



AIA PAM – Conservative Fund

Investment Objective

The Fund seeks to provide returns through income* that is consistent with capital preservation**.

*Income will be reinvested in additional Units in the Fund

** The Fund is neither capital guaranteed nor capital protected

Investment Strategy

The Fund will invest at least 80% of its NAV in fixed income instruments and money market instruments, of which a minimum of 20% of the Fund's NAV will be invested in money market instruments. The remainder of the Fund's NAV will be invested in equities offering a dividend yield above the market average.

The Fund will only invest locally.

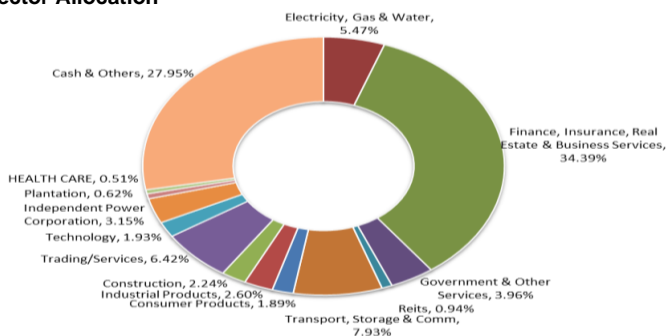
Fund Details

Unit NAV (30 June 2020)	: RM 1.1431
Fund Size (30 June 2020)	: RM 63.70 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	: 15% FTSE Bursa Malaysia Top 100 Index + 20% Maybank Berhad overnight rate + 65% Quant Shop MGS All Bond Index

Top Five Holding

1.	SMEMK 3.3 04/23/27	7.20%
2.	CIMBTB 4.15 07/06/29	5.57%
3.	BSTMK 5 ¼ 06/30/26	4.06%
4.	MAYMK 4.13 Perp	3.24%
5.	Imtiaz Sukuk II 27/05/22	3.23%

Sector Allocation



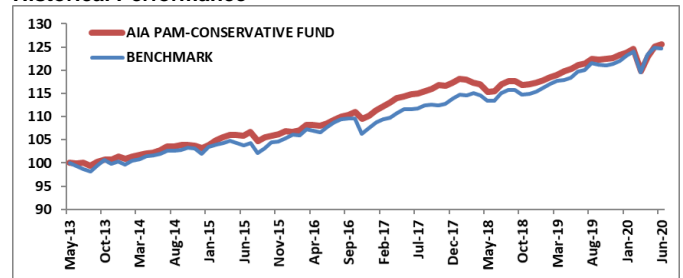
Risk

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	0.31%	1.87%	3.66%	2.99%	3.46%
Index	-0.08%	2.16%	4.20%	3.78%	3.73%
Excess	0.38%	-0.29%	-0.53%	-0.78%	-0.27%

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg as at 30 June 2020. ^ Annualised return

Market Review

Malaysian Government Securities yield curve bear steepened during the month on concerns over supply risk and presumed higher fiscal deficit ratio following the announcement of an additional MYR35 billion Economic Recovery Plan stimulus package ("PENJANA"). Meanwhile, S&P revised Malaysia's outlook to negative from stable as S&P expects Malaysia to face heightened risks of further deterioration in its fiscal settings, related to the Covid-19 pandemic, over the next 24 months. However, MYR strengthened by 1.39% against the greenback to close the month at MYR4.2863 mainly due to weakening of USD.

The FBM100 grew by 1.0% MoM on 30 June 2020, outperforming its ASEAN peers on a YTD basis. Malaysian equities remained resilient in June given the government's success in containing the first wave of Covid-19 (active cases down 92% from peak) with strong reopening momentum. Proactive efforts by BMN to protect asset quality of banks, which is the largest sector in the index and supported by government stimulus packages should revive the economy. V-shaped. Meanwhile, the SC has extended the halt on short selling till 31 Dec 2020 (from 30 June).

Market Outlook

While Covid-19 pandemic will continue to linger until a credible vaccine is found, global central banks will remain largely accommodative in the monetary policy space while fiscal policy will remain expansionary in support of growth. Following the suppressed oil prices and re-escalation of US China tensions, we expect interest rate volatility will remain for the time being. Given the pre-emptive monetary and financial measures taken to support the domestic economy thus far, the measures should remain supportive to the local economy in the near term. With the widening fiscal deficit, a larger supply of government bonds will continue to weigh on the yield curve and steepness. That said, local bond market shall continue to be supported by ample onshore liquidity.

On the equity front, while the reopening of economies globally and the monetary easing measures taken by Bank Negara Malaysia are positive to the equity market, we remain cautious amid concerns over the risk of a sudden spike in new infections due to the relaxation of movement restrictions. If the situation worsens, the strategy would inevitably turn defensive due to potential downgrades in macro fundamentals and corporate earnings. We continue to look for buying opportunities in companies with good fundamentals and solid balance sheet to weather through this crisis.

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.