



January 2018

## 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.

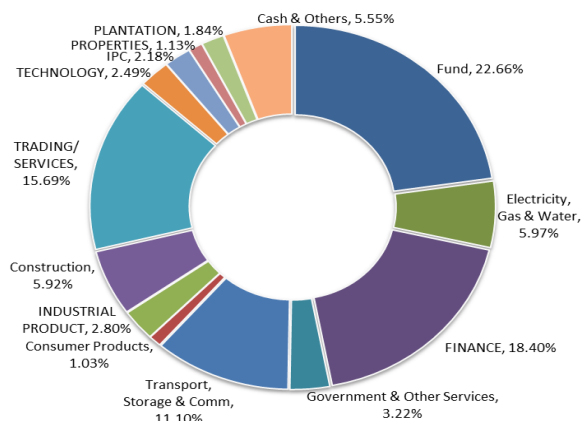
### Fund Details

Unit NAV (31 Jan 2018)	: RM 1.2281
Fund Size (31 Jan 2018)	: RM 77.84 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	: 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.	Investec Global Strategy Asian Equity	13.79%
2.	iShares MSCI Asia ex-Japan ETF	10.52%
3.	Public Islamic Bank Bhd 03/08/2022	7.21%
4.	Genting Capital Bhd 08/06/2022	4.19%
5.	Celcom Networks Sdn Bhd 28/10/2026	3.27%

### Sector Allocation



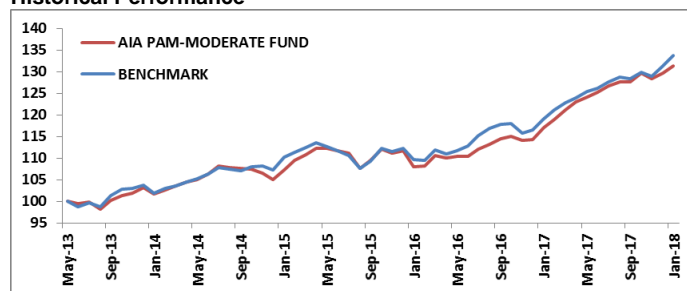
### Risk

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	1.31%	3.58%	12.20%	7.00%	-
Index	1.87%	4.72%	12.26%	6.66%	-
<b>Excess</b>	<b>-0.56%</b>	<b>-1.14%</b>	<b>-0.06%</b>	<b>0.34%</b>	<b>-</b>

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg as at 31 January 2018. ^ Annualised return

### Market Review

The Malaysian equity market recorded gains in January with the wider FBM100 Index rose by 3.6% while the blue-chip FBMKLCI Index rose by 4.0%. The wider FBM100 Index outperformed MSCI Asia ex Japan Index by 1.2% mainly attributed by a stronger Ringgit which closed firmer at USDMYR 3.8985 as of end-January 2018. Foreign investors continued to be net buyers for the second consecutive month in January with a net buy of RM3.3bn. In terms of sector performance, the finance sector surged by 6.1% outperformed the wider FBM100 Index driven by foreign inflows and interest rate hike of 25 basis points by Bank Negara Malaysia in January 2018.

Malaysian government bond yields spiked upwards during the end of the month after the Bank Negara Malaysia raised 25 bps of OPR. MGS and GII recorded inflows of MYR4.2bil and MYR0.4bil respectively in January. The foreign share of MGS rose to 45.7%, the highest since Jan 2017.

On the corporate front, key development included SP Setia and Sime Darby Property's potential sale of £1.6bn (MYR8.8bn) commercial assets in Phase 2 of the Battersea Power Station to Permodalan Nasional Bhd and Employee Provident Fund.

### Market Outlook

For fixed income, the expectation of the Fed behind the curve and higher than expected wage growth may put further pressure on the yield curve. However, the upward pressure is being mitigated by better economic outlook for Malaysia and optimism on commodity prices, which could attract inflows to the local bond market. As such, we are of the opinion that local bonds should be well supported.

Worries about accelerating inflation stemming from tightening US labor market may weigh on market sentiment of late. That said, US tax reform is expected to further boost economic growth and corporate earnings so far have been exceeding expectations. On the local front, investors remain cautiously optimistic on equities as the general elections draw closer, amid rising bond yields. Fundamentally local market remains supportive on the back of higher oil prices, stronger Ringgit and expected improvement in corporate earnings.

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.