



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.

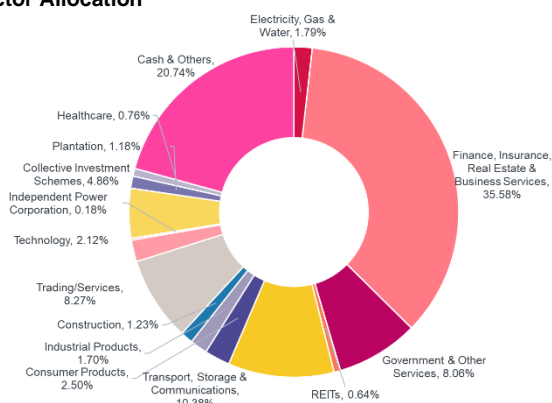
Fund Details

Unit NAV (31 December 2022)	: RM 1.1635
Fund Size (31 December 2022)	: RM 72.2 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% FBM 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	6.31%
2.	FIDELITY-G CORP BD FD-YACUSD	4.86%
3.	SPORTS TOTO 5.25% 30.6.2026	3.47%
4.	CCB IMTN 3.920% 28.03.2025	3.40%
5.	SUSTAINABILITY GII 3/2022 4.662% 31.3.2038	2.89%

Sector Allocation



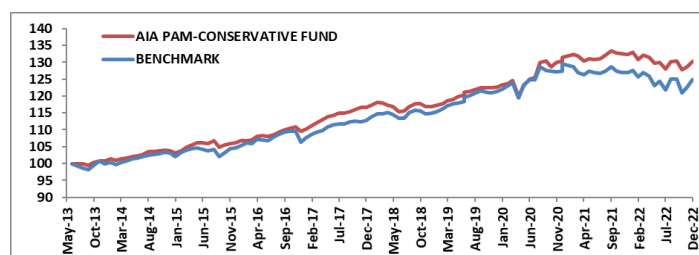
Risk

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	0.74%	-1.40%	6.38%	11.77%	31.07%
Index	0.50%	-1.57%	2.80%	10.18%	25.52%
Excess	0.25%	0.18%	3.59%	1.59%	5.55%

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg at 31 December 2022.

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

Market Review

Malaysian Government Securities ("MGS") yield curve steepened in December 2022 amid seasonally thin year-end liquidity. The market has generally shrugged off the 50bps hike in the federal funds target rate during December's Federal Open Market Committee ("FOMC") meeting and the hawkish tilt in US Federal Reserve ("Fed") Chair Jerome Powell's messaging in the post-meeting press conference which focused on a potential Fed pivot on the back of recessionary fears and November's weaker-than-expected US Consumer Price Index ("CPI") report.

Foreign outflows narrowed to MYR0.9 billion in December 2022 (November 2022: -MYR1.0 billion), bringing the cumulative foreign outflow to MYR9.8 billion for year 2022 (2021: +MYR33.6 billion). Foreign holdings in MGS and Government Investment Issue ("GII") increased slightly to 43.1% in December 2022 (November 2022: 42.9%).

Malaysia's headline inflation eased to 6 months low of 3.8% YoY in December 2022 (November 2022: 4.0% YoY) as the price increased in several sectors, including food and transport, albeit slowing down over the month. Food and non-alcoholic group which weighted 29.5% in the CPI, registered an increase of 6.8% in December 2022, as compared to 7.2% in November 2022. Malaysia's industrial production index ("IPI") grew 3% in December 2022 (November 2022: 4.8%), supported by the expansion of the manufacturing and mining sectors. Overall, in year 2022, IPI growth narrowed to 6.9% from 7.2% in 2021.

The FBMKLCI rallied by 0.45% Month-on-Month ("MoM") to close at 1,495.49 pts on 30 December 2022. The Index outperformed the MSCI Asia Ex Japan Index, which fell 1.27% MoM in Malaysia Ringgit ("MYR") terms over the same period. Foreign investors stayed net sellers of Malaysian equities amounting to MYR1.4 billion in December 2022, which local institutions stayed net buyers with MYR1.6 billion. During the month, sector wise, Energy (+7.9%), Plantation (+7.6%), and Utilities (+2.2%) were the key performers while Telecommunications & Media (-1.6%), Technology (-0.9%) and Financial Services (-0.7%) were the key detractors.

Market Outlook

Central banks remain hawkish towards their objective of combating inflation and have somewhat pointed towards an imminent pause in the policy tightening cycle. With inflationary pressure from energy prices and supply chains easing, central banks are expected to be more focused on domestic labour markets and to avoid the wage price spiral that could keep inflation higher for longer. Nevertheless, Fed Chair confirmed that rates will be higher for longer, with risks to prematurely pause the tightening cycle. Going into 1Q23, we expect rates volatility to linger given that Fed reiterated its hawkish tone against a slightly more dovish market reaction thus far. Domestically, with the positive outlook on domestic growth and still elevated core inflation for 2023, we believe BNM would most likely continue its normalization cycle into 1Q23, unless demand-driven data suggests otherwise.



Disclaimer

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, 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.