



# 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.

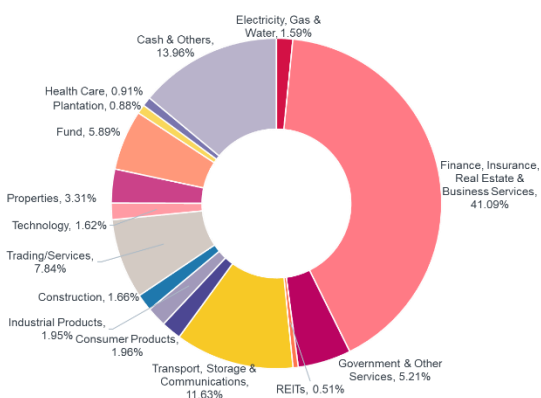
### Fund Details

Unit NAV (30 June 2022)	: RM 1.1375
Fund Size (30 June 2022)	: RM 69.8 million
Fund Currency	: Ringgit Malaysia
Fund Launch	: May 16, 2013
Fund Inception	: June 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.	BPMB IMTN 3.180% 11.10.2030	6.43%
2.	FIDELITY-G CORP BD FD-YACUSD	5.89%
3.	CIMB THAI 4.150% 06.07.2029	4.99%
4.	SPORTS TOTO 5.25% 30.6.2026	3.60%
5.	CCB IMTN 3.920% 28.03.2025	3.52%

### Sector Allocation



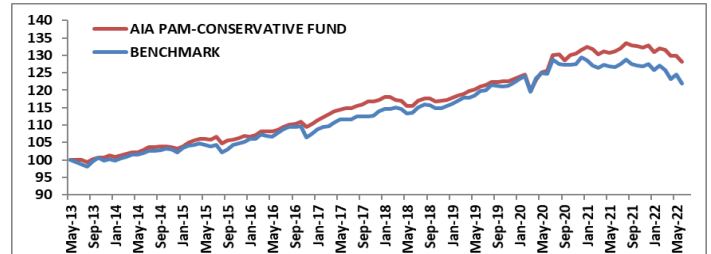
### Risk

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	-1.38%	-2.25%	5.84%	11.54%	28.15%
Index	-2.03%	-3.85%	1.78%	9.17%	21.85%
<b>Excess</b>	<b>0.66%</b>	<b>1.60%</b>	<b>4.06%</b>	<b>2.37%</b>	<b>6.29%</b>

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg at 30 June 2022.

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

### Market Review

Malaysian Government Securities ("MGS") yield curve bear flattened tracking global rates movement after the 75 basis points ("bps") rate hike by the US Federal Reserve ("Fed") at the June Federal Open Market Committee ("FOMC") meeting. The yields of 3-year, 5-year and 10-year MGS rose to 3.51% (+5bps), 3.96% (+21 bps) and 4.26% (+6 bps) respectively as of end-June 2022. Malaysia's Consumer Price Index accelerated to 2.8% year on year ("YoY") in May 2022 (April 2022: +2.3% YoY) while core inflation rose for the eighth consecutive month at 2.4% YoY in May 2022 (Apr 2022: 2.1%) indicating a rising price trend.

In the equity space, the FBMKLCI ("Index") fell by 8.02% Month-on-Month ("MoM") to close at 1,444.22 pts on 30 June 2022, underperforming the MSCI Asia Ex Japan Index, which fell by 4.48% MoM in Malaysian ringgit ("MYR") terms over the same period. Foreign investors were net sellers of Malaysian equities totalling RM1.3 billion during the month while retailers and local institutions turned net buyers. After a volatile first quarter, global markets ended May broadly flat despite significant intra-month volatility. Key macro risks such as the war in Ukraine (with no clear sign of resolution), hawkish central bank policy and China's covid restriction continue to dominate headlines. Both the MSCI World index and S&P 500 gained 0.2% for the month while the MSCI Emerging Market index rose 0.5%. US headline inflation for May came in higher than expected at 8.6%, hitting a high since 1981. As a result, the Fed raised interest rate by 75 basis points (bps) in its June meeting and the rate is expected to hike between 50-75 bps in the next meeting to combat inflation.

### Market Outlook

Apart from Japan, global central banks have started to hike policy rates with clear commitments to rein in inflationary expectations leading to an environment of rising interest rates which would put pressure on the valuation for stocks. Ongoing geopolitical tension between Russia and Ukraine remains unabated with EU now committing to restrict energy imports from Russia while sourcing for alternative supplies elsewhere with clear implications for global energy markets and supply chain. Recent US inflation data raised expectations of further interest rate hikes by US Federal Reserve which resulted in heightened market volatility and increased risk aversion among investors.

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