



## 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.

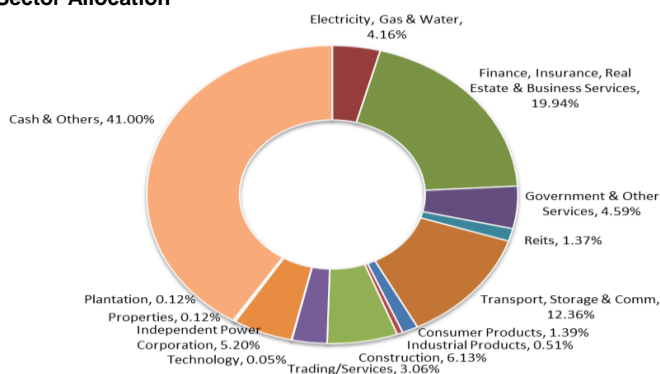
### Fund Details

Unit NAV (31 May 2019)	: RM 1.0949
Fund Size (31 May 2019)	: RM 36.08 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	5.61%
2.	TriPLC Medical Sdn Bhd 23/10/24	4.01%
3.	Jimah East Power Sdn Bhd 04/12/25	3.25%
4.	Northport Malaysia Berhad 19/12/24	3.07%
5.	Celcom Networks Sdn Bhd 28/10/2026	2.95%

### Sector Allocation



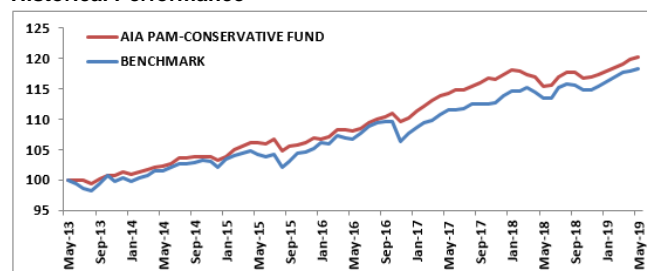
### Risk

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	0.33%	2.82%	4.21%	3.61%	3.30%
Index	0.40%	3.07%	4.37%	3.52%	3.11%
Excess	-0.07%	-0.25%	-0.16%	0.08%	0.19%

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg as at 31 May 2019. ^ Annualised return

### Market Review

Malaysian Government Securities were well bided in May 2019 as both onshore and offshore investors piled on their buying interest as global rates continued on a downward trend. Bank Negara Malaysia made a positive announcement to enhance market liquidity and accessibility, which includes expansion of the dynamic hedging program and Malaysian ringgit liquidity beyond local trading hours. Consequently, market was lifted with strong demand seen mainly on the belly to the long end of the curve. MYR weakened by 1.3% against the greenback to close the month at MYR4.1900.

The FBM100 Index fell 0.16% mom but outperformed the MSCI Asia Ex-Japan Index which fell 7.95% in MYR as investors bargain hunt following the recent underperformance against its regional peers. However, in May foreigners were again net sellers of the local market with a net outflow of MYR2.0 billion during the month, bringing year-to-date net outflow to MYR4.9 billion. On the corporate front, key news included the surprise merger announcement of Axiata and Telenor where they are in discussions regarding a potential non-cash merger of their Asia operations under a new entity in which they will own a 43.5%/56.5% stake. YTL Corp's subsidiary, YTL Cement made an offer to acquire LafargeHolcim Ltd's 51% stake in Lafarge Malaysia for MYR1.6 billion cash.

### 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, we see any market weakness due to the trade war uncertainty 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 positive returns for 2019, driven by higher corporate 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.