



## 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

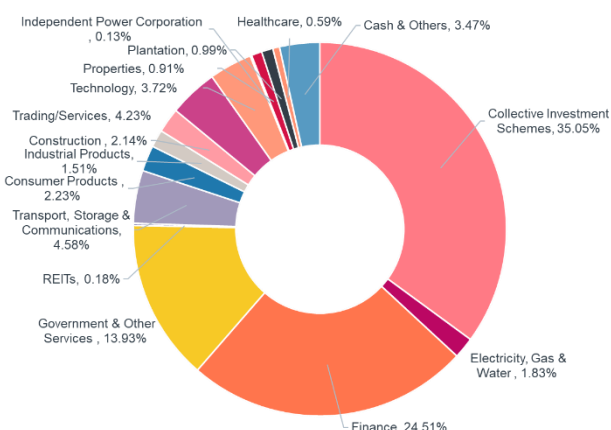
Unit NAV (31 January 2024)	: RM 1.3418
Fund Size (31 January 2024)	: RM 195.5 million
Fund Currency	: Ringgit Malaysia
Fund Launch	: May 16, 2013
Fund Inception	: June 05, 2013
Fund Management Charge	: up to 1.50% p.a

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	10.38%
2.	FIDELITY FUNDS-GLOBAL FOCUS FUND	10.17%
3.	FIDELITY FUNDS-ASIA PACIFIC OPPORTUNITIES FUND	9.71%
4.	SCHRODER ISF SUSTAINABLE ASIAN EQUITY	4.79%
5.	MALAYAN BANKING BHD	2.80%

### Sector Allocation



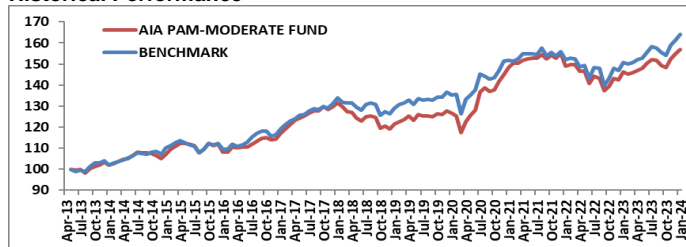
### Risk

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	1.30%	7.32%	29.29%	54.23%	56.93%
Index	1.61%	8.89%	27.00%	61.02%	64.10%
Excess	-0.31%	-1.57%	2.29%	-6.79%	-7.17%

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg at 31 January 2024

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

### Market Review

The local bond market started the year on a weaker footing in tandem with weaker US treasuries (“UST”) as market participants reassessed assumptions of an early US Federal Funds Rate cut amid the slew of economics and labour market data releases. However, local market eventually gained ground on the back of strong onshore buying interests as funds put cash to work. Longer end of the curves were supported by investor’s demand for duration.

Global market closed with a positive note in January 2024 with S&P500 Index and MSCI Europe grew by 1.59% and 1.52% respectively with investors growing confident in possible “soft landing”, given the labour data remained strong. Conversely, Asian markets underperformed with MSCI AC Asia Ex Japan fell by 5.49%, leading followed by Hong Kong’s HSI which corrected by 9.16% in January. China’s manufacturing PMI rose to 49.2 in January, still below the critical 50 mark which indicates the economy is dragging on growth. Ongoing concerns around a weak economic outlook for China saw sentiment towards the broker Asian region weaken.

The FBMKLCI (“Index”) rose 4.01% Month-on-Month (“MoM”) to close at 1,512.98 pts in January 2024. The Index outperformed the MSCI Asia Ex Japan Index, which corrected 2.61% MoM in Malaysian Ringgit (“MYR”) terms over the same period. Foreign investors stayed net buyers of Malaysian equities amounting to MYR679 million while local institutions turned net buyers of MYR112 million during the month.

### Market Outlook

Moving into 2024, all eyes will be on the Fed’s potential pivot to interest rate cuts amid sign 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 sukuk 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.



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