



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.

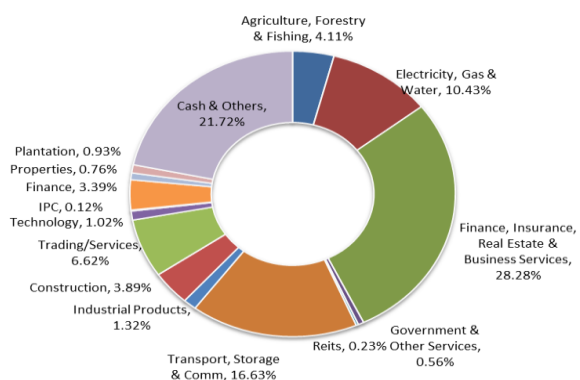
Fund Details

Unit NAV (30 Apr 2017)	: RM 1.0972
Fund Size (30 Apr 2017)	: RM 17.88 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	7.33%
2.	Jimah East Power Sdn Bhd 04/12/25	6.48%
3.	Northport Malaysia Berhad 19/12/24	6.15%
4.	Public Bank Berhad 25/09/23	5.90%
5.	Westport Malaysia Sdn Bhd 03/04/23	5.79%

Sector Allocation



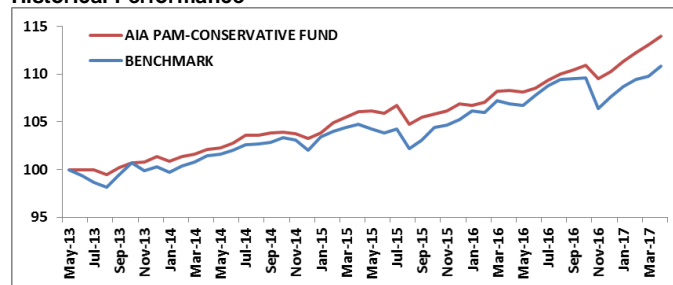
Risk

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	0.80%	2.70%	5.25%	3.73%	-
Index	0.95%	1.11%	3.68%	3.00%	-
Excess	-0.15%	1.59%	1.57%	0.73%	-

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg as at 30 Apr 2017. ^ Annualised return

Market Review

Malaysian government bond yields mostly fell in April especially on the front end of the curve. Nevertheless, foreign holdings in the bonds recorded another month of decline, from 29.8% in February 2017 to 25.8% in March 2017. Foreign sell-off was larger in March, increasing to RM23.6bn from RM7.6bn in the prior month. On the economic front, headline inflation rose to 5.1% yoy in March driven by higher retail fuel prices compared to 4.5% yoy in February. Meanwhile, exports grew by 26.5% yoy in March driven by commodities and was ahead of market expectation.

For equity, the Malaysian market registered its fifth consecutive month of increase in April with the FBM100 index up by 2.1%. The rally during the month was driven by the recovery in ringgit (up by 1.9%), net foreign inflow (RM2.7bn) and expectation of improvement in corporate earnings. The market performed in-line with MSCI Asia ex Japan index in USD terms but outperformed in MYR terms aided by the stronger ringgit. The continued foreign buying brought cumulative year-to-April net inflow to RM8.4bn versus net outflow of around RM3.2bn last year. Banks continued to outperform partly driven by improving market sentiment and prospect of better earnings ahead. Technology stocks also did well due to rising orders from the improvement in global economic outlook.

Market Outlook

For fixed income, the market will likely continue to be data dependent. Rising headline inflation and longer term inflation expectation could lead to higher bond yields. The pace at which the US will raise its interest rate further will also affect both the ringgit and local bond yields. Uncertainties over policy choices under President Trump, most notably his tax plan and strategy over North Korea will continue to contribute to market volatilities in the short term.

For equity, sentiment in the Malaysian market turned a bit cautious in early May following the announcement by TRX City, which is owned by the Ministry of Finance, to terminate the Bandar Malaysia land sale agreement with the consortium of Iskandar Waterfront Holdings and China Railway Engineering Corp. Investors are uncertain whether companies from China would start holding back their investments in Malaysia. In addition, oil price fell below US\$50 per barrel in the face of increased supply from the US shale industry. Hence, Malaysian market could be volatile in the near term until the uncertainty over investments from China is cleared and oil price stabilises.

Replacement Disclosure Document dated 9 December 2016 of the AIA Private Retirement Scheme has been registered with the Securities Commission Malaysia, who takes no responsibility for their contents. Copies of the Replacement 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 and you have the right to request for the Replacement Disclosure Document and PHS. Please read and understand the contents of the Replacement Disclosure Document and PHS before making any investment decision. Units are issued upon our receipt and satisfactory processing of a duly completed application form referred to in and accompanying the Replacement Disclosure Document. In the event of discrepancy between the fact sheet and the Replacement Disclosure Document, the information in the Replacement Disclosure Document shall prevail.