



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.

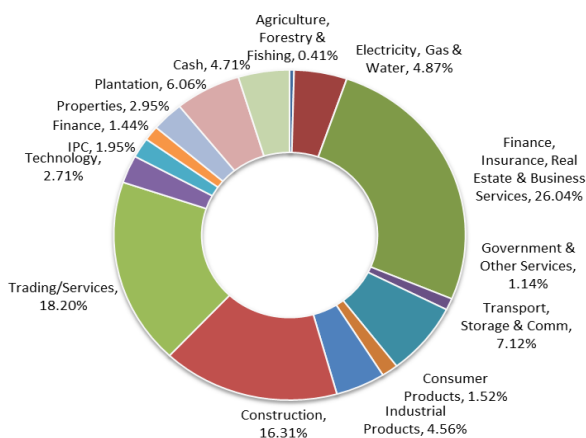
Fund Details

Unit NAV (30 Nov 2016)	: RM 1.1169
Fund Size (30 Nov 2016)	: RM 104.75 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

Rank	Company Name	Weight (%)
1.	Northport Malaysia Berhad 19/12/24	7.27%
2.	EKVE Sdn Bhd 29/01/26	4.97%
3.	Malaysia Airports Hldg Bhd Perpetual	4.94%
4.	Malakoff Power Bhd 17/12/19	4.81%
5.	Tenaga Nasional Bhd	4.33%

Sector Allocation



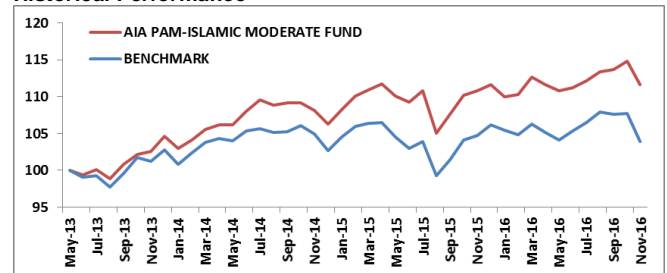
Risk

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		-2.77%	0.74%	0.69%	2.85%	
Index		-3.48%	-0.19%	-0.79%	0.89%	
Excess		0.71%	0.93%	1.48%	1.95%	

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

^ Annualised return

Market Review

For fixed income, the global bond market suffered a sell-off in reaction to the surprise victory of Donald Trump in the US presidential election. The US Treasury yield curve steepened on concern over the expansionary fiscal policy and inflationary pressure. The Malaysian bond market was not spared, as risk-off sentiment sparked a selloff by both local and offshore investors amid thin liquidity. As a result, the ringgit weakened by 6.5% in the month to MYR4.466. In the last Monetary Policy Committee meeting of the year, Bank Negara kept the overnight policy rate unchanged at 3.00%, citing the current monetary accommodativeness is consistent with its policy stance. In response to the recent developments in the ringgit, Bank Negara reiterated that it stands ready 'to provide liquidity to ensure the orderly functioning of the domestic foreign exchange market'.

For equity, November was a negative month for the Malaysian market as emerging markets and their currencies fell out of favour following Donald Trump's victory in the US Presidential Election. The FBM Shariah Index was down by 3.9%, underperforming MSCI Asia ex-Japan Index, which was up by 3.3% in MYR terms. Given the President-elect's plan to invest US\$1 trillion over 10 years to rebuild America's infrastructure, the market is expecting faster US economic growth, stronger equity market and pickup in inflation going forward. Hence, global investors sold bonds and emerging market assets and piled their money into US equities, which hit multiple all-time highs.

Market Outlook

For fixed income, global investors may adjust the position of their portfolio in emerging markets in view of US president-elect Donald Trump's pro-growth policy. Looking ahead, uncertainties surrounding Trump's policies, major central bank policies and European politics are likely to affect Ringgit and the local bond market sentiment.

For equity, the market is expected to remain volatile following the surprise victory of Donald Trump. In his election campaign, he has proposed to implement policies to boost the US economy and protectionist measures on trade. All the proposed measures, if implemented fully, are likely to result in higher inflation, lower growth for other countries, higher interest rates and a stronger USD. These could cause further capital outflows from emerging markets. Investors are expected to stay cautious until there are clearer signs of the President-elect's policies when he comes into office.

Replacement Disclosure Document dated 9 December 2016 of the AIA Private Retirement Scheme has been registered with the Securities Commission Malaysia, who takes no responsibility for their contents. Copies of the Replacement 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 Replacement Disclosure Document and PHS. Please read and understand the contents of the Replacement 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 Replacement Disclosure Document. In the event of discrepancy between the fact sheet and the Replacement Disclosure Document, the information in the Replacement Disclosure Document shall prevail.