



## 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.

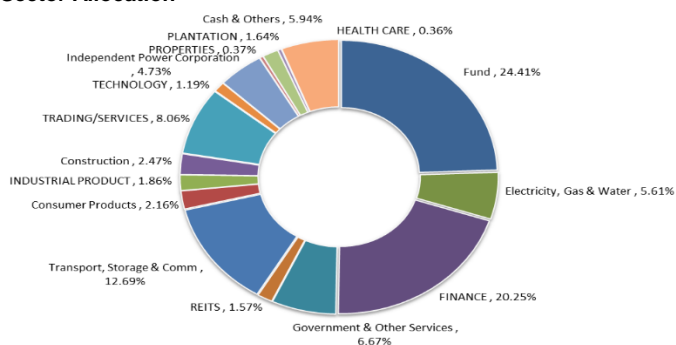
### Fund Details

Unit NAV (31 January 2020)	: RM 1.1832
Fund Size(31 January 2020)	: RM 104.52million
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	15.21%
2.	Schroder In Asia P XJP E-CAC	5.84%
3.	Public Islamic Bank Bhd 03/08/22	5.53%
4.	iShares MSCI Asia ex-Japan ETF	3.36%
5.	Genting Capital Bhd 08/06/2022	3.22%

### Sector Allocation



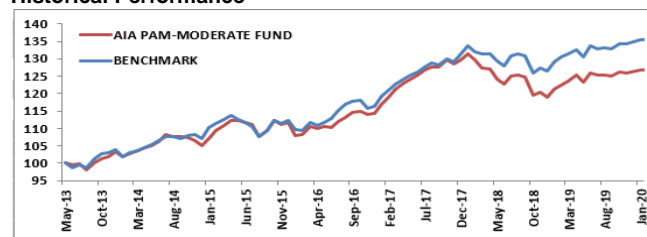
### Risk

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

### Historical Performance



%	1 Mth	6 Mths	1-Year	^3-Year	^5-Year
Fund	-0.60%	1.12%	4.45%	2.70%	3.41%
Index	-0.93%	1.86%	4.79%	4.36%	4.20%
Excess	0.33%	-0.74%	-0.34%	-1.66%	-0.79%

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg as at 31 January 2020. ^ Annualised return

### Market Review

Malaysian Government Securities rallied across the curve in line with lower global yield movements. Both onshore and offshore investors piled on their buying interest amid concerns over the Covid-19 outbreak. BNM surprised the market with a 25bps cut in Overnight Policy Rate from 3.00% to 2.75% in the Monetary Policy Committee meeting due to geopolitical tensions, policy uncertainties in regional countries, weaker than expected growth from major trade partners and heightened volatility in financial markets. As such, MYR weakened by 0.17% against the greenback to close the month at MYR4.0980.

The FBM100 fell by 3.7% MoM but outperformed the MSCI Asia Ex Japan Index, which fell 4.5% in MYR terms over the same period. Equity markets closed lower on weak market sentiment as concerns on the economic impact of the Covid-19 outbreak which originated from Wuhan China. It is expected to affect demand and cause various supply chain disruptions, with repercussions for the tourism, consumer, manufacturing and healthcare sectors. Meanwhile, the Asia ex Japan equities started the year strongly in the first half of January but slumped in the second half to close negatively for the month as optimism around the US-China Phase One trade deal was overshadowed by the Covid-19 outbreak in China. Investors are concerned that Chinese demand will be weakened as travel and flow of goods will be curtailed.

### Market Outlook

With the recent outbreak of Covid-19 and the degree of drag to the global economy is yet to be seen, Asian central banks have led the pack in monetary policy easing as pre-emptive measures. We continue to believe that central banks will remain largely accommodative in the monetary policy space while fiscal policy is likely tilted towards an expansionary stance in support of growth. As such, domestic bond market is expected to remain resilient as onshore liquidity remain ample.

On the equity front, we have recently turned cautious on equities following the recent outbreak of the Covid-19 which can have a negative impact on the global economy. Given the near-term turbulence, asset allocation in the first quarter could prudently favour cash and bonds. However, such crisis can also present opportunities and the funds will be looking at weighing up equities particularly on oversold companies with good growth prospects. Together with some monetary easing by central banks, a spark of equity optimism can still potentially pan out when corporate earnings rebound in the latter part of the year.

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, Seventh Supplemental Replacement Disclosure Document Dated 24 August 2019 and Eighth Supplemental Replacement Disclosure Document dated 14 February 2020 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.