



Apr 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.

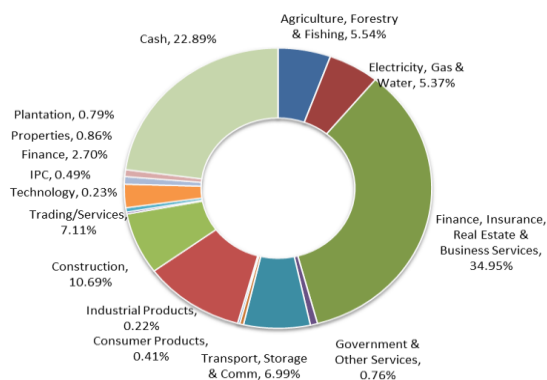
### Fund Details

Unit NAV (30 Apr 2016)	: RM 1.0422
Fund Size (30 Apr 2016)	: RM 13.25 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	9.53%
2.	Jimah East Power Sdn Bhd 04/12/25	8.66%
3.	Northport Malaysia Berhad 19/12/24	8.21%
4.	Public Bank Berhad 25/09/23	7.96%
5.	First Resources Ltd 05/06/20	5.56%

### Sector Allocation



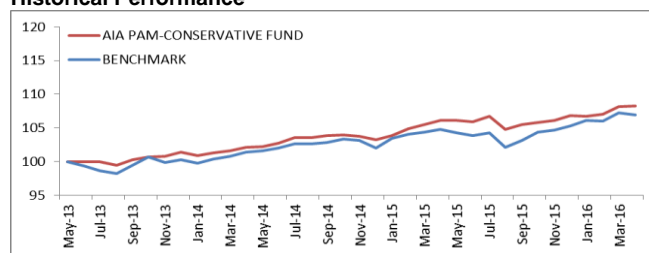
### Risk

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		0.07%	2.29%	2.05%		
Index		-0.30%	2.39%	2.05%		
Excess		0.37%	-0.10%	0.00%		

Source: AIA Pension and Asset Management Sdn. Bhd. Bloomberg as at 30 Apr 2016.

### Market Review

In tandem with the volatility of MYR against the greenback, Malaysian government bonds were generally weaker in the month of April vis-à-vis March. Market sentiment was slightly dampened following the disappointing outcome of the Doha meeting, where producers discussed a possible oil output freeze to curb the global glut. Following that, dovish tone by the Monetary Authority of Singapore and news on dispute between 1MDB and IPIC weakened sentiment further. The MGS curve witnessed some selling pressure by market players from the short to belly of the curve. Corporate bond primary issuance was active with more than MYR5bil issuances during the month. Issuers that tapped the market include Sarawak Energy (MYR1.5bil), MEX II (MYR1.45bil), Putrajaya (MYR535mil) and Kuala Lumpur Kepong (MYR500mil), amongst others.

During the month, FBM100 Index declined by 2.45% to end the month at 11,334 points, underperforming MSCI Asia ex-Japan, which increased marginally by 0.08% in MYR term. The market was performing well in the early of the month, backed by huge net foreign buying flows and strengthening of crude oil prices. However, the market started to see sharp correction in the last week of month as news of 1MDB default surfaced. The negative sentiment has overshadowed the announcement of Datuk Muhammad Ibrahim's appointment as the new BNM Governor succeeding Tan Sri Dr Zeti Akhtar Aziz.

### Market Outlook

For fixed income, 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 generally minimal. In the near term, we are cautious on sentiment-driven MYR volatility as 1MDB news flows resurfaced.

For local equity, in the short run, we expect market to be volatile until further clarity on 1MDB default is obtained. Foreign investors are likely to sell out for the time being.