

Capitalising on Growth Opportunities in the India and Global Markets with Public e-Islamic India Global Equity Fund (PeIIGEF)



Investors seeking to tap into long-term growth opportunities in the India and global markets while incorporating Shariah-compliant considerations may look to invest in Public e-Islamic India Global Equity Fund (PeIIGEF).

PeIIGEF is the first Shariah-compliant India-focused global equity fund offered under the Public e-Series of Shariah-based Funds, with the objective to achieve capital growth over the long term by investing at least 30% of its net asset value (NAV) in the India market and the balance in the global markets.

To achieve capital growth over the long term, 75% to 98% of PeIIGEF's NAV will be invested in Shariah-compliant shares and Shariah-compliant securities equivalent to shares, with the balance invested in sukuk, Islamic money market instruments and Islamic deposits.

Leveraged to the Growth of the India and Global Economies

As one of the fastest-growing economies in the world, India's real gross domestic product (GDP) grew by 8.2% in Fiscal Year¹ (FY) 2024 and is projected to grow by 7.0%² in FY2025, underpinned by higher investment and consumer spending.

A young and growing working-age population that is increasingly technology-literate, coupled with a rising urban middle class, provides India with a robust consumer base to drive domestic consumption. Meanwhile, the Indian government has undertaken various initiatives and reforms to improve the competitiveness of its manufacturing sector and boost domestic and foreign investments. The combination of manufacturing-friendly policies, higher investments and growing domestic demand should underpin India's economic growth in the years ahead.

¹ Fiscal Year ending 31 March

² Bloomberg consensus

On the global front, the U.S. economy is expected to expand by a slower pace of 2.3%² in 2024 and 1.8%² in 2025, as the lagged impact of elevated interest rates weighs on consumer and investment spending. However, the moderation in U.S. economic growth is expected to be mitigated by slightly firmer GDP growth in selected Asian and European countries in 2024 and 2025.

Consequently, global economic growth is expected to remain resilient at 3.0% per annum in 2024 and 2025 on the back of the continued expansion of the U.S. and selected Asian economies, alongside a recovery of the Eurozone's economy.

Sectors PeIIGEF May Invest In

The Fund may look to invest in selected Shariah-compliant stocks within sectors with positive long-term growth prospects such as:



Technology



Consumer



Healthcare & Pharmaceutical

Technology - This sector's long-term growth is driven by the rising adoption of new technologies such as 5G, artificial intelligence, cloud computing and electric vehicles.

Consumer - Consumer spending in India is driven by its large consumer market which is underpinned by its growing middle-income group. In addition, opportunities abound for companies that can tap into the rising consumption power of the global middle-class population, which is expected to reach 5.4 billion with an estimated total spending of US\$63 trillion by 2030³.

Healthcare & Pharmaceutical - Healthcare and pharmaceutical companies stand to benefit from rising global healthcare spending amid an ageing global population, along with the increasing demand for better healthcare services by the growing middle class in India as well as globally.

The Fund's Benchmark

The benchmark of PeIIGEF is a composite index of 40% Standard & Poor's (S&P) India LargeCap Shariah 20% Capped Index, 25% S&P United States LargeCap Shariah Index, 25% customised index by S&P Dow Jones Indices, LLC based on the top 100 constituents by market capitalisation of the S&P Shariah BMI Asia Ex-Japan Index and 10% 3-Month Islamic Interbank Money Market rate.

For the 3-year period ended 31 July 2024, the Fund's benchmark registered a total return of +20.07%, or +6.28% in annualised terms (see Table 1).

Table 1: Historical Returns of PeIIGEF's Benchmark

	Performance in MYR (%) [*]	
	1-Year	3-Year
Total Return	17.73	20.07

^{*} Data as at 31 July 2024.

Sources: S&P Dow Jones Indices, LLC & Bank Negara Malaysia.

Note: Past performance of the benchmark is not a reliable indicator of the fund's future performance.

Investors are advised to read and understand the contents of the Prospectus of Public e-Islamic India Global Equity Fund dated 24 September 2024 and the fund's Product Highlights Sheet (PHS) before investing. Investors should understand, compare and consider the risks, fees, charges and costs involved in investing in the fund. A copy of the Prospectus and PHS can be viewed at our website at www.publicmutual.com.my. Investors should make their own assessment of the merits and risks of the investment. If in doubt, investors should seek professional advice. Please refer to www.publicmutual.com.my for our investment disclaimer.

² Bloomberg consensus

³ Economic Intelligence Unit, Ministry for Primary Industries, New Zealand Government (<https://www.mpi.govt.nz/dmsdocument/38747-Global-middle-class-2030>)