



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.

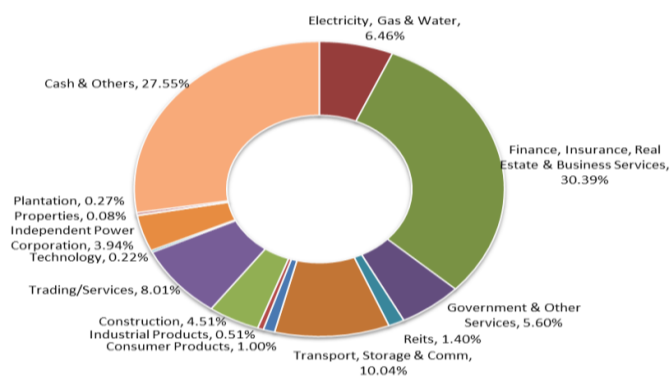
Fund Details

Unit NAV (31 October 2019)	: RM 1.1156
Fund Size(31 October 2019)	: RM 49.07 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	7.18%
2.	BSTMK 5 ¼ 06/30/26	5.16%
3.	Imtiiaz Sukuk II 27/05/22	4.16%
4.	Maybank Imtn 4.13% 09/25/26	4.07%
5.	ESSB IMTN 4.50 10/11/29	3.05%

Sector Allocation



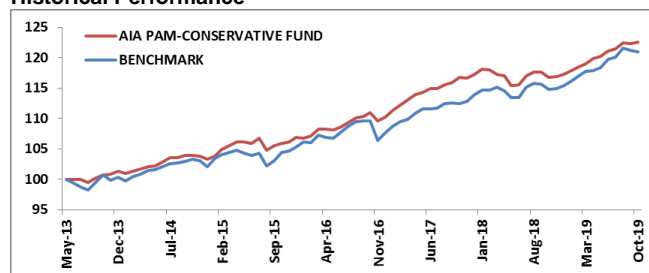
Risk

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	0.12%	2.23%	4.87%	3.36%	3.34%
Index	-0.21%	2.63%	5.46%	3.35%	3.21%
Excess	0.32%	-0.40%	-0.59%	0.01%	0.13%

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

Market Review

Malaysian Government Securities continued to weaken in Oct 2019 against the backdrop of global risk-off mode and softer domestic sentiment. Heavy sell-off was seen across the curve with yields rising by 5 to 26 bps, following the positive developments in the US-China trade negotiations and optimism on Brexit deal. Meanwhile, domestic sentiment was dampened by fading expectations of Bank Negara Malaysia's ("BNM") easing stance. MYR strengthened by 0.23% against the greenback to close the month at MYR4.1782.

The FBM100 rallied 0.71% MoM, tracking U.S. stocks which advanced to a fresh record high after the Federal Reserve cut interest rates and signalled it was unlikely to move in either direction in the near-term as inflation remains under control. Foreigners were net sellers of the local market with a net outflow of USD116 million during the month, bringing year-to-date net outflow to USD2 billion. October saw the announcement of the Malaysia Budget 2020. The government expects GDP growth of 4.8% for 2019 and raised its fiscal deficit target for 2020 to 3.2%, with a commitment to reduce it to 2.8% over the medium term. The mildly expansionary budget is aimed at pre-empting risks emanating from the global economic slowdown. The budget targeted areas such as local employment, cost of living based minimum wage in major cities, FDI, tourism allocation, and the care for the B40 income group through targeted fuel subsidies and increased healthcare spending.

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 will continue to dominate headlines, a more data-dependent monetary policy approach for major central banks is expected to drive rate volatility. 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.