



## 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.

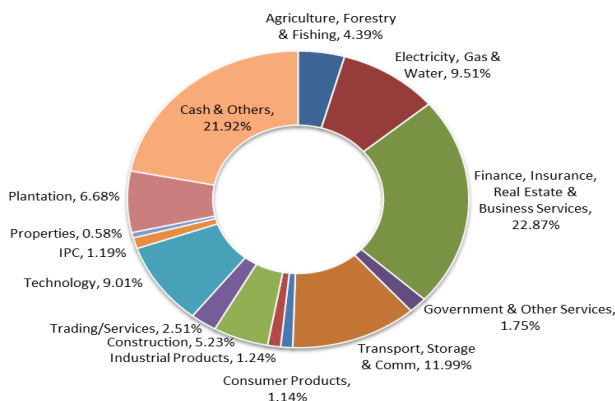
### Fund Details

Unit NAV (31 Oct 2017)	: RM 1.0933
Fund Size (31 Oct 2017)	: RM 19.76 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

1.	Imtiaz Sukuk II 27/05/22	10.14%
2.	Golden Assets International 03/08/18	6.66%
3.	Jimah East Power Sdn Bhd 04/12/25	5.83%
4.	Northport Malaysia Berhad 19/12/24	5.55%
5.	Public Bank Berhad 25/09/23	5.34%

### Sector Allocation



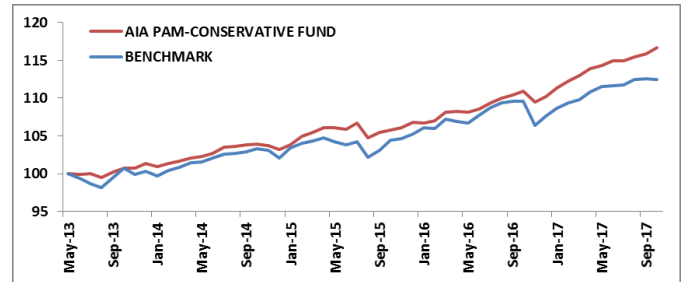
### Risk

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	0.71%	2.46%	5.23%	3.95%	-
Index	-0.10%	1.47%	2.59%	2.86%	-
<b>Excess</b>	<b>0.81%</b>	<b>1.00%</b>	<b>2.63%</b>	<b>1.09%</b>	<b>-</b>

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

### Market Review

Malaysian government bond yields increased in tandem with US Treasuries as US unemployment rate dropped to 4.2%, the lowest level since February 2001, fanning speculations of more interest rate tightening in the future. Anticipation of some form of President Trump's tax cut to eventually come into fruition also fuelled the sell-offs. Foreign flows once again turned negative in October, with net outflow of MYR2.8 billion following MYR9.3 billion of inflow in September possibly due to sizeable MGS maturities during the month and MYR weakening against USD. This translated into a drop in foreign holdings from 27.8% in September to 27.6% in October.

The Malaysian equity market was mixed in October with the wider FBM100 Index up by 0.4% but the blue-chip FBM KLCI Index was down by 0.4%. October saw net foreign outflows of about RM300m, marking the third consecutive month of outflows. Energy outperformed during the month led by Tenaga Nasional on its higher than expected dividend while oil and gas was driven up by higher oil prices. Banking sector underperformed led by the fall of the bigger banks. The 2018 Budget did not contain any surprises with the government announcing measures to address the rising cost of living while reiterating its commitment to implement infrastructure projects.

### Market Outlook

For fixed income, the slightly narrower fiscal deficit as tabled in the 2018 Budget should lend support to the bond market over the near term. On the external front, any hawkish remarks by major central banks will likely weigh on the sentiment of regional bond markets, including Malaysia's.

For equity, the positive tone in global markets could continue given the robust economic data that has been coming out from the US and the strong earnings reported by technology giants. With the new Chair of the US Federal Reserve named, markets will now focus on President Trump's tax reform plans. On the local front, with the Budget tabled, investors will likely switch attention to the upcoming results season to see whether earnings momentum picks up.

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.