



## 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.

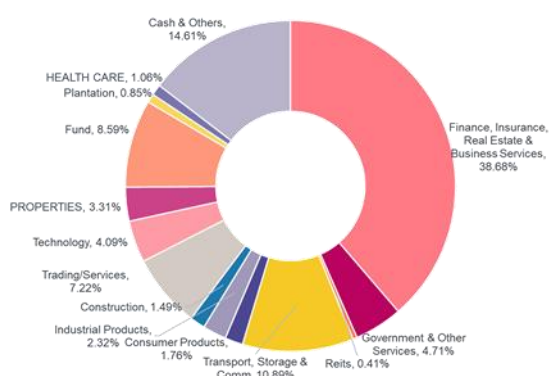
### Fund Details

|                              |   |
|------------------------------|---|
| Unit NAV (31 December 2021)  | : RM 1.1800   |
| Fund Size (31 December 2021) | : RM 72.54 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. |

### Top Five Holding

|    |                              |       |
|----|------------------------------|-------|
| 1. | FIDELITY-G CORP BD FD-YACUSD | 8.59% |
| 2. | BPMB IMTN 3.180% 11.10.2030  | 6.45% |
| 3. | CIMB THAI 4.150% 06.07.2029  | 4.87% |
| 4. | SPORTS TOTO 5.25% 30.6.2026  | 3.50% |
| 5. | CCB IMTN 3.920% 28.03.2025   | 3.43% |

### Sector Allocation



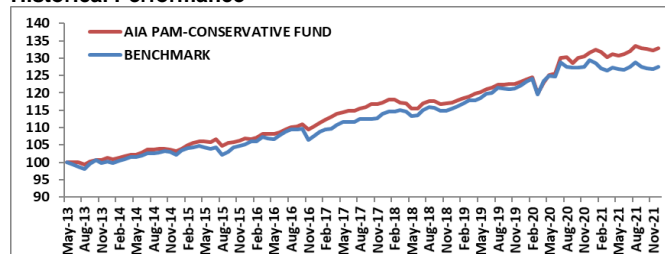
### Risk

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   | 0.46%  | 1.05%  | 13.38%  | 20.58%  | 32.93%           |
| Index  | 0.51%  | -1.50% | 10.49%  | 18.53%  | 27.53%           |
| Excess | -0.05% | 2.55%  | 2.89%   | 2.04%   | 5.41%            |

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg at 31 December 2021.

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

### Market Review

Malaysian Government Securities ("MGS") yield curve flattened, primarily driven by year-end rebalancing flows which drove the longer tenor yields lower while the front-end of the curve was pressured by the short-dated benchmark bond reopening auction amid thin year-end liquidity. On the currency front, MYR strengthened by 1.21% against the greenback to close the month at MYR4.1600. Foreign funds were net seller of MYR3.6 billion in Nov 2021 (Oct 2021: +MYR2.9 billion) partly due to the MYR10 billion MGS maturity on 30 Nov which was not fully rolled over in the domestic market.

The FBM100 ("Index") rose by 2.3% Month-on-Month ("MoM") and outperformed the MSCI Asia Ex Japan Index, which fell by 0.1% MoM in Malaysian ringgit ("MYR") terms over the same period. During the month, all sectors were broadly higher, led by Industrial Products & Services (+7.0%), Financial Services (+4.5%) and Telecommunications & Media (+3.9%) except for Health Care (-1.3%). Notable news flows during the month included the announcement by the Ministry of Finance that stamp duty cap for share trading will be reinstated at RM1,000, with a rate of 0.15%, and tax exemption of all types of foreign incomes for individuals as well as extension of tax the exemption of dividend incomes earned by limited liability companies and partnerships.

### Market Outlook

Global economy would generally see higher growth and inflation in 2022, hence monetary policy withdrawals are likely. However, there could be potential divergence of policy measures by key central banks driven by the pace of economic recovery. Domestically, Bank Negara Malaysia's policy measures should remain accommodative in the near term and the supply of sovereign bonds should be well absorbed by the market.

As for equity, investors are currently watching the macro data closely to gauge the strength of inflationary pressure and the timing of a QE tapering. That said, equities remain the preferred asset class given the expectation of bond yield resuming its upwards trend upon US Fed tapering in 2022.

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