



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.

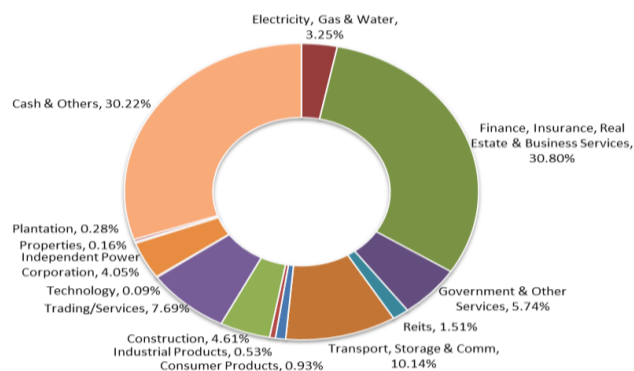
Fund Details

Unit NAV (30 September 2019)	: RM 1.1143
Fund Size(30 September 2019)	: RM 48.08 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.	CIMBTB 4.15 07/06/29	7.33%
2.	BSTMK 5 ¼ 06/30/26	5.27%
3.	Imtiyaz Sukuk II 27/05/22	4.25%
4.	Maybank Imtn 4.13% 09/25/26	4.16%
5.	TriPLC Medical Sdn Bhd 23/10/24	3.05%

Sector Allocation



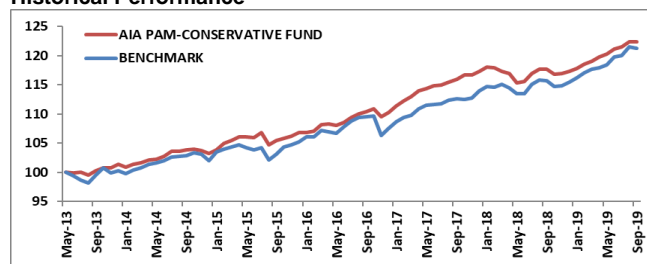
Risk

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		-0.06%	2.82%	3.99%	3.49%	3.34%
Index		-0.26%	2.99%	4.80%	3.44%	3.34%
Excess		0.20%	-0.17%	-0.82%	0.05%	-0.01%

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

Market Review

Malaysian Government Securities yield curve bear steepened in Sept 2019 as investors were generally divided on Bank Negara Malaysia's easing stance, which led to mild buying interest on the shorter end of the curve while pressure on long-end yields mounted as global bond market sold off. Meanwhile, FTSE Russell had announced to keep Malaysia on a watchlist for exclusion in its flagship World Government Bond Index pending further review in March 2020. MYR strengthened by 0.42% against the greenback to close the month at MYR4.1880. MGS levels as of end-Sept 2019 were: 3Y at 3.11% (-4 bps), 5Y at 3.23% (-), 7Y at 3.33% (+5 bps), 10Y at 3.36% (+4 bps), 15Y at 3.54% (+6 bps), 20Y at 3.57% (+1 bps) and 30Y at 3.89% (+11 bps).

The FBM100 fell 1.37% MoM in September amid renewed worries over the US-China trade war and slowing global growth. The local Index underperformed the MSCI Asia Ex-Japan Index, which rose 0.8% in MYR terms over the same period. Foreigners were net sellers of the local market with a net outflow of MYR0.5 billion during the month, bringing year-to-date net outflow to MYR7.8 billion. On the corporate front, the unexpected termination of Axiata and Telenor ASA resulted in the decline of Axiata and Digi share prices by 14.9% and 5.4%, respectively. Separately, concerns over a higher oil price following the terrorist drone attacked at Saudi Arabia, drove the share prices of Petronas Chemicals (+11.4%), Lotte Titan (+7.6%) and Petronas Dagangan (+3.8%).

Market Outlook

In its recent Monetary Policy Committee meeting, BNM maintained the Overnight Policy Rate at 3.00% and reiterated on domestic demand being the driver to growth, supported by stable labour market and wage growth. While global geopolitical events continue to weigh on growth outlook and drive market volatility, we expect global monetary policy accommodation to remain and this augurs well for fixed income assets. The bond market shall be further supported by ample liquidity in the financial system.

On the equity front, trade tension remains high with US President Donald Trump unwilling to back down from his tough stance on the trade talks with China. However, we are comforted that global central banks have turned more dovish and the Chinese government will be ready to implement more stimulus if needed to avoid a hard landing for its economy. Domestically, Malaysia remains under-owned by foreigners and has underperformed its regional peers on a year-to-date basis. We see potential support from the revival of infrastructure projects and potential relocation of activities to Malaysia as a result of the ongoing US-China trade spat.

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, Sixth Supplemental Replacement Disclosure Document dated 15 April 2019 and Seventh Supplemental Replacement Disclosure Document Dated 24 August 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.