



August 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.

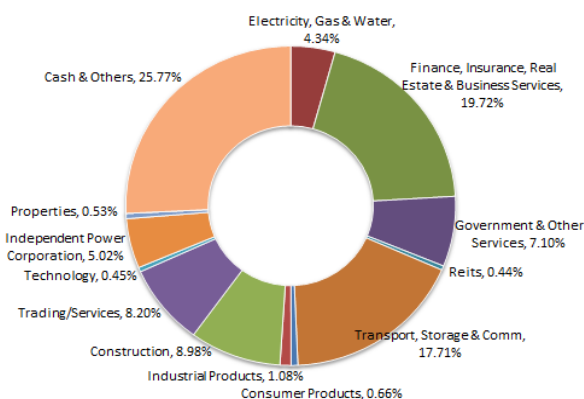
Fund Details

Unit NAV (30 August 2018)	: RM 1.1019
Fund Size (30 August 2018)	: RM 22.92 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.	Intiaz Sukuk II 27/05/22	8.75%
2.	TriPLC Medical Sdn Bhd 23/10/24	6.22%
3.	Jimah East Power Sdn Bhd 04/12/25	5.02%
4.	Northport Malaysia Berhad 19/12/24	4.77%
5.	Public Bank Berhad 25/09/23	4.58%

Sector Allocation



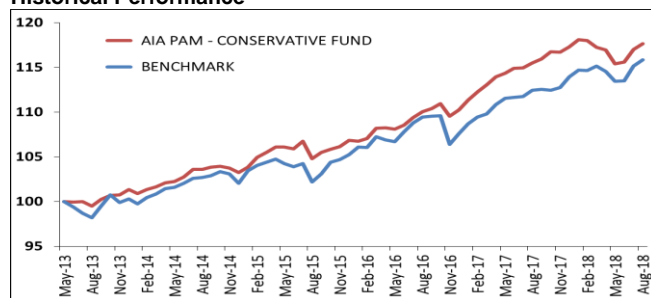
Risk

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	0.57%	-0.27%	1.88%	3.94%	3.41%
Index	0.58%	1.02%	3.01%	4.27%	3.36%
Excess	-0.02%	-1.29%	-1.14%	-0.33%	0.06%

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

Market Review

Malaysian Government Securities ("MGS") strengthened with yield curve shifting 2 to 9 bps lower in Aug 2018, on the back of improved risk appetite for emerging market ("EM") assets amid a steady Turkish lira. On a side note, USDMYR weakened slightly by 1.6% against the greenback to close the month at MYR4.1144. Foreign funds turned net buyers with MYR4 billion inflows in July 2018. The foreign holdings in MGS and GII increased to 24.8% (June 2018: 24.7%). The return of foreign demand was in sync with broad EM trend which had generally regained some interest of foreign investors after the major sell offs in May and June 2018.

The FBM100 Index rose 0.9% MoM in August despite the soft corporate earnings season and weaker-than-expected 2Q18 GDP growth. In terms of sectors, the top performers in August were Technology and Finance while the key laggards were Construction and Property. Foreigners stayed net sellers for the fourth consecutive month, but with a marked reduction in cumulative net outflows. They sold MYR97 million during the month, bringing cumulative foreign net selling to MYR8.6 billion. Average trading value in August was about MYR2.2 billion. On the corporate front, key news included the MYR4.0 billion rights issue by Sapura Energy, Air Selangor's take-over of SPLASH, the shelving of the East Coast Railway Link and two pipeline projects for now, and the reduction of the number of special draws of number forecast operators beginning next year.

Market Outlook

In the near term, uncertainties surrounding domestic government policies, trade disputes between major economies and global monetary policy tightening remain. That being said, we believe the local bond market should be well supported on the back of solid domestic fundamentals and ample onshore liquidity.

The Malaysian equity market will likely remain volatile in the near term given the concerns over the ongoing trade tension between US and China and its implications on global growth. Locally, investors are also watching out for the possibility of more changes in the GLC companies, Pakatan Harapan's policy execution, as well as its fiscal management. However, the new ruling coalition's promise of better governance, transparency and accountability, if executed well, should bode well for the domestic business environment and local equity market over the long term.

Replacement Disclosure Document dated 9 December 2016, First Supplemental Replacement Disclosure Document dated 26 January 2018, Second Supplemental Replacement Disclosure Document dated 11 May 2018 and Third Supplemental Replacement Disclosure Document dated 30 July 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, Supplemental Replacement Disclosure Documents 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.