



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.

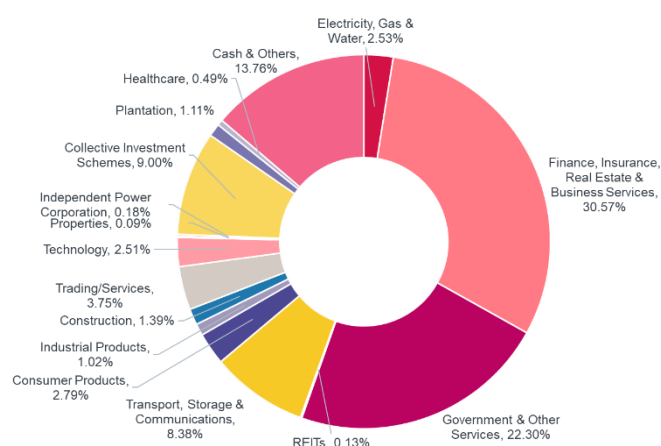
Fund Details

Unit NAV (29 December 2023)	: RM 1.2244
Fund Size (29 December 2023)	: RM 71.3 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.	FIDELITY FUNDS-GLOBAL CORP BOND FUND	9.01%
2.	SUSTAINABILITY GII 3/2022 4.662% 31.3.2038	4.54%
3.	MGS 1/2023 4.457% 31.03.2053	3.63%
4.	CCB IMTN 3.920% 28.03.2025	3.49%
5.	GII MURABAH 2/2022 5.357% 15.05.2052	3.28%

Sector Allocation



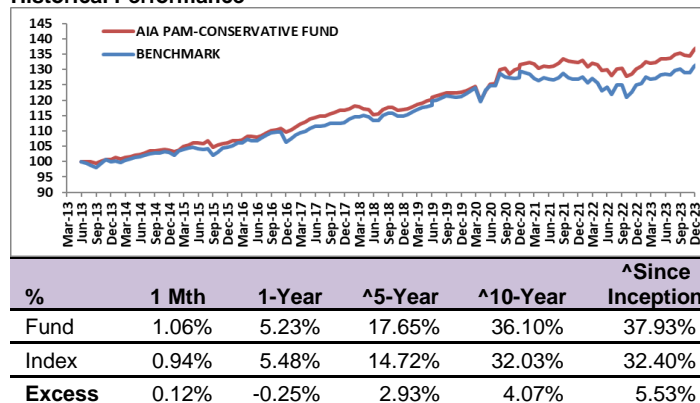
Risk

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



Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg at 29 December 2023.

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

Market Review

The Malaysian Government Securities ("MGS") yield curve bull flattened in December following a strong rally in US Treasuries ("UST") after the US Federal Open Market Committee ("FOMC") kept the federal funds target range unchanged at 5.25% to 5.50%. US Federal Reserve ("Fed") chairman Jerome Powell's speech leaned towards a dovish tilt and discussion has started on the appropriate timing for rate cut. On the currency front, Malaysian ringgit ("MYR") strengthened against the United States dollar ("USD") by 1.47% to end the year at 4.5940, as compared to 4.6625 in November.

Foreign funds turned net sellers for local bonds in December 2023 with MYR2.1 billion outflows (November: +MYR5.4billion) despite expectations of Fed pivot that supported risk sentiment. Full year inflows totalled at RM23.6billion in 2023, noticeable improvement from RM9.8billion outflows in 2022.

Malaysia's headline inflation moderated to 1.5% YoY in November 2023 (October 2023: +1.8% YoY). Food & Non-alcoholic Beverages and Restaurants and Hotels saw deceleration in the price increase. Core CPI also eased to 2.0% YoY in November 2023 (October 2023: 2.4%). Meanwhile, Malaysia's industrial production index rebounded to 2.7% YoY in October 2023 (September 2023: -0.5% YoY), mainly contributed by Manufacturing, Electricity and Mining sectors.

The FBMKLCI ("Index") rose 0.13% Month-on-Month ("MoM") to close at 1,454.66 pts in December 2023. The Index underperformed the MSCI Asia Ex Japan Index, which rose 1.73% MoM in Malaysian Ringgit ("MYR") terms over the same period. Foreign investors stayed net buyers of Malaysian equities amounting to MYR0.3 billion in December 2023 while local institutions stayed net sellers with net sell flow of MYR56.2 million.

Market Outlook

The recent US economic data releases are suggestive of a softening in economic activities and moderation in inflation. As such, the aggressive hiking cycle could be in its final phase. Domestically, Bank Negara Malaysia ("BNM") may keep its Overnight Policy Rate ("OPR") unchanged in the coming meetings as it observes domestic inflation trend. We expect a brighter outlook in Malaysia given the lower political risk premium amidst a more stable unity government coupled with stronger corporate earnings upside arising from the implementation of the government's pump priming initiatives as well as launching of mega energy renewal and infrastructure projects. We are cautiously optimistic on the equity and fixed income market in the near term. Downside risks to the market could stem from a hard landing US recession, worsening geopolitical tension, and weak China economy.



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.