

Apr 2016

AIA PAM – Islamic Moderate Fund

Investment Objective

The Fund seeks to provide returns through a combination of income* and capital growth from a portfolio that is consistent with Shariah principles.

*Income will be reinvested in additional Units in the Fund

Investment Strategy

The Fund will invest in a Shariah-compliant portfolio comprising equities with potential for growth and equities that are trading below their fair value. The Fund will also invest at least 40% of its NAV in Sukuk and Islamic money market instruments with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC.

The Fund will only invest locally.

Fund Details

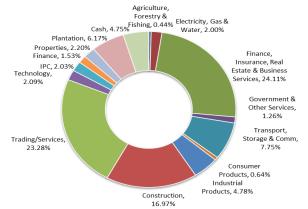
Unit NAV (30 Apr 2016)	: RM 1.1171
Fund Size (30 Apr 2016)	: RM 97.58 million
Fund Currency	: Ringgit Malaysia
Fund Launch	: May 16, 2013
Fund Inception	: Jun 05, 2013
Fund Management Charge	: 1.50% p.a
Investment Manager	: AIA Pension and Asset Management Sdn. Bhd.
Basis of Unit Valuation	: Net Asset 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.	Northport Malaysia Berhad 19/12/24	7.85%
2.	EKVE Sdn Bhd 29/01/26	5.40%
3.	Malakoff Power Bhd 17/12/19	5.19%
4.	Tenaga Nasional Berhad	4.73%
5.	BGSM Mgt Sdn Bhd 27/12/23	4.47%

Sector Allocation

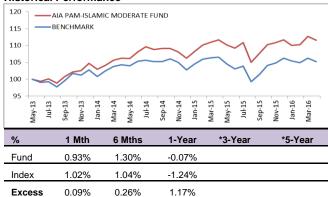


Risk

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



Source: AIA Pension and Asset Management Sdn. Bhd. Bloomberg as at 30 Apr 2016.

Market Review

In tandem with the volatility of MYR against the greenback, Malaysian government bonds were generally weaker in the month of April vis-àvis March. Market sentiment was slightly dampened following the disappointing outcome of the Doha meeting, where producers discussed a possible oil output freeze to curb the global glut. Following that, dovish tone by the Monetary Authority of Singapore and news on dispute between 1MDB and IPIC weakened sentiment further. The Government Investment Issue ("GII") curve witnessed some selling pressure by market players on the belly of the curve. Shariah-compliant corporate sukuk primary issuance was active with more than MYR5bil issuances during the month. Issuers that tapped the market include Sarawak Energy (MYR1.5bil), MEX II (MYR1.45bil), Putrajaya (MYR535mil) and Kuala Lumpur Kepong (MYR500mil), amongst others.

During the month, FBM Shariah Index declined by 2.31% to end the month at 12,209 points, underperforming MSCI Asia ex-Japan, which increased marginally by 0.08% in MYR term. The market was performing well in the early of the month, backed by huge net foreign buying flows and strengthening of crude oil prices. However, the market started to see sharp correction in the last week of month as news of 1MDB default surfaced. The negative sentiment has overshadowed the announcement of Datuk Muhammad Ibrahim's appointment as the new BNM Governor succeeding Tan Sri Dr Zeti Akhtar Aziz.

Market Outlook

For fixed income, slower global economic outlook, including Malaysia, will be supportive of the local sukuk market. In the near term, we are cautious on sentiment-driven MYR volatility as 1MDB news flows resurfaced.

For local equity, in the short run, we expect market to be volatile until further clarity on 1MDB default is obtained. Foreign investors are likely to sell out for the time being.

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, Sixth Disclosure Document dated 10 November 2014, Eighth Supplemental Disclosure Document dated 4 July 2014, Sixth Disclosure Document dated 7 August 2015, and Eleventh Supplemental Disclosure Document dated 10 November 2014, Eighth 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. Please read and understand the Disclosure Document. In the event of discrepancy between the fact sheet and the Disclosure Document, the information in the Disclosure Document shall prevail.