



November 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.

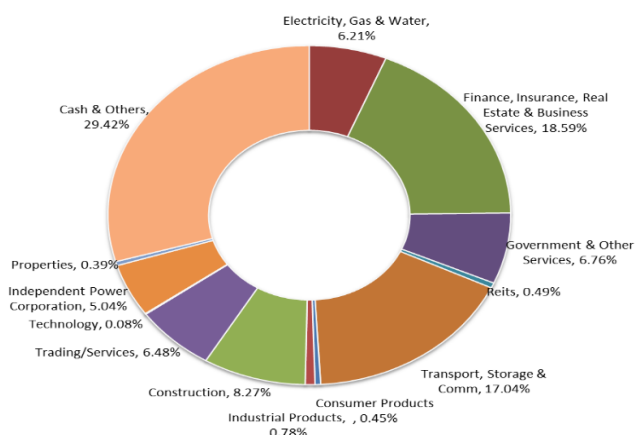
### Fund Details

Unit NAV (30 Nov 2018)	: RM 1.0951
Fund Size (30 Nov 2018)	: RM 23.92 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.	Imtiaz Sukuk II 27/05/22	8.40%
2.	TriPLC Medical Sdn Bhd 23/10/24	5.94%
3.	Jimah East Power Sdn Bhd 04/12/25	4.81%
4.	Northport Malaysia Berhad 19/12/24	4.57%
5.	Celcom Networks Sdn Bhd 28/10/2026	4.32%

### Sector Allocation



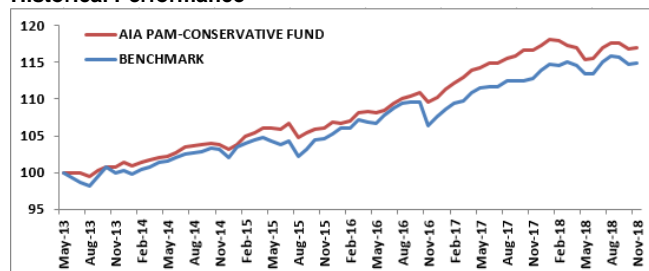
### Risk

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		0.10%	1.35%	0.23%	3.28%	3.02%
Index		0.09%	1.25%	1.86%	3.14%	2.83%
Excess		0.01%	0.10%	-1.64%	0.14%	0.19%

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

### Market Review

Malaysian Government Securities ("MGS") closed mixed in Nov 2018 with some selling pressure seen on shorter tenure bonds (3-5 years), while some sporadic buying flows were seen on the longer tenure bonds (above 10 years). Market generally traded in thin liquidity during the month on the back of subdued crude oil prices and continued budget deficit concerns. USDMYR remained unchanged during the month at MYR4.1842.

November was another difficult month for the FBM100 Index as it fell 1.2% MoM underperformed MSCI Asia ex Japan which surged by 5.1% in MYR terms. This was partly due to a disappointing 3Q18 result season, foreign selling and losses in the Genting group's share price. This brought YTD losses to 9.0%. Sector-wise, Finance and Property were gainers while Plantation and Technology were laggards. Foreigners remained net sellers in the market with a net outflow of MYR0.7 billion, bringing YTD net foreign selling to MYR10.6 billion. Average trading value was MYR2.1 billion, relatively unchanged from last month. The key event during the month was the announcement of Budget 2019 which saw the gaming sector being impacted by the proposed increase of casino license fee from MYR120 million to MYR150 million a year and the increase of casino duty from 25% to 35% on gross collection. As a result, Genting Malaysia and Genting Bhd's share prices fell 36% and 14% during the month, respectively. On the corporate front, key news included Moody's downgrade of Petronas' domestic issuer and foreign currency senior unsecured ratings outlook from stable to negative and the inking of a termination and settlement agreement between MRCB and the government in relation to the Eastern Dispersal Link Expressway.

### Market Outlook

In the near term, uncertainties surrounding sovereign rating outlook, 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.

We expect the Malaysian equity market to remain volatile in the near term given ongoing concerns over the trade war between US and China and its implications on global growth. Locally, investors are watching out for more clarity on Pakatan Harapan's policy execution and fiscal management. In the longer term 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.

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.