



AIA PAM – Islamic Moderate Fund

Investment Objective

The Fund seeks to provide returns through a combination of income* and capital growth.

**Income will be reinvested in additional units in the Fund*

Investment Strategy

The Fund will invest in equities that are trading below their fair value and equities offering a dividend yield above the market average. The Fund will invest in local and foreign markets.

The Fund will also invest at least 40% of its NAV in local fixed income instruments with a minimum credit rating of “BBB3” or “P2” by RAM or equivalent rating by MARC.

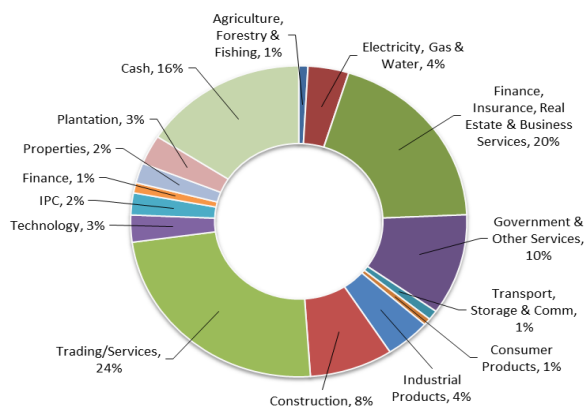
Fund Details

Unit NAV (30 Nov 2015)	: RM 1.1092
Fund Size (30 Nov 2015)	: RM 49.10 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	: 50% FTSE Bursa Malaysia EMAS Shariah Index + 50% Quant Shop GII All Index

Top Five Holding

1.	MGII 27/08/20	6.89%
2.	Northport Malaysia Berhad 19/12/24	4.97%
3.	Aquasar Capital Sdn Bhd 18/07/23	4.93%
4.	Tenaga Nasional Berhad	3.69%
5.	Sabah Credit Corp 05/05/22	3.41%

Sector Allocation



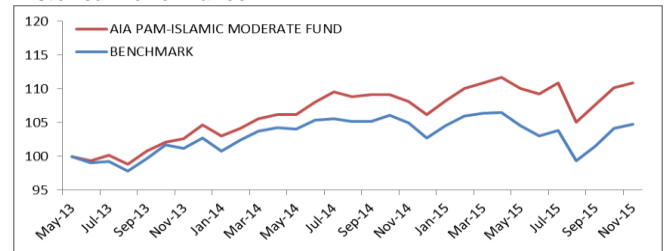
Risk

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	0.59%	0.68%	2.55%		
Index	0.62%	0.21%	-0.21%		
Excess	-0.03%	0.47%	2.76%		

Source: AIA Pension and Asset Management Sdn. Bhd. Bloomberg as at 30 Nov 2015.

Market Review

MYR marginally strengthened against the USD by 1% in November on a stream of positive news flows from 1MDB's sale of power assets to China General Nuclear Power and Saudi Arabia's agreement to stabilize oil prices in the latter half of the month. The Government Investment Issue ("GII") yield curve bear flattened following a lukewarm response from the 3-year GII reopening whilst liquidity across the curve was thin. Sukuk activities were thin with some pressure seen on the spreads despite positive movement in the government sukuk space.

During the month, FBM Shariah Index rose marginally 0.92% to end the month at 12,507 points, outperforming MSCI Asia ex-Japan, which dropped 4.42% in MYR term. Brent oil prices had extended its weaknesses from US\$50 per barrel to US\$45 per barrel prior to the OPEC meeting in December 2015 while the terrorist attack in France did not have much impact on oil market. Market reacted positively on the news that 1MDB had agreed to sell its entire power assets to China-led energy group for RM9.83bil as this M&A transaction if successfully executed will bring in Foreign Direct Investment (FDI) and strengthen the nation's foreign reserves and Ringgit.

Market Outlook

For fixed income, despite Saudi Arabia's agreement to stabilize oil prices, OPEC's decision to maintain output and defend market share against higher-cost U.S. shale producers in the beginning of December sent crude oil prices plunging to 6-year low. We continue to expect global oil supply/demand dynamics to drive MYR volatility and weigh on the Malaysian bond market to a certain extent. We believe the bond market has partially priced-in the expectation of Federal Fund rate hike in December while the tone of the FOMC on its policy actions is to be closely watched for.

For local equity, in the short run, we expect market to trade within a tight range from here. The market is expected to be supported by bottoming commodity prices, RM20bil ValueCap fund to be deployed in stages as well as the monetary easing policy undertaken by both BOJ and ECB to stimulate economy. In addition, investors' sentiment turned slightly positive as 1MDB is committed to further resolve its debt issues with the sale of Bandar Malaysia in the near future. However, the market upside could be capped by given the less attractive valuation, still-lingering political issues and external headwinds arising from the China's economy slowdown.