



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

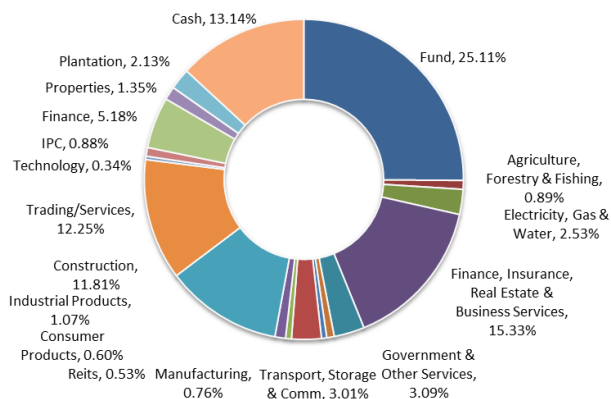
Unit NAV (31 Aug 2016) : RM 1.1066
 Fund Size (31 Aug 2016) : RM 36.91 million
 Fund Currency : Ringgit Malaysia
 Fund Launch : May 16, 2013
 Fund Inception : Jun 05, 2013
 Fund Management Charge : 1.50% p.a
 Investment Manager : AIA Pension and Asset Management Sdn. Bhd.

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	15.85%
2.	Investec GS Asian Equity	9.27%
3.	Jimah East Power Sdn Bhd 04/12/25	4.58%
4.	Berjaya Land Berhad 15/12/17	4.09%
5.	Northport Malaysia Berhad 19/12/24	3.85%

Sector Allocation



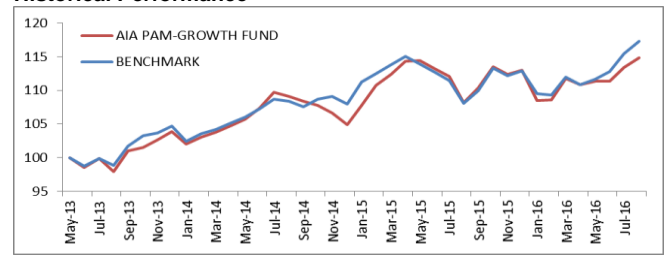
Risk

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	1.30%	5.76%	6.19%	5.44%	
Index	1.63%	7.31%	8.60%	5.88%	
Excess	-0.33%	-1.56%	-2.41%	-0.44%	

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

Market Review

The Malaysian Government Securities (MGS) rallied across the curve buoyed by offshore buying, save the 7-year benchmark. Selling pressure on the 7-year paper was likely due to the switching of conventional government bond to Islamic government bond, which will be included in JP Morgan Emerging Market Bond Index beginning 31 October 2016. Foreign holding of MGS in July 2016 rose to 51.9% from 49.8% a month ago, driven by global yield hunt. Sizeable corporate primary issues during the month were Lebuhraya DUKE Fasa 3 (RM3.6 billion) and Sarawak Hidro (RM5.5 billion), amongst others.

During the month, the FBM100 Index was up by 1.9% to end the month at 11,497 points, underperforming MSCI Asia ex-Japan, which rose by 4.1% in MYR terms. The local bourse performed strongly in the first half of the month, supported by robust foreign buying interest, recovery in oil price as Brent went to a high of US\$51/barrel, and a stronger ringgit as it fell below RM4.00 to the dollar. However, the market gave up some of its gains towards the end of the month, in line with the reversal of oil price and ringgit during the period. For the month, foreign investors' interest in Malaysian markets was strong with net buying of about RM1.6 billion.

On the foreign front, Asia ex Japan (+4.1% in MYR terms) was the best performing region in Emerging Markets driven by China (+8.3% in MYR terms). China outperformed driven by: 1) the approval of Shenzhen-Hong Kong stock connect and abolishment of the aggregate quota limit, 2) better than expected 2Q16 results, 3) the trend of robust consumption and improving sentiment with more evidence of stabilisation in the old economy. Thailand was the best performing market in ASEAN. In Thailand domestic liquidity is still ample in search of yield. Secondly, the conclusion of the recent constitutional referendum lifted confidence and provided a lift to the market.

Market Outlook

For fixed income, slowing global economy and monetary easing in Japan and Europe is supportive of local fixed income assets. Nonetheless, potential monetary policy tightening by the US Federal Reserve in the second half of 2016 and volatile oil prices may weigh on local bond market.

For equity, all eyes will be on the US Federal Reserve when it meets on September 20-21 to set the direction of interest rate. Although jobs data for the past few months have been robust, the latest August data came in below expectations. While there will be concerns on fund flows to emerging markets if interest rate starts to increase, the signalling of confidence in US economic growth by the Fed, and the continued loose monetary policy by central banks in Europe and Japan should still provide support to the markets.

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, Sixth Disclosure Document dated 8 August 2014, Seventh Supplemental Disclosure Document dated 10 November 2014, Eighth Supplemental Disclosure Document dated 6 March 2015, Ninth Supplemental Disclosure Document dated 6 July 2015, Tenth Supplemental Disclosure Document dated 7 August 2015 and Eleventh Supplemental Disclosure Document dated 14 September 2015 (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 Document 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.