



Apr 2015

## AIA PAM – 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

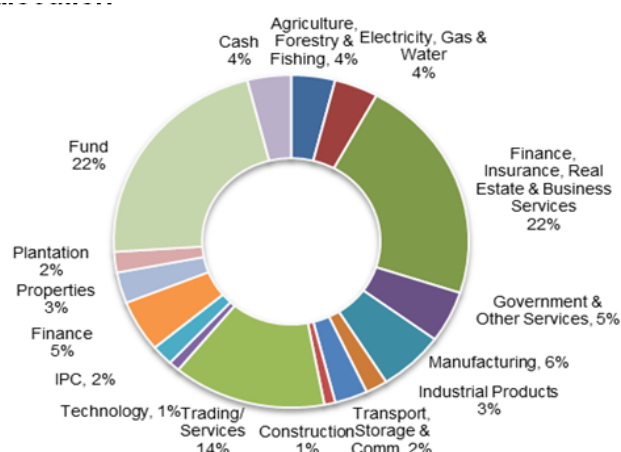
### Fund Details

Fund Size (30 Apr 2015)	: RM11.13 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	: 25% FTSE Bursa Malaysia Top 100 Index + 25% MSCI AC Asia ex Japan Index + 50% Quant Shop MGS All Bond Index

### Top Five Holding

1.	DB X-Trackers MSCI Asia X-Japan	11.36%
2.	Investec GS Asian Equity	10.38%
3.	Tan Chong Motor 24/11/21	6.41%
4.	Golden Assets International 03/08/18	5.58%
5.	Sabah Credit Corp 23/07/21	4.22%

### Sector Allocation



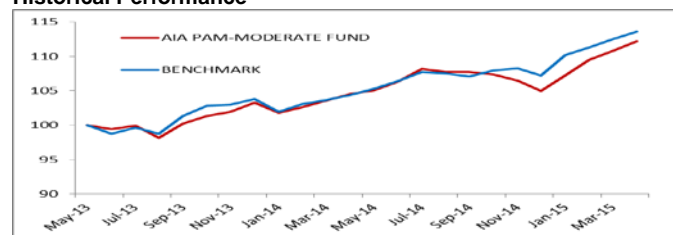
### Risk

Investment risk involves the uncertainties relating to Malaysia'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	1.31%	4.50%	7.39%		
Index	0.98%	5.24%	8.80%		
Excess	0.33%	-0.73%	-1.41%		

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

### Market Review

Yields on Malaysian Government Securities (“MGS”) fell in April on buying interest. The recovery in oil prices (Brent Crude rose above \$65 per barrel) and the appreciation in the MYR during the month helped sentiment. Otherwise, there was a shortage of catalysts to significantly move the market either way. However, towards the end of the month, we began to see some profit taking. The benchmark 3-year, 7-year and 10-year MGS yields fell by 2 bps, 2 bps and 5 bps respectively to end the month at 3.30%, 3.75% and 3.85% respectively. The 5-year meanwhile, rose 1 bp to 3.59%. On the corporate side, yields were 3 to 8 bps lower compared to the previous month. Spreads for securities in the short to middle tenors narrowed but were wider in the longer tenors. In the primary market, Danainfra Nasional, Danga Capital, RHB Investment Bank, Putrajaya and Bank Islam issued.

During the month, FBM100 Index declined 0.32% to end the month at 12,220, underperforming MSCI Asia ex-Japan which rose 3.30% in MYR term. This is despite crude oil prices have continued to rise by 19% m-o-m while MYR has appreciated 3.5% m-o-m. The underperformance was mainly led by telcos due to GST confusion coupled with poor 1Q15 results. On 1 April 2015, the government has implemented 6% of Goods and Services Tax. On the corporate front, IJM will inject a 32.76 acres land for RM402.8m or RM282 psf into Aura Hebat Sdn Bhd, which is 50:50 joint-venture with Perennial Real Estate from Singapore. The JV will develop The Light integrated waterfront project which is worth of RM3bn. RHB Cap proposed to raise RM2.5bn of equity raising and internal reorganization where RHB Bank will replace RHB Cap as the listed co. Bumi Armada has secured a RM300m contract from Electrogas Malta to supply a LNG floating storage unit for a project relating in Delimara, Malta. Malakoff IPO is expected to raise RM2.74bn. Sunway Bhd has also received approval from Bursa to list its construction arm Sunway Construction on the Main Market. MSCI Asia ex-Japan index was up 3.3% in MYR term as low crude oil continues to drive expansion in developed nations.

### Market Outlook

For fixed income, benign inflation, risks of global growth disappointment and higher levels of liquidity following the ECB and Japan's Quantitative Easing programmes seem to be the dominant themes in the fixed income market. Nevertheless, volatile Ringgit and the focus on the nation's fiscal position are clouding the outlook somewhat. Hence, the fund will maintain its neutral duration positioning.

For Equity, in the short run, the sentiment on local equities is expected to be positive given rising oil prices, easing monetary conditions in China, lower interest rates expectations in the US and foreign buyers have turned net buyers in local equities for the first time in many months.

We maintain our preference of North Asia over ASEAN in the longer term as recovery in US and Europe will benefit exporters in North Asia.