



# AIA PAM – Islamic Moderate Fund

**Investment Objective**

The Fund seeks to provide returns through a combination of income\* and capital growth from a portfolio that is consistent with Shariah principles. *\*Income will be reinvested in additional Units in the Fund*

**Investment Strategy**

The Fund will invest in a Shariah-compliant portfolio comprising equities with potential for growth and equities that are trading below their fair value. The Fund will also invest at least 40% of its NAV in Sukuk and Islamic money market instruments with a minimum credit rating of “BBB3” or “P2” by RAM or equivalent rating by MARC.

The Fund will only invest locally.

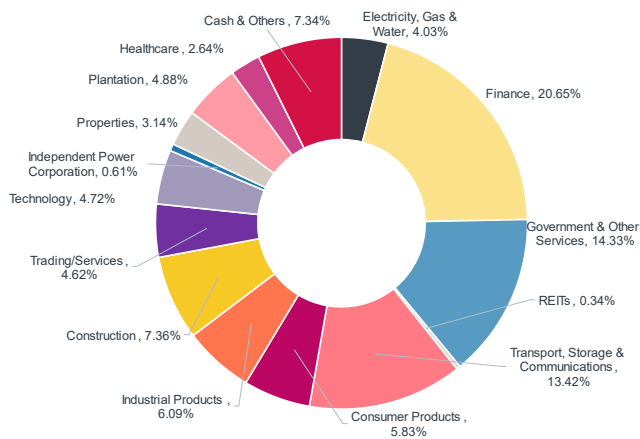
**Fund Details**

Unit NAV (31 March 2025)	: RM 1.2317*
Fund Size (31 March 2025)	: RM 127.2 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	: 50% FBM EMAS Shariah Index + 50% Quant Shop GII All Index

**Top Five Holding**

1.	GII MURABAHAH 6/2019 4.119%	30.11.2034	3.64%
2.	CAGAMAS IMTN 3.780%	24.03.2028	3.15%
3.	TELEKOM MALAYSIA BHD		3.09%
4.	JOHORCORP IMTN 4.720%	11.06.2027	2.56%
5.	SUSTAINABILITY GII 3/2022 4.662%	31.03.2038	2.56%

**Sector Allocation**



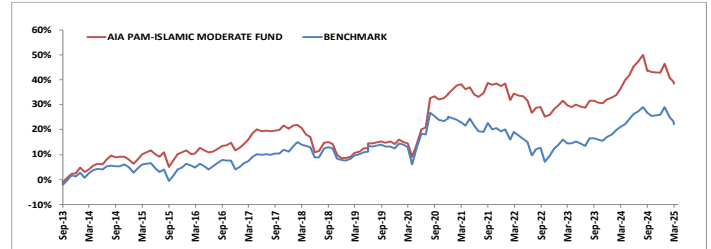
**Risk**

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 and reclassification of shariah status 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**



**Accumulative Return**

%	1 Mth	1-Year	^5-Year	^10-Year	^Since Inception
Fund	-0.69%	-0.92%	26.94%	24.78%	38.39%
Benchmark	-0.94%	0.07%	15.31%	14.87%	22.15%

**Annualised Return**

%	1-Year	5-Year	10-Year	Since Inception
Fund	-0.92%	4.89%	2.24%	2.79%
Benchmark	0.07%	2.89%	1.40%	1.71%

**Calendar Year Return**

%	Year to Date	2024	2023	2022
Fund	-5.38%	10.03%	2.36%	-6.27%
Benchmark	-5.29%	9.26%	3.55%	-5.09%

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg as of 31 March 2025. ^ Cumulative returns. The performance is calculated on NAV-to-NAV basis. Past performance is not an indicative of future performance.

**Market Review**

The Government Investment Issues (“GII”) yield curve bull-steepened in March 2025. During the month, the US Federal Open Market Committee (“FOMC”) voted to keep the federal funds target range unchanged at 4.25% to 4.50%, as broadly expected. Similarly, BNM also kept the overnight policy rate (“OPR”) unchanged at 3.00% at the Monetary Policy Committee (“MPC”) meeting. The language of the latest monetary policy statement by BNM was rather neutral and balanced in its views as the outlook for global growth, inflation and trade are subject to considerable uncertainties surrounding tariff and other policies from major economies and geopolitical developments.

Malaysia’s headline inflation decelerated to 1.5% Year-on-Year (“YoY”) in February 2025 (January 2025: 1.7% YoY). Increases in food & beverages, transport and housing, water, electricity, gas & other fuels were offset by declines in clothing & footwear and information & communication services. Core inflation rose slightly to 1.9% YoY in February 2025 (January 2025: 1.8% YoY). Malaysia’s industrial production index increased at a slower rate of 2.1% YoY in January 2025 (December 2024: 4.6% YoY). The manufacturing indices led the growth by 3.7% YoY, partially offset by the mining and electricity sectors at -3.1% YoY and -0.1% YoY respectively.

The FBMS (“Index”) fell 2.52% Month-on-Month (“MoM”) to close at 11,124.41 pts in March 2025. The Index underperformed the MSCI Asia ex Japan Index, which fell 0.76% MoM in Malaysian Ringgit (“MYR”) terms over the same period. Foreign investors remained net sellers of Malaysian equities with net sell flows rising 110.5% MoM to MYR4.6 billion while local institutions remained net buyers amounting to MYR4.3 billion during the month.

**Market Outlook**

With recent US economic data releases coming in mixed, the trend for a moderation in inflation and a softening in the labour market has somewhat slowed. At the most recent US Federal Open Market Committee meeting, the US Fed kept the interest rate unchanged, citing concerns on the progress of inflation and potential risks from fiscal and trade policies by President Trump’s administration. We are cautiously optimistic on the equity and fixed income market in the near term. With these uncertainties ahead, we maintain our view that market volatility would persist as the US 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 President Trump’s trade policies. Locally, while our optimism on equities has moderated, the market is likely to remain supported by stable corporate earnings, various ongoing government initiatives, stronger tourism recovery, resilient domestic consumption and political stability.



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## Disclaimer

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