



## 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

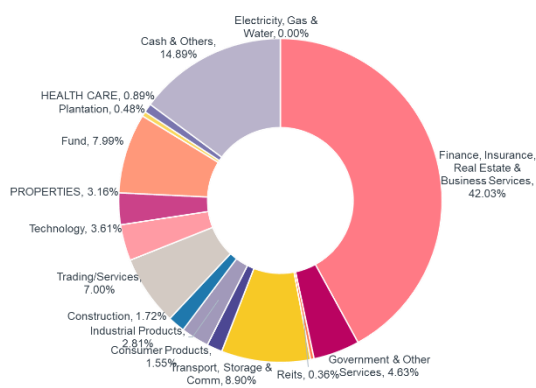
Unit NAV (30 July 2021)	: RM 1.1722
Fund Size (30 July 2021)	: RM 81.41 million
Fund Currency	: Ringgit Malaysia
Fund Launch	: May 16, 2013
Fund Inception	: Jun 05, 2013
Fund Management Charge	: up to 1.50% p.a
Investment Manager	: AIA Pension and Asset Management Sdn. Bhd.
Basis of Unit Valuation	: Net Asset Value (NAV)
Frequency of Unit Valuation	: Daily
Benchmark	: *20% FBM100 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 2<sup>nd</sup> replacement disclosure document dated 23 Feb 2021.

### Top Five Holding

1.	FIDELITY-G CORP BD FD-YACUSD	7.99%
2.	PEMIMK 3.18 10/11/30	5.85%
3.	SMEMK 3.3 04/23/27	5.61%
4.	CIMBTB 4.15 07/06/29	4.40%
5.	BSTMK 5 ¼ 06/30/26	3.18%

### Sector Allocation



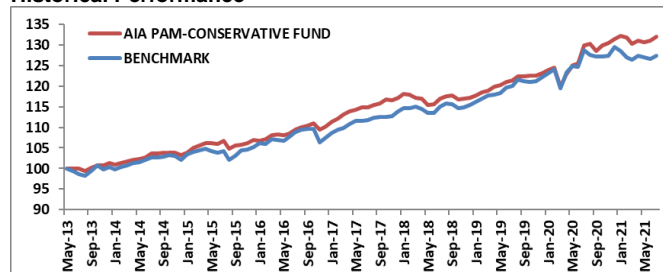
### Risk

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	0.73%	1.58%	12.89%	20.75%	32.05%
Index	0.55%	-1.00%	10.68%	17.15%	27.43%
Excess	0.18%	2.58%	2.21%	3.60%	4.63%

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg at 30 July 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 ("MGS") yield curve twist-flattened in July 2021 with better buying interest seen at the longer end of the curve in line with global rates movement. During the month, BNM kept the Overnight Policy Rate ("OPR") unchanged at 1.75% in the Monetary Policy Committee meeting. Foreign funds turned net sellers of MYR debt securities in June 2021 with outflows of MYR0.5 billion, after 13 months of consecutive inflows which could be attributed to the Federal Reserve hawkish shift in the June's FOMC meeting. As a result, foreign holdings in MGS and GII dipped to 25.7% (May 2021: 26.1%). On the currency front, MYR weakened by 1.77% against the USD to close the month at MYR4.2215.

The FBMKLCI ("Index") fell by 2.5% Month-on-Month ("MoM") to close at 1,494.60 pts on 30 July 2021 owing to rising Covid-19 cases and political concerns. The Index outperformed the MSCI Asia Ex Japan Index, which fell by 6.2% MoM in Malaysian ringgit ("MYR") terms over the same period. In July 2021, foreign flow in Malaysian equities was negative with a net foreign fund outflow of USD308m while domestic institutions and domestic retailers were net buyers.

### Market Outlook

With the vaccine rollouts, we expect an expansive reopening of the global economies led by developed markets towards 2H2021, which should lead to a recovery and a reflationary theme. Having said that, the surge in COVID-19 Delta variant cases in Asia sparked recovery concerns. As such, policy accommodation in the region will likely be extended further. This coupled with ample liquidity in the domestic financial system shall remain supportive of the bond market.

For local equities, we are slightly optimistic given the positive development in the daily vaccination trend but remain cautious about the local political situation. Downside risks to the market could stem from any delay in roll-out of mass vaccination and uncertainties from the fluid domestic political landscape.

This fund fact sheet has not been reviewed by the Securities Commission Malaysia ("SC") and Federation of Investment Managers Malaysia ("FIMM"). The SC and FIMM are not liable for this fund fact sheet and are not in any way associated with this fund fact sheet. The SC and FIMM are not responsible for the contents herein and do not make any representation on the accuracy or completeness of this fund fact sheet, either in whole or in part. A copy of the Second Replacement Disclosure Document dated 23 February 2021 ("Disclosure Document") and the Product Highlights Sheet ("PHS") have been registered and lodged with the SC. The registration of the Disclosure Document and lodgement of the PHS to the SC do not amount to nor indicate that the SC has recommended or endorsed the Private Retirement Scheme ("PRS"). A PHS highlighting the key features and risks of the PRS is available and investors have the right to request for a PHS. Investors are advised to obtain, read and understand the Disclosure Document and the PHS before making a contribution. We suggest that you compare and consider the fees, charges and costs involved prior to making a contribution. The Disclosure Document and the PHS can be obtained from our office, our authorised distributors, consultants or representatives. Any issue of units to which the Disclosure Document relates will only be made on receipt of an application form referred to and accompanying with a copy of the Disclosure Document. The price of units and distributions payable, if any, may go down as well as up. The past performance of the PRS should not be taken as an indication of its future performance. Specific risks and general risks for the PRS are elaborated in the Disclosure Document. Investors are advised to understand the risks involved in the PRS and make your own risk assessment and seek professional advice, where necessary.