



## 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.

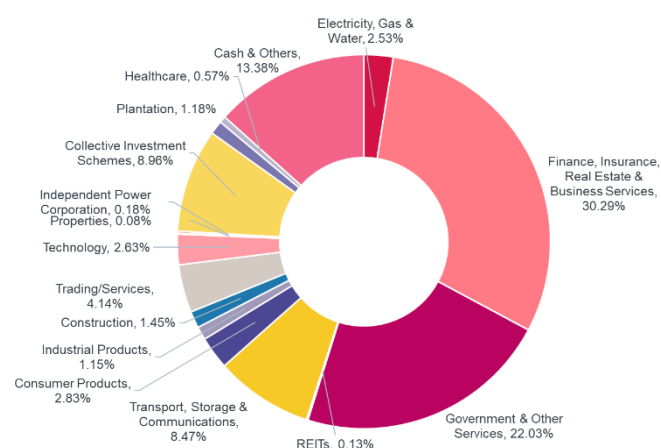
### Fund Details

Unit NAV (30 November 2023)	: RM 1.2116
Fund Size (30 November 2023)	: RM 69.7 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% 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.	FIDELITY FUNDS-GLOBAL CORP BOND FUND	8.96%
2.	SUSTAINABILITY GII 3/2022 4.662% 31.3.2038	4.61%
3.	MGS 1/2023 4.457% 31.03.2053	3.68%
4.	CCB IMTN 3.920% 28.03.2025	3.56%
5.	GII MURABAH 2/2022 5.357% 15.05.2052	3.31%

### Sector Allocation



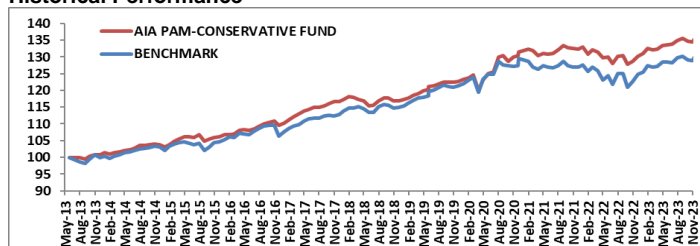
### Risk

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	^5-Year	^10-Year	^Since Inception
Fund	1.47%	4.91%	16.74%	35.48%	36.49%
Index	1.75%	5.02%	14.22%	31.35%	31.17%
Excess	-0.28%	-0.11%	2.52%	4.13%	5.32%

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg at 30 November 2023.

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

### Market Review

The Malaysian Government Securities ("MGS") yield curve shifted lower during the month in tandem with the strong rally in US Treasuries ("UST") after the US Federal Open Market Committee ("FOMC") kept the fed funds rate unchanged. While this was largely expected, market participants had a neutral to slightly dovish assessment of US Federal Reserve ("Fed") chairman Jerome Powell's speech. Other factors which contributed to the rally in UST included the weaker-than-expected purchasing manager's index ("PMI") data, lower-than expected coupon supply from the UST quarterly refunding announcement, as well as weaker labour market and inflation prints. Domestic bonds tracked the rally as market participants who were previously light on positioning decisively added on positions.

Foreign funds turned net buyers for local bonds in November 2023 with MYR5.4 billion inflows (October: -MYR2.6billion) as lower UST yields supported risk sentiment and dampened the demand for USD.

Malaysia's headline inflation moderated to 1.8% YoY in October 2023 (September 2023: +1.9% YoY), the lowest level since March 2021. Components that partly contributed to a lower rise were alcoholic beverages and tobacco (+0.6% YoY) as well as clothing and footwear (0.0% YoY), while food and non-alcoholic beverages inflation remained high at 3.6% YoY. Malaysia's industrial production rebounded to expand by 2.7% in October 2023 (September 2023: -0.5% YoY), contributed by the improved performance of mining sector, and continuous growth in electricity and manufacturing sector's output.

The FBMKLCI ("Index") rose 0.74% Month-on-Month ("MoM") to close at 1,453 pts on 30 November 2023. The Index underperformed the MSCI Asia Ex Japan Index, which rose 4.57% MoM in Malaysian Ringgit ("MYR") terms over the same period. Foreign investors turned net buyers of Malaysian equities amounting to MYR1.6 billion in November 2023 while local institutions turned net sellers with net sell flow of MYR1.5 billion.

### Market Outlook

Latest FOMC meeting in November left rates unchanged with market estimating the hiking cycle is over. Although recent inflation readings and economic data from the US have shown signs of moderation, the US Federal Reserve ("Fed") continues to reiterate the need to maintain tighter monetary policy. Domestically, BNM has kept the OPR unchanged at its recent Monetary Policy Committee ("MPC") meetings. Moving forward, we expect rate volatility to remain due to uncertainties surrounding economic data and central banks' future monetary policy moves as market conditions evolve. We are cautiously optimistic on the equity and fixed income market in the near term.



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