



## 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.

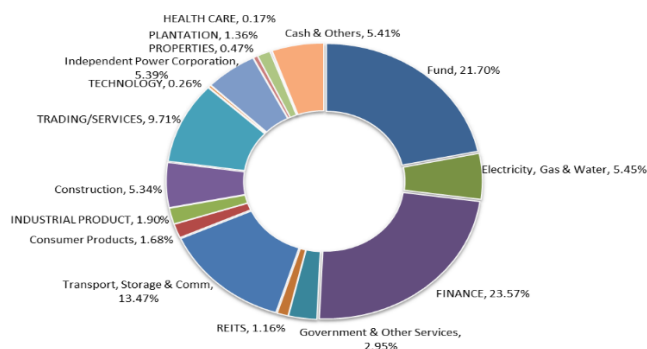
### Fund Details

Unit NAV (30 June 2019)	: RM 1.1749
Fund Size (30 June 2019)	: RM 87.57million
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	13.16%
2.	iShares MSCI Asia ex-Japan ETF	8.55%
3.	Public Islamic Bank Bhd 03/08/2022	6.52%
4.	Genting Capital Bhd 08/06/2022	3.82%
5.	Celcom Networks Sdn Bhd 28/10/2026	3.06%

### Sector Allocation



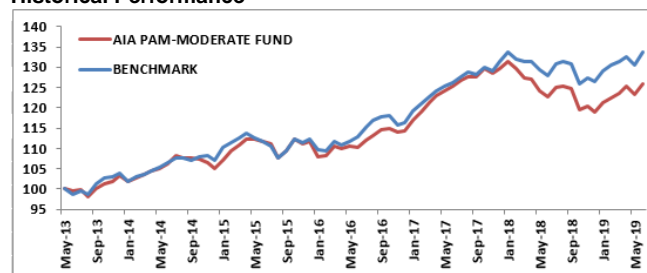
### Risk

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		2.06%	5.79%	2.49%	4.49%	3.44%
Index		2.35%	5.71%	4.50%	5.83%	4.68%
<b>Excess</b>		<b>-0.29%</b>	<b>0.08%</b>	<b>-2.00%</b>	<b>-1.34%</b>	<b>-1.24%</b>

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg as at 30 June 2019. ^ Annualised return

### Market Review

Malaysian Government Securities continued to rally strongly across the curve in June 2019, following the dovish tone by the US Federal Reserve. With an expectation of easing, the market turned risk-on and this spurred strong buying interest in the local bond space particularly on the longer end of the yield curve. Malaysian ringgit strengthened by 1.38% against the greenback to close the month at MYR4.1335.

The FBM100 Index rose 1.58% MoM in June, in line with the overall improvements in the regional equity markets. However, Malaysia still saw a net foreign selling of MYR4.7 billion on a year-to-date basis on the back of global uncertainties and Malaysia’s lackluster corporate earnings expectations, amongst others.

**Meanwhile**, MSCI Asia ex Japan Index up 4.9% in MYR term during the month, driven by renewed confidence of a breakthrough in US-China trade talks ahead of a meeting between President Trump and President Xi at the G20 summit in Osaka, Japan. Market sentiment was further buoyed by indications from the US Federal Reserve that it would consider interest rate cuts soon as the global economic outlook remains fragile given weaker data and the net negative impact of ongoing trade tensions.

### 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.

The recent trade truce between US and China has offered the market some reprieve and has ignited interests in the local equity market. We continue to look out for opportunity to accumulate fundamentally solid companies with good earnings visibility as we expect the equity market to gradually recover over the long run. On the foreign front, the temporary trade truce between US and China should bode well for the Asian equities as investors were fearing the worse if President Trump had implemented further tariffs on the remaining imports from China. As such, 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.