



# 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.

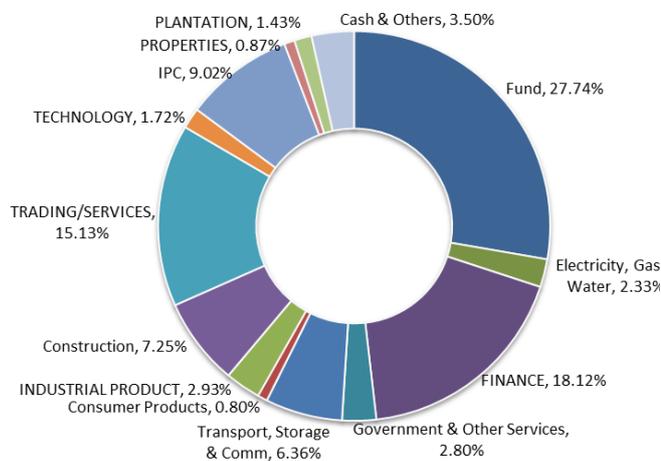
## Fund Details

Unit NAV (31 Mar 2018)	: RM 1.2244
Fund Size (31 Mar 2018)	: RM 144.00 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	: 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.	Investec Global Strategy Asian Equity	17.20%
2.	iShares MSCI Asia ex-Japan ETF	10.54%
3.	Public Islamic Bank Bhd 03/08/22	7.03%
4.	YTL Power International Bhd 24/03/23	4.83%
5.	Genting Capital Bhd 08/06/22	4.26%

## Sector Allocation



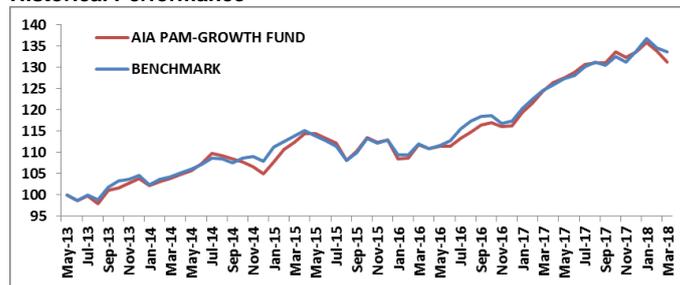
## Risk

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	-1.98%	0.18%	5.56%	5.32%	-
Index	-0.70%	2.42%	7.35%	5.51%	-
<b>Excess</b>	<b>-1.28%</b>	<b>-2.24%</b>	<b>-1.79%</b>	<b>-0.20%</b>	<b>-</b>

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg as at 31 March 2018. ^ Annualised return

## Market Review

The Malaysian equity market recorded a mixed performance in March with the FBM100 Index fell 0.6% while the large cap FBMKLCI Index rose 0.4%. Global Foreign funds continued to be small net seller in March (-RM61.6mil), the second consecutive month of selling where they sold RM1.1bil in February. That said, foreign funds were still net buyers of RM2.2bil in year to date. On the other hand, MSCI Asia ex Japan Index fell 3.20% in MYR terms underperformed local equities due to concerns over the trade tension between U.S. and China. Other than steep tariffs on imported steel and aluminium, U.S President Donald Trump proposed to impose tariffs US\$50.0 bil worth of Chinese imports. China retaliated back with proposed tariffs on US\$50.0 bil worth of imports.

The best performer for the period was the Consumer Index, led by Nestle, F&N and IHH. This could be due to investors switching to defensive sector given heightened market volatility. The Technology Index was the worst performer for the period. The trade war fears together with the selloff in U.S. technology added pressure to semiconductor related stocks.

## Market Outlook

Key takeaway from Bank Negara Malaysia's Annual Report 2017 released in March was the revision in official 2018 real GDP growth forecast to 5.5% - 6.0%, from 5.0%-5.5% made in October 2017, supported by the strengthening of global conditions and the continued growth in domestic demand. BNM also trimmed official inflation forecast to 2.0-3.0% (previously 2.5-3.5%). This supports a stay of OPR view for the remaining year.

The current trade frictions between the US and China are not expected to escalate into a full-blown trade war as that will stoke inflation and lower the growth potentials for both countries. Government officials from both sides have been indicating openness to discussion on avoiding these trade barriers. Despite heightened volatility, equity markets will be supported by rising corporate earnings and a gradual removal of monetary policy accommodation by most central banks. On the local front, investors remain cautiously optimistic on equities as the general elections draw closer.