



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.

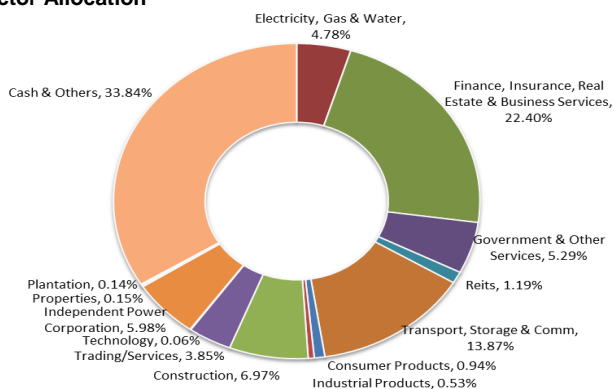
Fund Details

Unit NAV (30 Apr 2019)	: RM 1.0913
Fund Size (30 Apr 2019)	: RM 31.22 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	6.47%
2.	TriPLC Medical Sdn Bhd 23/10/24	4.62%
3.	Jimah East Power Sdn Bhd 04/12/25	3.74%
4.	Northport Malaysia Berhad 19/12/24	3.54%
5.	Celcom Networks Sdn Bhd 28/10/2026	3.38%

Sector Allocation



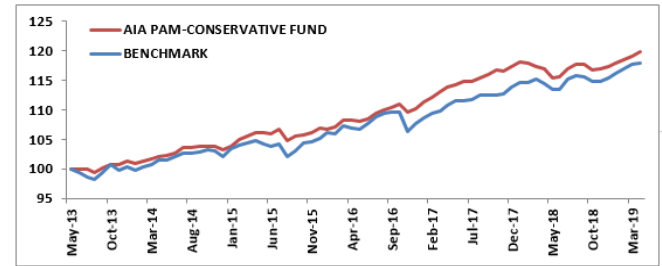
Risk

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	0.70%	2.58%	2.46%	3.45%	3.26%
Index	0.15%	2.75%	2.95%	3.32%	3.06%
Excess	0.55%	-0.17%	-0.49%	0.12%	0.20%

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg as at 30 Apr 2019. ^ Annualised return

Market Review

Malaysian Government Securities weakened in Apr 2019 amid weaker MYR and profit taking activities by both onshore and offshore investors following the strong rally in the first few months of the year. Investor sentiment was further dampened following the news of Norwegian sovereign fund's intention to reduce its emerging markets' fixed income holdings to make way for its equities, as well as FTSE Russell's statement of putting Malaysia on its watch list for a potential disqualification from its flagship World Government Bond Index. MYR weakened by 1.3% against the greenback to close the month at MYR4.1347.

The FBM100 Index rose 0.54% m-o-m. The Index underperformed the MSCI Asia Ex-Japan Index which rose 3.2% in MYR terms over the same period likely on concerns over potential short-term weakness in MYR due to the potential exclusion of Malaysia from the FTSE Russell World Government Bond Index. Foreigners were again net sellers of the local market with a net outflow of MYR1.5 billion during the month, bringing year-to-date net outflow to MYR2.9 billion. On the corporate front, key news included Yinson's proposed acquisition of Singapore-based Ezion Holdings and Axiata's announcement that its subsidiary Ncell Private Ltd has received a letter issued by the Nepalese Large Taxpayers Office to pay an outstanding sum of capital gains tax of NPR39.06 billion by April 22.

Market Outlook

Global central banks remain dovish and as trade tension further escalates, fixed income assets remain appealing relative to risk assets. On potential offshore outflows of domestic government bonds due to headlines surrounding index exclusion, ample onshore liquidity shall remain supportive of the local bond market, albeit a knee-jerk market reaction is not ruled out in the worst-case scenario of an exclusion.

Locally, recent comments by President Trump on the US-China trade deal have caused jitters in the market. But we see any market weakness as an opportunity to accumulate fundamentally solid companies with good earnings visibility. Despite the current volatility, we expect the equity market to gradually recover over the long run, underpinned by Malaysia's strong macroeconomic fundamentals. We expect the local market to deliver mid-single digit returns for 2019, driven by still positive earnings growth and further certainty over the government's policy direction over time. We will remain vigilant to the constantly evolving market conditions and will adjust our strategy accordingly.

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, Fifth Supplemental Replacement Disclosure Document dated 18 January 2019 and Sixth Supplemental Replacement Disclosure Document dated 15 April 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.