



Jun 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

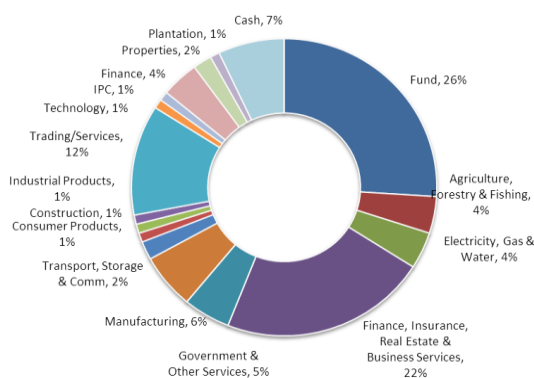
### Fund Details

Unit NAV (30 Jun 2015)	: RM 1.1178
Fund Size (30 Jun 2015)	: RM 11.86 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	15.01%
2.	Investec GS Asian Equity	10.87%
3.	Tan Chong Motor 24/11/21	5.92%
4.	Golden Assets International 03/08/18	5.17%
5.	Northport Malaysia Bhd 19/12/14	3.92%

### Sector Allocation



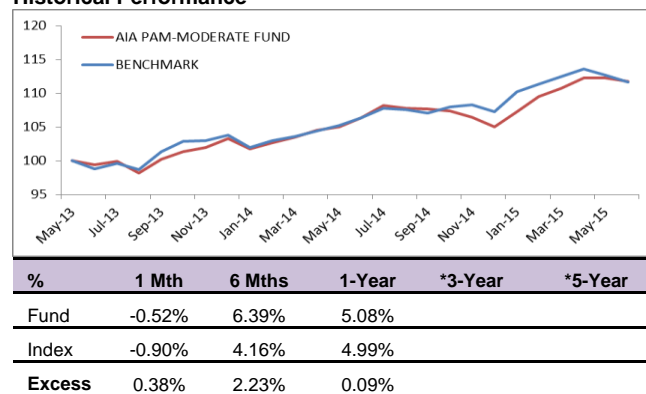
### Risk

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



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

### Market Review

Malaysian bond market ended mixed in the month of June with selling pressure seen in belly to long end of the curve as market players taking a cautious stance ahead of the Fitch announcement on Malaysia's sovereign rating, while the short end papers gained due to the lack of new treasury bills/BNM notes. Subsequent to the month end, Fitch Ratings affirmed Malaysia's long term foreign sovereign credit rating at A- and upgraded the outlook from 'Negative' to 'Stable'. The rating agency cited the improving fiscal position of Malaysia, strong economic growth and low inflation as reasons for the affirmation and revision in rating outlook. On the corporate side, corporate bond remains supported by subdued bond pipeline. In the primary market, Maxis Berhad, Benih Restu and Pengurusan Air SPV tapped the bond market.

During the month, FBM100 Index declined 2.76% to end the month at 11,459, underperforming MSCI Asia ex-Japan, which fell only 2.03% in MYR term. This is largely driven by weaker MYR, which fell 2.9% m-o-m against USD and worries of Greece to exit Eurozone as well as political concerns brought by the negative publicity on 1MDB. However, Malaysia market was slightly rallied on the last day of the month due to the positive surprise that Fitch maintains Malaysian sovereign rating and upgrades the outlook from 'Negative' to 'Stable'. On the corporate front, Westport Holdings has been included in the KLCI index, replacing Felda Global Ventures after the semi-annual review of FTSE Bursa Malaysia index series. TNB had obtained approval from the Cabinet to take over 70% stake held by 1MDB in Project 3B.

MSCI Asia ex-Japan index fell by 4.4% in USD term due to continue foreign outflow and weak economy growth. China equities plunged due to concern on margin financing. Total margin financing has reached new high of 2.3trillion yuan by 18 June. During the month PBOC cut the benchmark interest rate by 25bps and lower RRR by another 50bps. The move, however fail to support the market.

### Market Outlook

For fixed income, we expect uncertainty surrounding the outcome of Greek referendum, weakening Ringgit and erratic oil prices will continue to weigh on the local bond market.

For local equity, in the short run, we expect equity market to be volatile with some downside risk given Greece may exit the Eurozone if Greece leader fails to agree on bailout terms, reported political spat between Dr. Mahathir and PM Najib and loss of investors' confidence as a result of 1MDB's issues. Over the medium term, oil prices recovery above US\$55/barrel and 1MDB restructuring plan may contribute to a better prospect of Malaysia and prompt foreign investors to relook at the Malaysian Market. For foreign equity, 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.