



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.

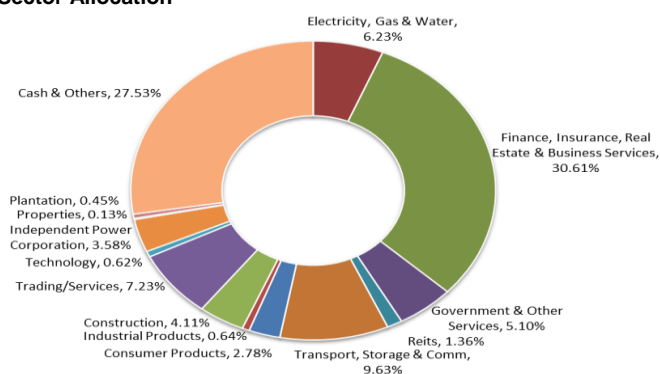
Fund Details

Unit NAV (31 December 2019)	: RM 1.1221
Fund Size(31 December 2019)	: RM 54.09 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	6.52%
2.	BSTMK 5 ¼ 06/30/26	4.70%
3.	Imtiiaz Sukuk II 27/05/22	3.78%
4.	Maybank Imtn 4.13% 09/25/26	3.73%
5.	ESSB IMTN 4.50 10/11/29	2.80%

Sector Allocation



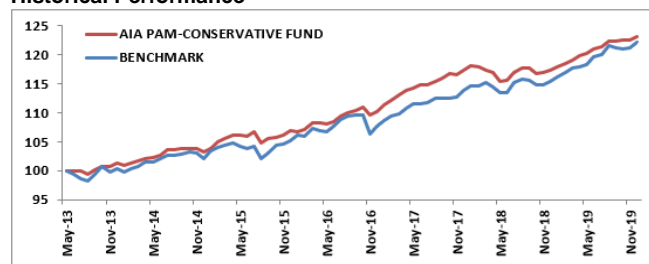
Risk

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	0.52%	1.76%	5.09%	3.77%	3.60%
Index	0.68%	1.99%	5.80%	4.31%	3.65%
Excess	-0.16%	-0.23%	-0.71%	-0.54%	-0.05%

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

Market Review

Malaysian Government Securities generally strengthened towards the end of the year on the back of year-end rebalancing activities. Market traded in thin liquidity during the month amid the year-end holiday period and the lack of domestic catalyst. Buying interest was further supported by the strong MYR, which strengthened by 2.08% against the greenback to close the month at MYR4.091.

The FBM100 rebounded 1.9% MoM in Dec following a sharp decline in previous month. The local index however, underperformed the MSCI Asia Ex Japan Index, which jumped 4.2% in MYR terms over the same period. Foreigners were net sellers of the local market with a net outflow of USD292m during the month, bringing year-to-date net outflow to USD2.7bn. On corporate news, Westports announced that it has handled a record-breaking container volume of 10.8 mil Twenty-Foot Equivalent Units ("TEU") in 2019, Tenaga Nasional Berhad and Magnum received the notices of additional assessment received from Inland Revenue Board of Malaysia.

Market Outlook

Global growth and inflation are expected to remain modest, which means that central banks are likely to remain largely accommodative. 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. Besides, JPMorgan GBI-EM Index has confirmed reduced weighting in local government bonds. That said, ample onshore liquidity and solid domestic macro fundamentals increase bond market resilience to potential headwinds or capital outflows.

On the equity front, trade tension between the US and China has de-escalated temporarily as the US President Donald Trump has stated that both parties have agreed to sign Phase 1 trade deal. Having said that, global economic indicators have showed signs of stabilization. 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. 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, 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.