



## 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.

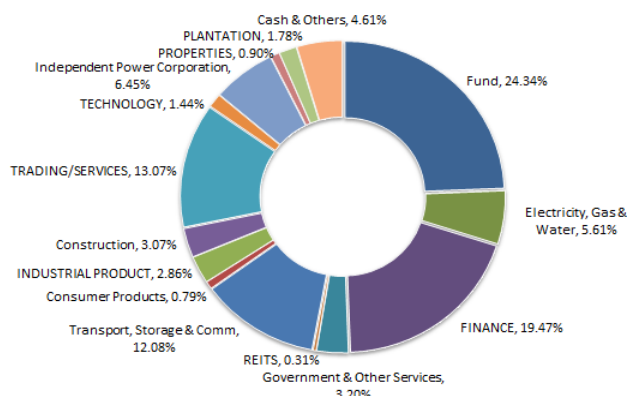
### Fund Details

Unit NAV (31 July 2018)	: RM 1.1670
Fund Size (31 July 2018)	: RM 78.48 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	14.97%
2.	iShares MSCI Asia ex-Japan ETF	9.38%
3.	Public Islamic Bank Bhd 03/08/2022	7.15%
4.	Genting Capital Bhd 08/06/2022	4.14%
5.	Celcom Networks Sdn Bhd 28/10/2026	3.27%

### Sector Allocation



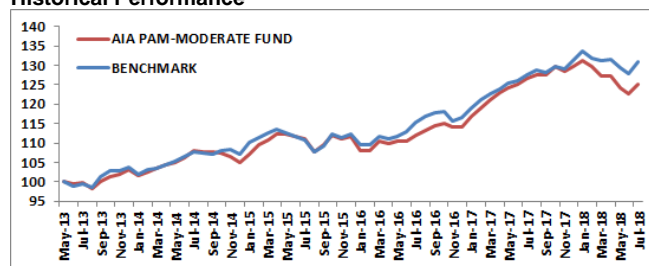
### Risk

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	1.81%	-4.78%	-1.37%	4.01%	4.59%
Index	2.24%	-2.20%	2.41%	5.72%	5.59%
<b>Excess</b>	<b>-0.43%</b>	<b>-2.58%</b>	<b>-3.79%</b>	<b>-1.71%</b>	<b>-1.01%</b>

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

### Market Review

Malaysian Government Securities (“MGS”) strengthened with yield curve shifting 9 to 14 bps lower in July 2018, on the back of improved sentiment for emerging market government bonds coupled with neutral to dovish policy statements by US Federal Reserve (“Fed”) and Bank of Japan (“BoJ”). On a side note, USDMYR weakened slightly by 0.7% against the greenback to close the month at MYR4.0652. BNM kept the Overnight Policy Rate (“OPR”) at 3.25%, unchanged for the third consecutive meeting this year. Despite the potential downside risk from the on-going global trade tension, the Bank expects domestic growth to be on a steady growth path.

The FBM100 index advanced 5.0% MoM in July despite global macro headwinds from the ongoing trade tension and local political uncertainties. Most sectors closed higher except for REITs, with the top performers being Construction and Technology. Telecommunication stocks recovered during the month, possibly on optimism that the impact from the 25% reduction in broadband prices by end-2018 may be more muted than expected. Foreigners net sold MYR1.7 billion during the month, bringing cumulative foreign net selling to MYR8.5 billion. On the corporate front, key news included the appointment of Tan Sri Dr Zeti Akhtar Aziz as Sime Darby Property's new chairman, the Penang government's consideration to request a MYR1 billion soft loan from the federal government to expedite the Penang Transport Master Plan, MRT Corp's plan to review and reduce the construction cost for MRT 2, and Top Glove's lawsuit against Adventa Capital.

### Market Outlook

Increasing threats of trade protectionism have renewed volatility in the global equity markets. Coupled with higher oil prices, rising bond yields and a stronger USD, investors will remain cautious especially in the EM equities. These risks have the potential to end the period of easy monetary policy in the emerging countries. However, healthy EPS growth and the recent sell-off left EM equities' valuation relatively attractive compared to the developed markets.

The Malaysian equity market will likely remain volatile in the near term given the concerns over the ongoing trade tension between US and China and its implications on global growth. Locally, investors are also watching out for the possibility of more changes in the GLC companies, Pakatan Harapan's policy execution, as well as its fiscal management. However, the new ruling coalition's promise of better governance, transparency and accountability, if executed well, should bode well for the domestic business environment and local equity market over the long term.

Replacement Disclosure Document dated 9 December 2016, First Supplemental Replacement Disclosure Document dated 26 January 2018, Second Supplemental Replacement Disclosure Document dated 11 May 2018 and Third Supplemental Replacement Disclosure Document dated 30 July 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, Supplemental Replacement Disclosure Documents 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.