



## 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.

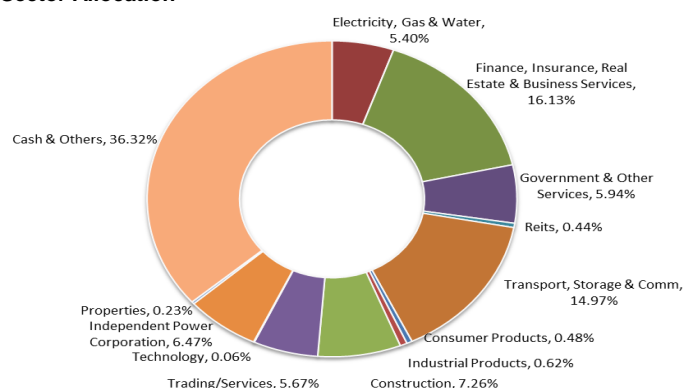
### Fund Details

Unit NAV (31 Dec 2018)	: RM 1.0981
Fund Size (31 Dec 2018)	: RM 27.32 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	7.36%
2.	TriPLC Medical Sdn Bhd 23/10/24	5.22%
3.	Jimah East Power Sdn Bhd 04/12/25	4.21%
4.	Northport Malaysia Berhad 19/12/24	4.01%
5.	Celcom Networks Sdn Bhd 28/10/2026	3.80%

### Sector Allocation



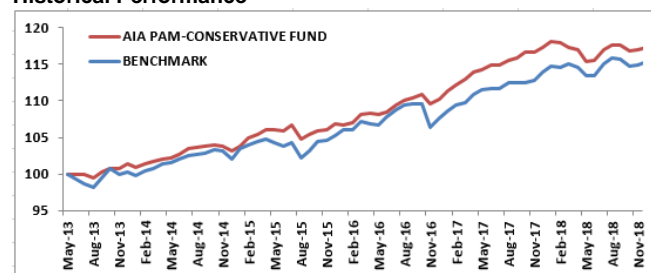
### Risk

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	0.27%	1.46%	-0.02%	3.15%	2.96%
Index	0.50%	1.72%	1.31%	3.12%	2.85%
Excess	-0.23%	-0.26%	-1.33%	0.03%	0.11%

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

### Market Review

Malaysian Government Securities ("MGS") strengthened towards the end of the year on the back of risk-on sentiment in emerging markets ("EM") following the positive development in the US-China trade war, dovish tone by US Federal Reserve ("Fed") as well as year-end rebalancing activities. Market generally traded in thin liquidity during the month amid the year-end holiday period and in the absence of domestic catalyst. MYR strengthened by 1.2% against the greenback to close the month at MYR4.1335.

The FBM100 Index posted a monthly loss of 0.4% in December, bringing YTD loss to 9.3%. Sector-wise, Plantations and Telecommunications were the key gainers, while Technology disappointed on the back of weaker sales guidance from Apple. Foreigners remained net sellers in the market with a new outflow of MYR1.0 billion in December, bringing 2018 net foreign selling to MYR11.8 billion. 2018's outflow had more than offset the MYR10.6 billion of net foreign inflow in 2017. On the corporate front, key news included the disposal of Sime Darby Property and SP Setia's stakes in the Phase 2 commercial assets at the Battersea Power Station in London for GBP1.58 billion and AirAsia Group's disposal of 25 aircraft to US-based global private investment firm Castlelake LP for USD768 million.

### Market Outlook

In the near term, trade disputes between major economies remain a concern while higher local government bond supply may exert some pressure on yields. 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, Fourth Supplemental Replacement Disclosure Document dated 19 October 2018 and Fifth Supplemental Replacement Disclosure Document dated 18 January 2019 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.