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Media Release

AIA Singapore partners with Franklin Templeton to introduce the first Shariah Balanced ILP fund in Singapore catering to a fast-growing Muslim consumer base

AIA Shariah Global Diversified Fund also expected to appeal to non-Muslim consumers keen on ethical and socially responsible investments

SINGAPORE, 7 June 2022 – AIA Singapore today launched the [AIA Shariah Global Diversified Fund](#) which will be made available to customers through these investment-linked plans (ILPs) – [AIA Pro Achiever](#), [AIA Pro Achiever 2.0](#), [AIA Pro Lifetime Protector](#), [AIA Pro Lifetime Protector \(II\)](#) and [AIA Invest Easy](#) (Cash/ Supplementary Retirement Scheme (SRS)). Existing customers of these plans may perform a fund switch or a top-up into this fund.

“AIA Singapore is thrilled to be Singapore’s first insurer to be launching the Shariah Balanced ILP fund to meet the increasing demand amongst Muslim consumers here where such investment options are limited. The overlap between Shariah-compliant finance and Environmental, Social and Governance (ESG) principles will also see non-Muslim consumers interested in the fund to maximise capital growth while investing responsibly,” said Liu Chun Yen, Chief Investment Officer, AIA Singapore. She is also a member of the Sustainability in Insurance Committee (SIC) in Singapore.

Shariah-compliant funds do not invest in industries or businesses whose underlying activities are involved in any non-halal items such as gambling, alcohol, tobacco, pork and adult entertainment, to name a few. These funds also do not invest in interest-bearing instruments.

This Singapore dollar denominated ILP sub-fund is a diversified portfolio of global Shariah-compliant equities and Sukuk backed by the expertise of award-winning fund management house Franklin Templeton which currently manages more than US\$3.3 billion in Shariah-compliant strategies globally¹.

The asset allocation of the ILP sub-fund is as follows:

- **Templeton Shariah Global Equity Fund:** Providing diversification benefits by investing principally in Shariah-compliant equity and equity-related securities across geographies and sectors including Healthcare, Energy and Info Tech. Quality of the portfolio is constantly upgraded to own more defensive, dividend-paying holdings in a late cycle environment with resources allocated to pursue the best long-term investment opportunities in overlooked market segments.
- **Franklin Global Sukuk Fund:** Investing in Sukuk – Shariah-compliant fixed income securities – which is the second-biggest sector in Islamic Finance and a rapidly growing asset class. Global sukuk outstanding rose by 12.7% within a year to reach US\$711.3 billion in 2021. Green and sustainable Sukuk volumes increased by 17.2% year-on-year to US\$15 billion last year².
- **Franklin Shariah Technology Fund:** Capturing potential in technology which continues to see accelerated growth as businesses prioritise digital transformation. The investment team seeks to own the best ideas across each one of the sub-themes that are supportive of Digital Transformation with ESG analysis embedded into their fundamental investment process.

Clement Lee, Head of Retail Sales, Southeast Asia, Franklin Templeton said: “As one of the leading global asset managers with dedicated expertise and a strong track record in Shariah investing, we are delighted to partner with AIA Singapore for the launch of the Shariah Balanced ILP fund and we are very excited to make Shariah-compliant solutions more accessible to investors in Singapore.”

¹ Source: Franklin Templeton, as of 31 March 2022

² ‘Promising Outlook for Global Sukuk Market Following Robust 2021’ (January 11, 2022) Fitch Ratings.
<https://www.fitchratings.com/research/islamic-finance/promising-outlook-for-global-sukuk-market-following-robust-2021-11-01-2022>



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Managed by AIA Investments, the ILP sub-fund will tap into the growth potential of the Islamic finance industry which is projected to rise to US\$4.94 trillion in 2025, a significantly upward trajectory of more than 46% from US\$3.374 trillion in 2020³.

