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 equities 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.

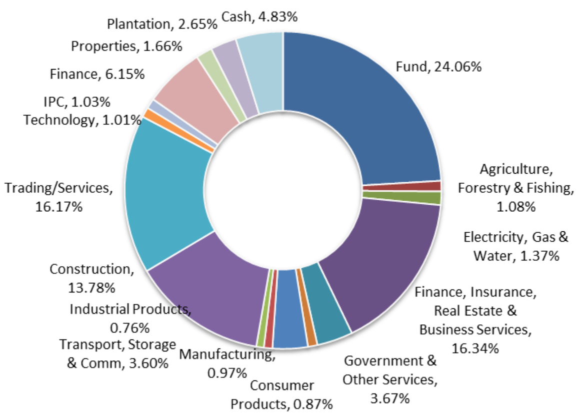
Fund Details

Unit NAV (31 Mar 2016)	: RM 1.0765
Fund Size (31 Mar 2016)	: RM 30.43 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 Holding

1.	iShares MSCI Asia ex-Japan ETF	14.10%
2.	Investec GS Asian Equity	9.87%
3.	Jimah East Power Sdn Bhd 04/12/25	5.41%
4.	Berjaya Land Berhad 15/12/17	4.96%
5.	Northport Malaysia Berhad 19/12/24	4.58%

Sector Allocation



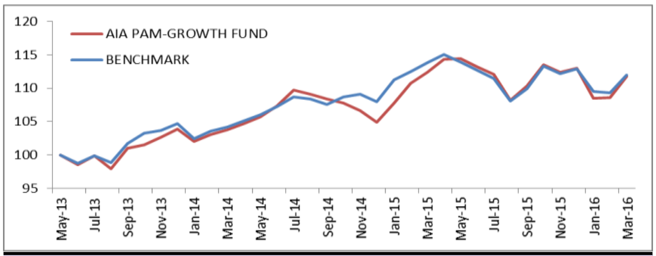
Risk

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	2.88%	1.22%	-0.58%		
Index	2.40%	1.85%	-1.65%		
Excess	0.48%	-0.63%	1.07%		

Source: AIA Pension and Asset Management Sdn. Bhd. Bloomberg as at 31 Mar 2016.

Market Review

Malaysian government bonds rallied across the curve in March 2016, riding on stronger Ringgit and firmer US treasuries. As of end-March, Ringgit strengthened against the USD by 7.2% to 3.8995 supported by higher oil price. Foreign holding in MGS stood at 47.5% in February, reduced from 47.9% in January due to increase in outstanding MGS from the MYR4bn issuance of 7.5-year MGS. In the primary market, BGSM Management (MYR300mil), Malaysia Airline Berhad (MYR1.5bil) and Sime Darby Berhad (MYR2.2bil) were the issuers who tapped the bond market amongst others.

During the month, FBM100 Index rebounded strongly by 3.67% to end the month at 11,619 points, outperforming MSCI Asia ex-Japan, which increased by 2.54% in MYR term. The strong rally of local market was supported by foreign funds flowing back into Emerging Market, including Malaysia. Bursa Malaysia saw foreigner net buying of RM6.1bil in March 2016, which accumulated year-to-date net buying of RM5.5bil after offsetting the foreigner net selling in early of the year. This had resulted in strong Ringgit which broke the MYR3.90/USD level for the first time in 8 months. In addition, rising Brent oil prices up to USD40/barrel also contributed to Ringgit strength.

On foreign front, MSCI Asia ex Japan equities surged by 11.1% (in USD term) outperformed its developed peers. Chinese equities rebounded 12% in March (in RMB term) recording the biggest monthly gain since May 2015. The strong performance was driven by the fading RMB depreciation fears and favorable government measures.

Market Outlook

For fixed income, a rebound in oil prices in recent week, if sustainable, will boost confidence on Malaysian economy that may drive further inflows of foreign funds into Malaysian bond market. Despite recent strong data out from United States, we expect the pace of Fed hike will be gradual and the loose monetary stance adopted by regional countries will be supportive of Malaysian bond.

For local equity, in the short run, we expect market to start gaining momentum on recovery mode backed by continued strengthening of crude oil prices, Ringgit and crude palm oil prices. Sale of 1MDB’s power assets and Bandar Malaysia to China enterprises is also expected to restore investors’ confidence and give further support to Ringgit. For foreign equity, 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 and valuations are still attractive.