



April 2018

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.

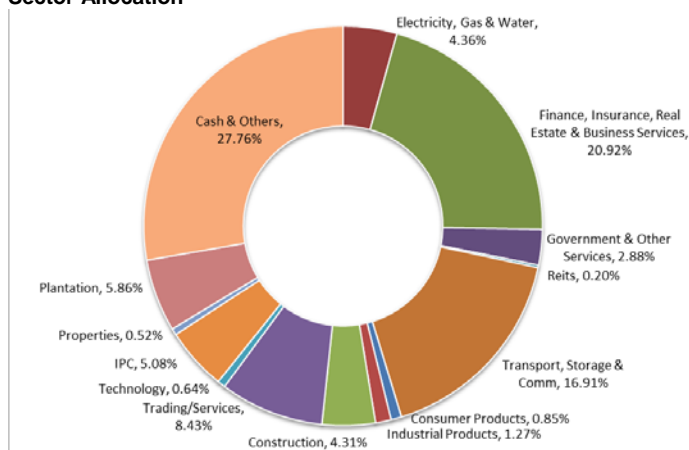
Fund Details

Unit NAV (30 Apr 2018)	: RM 1.0953
Fund Size (30 Apr 2018)	: RM 22.52 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

1.	Imtiaz Sukuk II 27/05/22	8.86%
2.	Golden Assets International 03/08/18	5.86%
3.	Jimah East Power Sdn Bhd 04/12/25	5.08%
4.	Northport Malaysia Berhad 19/12/24	4.81%
5.	Public Bank Berhad 25/09/23	4.67%

Sector Allocation



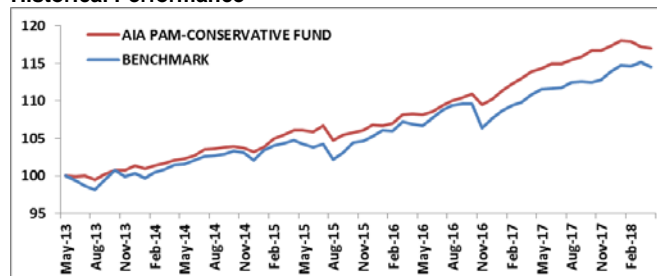
Risk

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	-0.25%	0.18%	2.65%	3.31%	-
Index	-0.53%	1.85%	3.34%	3.02%	-
Excess	0.27%	-1.66%	-0.69%	0.29%	-

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg as at 30 April 2018. ^ Annualised return

Market Review

Malaysian Government Securities ("MGS") faced some selling in April as MYR depreciated against USD and US Treasury ("UST") yields shifted higher. The USDMYR currency pair went from a low of around 3.8620 in early April to close the month at around 3.9240. Foreign holdings in MGS and Government Investment Issue ("GII") declined to 27.7% (March 18: 28.6%) as yield spike triggered outflows.

Meanwhile, the Malaysian equity market advanced in April with the large cap FBMKLCI Index having risen 0.4%. The FBM100 Index was flat, underperforming MSCI Asia ex Japan Index by 2.2%. Foreign inflows returned to Malaysia in April with a net buy of RM1.5bil after two preceding months of selling. Additionally, the higher oil prices also helped drive the positive momentum for the FBMKLCI Index. Oil price breached USD70/barrel during the month as a combination of Iran nuclear concerns, US-Syria military tension and impending Saudi Aramco listing were outweighing worries over potential spike in US shale output and a strong US dollar. Banking system loans grew +4.4% YoY in Mar-18 (+4.5% in Feb) while loan approvals were -7.6% lower YoY. Consumer loans grew +5.6% (+5.6% in Feb) and corporate loans +2.9% (+3.2% in Feb).

Market Outlook

In the near term, uncertainties remain, surrounding issues like formation of new Malaysian government and its policies going forward, trade disputes between major economies and the pace of Fed fund rate hike. That being said, the smooth transition of power and the new ruling coalition's promise of better governance and accountability would bode well for the domestic business environment over the long term.

On the foreign front, while geopolitical risk has improved somewhat recently, higher oil prices, rising bond yields and a stronger dollar have however, caused nervousness especially in the emerging markets. These risks have the potential to end the period of easy monetary policy in the emerging countries.

Replacement Disclosure Document dated 9 December 2016 and First Supplemental Replacement Disclosure Document dated 26 January 2018 of the AIA Private Retirement Scheme have been registered with the Securities Commission Malaysia, who takes no responsibility for their contents. Copies of the Replacement Disclosure Document and Product Highlights Sheet (collectively known as "Disclosure Document") 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 Disclosure Document. Please read and understand the contents of the Disclosure Document 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 Disclosure Document. In the event of discrepancy between the fact sheet and the Disclosure Document, the information in the Disclosure Document shall prevail.