AIA Investments is responsible for managing over US\$330 billion in assets⁴. It has one of the largest teams of investment professionals in Asia Pacific, consisting of more than 250 investment specialists. AIA Investments' approach to investment management is focused on delivering superior long-term sustainable results.

AIA was recently recognised for its 'Achievement of Compliance' for the third consecutive year by the CFA Institute's Global Investment Performance Standards (GIPS®) as an asset owner in Asia and globally. GIPS® standards are a rigorous set of investment performance measurement standards adopted in 48 markets to reflect a company's adherence to the highest quality of performance reporting for its assets. It is testament to the robustness and governance of processes that underpin the company's investment programme.

AIA is the only regional insurer in Asia – as an asset owner – to claim GIPS® compliance recognition.

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About AIA

AIA Group Limited and its subsidiaries (collectively "AIA" or the "Group") comprise the largest independent publicly listed pan-Asian life insurance group. It has a presence in 18 markets – wholly-owned branches and subsidiaries in Mainland China, Hong Kong SAR⁵, Thailand, Singapore, Malaysia, Australia, Cambodia, Indonesia, Myanmar, New Zealand, the Philippines, South Korea, Sri Lanka, Taiwan (China), Vietnam, Brunei and Macau SAR⁶, and a 49 per cent joint venture in India.

The business that is now AIA was first established in Shanghai more than a century ago in 1919. It is a market leader in Asia (ex-Japan) based on life insurance premiums and holds leading positions across the majority of its markets. It had total assets of US\$340 billion as of 31 December 2021.

AIA meets the long-term savings and protection needs of individuals by offering a range of products and services including life insurance, accident and health insurance and savings plans. The Group also provides employee benefits, credit life and pension services to corporate clients. Through an extensive network of agents, partners and employees across Asia, AIA serves the holders of more than 39 million individual policies and over 16 million participating members of group insurance schemes.

AIA Group Limited is listed on the Main Board of The Stock Exchange of Hong Kong Limited under the stock code "1299" with American Depositary Receipts (Level 1) traded on the over-the-counter market (ticker symbol: "AAGIY").

³ 'Refinitiv release findings of 2021 Islamic Finance Development Indicator' (November 17, 2021) Refinitiv.
<https://www.refinitiv.com/en/media-center/press-releases/2021/november/refinitiv-releases-findings-of-2021-islamic-finance-development-indicator>

⁴ Source: AIA, as at 30 June 2021.

⁵ Hong Kong SAR refers to Hong Kong Special Administrative Region.

⁶ Macau SAR refers to Macau Special Administrative Region.



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About Franklin Templeton

Franklin Resources, Inc. [NYSE:BEN] is a global investment management organization with subsidiaries operating as Franklin Templeton and serving clients in over 155 countries. Franklin Templeton's mission is to help clients achieve better outcomes through investment management expertise, wealth management and technology solutions. Through its specialist investment managers, the company offers boutique specialization on a global scale, bringing extensive capabilities in equity, fixed income, multi-asset solutions and alternatives. With offices in more than 30 countries and approximately 1,300 investment professionals, the California-based company has 75 years of investment experience and approximately US\$1.5 trillion in assets under management as of April 30, 2022. For more information, please visit franklintempleton.com.sg and follow us on [LinkedIn](#), [Twitter](#) and [Facebook](#).

As one of the few global asset managers with dedicated Shariah offerings, Franklin Templeton has over US\$3.2 billion in assets⁷ in its Shariah business line which is led from its office in the Dubai International Financial Centre. In addition to the UAE, the firm offers dedicated Shariah investing expertise in Singapore and Malaysia, which combined cover a range of asset classes and strategies including Sukuk and global, regional and local equities.

All Franklin Templeton Shariah portfolios are independently reviewed by the Amanie International Shariah Supervisory Board, highly regarded for their extensive Shariah and technical understanding. The firm also leverages best-in-class technology utilizing criteria established by its Shariah screening provider Ideal Ratings, which analyses approximately 40,000 global securities.

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⁷ Source: Franklin Templeton, as of 31 December 2021.