



## 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.

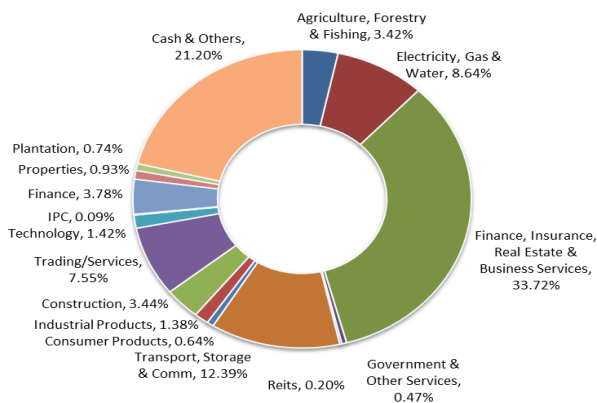
### Fund Details

Unit NAV (31 July 2017)	: RM 1.0763
Fund Size (31 July 2017)	: RM 21.52 million
Fund Currency	: Ringgit Malaysia
Fund Launch	: May 16, 2013
Fund Inception	: Jun 05, 2013
Fund Management Charge	: up to 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	Weight (%)
1.	Imtiaz Sukuk II 27/05/22	9.29%
2.	Golden Assets International 03/08/18	6.11%
3.	Jimah East Power Sdn Bhd 04/12/25	5.36%
4.	Northport Malaysia Berhad 19/12/24	5.11%
5.	Public Bank Berhad 25/09/23	4.90%

### Sector Allocation



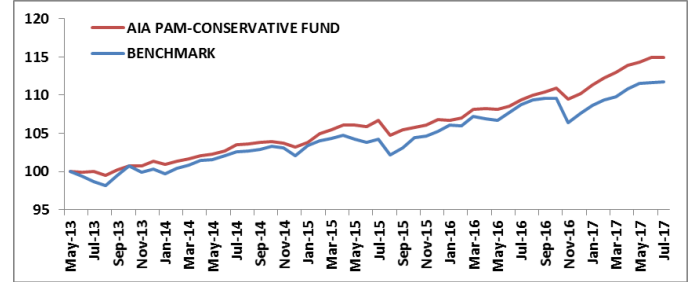
### Risk

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	0.03%	3.22%	5.08%	3.53%	-
Index	0.08%	2.76%	2.69%	2.88%	-
<b>Excess</b>	<b>-0.05%</b>	<b>0.46%</b>	<b>2.38%</b>	<b>0.65%</b>	<b>-</b>

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg as at 31 July 2017. ^ Annualised return

### Market Review

Malaysian government bond yields increased in July due to cautious market sentiment towards potential removal of monetary policy accommodation by the European Central Bank. For June, foreign holdings of Malaysian government bonds recorded a net outflow of RM0.8bn compared to a net inflow of RM9.0bn in May. This translated into a decline of foreign holdings from 27.5% in May to 27.2% in June. On the macro front, Bank Negara left interest rate unchanged with little hint of monetary policy tightening in the near future. Meanwhile, Malaysia's exports growth slowed significantly to 10.0% YoY in June from May's 32.5% YoY. Falling commodity prices and lower export volume contributed to the moderation.

For equity, the Malaysian market fell in July with the FBM100 Index down by 0.3% due to lack of fresh leads to drive the market. Foreign net inflows eased for the second month, coming in at RM0.4bn which was broadly similar to level in June versus the cumulative net inflow of about RM11bn for 7M2017. Oil price rebounded by 10.0% during the month to close above US\$52 per barrel possibly on expectation that crude producers could rein in output to cut oversupply. In terms of sector performance, the banking sector succumbed to profit-taking after the strong rally since the beginning of the year while telcos also underperformed led by Digi due to its weak second quarter results. Consumer discretionary was the notable outperformer led by Genting Malaysia on expectation of stronger tourist arrivals.

### Market Outlook

For fixed income, the sizeable upcoming government bond maturities in 2H17 amounting to about RM24.8bn and the heavy supply of long-duration government bonds could assert steepening pressure on the yield curve. Nevertheless, domestic fundamentals remain intact and domestic liquidity is expected to be supportive of the local bond market.

For equity, markets started to become jittery following the escalating tension between the US and North Korea over the latter's nuclear programme. In addition to geopolitical risk, sentiment in the Malaysian market is likely to be influenced by global fund flows, interest rate direction of the US and the upcoming second quarter results season. We will be vigilant and adjust our strategy accordingly, and continue to focus on stocks which are undervalued with strong balance sheet, cash flow and growth potential.

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.