



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.

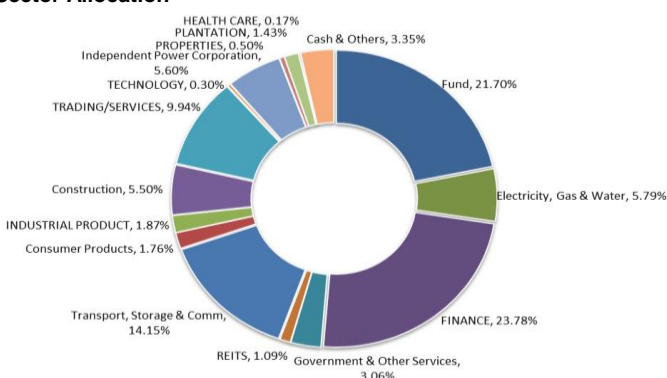
Fund Details

Unit NAV (31 May 2019)	: RM 1.1512
Fund Size (31 May 2019)	: RM 83.88 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	13.15%
2.	iShares MSCI Asia ex-Japan ETF	8.56%
3.	Public Islamic Bank Bhd 03/08/2022	6.78%
4.	Genting Capital Bhd 08/06/2022	3.96%
5.	Celcom Networks Sdn Bhd 28/10/2026	3.17%

Sector Allocation



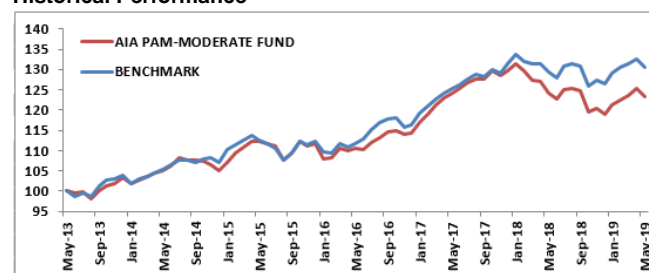
Risk

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

Historical Performance



%	1 Mth	6 Mths	1-Year	^3-Year	^5-Year
Fund	-1.49%	2.53%	-0.75%	3.76%	3.27%
Index	-1.56%	2.60%	1.03%	5.37%	4.41%
Excess	0.07%	-0.07%	-1.78%	-1.61%	-1.14%

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg as at 31 May 2019. ^ Annualised return

Market Review

Malaysian Government Securities were well bided in May 2019 as both onshore and offshore investors piled on their buying interest as global rates continued on a downward trend. Bank Negara Malaysia made a positive announcement to enhance market liquidity and accessibility, which includes expansion of the dynamic hedging program and Malaysian ringgit liquidity beyond local trading hours. Consequently, market was lifted with strong demand seen mainly on the belly to the long end of the curve. MYR weakened by 1.3% against the greenback to close the month at MYR4.1900.

The FBM100 Index fell 0.16% mom but outperformed the MSCI Asia Ex-Japan Index which fell 7.95% in MYR as investors bargain hunt following the recent underperformance against its regional peers. However, in May foreigners were again net sellers of the local market with a net outflow of MYR2.0 billion during the month, bringing year-to-date net outflow to MYR4.9 billion.

Meanwhile, MSCI Asia ex-Japan Index declined in May as trade tensions escalated and concerns surrounding global growth increased. China's equity market suffered as economic growth was perceived as being under threat from higher tariffs and a weaker technology sector. Furthermore, mixed macroeconomic data suggested that the economic recovery was fragile. Industrial production growth (April) declined while retail sales weakened on disappointing auto sales.

Market Outlook

Global central banks remain dovish and as trade tension further escalates, fixed income assets remain appealing relative to risk assets. On potential offshore outflows of domestic government bonds due to headlines surrounding index exclusion, ample onshore liquidity shall remain supportive of the local bond market, albeit a knee-jerk market reaction is not ruled out in the worst-case scenario of an exclusion.

Locally, we see any market weakness due to the trade war uncertainty as an opportunity to accumulate fundamentally solid companies with good earnings visibility. Despite the current volatility, we expect the equity market to gradually recover over the long run, underpinned by Malaysia's strong macroeconomic fundamentals. We expect the local market to deliver positive returns for 2019, driven by higher corporate earnings growth and further certainty over the government's policy direction over time. We will remain vigilant to the constantly evolving market conditions and will adjust our strategy accordingly.

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, Fourth Supplemental Replacement Disclosure Document dated 19 October 2018, Fifth Supplemental Replacement Disclosure Document dated 18 January 2019 and Sixth Supplemental Replacement Disclosure Document dated 15 April 2019 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.