



## 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.

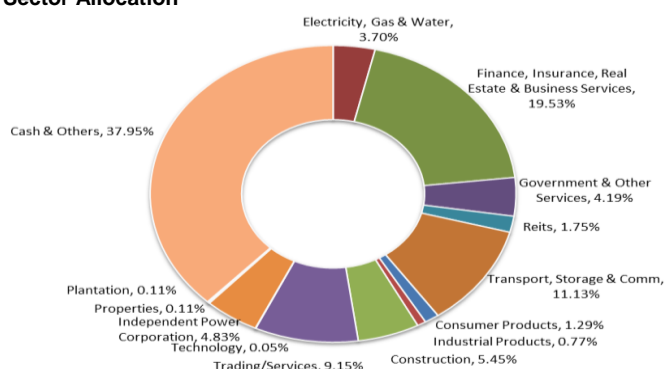
### Fund Details

|                             |   |
|-----------------------------|---|
| Unit NAV (30 June 2019)     | : RM 1.1028   |
| Fund Size (30 June 2019)    | : RM 39.99 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. | BSTMK 5 ¼ 06/30/26                 | 6.27% |
| 2. | Imtiaz Sukuk II 27/05/22           | 5.08% |
| 3. | TriPLC Medical Sdn Bhd 23/10/24    | 3.64% |
| 4. | Jimah East Power Sdn Bhd 04/12/25  | 2.94% |
| 5. | Northport Malaysia Berhad 19/12/24 | 2.78% |

### Sector Allocation



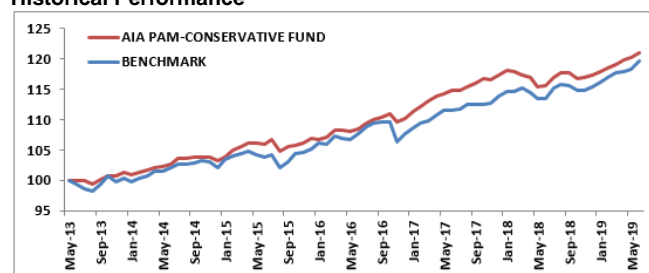
### Risk

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   | 0.71%  | 3.27%  | 4.78%  | 3.71%   | 3.34%   |
| Index  | 1.15%  | 3.73%  | 5.52%  | 3.57%   | 3.25%   |
| Excess | -0.43% | -0.46% | -0.74% | 0.14%   | 0.09%   |

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

### Market Review

Malaysian Government Securities continued to rally strongly across the curve in June 2019, following the dovish tone by the US Federal Reserve. With an expectation of easing, the market turned risk-on and this spurred strong buying interest in the local bond space particularly on the longer end of the yield curve. Malaysian ringgit strengthened by 1.38% against the greenback to close the month at MYR4.1335.

The FBM100 Index rose 1.58% MoM in June, in line with the overall improvements in the regional equity markets. This could be fueled by optimism on a potential trade truce between US and China at the G20 summit in Japan. However, Malaysia still saw a net foreign selling of MYR4.7 billion on a year-to-date basis on the back of Malaysia's lackluster corporate earnings expectations and policies uncertainties. On the corporate front, key news included YTL Corporation's announcement of its plan to delist its property development arm, YTL Land and Development, Telekom Malaysia's appointment of its managing director and group CEO, and Putrajaya's offer to pay Gamuda and Lingkar Trans Kota Holdings ("Litak") MYR4.5 billion to take over four toll highways in the Klang Valley.

### 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.

The recent trade truce between US and China has offered the market some reprieve and has ignited interests in the local equity market. We continue to look out for opportunity to accumulate fundamentally solid companies with good earnings visibility as we expect the equity market to gradually recover over the long run, underpinned by Malaysia's strong macroeconomic fundamentals. Malaysia is under-owned by foreigners and has underperformed its regional peers on a year-to-date basis. We also see potential support from the revival of infrastructure projects and potential relocation of activities to Malaysia as a result on the ongoing US-China trade spat. 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.