



AIA PAM – Conservative Fund

Investment Objective

The Fund seeks to provide returns through income* that is consistent with capital conservation**.

*Income will be reinvested in additional units in the Fund

** The Fund is neither capital guaranteed nor capital protected.

Investment Strategy

The Fund will also invest at least 80% of its NAV in local fixed income instruments and money market instruments, of which a minimum of 20% of the Fund's NAV will be invested in money market instruments. The remainder of the Fund's NAV will be invested in equities offering a dividend yield above the market average.

The Fund will only invest locally.

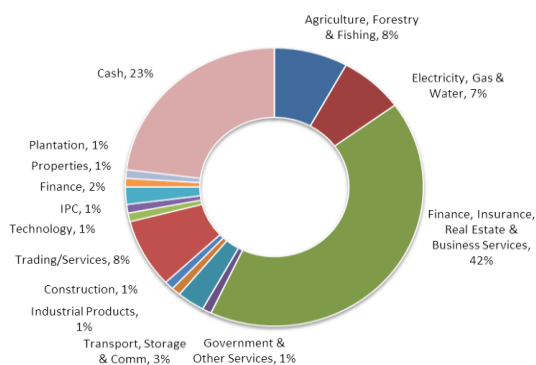
Fund Details

Unit NAV (30 Jun 2015)	: RM 1.0589
Fund Size (30 Jun 2015)	: RM 9.42 million
Fund Currency	: Ringgit Malaysia
Fund Launch	: May 16, 2013
Fund Inception	: Jun 05, 2013
Fund Management Charge	: 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	: 15% FTSE Bursa Malaysia Top 100 Index + 20% Maybank Berhad overnight rate + 65% Quant Shop MGS All Bond Index

Top Five Holding

Rank	Company Name	Percentage
1.	Golden Assets International 03/08/18	13.76%
2.	Public Bank Berhad 25/09/23	11.20%
3.	Sabah Credit Corp 06/08/15	10.57%
4.	Northport Malaysia Berhad 19/12/24	9.31%
5.	First Resources Ltd 05/06/20	7.82%

Sector Allocation



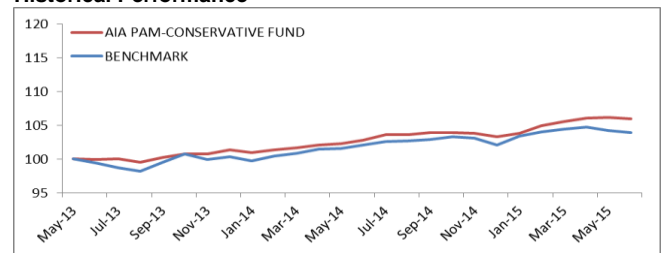
Risk

Investment risk involves the uncertainties relating to Malaysia's economic situation, political condition and also price volatility of stocks held as a result of company specific risk.

Risk Management

The Investment Manager employs structured investment process to minimize market risk. Investment guidelines also prescribe limits in terms of single user limit and strict and frequent stock evaluation to minimize company specific risk.

Historical Performance



%	1 Mth	6 Mths	1-Year	*3-Year	*5-Year
Fund	-0.20%	2.58%	3.08%		
Index	-0.36%	1.79%	1.80%		
Excess	0.16%	0.79%	1.27%		

Source: AIA Pension and Asset Management Sdn. Bhd. Bloomberg as at 30 Jun 2015.

Market Review

Malaysian bond market ended mixed in the month of June with selling pressure seen in belly to long end of the curve as market players taking a cautious stance ahead of the Fitch announcement on Malaysia's sovereign rating, while the short end papers gained due to the lack of new treasury bills/BNM notes. Subsequent to the month end, Fitch Ratings affirmed Malaysia's long term foreign sovereign credit rating at A- and upgraded the outlook from 'Negative' to 'Stable'. The rating agency cited the improving fiscal position of Malaysia, strong economic growth and low inflation as reasons for the affirmation and revision in rating outlook. On the corporate side, corporate bond remains supported by subdued bond pipeline. In the primary market, Maxis Berhad, Benih Restu and Pengurusan Air SPV tapped the bond market.

During the month, FBM100 Index declined 2.76% to end the month at 11,459, underperforming MSCI Asia ex-Japan, which fell only 2.03% in MYR term. This is largely driven by weaker MYR, which fell 2.9% m-o-m against USD and worries of Greece to exit Eurozone as well as political concerns brought by the negative publicity on 1MDB. However, Malaysia market was slightly rallied on the last day of the month due to the positive surprise that Fitch maintains Malaysian sovereign rating and upgrades the outlook from 'Negative' to 'Stable'. On the corporate front, Westport Holdings has been included in the KLCI index, replacing Felda Global Ventures after the semi-annual review of FTSE Bursa Malaysia index series. Felda Global Ventures has entered into an agreement to acquire 37% stake in Eagle High Plantations and sugar concessions in Papua, Indonesia for US\$746mil. TNB had obtained approval from the Cabinet to take over 70% stake held by 1MDB in Project 3B. A consortium comprising Gamuda, Evia Real Estate and Maxdin has placed a tender worth of S\$346mil to potentially develop a leasehold plot of land in Toa Payoh, Singapore.

Market Outlook

For fixed income, we expect uncertainty surrounding the outcome of Greek referendum, weakening Ringgit and erratic oil prices will continue to weigh on the local bond market.

For local equity, in the short run, we expect equity market to be volatile with some downside risk given Greece may exit the Eurozone if Greece leader fails to agree on bailout terms, reported political spat between Dr. Mahathir and PM Najib and loss of investors' confidence as a result of 1MDB's issues. Over the medium term, oil prices recovery above US\$55/barrel and 1MDB restructuring plan may contribute to a better prospect of Malaysia and prompt foreign investors to relook at the Malaysian Market.