



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.

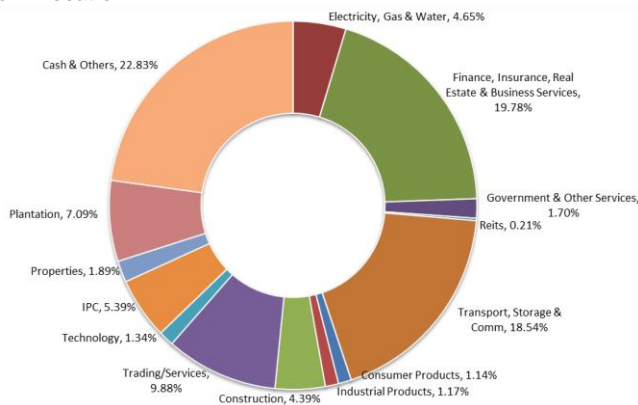
Fund Details

Unit NAV (30 Nov 2017)	: RM 1.0926
Fund Size (30 Nov 2017)	: RM 20.39 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	9.83%
2.	Golden Assets International 03/08/18	6.46%
3.	Jimah East Power Sdn Bhd 04/12/25	5.65%
4.	Northport Malaysia Berhad 19/12/24	5.38%
5.	Public Bank Berhad 25/09/23	5.16%

Sector Allocation



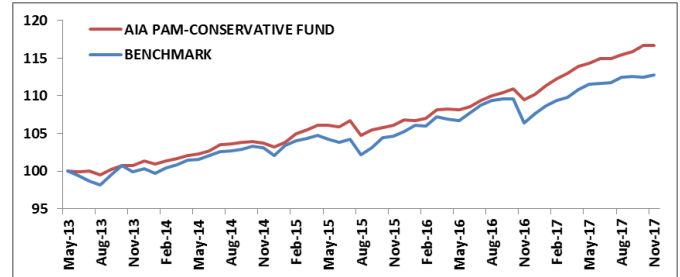
Risk

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	-0.06%	2.04%	6.51%	3.99%	-
Index	0.26%	1.07%	6.00%	3.03%	-
Excess	-0.33%	0.97%	0.51%	0.96%	-

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

Market Review

In November, the Malaysian equity market edged lower with FBM100 index down 1.2% to close at 12,069 points. Malaysian government bond yields increased to 4.1% from 3.9% before ended the month lower at given the shift in the tone of Monetary Policy Statement. November saw net foreign outflows of about MYR15.4 million, marking the fourth consecutive month of outflows. In terms of sector performance, construction and property sectors underperformed during the month following the news of the MRT3 tender to 'build-and-finance' model which is perceived be a disadvantage to local contractors and the freeze on luxury property projects in Klang valley, respectively.

On the corporate front, key developments included the demerger exercise with the listing of Sime Darby Plantation Bhd and Sime Darby Property Bhd and the removal of Digi from the Shariah-compliant list. Notable price movements were seen ahead of potential changes in the component stocks of the FBMKLCI Index. FTSE Russell and Bursa Malaysia jointly announced that Westports and Sime Darby Property will be removed from the FBM100 Index with effect from 6 December 2017 while Nestle Bhd and Press Metal to replace British America Tobacco and IJM Corp effective 18 December 2017.

Market Outlook

For fixed income, domestic institutions should lend support to the bond market over the near term. On the external front, the December FOMC meeting has priced in closed to 98.0% of interest rate hike by another 25 bps. Any hawkish remarks by major central banks will likely weigh on the sentiment of regional bond markets, including Malaysia's.

Moving forward, the positive tone in global markets could continue given the robust economic data from the US and the decent earnings reported by domestic banks in the recent third quarter results. With the President Trump's tax reform plans having passed the Senate, Congress is expected to ratify before going to the President Trump. On the local front, earnings momentum have picked up in the third quarter driven by the banking sector. With no major domestic macro data anticipated, the focus may switch to foreign fund flows.

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.