

Feb 2016

AIA PAM – Conservative Fund

Investment Objective

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

- *Income will be reinvested in additional Units in the Fund
- ** The Fund is neither capital guaranteed nor capital protected

Investment Strategy

The Fund will invest at least 80% of its NAV in 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

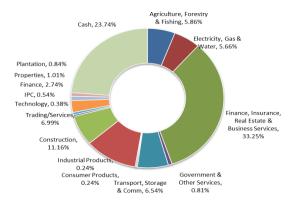
Unit NAV (29 Feb 2016)	: RM 1.0705
Fund Size (29 Feb 2016)	: RM 12.51 million
Fund Currency	: Ringgit Malaysia
Fund Launch	: May 16, 2013
Fund Inception	: Jun 05, 2013
Fund Management Charge	: 1.50% p.a
Investment Manager	: AIA Pension and Asset Management
	Sdn. Bhd.
Basis of Unit Valuation	: Net Asset Value (NAV)
Frequency of Unit Valuation	: Daily
Benchmark	: 15% FTSE Bursa Malaysia Top 100
	Index + 20% Maybank Berhad
	overnight rate + 65% Quant Shop

Top Five Holding

1.	Golden Assets International 03/08/18	10.06%
2.	Jimah East Power Sdn Bhd 04/12/25	9.01%
3.	Public Bank Berhad 25/09/23	8.43%
4.	Northport Malaysia Berhad 19/12/24	6.97%
5.	First Resources Ltd 05/06/20	5.88%

MGS All Bond Index

Sector Allocation



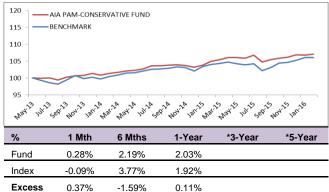
Risk

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.





Source: AIA Pension and Asset Management Sdn. Bhd. Bloomberg as at 29 Feb 2016.

Market Review

Malaysian government bonds pared gains from the strong rally in January. The MGS curve bear flattened as the short to belly of the curve saw selling pressures from a mix of local and offshore flows. Corporate bond primary issuance was active with a total of RM9.9bil issuances during the month.

During the month, FBM100 Index fell marginally by 0.64% to end the month at 11,208 points, underperforming MSCI Asia ex-Japan, which increased by 0.15% in MYR term. The local market inched lower in line with the weakening Ringgit against USD by 1.3% despite stronger crude oil prices in the month. GDP growth data was released at 4.5% in 4Q2015, beating the market expectation and making the full year 2015 to 5.0%. The GDP growth was mainly driven by private sector and conducive labour market condition as well as expanded private investment. The GDP growth is forecasted to remain strong at 4.0%~4.5% for 2016.

Market Outlook

For fixed income, with the improved foreign sentiment on domestic markets, we increasingly see resilience of MYR against the volatility of crude oil price. Slower global economic outlook, including Malaysia, will be supportive of the local bond market. We view that the risk of capital outflows owing to the concentration of foreign holdings in MGS is minimal.

For local equity, in the short run, we expect market to trade within a tight range from here. The market is expected to be supported by RM20bil ValueCap fund to be deployed in stages as well as the monetary easing policy undertaken by both BOJ and ECB to stimulate economy. In addition, investors' sentiment turned slightly positive as first US Fed rate hike of 25bps was concluded in December and further rate hike will likely be on gradual basis. However, the market upside could be capped by given the less attractive valuation, still-lingering political issues and external headwinds arising from the China's economy slowdown.

Disclosure Document dated 16 May 2013, Supplemental Disclosure Document dated 11 October 2013, Second Supplemental Disclosure Document dated 8 January 2014, Third Supplemental Disclosure Document dated 14 February 2014, Fourth Supplemental Disclosure Document dated 16 June 2014, Fifth Supplemental Disclosure Document dated 4 July 2014, Sixth Disclosure Document dated 8 August 2014, Seventh Supplemental Disclosure Document dated 6 March 2015, Ninth Supplemental Disclosure Document dated 4 July 2014, Sixth Disclosure Document dated 7 August 2014, Fighth Supplemental Disclosure Document dated 6 March 2015, Ninth Supplemental Disclosure Document dated 6 July 2015, Tenth Supplemental Disclosure Document dated 7 August 2015 and Eleventh Supplemental Disclosure Document dated 14 September 2015 (collectively known as "Disclosure Document") of the AIA Private Retirement Scheme has been registered with the Securities Commission Malaysia, who takes no responsibility for their contents. Copies of the Disclosure Document and Product Highlights Sheet (known as "PHS") are available from our office and all authorised agents/distributors of AIA Pension and Asset Management Sdn Bhd you have the right to request for the Disclosure Document and PHS. Please read and understand the contents of the Disclosure Document and PHS before making any investment decision. Units are issued upon our crecipit and satisfactory processing of a duly completed application form referred to in and accompanying the Disclosure Document. In the event of discrepancy between the fact sheet and the Disclosure Document, the information in the Disclosure Document shall prevail.