



## 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.

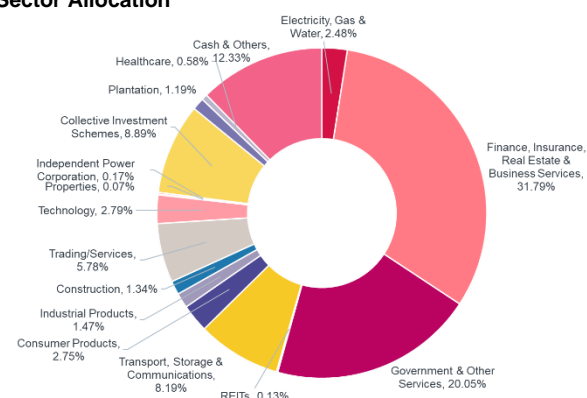
### Fund Details

Unit NAV (31 July 2023)	: RM 1.1977
Fund Size (31 July 2023)	: RM 71.7 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% FBM100 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 FUNDS-GLOBAL CORP BOND FUND	8.89%
2.	SUSTAINABILITY GII 3/2022 4.662% 31.3.2038	4.49%
3.	CCB IMTN 3.920% 28.03.2025	3.46%
4.	GII MURABAH 2/2023 4.291% 14.08.2043	3.11%
5.	MGS 4/2018 4.893% 08.06.2038	3.06%

### Sector Allocation



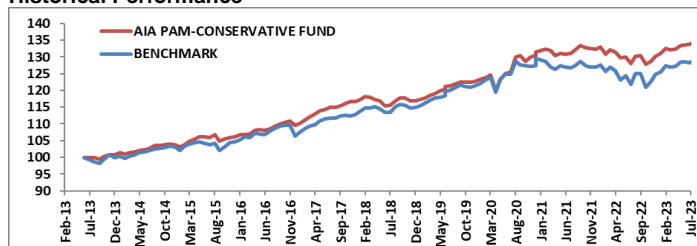
### Risk

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	0.86%	3.57%	3.79%	15.34%	34.93%
Index	1.10%	3.81%	0.82%	12.70%	29.77%
Excess	-0.24%	-0.24%	2.97%	2.64%	5.16%

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg at 31 July 2023.

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

### Market Review

Malaysian Government Securities ("MGS") traded mixed last month. Short-end yields came under pressure at the start of the month on expectations of tighter market liquidity and as market participants de-risked ahead of Bank Negara Malaysia ("BNM")'s Monetary Policy Committee ("MPC") decision. Subsequently, local government bonds rallied and reversed some of their losses after the release of weaker-than-expected US Consumer Price Index ("CPI") data for June, with the rally led by a good mix of buying flows from both onshore and offshore participants across the curve. Towards month-end, trading interests turned relatively subdued ahead of the key rate decision by the US Federal Open Market Committee ("FOMC") meeting, which eventually saw the US Federal Reserve ("Fed") hiked the federal funds rate by 25 bps following a pause in the May FOMC meeting.

Foreign net inflows continued for the 7<sup>th</sup> successive month, accelerating to MYR11.3 billion in July 2023 (June 2023: +MYR5.2 billion). Foreign holdings in MGS and Government Investment Issue ("GII") increased to 24.2% (June: 23.4%).

Malaysia's headline inflation for June 2023 decelerated further to 2.4% Year-on-Year ("YoY") (May 2023: 2.8% YoY), mainly due to the deceleration in the Food & Non-Alcoholic Beverages, Housing, Utilities & Other Fuels and Transport sectors. Core inflation, which excludes the more volatile prices of fresh food as well as administered prices of goods by the government grew by 3.1%YoY (May 2023: +3.5%YoY).

The FBMKLCI ("Index") posted a remarkable 6.0% Month-on-Month ("MoM") gain and closed at 1,459.43 pts on 31 July 2023. This market rally is driven by foreign buying, improved market sentiments following the launch of the Madani Economic Framework and National Energy Transition Roadmap, and the strengthening of the Ringgit. The Index outperformed the MSCI Asia Ex Japan Index, which rose 2.1% MoM in Malaysia Ringgit ("MYR") terms over the same period. In July, foreign investors returned as net buyers of MYR1.4 billion, while local institutions emerged as the largest net sellers with a net sell value of MYR748 million.

### Market Outlook

We are cautiously optimistic on the equity and fixed income market in the near term. We are of the view that we have already seen the peak of Fed's hawkishness and equities valuation has been partially adjusted downwards accordingly. Recent inflation readings and economic data from the US have shown signs of moderation. Domestically, BNM has kept the overnight policy rate ("OPR") unchanged at its recent MPC meeting. Against the backdrop of moderating inflation expectations as well as growth outlook in 2H23, the possibility of further OPR hikes for the rest of the year may be remote at this juncture, barring the uncertain timing of subsidy rationalization. For 2023, we expect rates volatility to linger due to uncertainties surrounding central banks' future monetary policy moves on the back of differing and changing views as market conditions evolve.



---

**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.