



November 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.

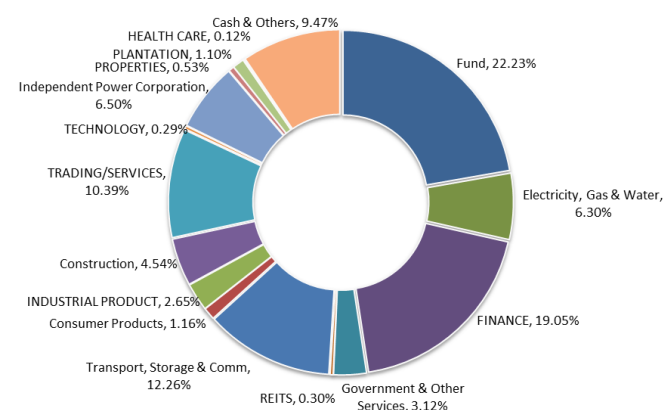
Fund Details

| | |
|-----------------------------|---------------------------------------------------------------------------------------------------------------|
| Unit NAV (30 Nov 2018) | : RM 1.1228 |
| Fund Size (30 Nov 2018) | : RM 80.3 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 | 13.25% |
| 2. | iShares MSCI Asia ex-Japan ETF | 8.98% |
| 3. | Public Islamic Bank Bhd 03/08/2022 | 7.00% |
| 4. | Genting Capital Bhd 08/06/2022 | 4.07% |
| 5. | Celcom Networks Sdn Bhd 28/10/2026 | 3.22% |

Sector Allocation



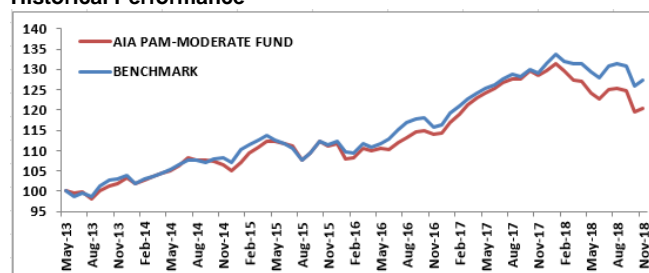
Risk

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 | | 0.67% | -3.20% | -6.36% | 2.69% | 3.37% |
| Index | | 1.21% | -1.54% | -1.29% | 4.53% | 4.33% |
| Excess | | -0.53% | -1.66% | -5.06% | -1.84% | -0.96% |

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg as at 30 Nov 2018. ^ Annualised return

Market Review

Malaysian Government Securities ("MGS") closed mixed in Nov 2018 with some selling pressure seen on shorter tenure bonds (3-5 years), while some sporadic buying flows were seen on the longer tenure bonds (above 10 years). Market generally traded in thin liquidity during the month on the back of subdued crude oil prices and continued budget deficit concerns. USDMYR remained unchanged during the month at MYR4.1842.

November was another difficult month for the FBM100 Index as it fell 1.2% MoM underperformed MSCI Asia ex Japan which surged by 5.1% in MYR terms. This was partly due to a disappointing 3Q18 result season, foreign selling and losses in the Genting group's share price. Foreigners remained net sellers in the market with a net outflow of MYR0.7 billion, bringing YTD net foreign selling to MYR10.6 billion. The key event during the month was the announcement of Budget 2019 which saw the gaming sector being impacted by the proposed increase of casino license fee from MYR120 million to MYR150 million a year and the increase of casino duty from 25% to 35% on gross collection. As a result, Genting Malaysia and Genting Bhd's share prices fell 36% and 14% during the month.

Asian equity markets rebounded in November due to signs that the US and China might agree to cease escalating trade tensions at the G20 summit, as well as comments from the US Federal Reserve ("Fed") that suggested a slower pace of interest rates hike. As a result, USD lost ground against a basket of emerging market currencies. Markets with a twin-deficit such as India, Indonesia and Philippines, staged a decent recovery thanks to the mentioned currency rebound and a 20% decline in the oil price.

Market Outlook

In the near term, uncertainties surrounding domestic government policies, trade disputes between major economies and global monetary policy tightening remain. We believe the local bond market should be well supported on the back of solid domestic fundamentals and ample onshore liquidity.

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. While the US and China have reached a temporary truce over trade disputes and thus relieving some concerns on a global economic slowdown, there is still scepticism on the willingness of both countries to reach a concrete deal. Nevertheless, a more dovish stance from the Fed should bode well for Asian currencies and equities. Risk appetite however should remain subdued as current trade and geopolitical concerns are not likely to be resolved in the near 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, Third Supplemental Replacement Disclosure Document dated 30 July 2018 and Fourth Supplemental Replacement Disclosure Document dated 19 October 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.