



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.

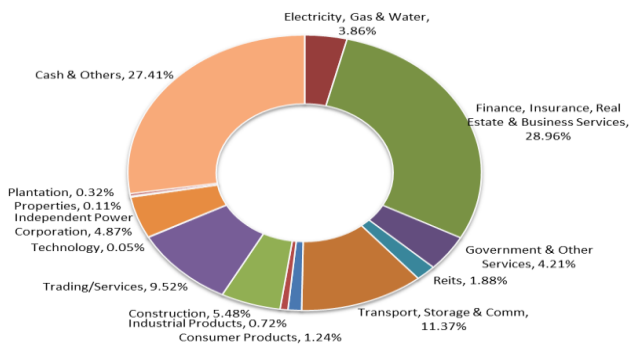
Fund Details

Unit NAV (31 July 2019)	: RM 1.1061
Fund Size (31 July 2019)	: RM 39.84 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

Rank	Company Name	Weight (%)
1.	CIMBTB 4.15 07/06/29	8.81%
2.	BSTMK 5 ¼ 06/30/26	6.32%
3.	Imtiaz Sukuk II 27/05/22	5.12%
4.	TriPLC Medical Sdn Bhd 23/10/24	3.67%
5.	Jimah East Power Sdn Bhd 04/12/25	2.97%

Sector Allocation



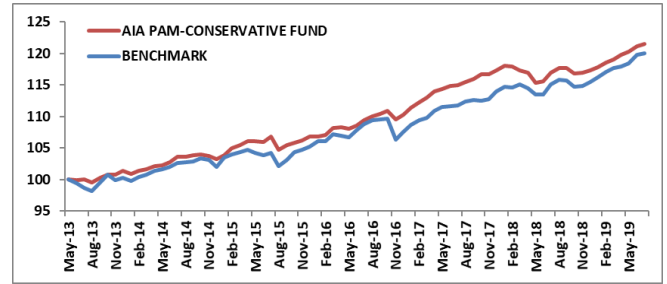
Risk

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	0.31%	3.08%	3.82%	3.56%	3.24%
Index	0.25%	3.33%	4.25%	3.34%	3.19%
Excess	0.06%	-0.25%	-0.43%	0.22%	0.05%

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

Market Review

Malaysian Government Securities were generally well bid in July 2019, in line with lower global yields following US Federal Reserve's decision to cut its policy Fed Funds Target Rate by 25 bps. This was further supported by the stronger Malaysian ringgit on the back of US dollar weakness, which saw buying interests mainly focussed on the belly to the long end of the curve from both local and foreign investors. MYR strengthened by 0.13% against the greenback to close the month at MYR4.1265.

The FBM100 Index fell 1.87% MoM in July, in line with the overall softness in the regional equity markets. This could be due to concerns on trade war between the US and China and slowing global growth. Foreigners were net sellers of the local market with a net outflow of MYR79 million during the month, bringing year-to-date net outflow to MYR4.7 billion. On the corporate front, key news included Genting Malaysia entered into a settlement agreement with Disney and Fox, Tenaga is undergoing internal restructuring and plans to split its portfolio into domestic power generation and electricity retail business and RHB Bank has received BNM approval to commence negotiations for the disposal of RHB insurance with Tokio Marine.

Market Outlook

Against the backdrop of global geopolitical uncertainties, as well as the increasing likelihood of a prolonged trade tension, global monetary policy accommodation is likely to be extended. This shall continue to lend support to fixed income assets, barring any risk of a currency war. While the risk of index exclusion for domestic government bonds remain, ample onshore liquidity shall remain supportive of the local bond market albeit a knee-jerk market reaction is not ruled out.

On the equity front, the recent proposal by President Trump to impose a 10% of tariffs on USD300bn worth of imports from China effective 1st Sept 2019 has caused jittery to the local market. Despite this, we continue to look out for opportunity to accumulate fundamentally solid companies with good earnings visibility at lower levels 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.