



# AIA PAM – Global Islamic Growth Fund

## Investment Objective

The Fund seeks to provide returns through capital growth by investing in Shariah-compliant securities predominantly in the global markets

## Investment Strategy

The Fund will invest at least 60% to 90% of its NAV in Shariah-compliant equities including Islamic collective investment schemes. The Fund will also invest at least 10% of its NAV in Sukuk, Islamic deposit and/or Islamic money market instruments.

The Fund will invest in local and foreign markets.

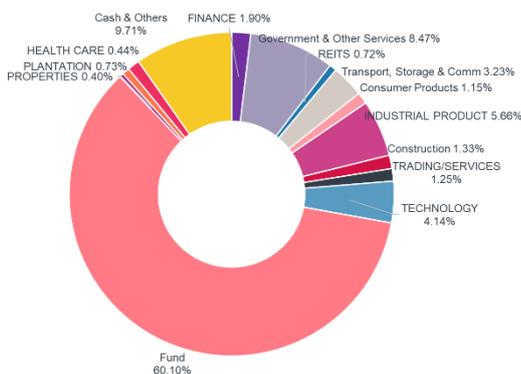
## Fund Details

Unit NAV (30 July 2021)	: RM 0.5107
Fund Size (30 July 2021)	: RM 45.43 million
Fund Currency	: Ringgit Malaysia
Fund Launch	: Feb 23, 2021
Fund Inception	: March 16, 2021
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	: Target return of 6% per annum

## Top Five Holding

1.	ISHARES MSCI WORLD ISLAMIC	17.55%
2.	ISHARES MSCI USA ISLAMIC	15.91%
3.	ISHARES MSCI EM ISLAMIC	13.43%
4.	TEMPLETON SHARIAH GB E-IAUSD	13.20%
5.	GII Murabahah	4.19%

## Sector Allocation



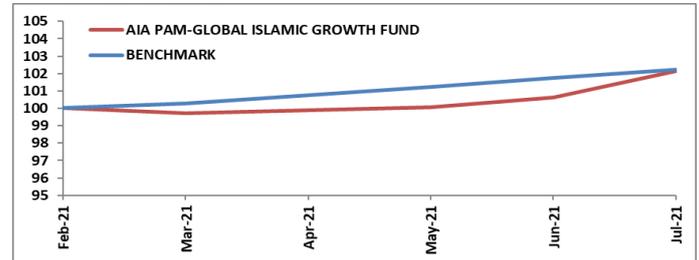
## Risk

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, currency risk and shariah status reclassification 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	^3-Year	^5-Year	^Since Inception
Fund	1.49%	-	-	-	2.14%
Index	0.49%	-	-	-	2.22%
Excess	1.00%	-	-	-	-0.08%

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg at 30 July 2021.

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

## Market Review

Government Investment Issue (“GII”) yield curve continued to bull flattened in July 2021 with better buying interest seen at the longer end of the curve in line with global rates movement. During the month, BNM kept the Overnight Policy Rate (“OPR”) unchanged at 1.75% in the Monetary Policy Committee meeting. Foreign funds turned net sellers of MYR debt securities in June 2021 with outflows of MYR0.5 billion, after 13 months of consecutive inflows which could be attributed to the Federal Reserve hawkish shift in the June’s FOMC meeting. As a result, foreign holdings in MGS and GII dipped to 25.7% (May 2021: 26.1%). On the currency front, MYR weakened by 1.77% against the USD to close the month at MYR4.2215.

The MSCI Asia ex Japan Index had a sharp decline in July and underperformed the MSCI World Index markedly, led by Chinese equities market which was impacted by the tightening of regulatory measures against the Internet and education sector. It has resulted in widespread market concerns over policy risks on new economy sectors and VIE companies. The Delta variant also remains a key concern, especially for countries where vaccinations are still lagging. Meanwhile, the Singapore and India equities market were the outperformers in the region and recorded positive returns in the month. The Singapore government had rolled back containment measures following a new wave of Covid-19 infections but that was accompanied by a new virus support package.

## Market Outlook

With the vaccine rollouts, we expect an expansive reopening of the global economies led by developed markets towards 2H2021, which should lead to a recovery and a reflationary theme. Having said that, the surge in COVID-19 Delta variant cases in Asia sparked recovery concerns. As such, policy accommodation in the region will likely be extended further. This coupled with ample liquidity in the domestic financial system shall remain supportive of the sukuk market.

Globally, equities remain the preferred asset class given the expectation of bond yield resuming its upwards trend upon Fed tapering later part of the year. As for the local market, we are slightly optimistic given the positive development in the daily vaccination trend but remain cautious about the local political situation. Downside risks to the market could stem from the severity of new Covid-19 variants, delay in roll-out of mass vaccination and QE tapering commencement earlier than expected.

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