



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.

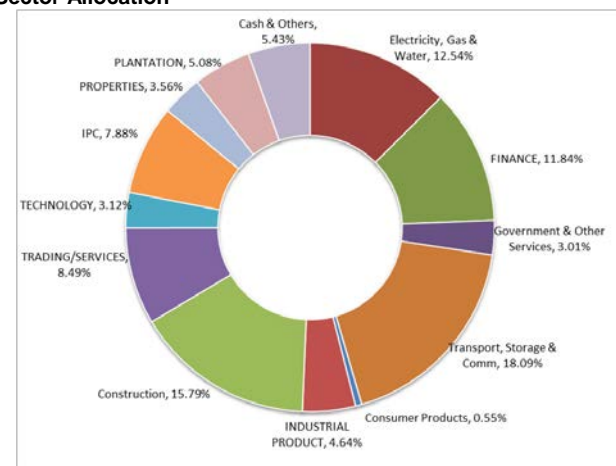
Fund Details

Unit NAV (30 Apr 2018)	: RM 1.1248
Fund Size (30 Apr 2018)	: RM 112.95 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	: 50% FTSE Bursa Malaysia EMAS Shariah Index + 50% Quant Shop GII All Index

Top Five Holding

1.	Northport Malaysia Berhad 19/12/24	6.76%
2.	Public Islamic Bank Bhd 03/08/2022	4.82%
3.	EKVE Sdn Bhd 29/01/26	4.57%
4.	Malakoff Power Bhd 17/12/19	4.47%
5.	Tenaga Nasional Bhd	4.21%

Sector Allocation



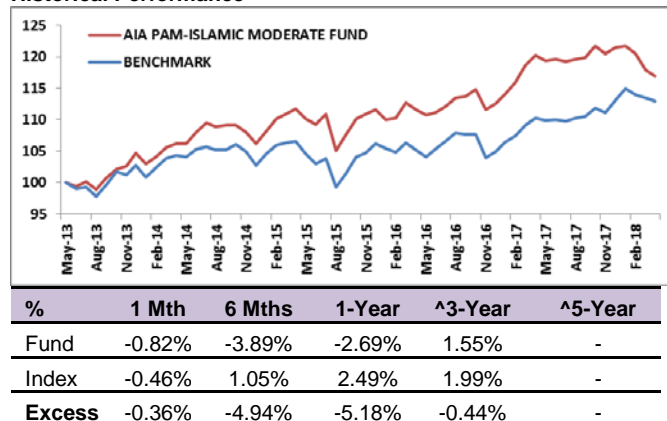
Risk

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 April 2018. ^ Annualised return

Market Review

Government Investment Issue ("GII") sold off in the month of April following Malaysian Government Securities ("MGS") yield movement though to a lesser extent as MYR weakened against the USD. The USDMYR currency pair went from a low of around 3.8620 in early April to close the month at around 3.9240. Foreign holdings in MGS and Government Investment Issue ("GII") declined to 27.7% (March 18: 28.6%) as yield spike triggered outflows.

There were two government sukuk auctions during the month. The MYR4.0 billion 10-year new GII was strongly bid with bid-to-cover ("BTC") ratio of 2.70x and average yield of 4.369%. The GII 20-year reopening with size at MYR2.5 billion garnered a decent BTC ratio of 2.12x and average yield of 4.804%.

The Malaysian equity market closed lower with the FBM Shariah Index declined by 0.5% month on month, underperforming MSCI Asia ex Japan Index by 2.7% in MYR term. Foreign inflows returned to Malaysia in April with a net buy of RM1.5bil after two preceding months of selling. Oil price rose and breached USD70/barrel during the month as a combination of Iran nuclear concerns, US-Syria military tension and impending Saudi Aramco listing were outweighing worries over potential spike in US shale output and a strong US dollar.

Market Outlook

In the near term, uncertainties remain, surrounding issues like formation of new Malaysian government and its policies going forward, trade disputes between major economies and the pace of Fed fund rate hike. That being said, the smooth transition of power and the new ruling coalition's promise of better governance and accountability would bode well for the domestic business environment over the long term. We believe the local capital market should be well supported on the back of solid domestic fundamentals and ample onshore liquidity.

Replacement Disclosure Document dated 9 December 2016 and First Supplemental Replacement Disclosure Document dated 26 January 2018 of the AIA Private Retirement Scheme have been registered with the Securities Commission Malaysia, who takes no responsibility for their contents. Copies of the Replacement Disclosure Document and Product Highlights Sheet (collectively known as "Disclosure Document") 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. Please read and understand the contents of the Disclosure Document 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.