



AIA PAM – Moderate Fund

Investment Objective

The Fund seeks to provide returns through a combination of income* and capital growth.

**Income will be reinvested in additional Units in the Fund*

Investment Strategy

The Fund will invest in equities that are trading below their fair value and equities offering a dividend yield above the market average. The Fund will invest in local and foreign markets. The Fund will also invest at least 35% of its NAV in local fixed income instruments with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC.

Fund Details

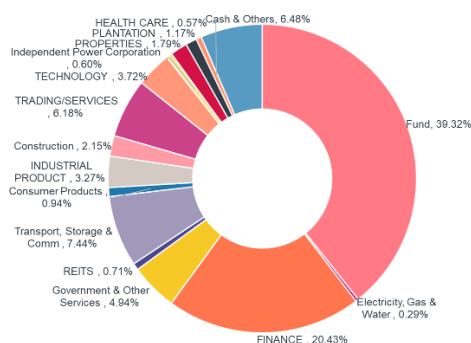
| | |
|-----------------------------|---|
| Unit NAV (30 June 2021) | : RM 1.4023 |
| Fund Size (30 June 2021) | : RM 151.09million |
| Fund Currency | : Ringgit Malaysia |
| Fund Launch | : May 16, 2013 |
| Fund Inception | : Jun 05, 2013 |
| Fund Management Charge | : up to 1.50% p.a |
| Investment Manager | : AIA Pension and Asset Management Sdn. Bhd. |
| Basis of Unit Valuation | : Net Asset Value (NAV) |
| Frequency of Unit Valuation | : Daily |
| Benchmark | : 25% FBMT 100 Index + 15% MSCI AC Asia ex Japan Index + 40% Quant Shop MGS All Bond Index + 20% MSCI World Index |

**Note: Change of benchmark with effect from 23 February 2021 due to the revised asset allocation as stated in the 2nd replacement disclosure document dated 23 Feb 2021.*

Top Five Holding

| | | |
|----|------------------------------|--------|
| 1. | FIDELITY FDS-ASIA P OP-I USD | 15.33% |
| 2. | Schroder Glob Sust Grth-CA | 12.94% |
| 3. | FIDELITY FDS-GL FOCUS-IAUSD | 6.40% |
| 4. | Schroder In Asia P XJP E-CAC | 5.08% |
| 5. | PBKMK 4.65 08/03/27 | 3.78% |

Sector Allocation



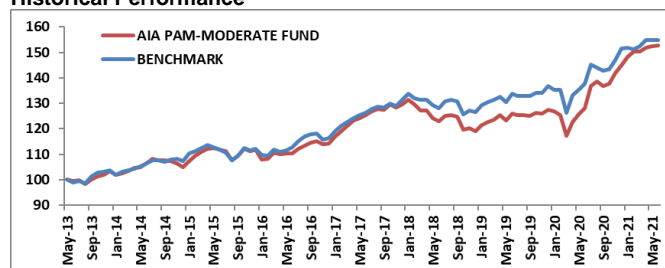
Risk

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 | 0.11% | 19.20% | 24.30% | 38.36% | 52.68% |
| Index | 0.01% | 12.48% | 21.11% | 37.38% | 54.93% |
| Excess | 0.10% | 6.72% | 3.19% | 0.98% | -2.25% |

Source: AIA Pension and Asset Management Sdn. Bhd., Bloomberg at 30 June 2021.

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

*Note: Change of performance reporting method from annualised to cumulative returns with effect from July 2020 to provide better clarity and follow common practice by industry players.

Market Review

Malaysian Government Securities ("MGS") yield curve bull flattened in June 2021 as S&P affirmed Malaysia's long-term sovereign credit ratings at A- with a negative outlook. Foreign inflows into MYR debt securities continued but slowed in May 2021 at MYR1.9 billion, stretching to 13 months of consecutive inflow in line with broad regional debt flows given the stability of the US Treasury ("UST") yields. Foreign holdings in MGS and GII dipped slightly to 26.1% (Apr 2021: 26.3%). Separately, MYR weakened by 0.42% against the greenback to close the month at MYR4.1482.

The FBM100 ("Index") fell by 2.9% Month-on-Month ("MoM") and underperformed the MSCI World Index, which rose by 2.0% MoM in Malaysian ringgit ("MYR") terms. June looks to be the weakest month for the Malaysian market YTD with persistently high caseload and fatality rates despite accelerated vaccinations in several key states and urban centres. Meanwhile, Korean equities market had a solid return in June as exports continued to be robust and investors anticipate strong corporate earnings in the upcoming results season. The Taiwan market also outperformed the region as new Covid-19 cases continue to decline and the government rolled out additional stimulus measures.

Market Outlook

With the vaccine rollouts, we expect an expansive reopening of the global economies towards 2H2021, which should lead to a recovery and a reflationary theme. Growth prospects and potentially higher funding via supply of government bonds for the stimulus measures would continue to weigh on the yield curve. That said, ample liquidity in the domestic financial system remains supportive of the domestic bond market.

Meanwhile for equity, an expansive reopening of major economies should lead to a recovery. Globally, monetary and fiscal policies are expected to remain accommodative and supportive. Given the rising long-term yield outlook as economic recovery gathers momentum, funds are expected to rotate into equities from bonds. Domestically, the revival of stalled infrastructure projects, trade diversion into Malaysia from the ongoing US China tension, and the recovery in commodity prices should bolster growth and exports going forward. Downside risks to the market could stem from any delay in roll-out of mass vaccination and uncertainties from the fluid domestic political landscape.

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, our 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.