



## 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.

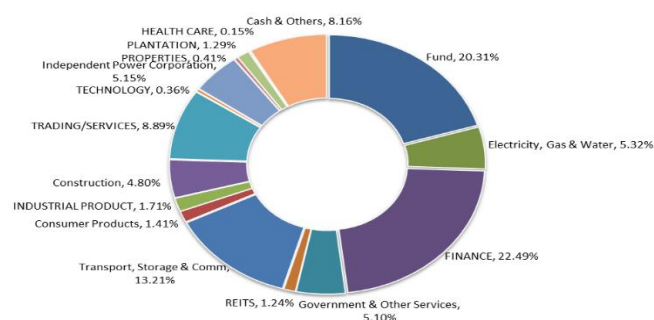
### Fund Details

Unit NAV (31 August 2019)	: RM 1.1686
Fund Size (31 August 2019)	: RM 93.09million
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 GS Asian Equity - IAU	12.63%
2.	iShares MSCI Asia ex-Japan ETF	7.69%
3.	Public Islamic Bank Bhd 03/08/2022	6.19%
4.	Genting Capital Bhd 08/06/2022	3.63%
5.	Celcom Networks Sdn Bhd 28/10/2026	2.94%

### Sector Allocation



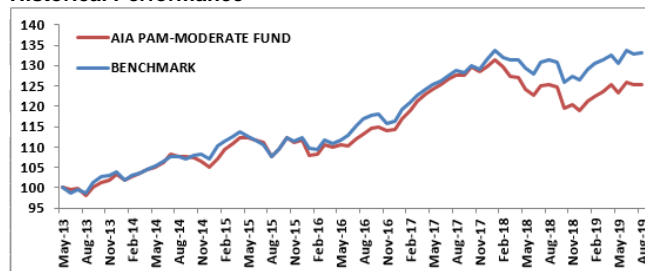
### Risk

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	-0.14%	2.18%	-0.05%	3.42%	3.05%
Index	0.06%	1.85%	1.15%	4.40%	4.35%
Excess	-0.20%	0.33%	-1.20%	-0.98%	-1.30%

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

### Market Review

Malaysian Government Securities (“MGS”) rallied across the curve and bull flattened in Aug 2019. This was in line with lower global yields on the back of global monetary policy easing outlook and further escalation in the US-China trade tension as market sentiment turned risk-on. MYR weakened by 1.91% against the greenback to close the month at MYR4.2055. MGS levels as of end-Aug 2019 were: 3Y at 3.15% (-14 bps), 5Y at 3.23% (-20 bps), 7Y at 3.28% (-27 bps), 10Y at 3.32% (-27 bps), 15Y at 3.48% (-32 bps), 20Y at 3.56% (-43 bps) and 30Y at 3.78% (-40 bps).

The FBM100 (“Index”) fell 2.0% MoM in August, in line with the overall softness in the regional equity markets amid renewed worries over the US-China trade war and slowing global growth. The local Index outperformed the MSCI Asia Ex-Japan Index, which fell 2.37% in MYR terms over the same period. Foreigners were net sellers of the local market with a net outflow of MYR2.6 billion during the month, bringing year-to-date net outflow to MYR7.3 billion.

Meanwhile, Asian equity markets tumbled in August due to escalating US-China trade tension and increased concerns over the global economic outlook amid an inversion of the US Treasury 2Y-10Y yield curve. President Trump announced on 1 August that the US would place an additional 10% tariff on USD300 billion worth of imports from China, while Beijing later responded with its own tariffs on USD75 billion worth of US goods. Investor sentiment was further dampened by the US Treasury's labelling of China as a currency manipulator after China allowed its currency to fall through a key threshold.

### Market Outlook

Global geopolitical events continue to weigh on growth outlook and drive market volatility. As such, we expect global monetary policy accommodation to remain and this augurs well for fixed income assets. The bond market shall be further supported by ample liquidity in the financial system and attractiveness of yield relative to peers.

On the equity front, trade tension re-escalated while economic data generally continues to point to weak growth due to the global trade uncertainty. However, we are comforted that global central banks have turned more dovish and the Chinese government will be ready to implement more stimulus if needed to avoid a hard landing for its economy. Despite this, Malaysia remains under-owned by foreigners and has underperformed its regional peers on a year-to-date basis. We see potential support from the revival of infrastructure projects and potential relocation of activities to Malaysia as a result on the ongoing US-China trade spat

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, Sixth Supplemental Replacement Disclosure Document dated 15 April 2019 and Seventh Supplemental Replacement Disclosure Document Dated 24 August 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.