



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

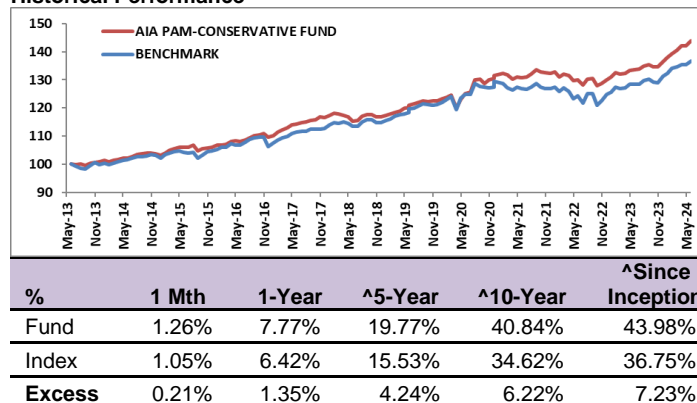
Investment Strategy

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 May 2024)	: RM 1.2781
Fund Size (31 May 2024)	: RM 71.9 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.

Historical Performance



Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg at 31 May 2024.

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

Market Review

The Malaysian Government Securities ("MGS") yield curve shifted lower in May 2024, tracking a recovery in the United States ("US") Treasuries market amidst the Federal Reserve's ("Fed") decision to keep the Fed Funds rate on hold and a series of softer economic data releases where both Consumer Price Index and Personal Consumption Expenditure data for April 2024 came in below expectations. On the domestic front, Bank Negara Malaysia's ("BNM") decision to keep the Overnight Policy Rate unchanged at its Monetary Policy Committee ("MPC") meeting on 9 May 2024 which although widely expected, supported sentiment during the month. The MGS market also benefited from robust domestic demand from local investors with a healthy appetite for duration as evidenced by the high bid-to-cover ("BTC") ratio observed at the long-end government security auctions.

Foreign funds net bought MYR5.5billion in May 2024, with cumulative flows turned positive at MYR1.5billion Year-to-date ("YTD"). Regionally, the local markets of Indonesia and Thailand also saw net inflows.

Malaysia's headline inflation held steady at 1.8% Year-of-Year ("YoY") in April 2024 (March 2024: +1.8% YoY). Increases in food & beverages, restaurant & accommodation services and personal care, social protection as well as miscellaneous goods and services were offset by declines in information & communications, clothing and financial services. Malaysia's industrial production grew at a slower pace of 2.4% YoY in March 2024 (February 2024: +3.1% YoY) following contractions in mining and electricity production, and slower growth in manufacturing production.

The FBMKLCI ("Index") rose 1.31% Month-on-Month ("MoM") to close at 1,596.68pts in May 2024. The Index outperformed the MSCI Asia ex Japan Index, which fell 0.06% MoM in Malaysian Ringgit ("MYR") terms over the same period. Foreign investors turned net buyers of Malaysian equities amounting to MYR1.5 billion while local institutions became net sellers of MYR978 million during the month.

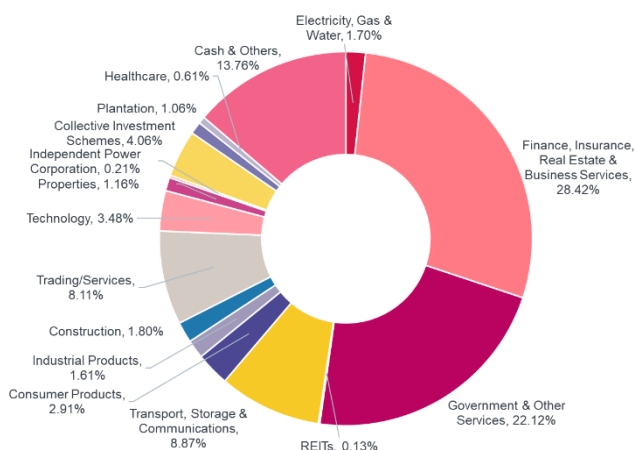
Market Outlook

All eyes will be on the Fed's potential pivot to interest rate cuts amid sign of a slower economic growth and easing inflation. Although inflation continues to moderate, recent US economic data releases are suggestive of a resilient US economy and labour market. As such, we are of the opinion that the US Federal Reserve ("Fed") will likely proceed carefully to avoid any premature rate cuts which could fuel reflation risks. Domestically, Bank Negara Malaysia may keep its Overnight Policy Rate unchanged in the coming meetings as it observes the domestic inflation trend. These factors are supportive of the domestic bond market while the market observes developments on global central banks' monetary policy decisions, geopolitical risks, and the US presidential elections. We are cautiously optimistic on the equity and fixed income market in the near term.

Top Five Holding

1.	FIDELITY FUNDS-GLOBAL CORP BOND FUND	4.07%
2.	MGS 2/2020 2.632% 15.04.2031	3.61%
3.	CCB IMTN 3.920% 28.03.2025	3.46%
4.	MGS 3/2018 4.642% 07.11.2033	2.94%
5.	PRASARANA IMTN 4.610% 30.01.2048	2.94%

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.



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. This fund fact sheet is prepared for information purposes only. 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.