



## 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.

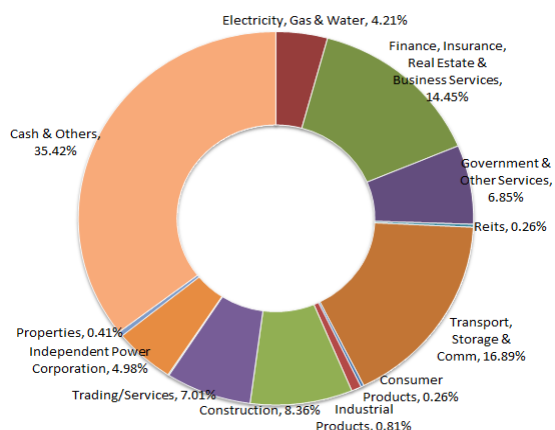
### Fund Details

Unit NAV (31 Oct 2018)	: RM 1.0940
Fund Size (31 Oct 2018)	: RM 23.66 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	8.48%
2.	TriPLC Medical Sdn Bhd 23/10/24	6.01%
3.	Jimah East Power Sdn Bhd 04/12/25	4.86%
4.	Northport Malaysia Berhad 19/12/24	4.62%
5.	Celcom Networks Sdn Bhd 28/10/2026	4.37%

### Sector Allocation



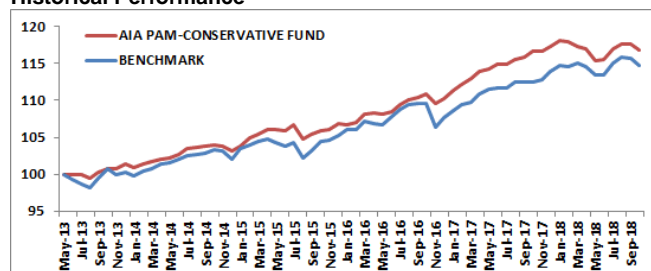
### Risk

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	-0.73%	-0.12%	0.06%	3.35%	3.01%
Index	-0.82%	0.19%	2.04%	3.20%	2.64%
Excess	0.10%	-0.31%	-1.98%	0.15%	0.37%

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg as at 31 Oct 2018. ^ Annualised return

### Market Review

Malaysian Government Securities ("MGS") continued to weaken in Oct 2018 against the backdrop of global risk-off mode and softer domestic sentiment. Investor sentiment was dampened following the hawkish tone by US Federal Reserve ("Fed") and the Prime Minister's announcement of 3.0% fiscal deficit target by 2020 at the 11th Malaysia Plan Mid-Term Review. Foreign funds continued to be net sellers of MGS and GII with foreign holdings declined to 24.1% (Aug 2018: 24.7%), in line with global risk-off sentiments and in part due to lumpy MGS maturity amounting to MYR11.9 billion. On the economic data front, Malaysia's foreign reserves declined by USD0.2 billion to USD102.8 billion as of 15 Oct 2018, sufficient to sustain 7.3 months of retained imports and 0.9x short-term external debt.

October was a difficult month which saw the FBM100 Index falling 5.8% MoM, in line with regional weakness on the back of global growth concerns. Locally, the much anticipated "Malaysia: A New Dawn" conference and the release of the mid-term review of the 11th Malaysia Plan offered no reprieve. In terms of sectors, Technology and Construction were among the key laggards while REITs held up relatively well as investors turned defensive. After net buying in September, foreigners turned net sellers with a net outflow of MYR1.4 billion, bringing YTD net foreign selling to MYR9.9 billion. On the corporate front, key news included the government's decision to proceed with the LRT3 and MRT Line 2 at reduced costs.

### Market Outlook

In the near term, uncertainties surrounding domestic government policies, trade disputes between major economies and global monetary policy tightening remain. 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 watching out for Pakatan Harapan's policy execution and fiscal management. However, the new ruling coalition's promise of better governance, transparency and accountability 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, Third Supplemental Replacement Disclosure Document dated 30 July 2018 and Fourth Supplemental Replacement Disclosure Document dated 19 October 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.