher to 3.73% due to year end seasonality effects. As broadly expected, the US Federal Open Market Committee ("FOMC") voted to cut the federal funds target range by 25 bps to 4.25% to 4.50%. US Federal Reserve ("Fed") Chairman Jerome Powell's speech leaned towards a hawkish tilt and said that the policy is now entering a new phase where the committee will move more cautiously. The FOMC's summary of economic projections has projected the median 2025 dot plot of only two cuts instead of the four cuts expected in the previous projections in September.

Global market was down in December, with S&P 500 fell by 2.50% MoM, bringing its 2024 return to 23.31%, while The Dow Jones Industrial Average lost 5.27% for the month but closed higher by 12.88% for 2024. Share prices in China (CSI300 +1.4%) and Hong Kong (HSI +3.4%) remain supported MoM as reports said China planned to sell CNY 3 trillion (USD 411 billion) of special treasury bonds in 2025 to support its slowing economy. Both markets ended the year up 13.4% and 18.3% respectively YoY, coming from a low base.

The FBMKLCI ("Index") surged 3.0% Month-on-Month ("MoM") to close at 1,642.33 points in December 2024. The Index outperformed the MSCI Asia ex Japan Index, which rose by 0.7% MoM in Malaysian Ringgit ("MYR") terms over the same period. Foreign investors stayed net sellers of Malaysian equities amounting to RM2.9 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, 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 as well as implications from Trump presidency. 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 and geopolitical risks. We are cautiously optimistic on the equity and fixed income market in the near term.



Disclaimer

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