



AIA PAM – Growth Fund

Investment Objective

The Fund seeks to provide returns through capital growth.

Investment Strategy

The Fund will invest in local and foreign equities with a bias towards equity with potential for growth. The Fund will also invest at least 30% of its NAV in local fixed income instruments with a minimum credit rating of “BBB3” or “P2” by RAM or equivalent rating by MARC.

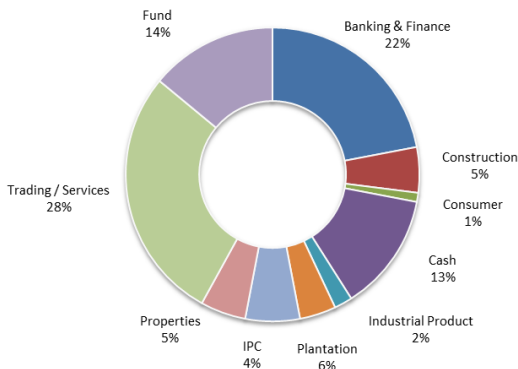
Fund Details

Fund Size (30 Nov 2014)	: RM 10.21 million
Fund Currency	: Ringgit Malaysia
Fund Launch	: May 16, 2013
Fund Inception	: Jun 05, 2013
Fund Management Charge	: 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	: 30% FTSE Bursa Malaysia Top 100 Index + 30% MSCI AC Asia ex Japan Index + 40% Quant Shop MGS All Bond Index

Top Five Holdings

1.	DB X-Trackers MSCI Asia X-Japan	15.47 %
2.	Sabah Credit Corp 23/07/21	5.24%
3.	Golden Assets International 03/08/18	4.46%
4.	First Resources Berhad 05/06/20	3.37%
5.	CIMB Berhad 15/09/22	3.34%

Sector Allocation



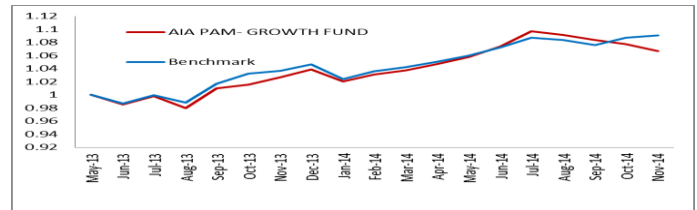
Risk

Investment risk involves the uncertainties relating to Malaysia’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 [^]	-1.01%	0.86%	3.89%		
Index	0.31%	2.87%	5.21%		
Excess	-1.32%	-2.01%	-1.33%		

Source: AIA Pension and Asset Management Sdn Bhd, Bloomberg as at 30 November 2014

Market Review

On fixed income, the month of November was mostly bearish for Malaysian Government Securities in the 3 to 10 year part of the curve. This was despite Bank Negara keeping the Overnight Policy Rate at 3.25% in view of the uneven growth seen in advanced economies and more moderate demand conditions domestically. Sentiment was cautious as we head to the year-end and the weaker Ringgit, which depreciated by 2.5% against the greenback, did not help. Foreign holdings in MGS fell from 46.9% in September to 45.9% in October.

On Equity, FBM100 Index plunged by 2.3% m-o-m, to end at 12,227. Malaysian Ringgit went down by 3% to RM3.38:1USD from RM3.28:1USD in previous month. Further dampening the market sentiment was Petronas would review its Capex allocation of RM300bn. The government has abolished subsidies for RON95 and diesel effective Dec 1 and to replace it with a managed float system. This indicates fiscal reforms are progressing in the right path. Malaysia real GDP growth moderated from 6.5% y-o-y in 2Q14 to 5.6% y-o-y in 3Q14. However, the moderation was within expectation. On the local 3Q corporate results, it was a disappointment as the revision ratio has been in negative territory since 2010. The revision ratio stayed at its lowest point since 2Q11 at 0.36x. The weak performance was across the board but mainly from banking, plantations and telecommunications sectors. However, construction and transport services did better than expected. On the corporate front, Tenaga will receive fuel-cost recovery of RM848m via PPA renegotiation savings while governments announced that the electricity tariffs remain unchanged till June 2015.

Global equities rose further this month with S&P 500 rise to another record high as global central banks added stimulus and plunging oil prices triggered gains in consumer companies.

Market Outlook

For fixed income, uneven global economic growth and stable inflation are supportive factors for the Malaysian fixed income market. Nevertheless, this will be balanced by how foreign investors in the Malaysian market react to changes in the Fed’s monetary policy. We expect Malaysian fixed income to continue to be influenced by the Ringgit and US Treasury yields. This underpins our strategy to be duration neutral. We will invest primarily in corporate bonds that offer good relative values against a backdrop of a stable credit conditions.

For equity, in the short run, we are slightly positive on the equity markets unless oil prices fall further. The current sell down is due to foreign selling on worries of the impact of lower oil prices and Petronas capex cut on the economy, current account and fiscal target, interest rates and Ringgit. We continue to focus in the sectors that are beneficiary to the rollout of infrastructure project and low crude oil prices and with resilient earnings growth.

We maintain our preference of North Asia over ASEAN in the longer term as recovery in US and Europe will benefit exporters in North Asia.

Disclosure Document dated 16 May 2013, Supplemental Disclosure Document dated 11 October 2013, Second Supplemental Disclosure Document dated 8 January 2014, Third Supplemental Disclosure Document dated 14 February 2014, Fourth Supplemental Disclosure Document dated 16 June 2014, Fifth Supplemental Disclosure Document dated 4 July 2014 and Sixth Disclosure Document dated 8 August 2014 (collectively known as “Disclosure Document”) of the AIA Private Retirement Scheme has been registered with the Securities Commission Malaysia, who takes no responsibility for their contents. Copies of the Disclosure Document and Product Highlights Sheet (known as “PHS”) 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 Documents and PHS. Please read and understand the contents of the Disclosure Document and PHS 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.