



Aug 2015

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.

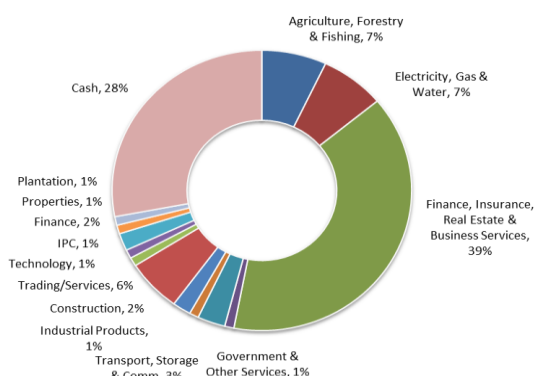
Fund Details

Unit NAV (31 Aug 2015)	: RM 1.0478
Fund Size (31 Aug 2015)	: RM 9.89 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

1.	Golden Assets International 03/08/18	13.13%
2.	Public Bank Berhad 25/09/23	10.63%
3.	Northport Malaysia Berhad 19/12/24	8.68%
4.	First Resources Ltd 05/06/20	7.42%
5.	CIMB Islamic Bank Bhd 15/09/22	7.40%

Sector Allocation



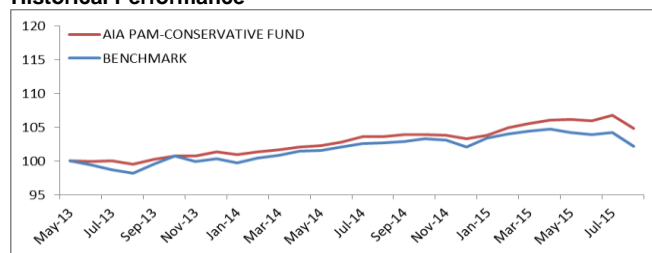
Risk

Investment risk involves the uncertainties relating to the country'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	-1.86%	-0.15%	1.15%		
Index	-1.98%	-1.79%	-0.50%		
Excess	0.12%	1.63%	1.65%		

Source: AIA Pension and Asset Management Sdn. Bhd. Bloomberg as at 31 Aug 2015.

Market Review

Ringgit saw the steepest month-on-month fall since 1997, breaking MYR4.0000 level against USD to end the month at MYR4.1925, the worst performing Asian currency by far. Currency depreciation was sparked by the Yuan devaluation, weak commodities prices and uncertainty over domestic political environment. This triggered a broad-based sell-off across the MGS curve, both by onshore and offshore investors with yields headed north by 18 ~ 38bps. Corporate papers saw similar trend in yield movements as MGS though the correction was not as steep. Credit spreads tightened amidst thin liquidity in the corporate debt segment.

During the month, FBM100 Index plunged 7.22% to end the month at 10,696, underperforming MSCI Asia ex-Japan, which fell 1.23% in MYR term. This is largely driven by political uncertainties and weaker MYR. In addition, regional markets and Wall Street fell sharply on the back of various concerns stemming out from China such as slower GDP growth and China may devalue its currency aggressively to gain export competitiveness. Commodity prices also remained weak where Brent crude oil prices and crude palm oil (CPO) prices fell below US\$50/barrel and MYR2,000/MT respectively in the month. On the corporate front, IJM Corporation's outstanding order book hit a record high of about RM7bil, fuelled by new projects secured domestically during FY3/15. Gamuda has been appointed as the Project Delivery Partner to oversee and realize certain key components in the RM27bil Penang Transport Master Plan.

Market Outlook

For fixed income, we expect the volatility of the Ringgit and commodity prices to remain until there is a clearer sign of the global growth outlook, supply/demand dynamics from OPEC on crude oil as well as the political front. These will continue to weigh on the Malaysian bond market.

For local equity, in the short run, we expect equity market to be volatile with downside risk given the weak Ringgit, low commodity prices, political uncertainties and external headwinds. Over the medium term, we are optimistic on the market recovery, supporting by the still-strong economic fundamentals, recovery of oil prices after OPEC expressed concerns over low oil prices, 1MDB restructuring and recovery of Chinese market after implementing monetary policies and measures to support the market.