



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 70% of its NAV in fixed income instruments and money market instruments, of which a minimum of 10% of the Fund's NAV will be invested in money market instruments. The remainder of the Fund's NAV will be invested in equities and collective investment schemes, of which a maximum of 20% of the Fund's NAV in collective investment schemes. The Fund will invest in local and foreign markets.

Fund Details

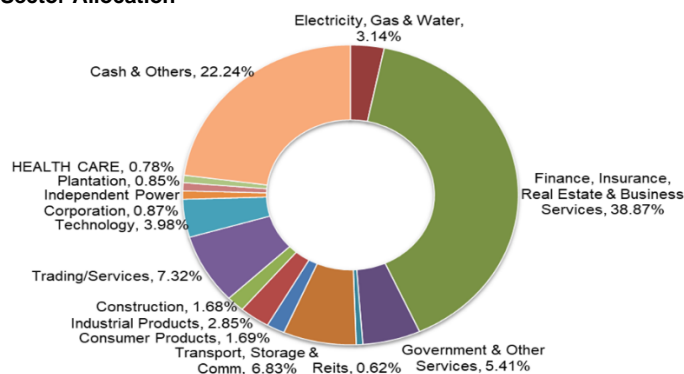
Unit NAV (28 February 2021)	: RM 1.1911
Fund Size (28 February 2021)	: RM 90.08 million
Fund Currency	: Ringgit Malaysia
Fund Launch	: May 16, 2013
Fund Inception	: Jun 05, 2013
Fund Management Charge	: up to 1.50% p.a
Investment Manager	: AIA Pension and Asset Management Sdn. Bhd.
Basis of Unit Valuation	: Net Asset Value (NAV)
Frequency of Unit Valuation	: Daily
Benchmark	: *20% FBMT 100 Index + 10% Maybank Berhad overnight rate + 60% Quant Shop MGS All Bond Index + 10% Bloomberg Barclays Global Aggregate Corporate TR Index Unhedged USD.

*Note: Change of benchmark with effect from 23 February 2021 due to the revised asset allocation as stated in the 2nd replacement disclosure document dated 23 Feb 2021.

Top Five Holding

1.	DANAMK 5.02 05/03/46	5.99%
2.	PEMIMK 3.18 10/11/30	5.34%
3.	SMEMK 3.3 04/23/27	5.10%
4.	CIMBTB 4.15 07/06/29	3.98%
5.	BSTMK 5 ¼ 06/30/26	2.92%

Sector Allocation



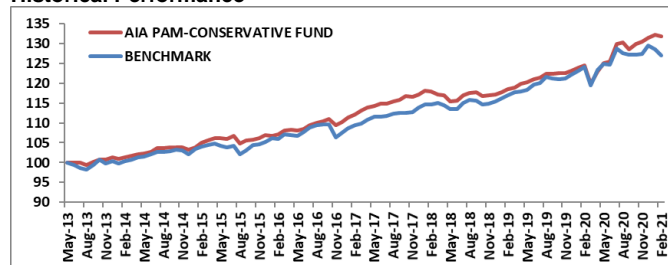
Risk

General investment risks involve market risk, fund manager risk, inflation risk and liquidity risk. Specific risks of the Fund involve credit/default risk, interest rate risk, particular security risk, country risk and currency risk.

Risk Management

Investment Manager aims to reduce investment risks through structured and disciplined investment process, rigorous and disciplined credit research and analysis, portfolio diversification and strict and frequent stock evaluation to minimize company specific risk.

Historical Performance



%	1 Mth	1-Year	^3-Year	^5-Year	^Since Inception
Fund	-0.33%	5.87%	11.81%	23.21%	31.89%
Index	-1.21%	2.44%	10.84%	19.86%	27.06%
Excess	0.87%	3.43%	0.97%	3.35%	4.83%

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg at 28 February 2021.

^ Cumulative returns. The performance is calculated on NAV-to-NAV basis.

*Note: Change of performance reporting method from annualised to cumulative returns with effect from July 2020 to provide better clarity and follow common practice by industry players.

Market Review

Malaysian Government Securities continued to weaken in Feb 2021, in line with the sell-off in global bond markets and softer domestic sentiment. Heavy selling pressure was seen across the curve, particularly on the belly to the long end of the curve. MYR weakened by 0.24% against the greenback to close the month at MYR4.0498.

The FBM100 was up 1.77% Month-on-Month on 26 February 2021. The Index outperformed the MSCI Asia Ex Japan Index, which rose by 1.5% MoM in MYR terms over the same period. Foreigners were net sellers of the local market with a net outflow of RM900 million in February 2021. Key news during the month included rising US real rates which have led to a pullback in Asian equities. Phase 1 of immunization has begun in Malaysia and is likely to be done in three phases until Feb-22 and the movement control order (MCO) has been lifted and will be replaced by conditional MCO in KL, Selangor, Johor and Penang from 5th Mar 2021.

Market Outlook

Accommodative monetary and fiscal policy support are expected to remain for a large part of 2021 until there are signs of sustained recovery momentum and demand-pull inflation. Potentially higher funding via supply of government bonds for the stimulus measures, coupled with growth rebound and higher inflation would keep the yield curve steep. That said, a weaker USD outlook and risk-on mode could drive sustained participation by foreign investors into emerging markets, including the local bond market. Besides, ample liquidity in the domestic financial system remains supportive of the domestic bond market.

Meanwhile for equity, given the rising long-term yield outlook as economic recovery gathers momentum, funds are expected to rotate into equities from bonds. Domestically, the revival of stalled infrastructure projects, trade diversion into Malaysia from the ongoing US China tension, and the recovery in commodity prices should bolster growth and exports going forward. Downside risks to the market could stem from any delay in roll-out of mass vaccination and uncertainties from the fluid domestic political landscape.

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