



HEALTHIER, LONGER,  
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# AIA PAM – Dividend Income Fund

July 2025

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# Introducing The Fund: Income + Potential Growth in One Package

## DIVIDEND YIELD

Aim to invest in high dividend-yielding companies.  
e.g.: DBS Bank Singapore (yield 6%)



## Low Volatility

Focus on stable, low beta companies.  
e.g.: Heineken Malaysia (beta of 0.5, yield 6%)



## Direct Equity Investments – Fee Optimisation

100% bottom-up stock picking, direct investment into equities (global and domestic)



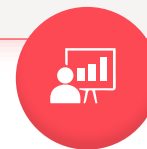
## ABSOLUTE RETURN BENCHMARK OF 6%

Aims to deliver 6% absolute returns on a 3-year rolling basis.



## Reinvest Annual Dividends

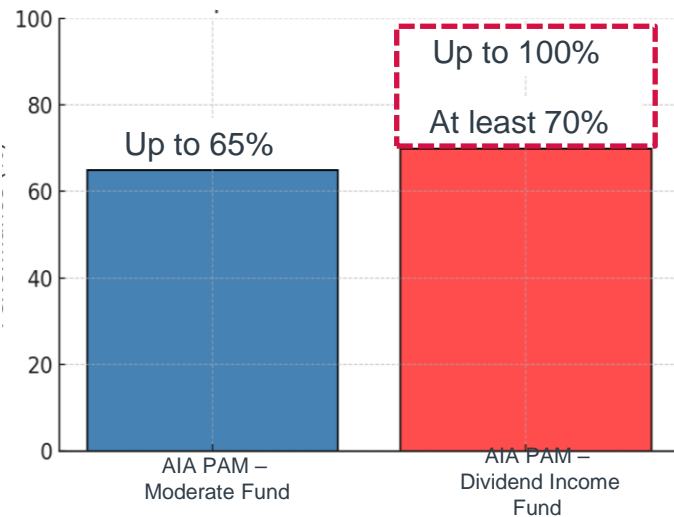
Pays consistent income distribution<sup>^</sup> in the form of units, which will be reinvested for potential compounding growth.



# Key Feature 1: The First-of-its Kind in PRS, Focusing on Dividend Paying Equities

## First of Its Kind in the Industry A PRS Fund Fully Focused on Dividend-Paying Equities

Comparisons of Fund Allocations in Equity\*



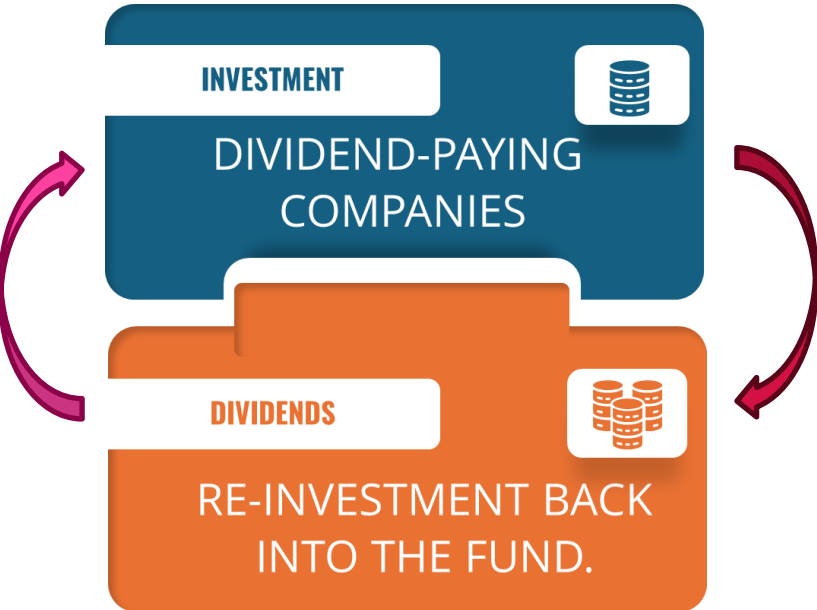
- A first in the Private Retirement Scheme (PRS) industry by being the first to concentrate exclusively on dividend-paying stock picks.
- Unlike traditional PRS funds that may diversify across various asset classes, this fund is purpose-built to potentially generate consistent dividend income.
- Offers investors a unique opportunity to align their retirement plans with a strategy that emphasizes potential long term income generation through equity investments.



# Key Feature 2: Aims to Provide Sustainable Dividend Income

## Sustainable Dividend Income

Generate Regular Payouts from Companies with a Strong Dividend Track Record



Example:	Heineken Malaysia	DBS Singapore
Dividend yield	6.20%	5.80%
Dividend payout frequency	Semi-annual since 2015	Quarterly since 2019
5-year DPS Growth	10.0%	10.5%
Beta (volatility)	0.5	1.2

*\*data from bloomberg as at 14 July 2025*



# Key Feature 3: Direct Investment Into High Quality Income Generating Stocks

## Invest Directly in High-Quality, Income-Generating Stocks



- Rather than spreading investments thinly across a broad index, this fund takes a high-conviction approach (selection of smaller number of carefully researched stocks).
- Selectively invests in a portfolio of high-quality stocks that demonstrate strong fundamentals, consistent earnings, and robust dividend policies.
- This strategy reflects deep research and confidence in each investment, aiming to maximize returns while maintaining a disciplined focus on income generation.

## Key Feature 4: Potential Growth with Stability

### Equity-Oriented Fund with Potential for Capital Growth, Anchored in Low Volatility Stocks



- While the fund is primarily focused on income, it doesn't compromise on growth.
- Includes both domestic and global equities that offer capital appreciation potential.
- The fund emphasizes low-volatility stocks—those that tend to be less sensitive to market swings.
- This balance ensures that investors can enjoy the upside of equity markets while minimizing the risks.

# FUND FOCUS: STRUCTURED INVESTMENT DNA

## Balancing yield with quality

### 1. Attractive Yet Sustainable Yield

Yields of >5%, with payout ratios of >50%, ensuring dividends are well supported by fundamental earnings while having room for further upside

### 3. Strong Free Cash Flow

Consistent, positive free cash flow from business activities

### 5. Management Track Record

Consistency in delivering results and navigating successfully through various market cycles.

### 2. Frequency of payout

The ability to pay out at least annually (some up to quarterly), which indicates business stability, visibility and certainty

### 4. Solid Balance Sheet

Low net debt-to-equity, strong interest coverage for financial resilience to weather market shocks

### 6. Future growth potential

Market leadership and positioning, which is reflected in a steady increase in DPS, not flat or declining.

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# FUND FOCUS: DIVERSIFIED SECTOR ALLOCATION FOR MARKET RESILIENCE

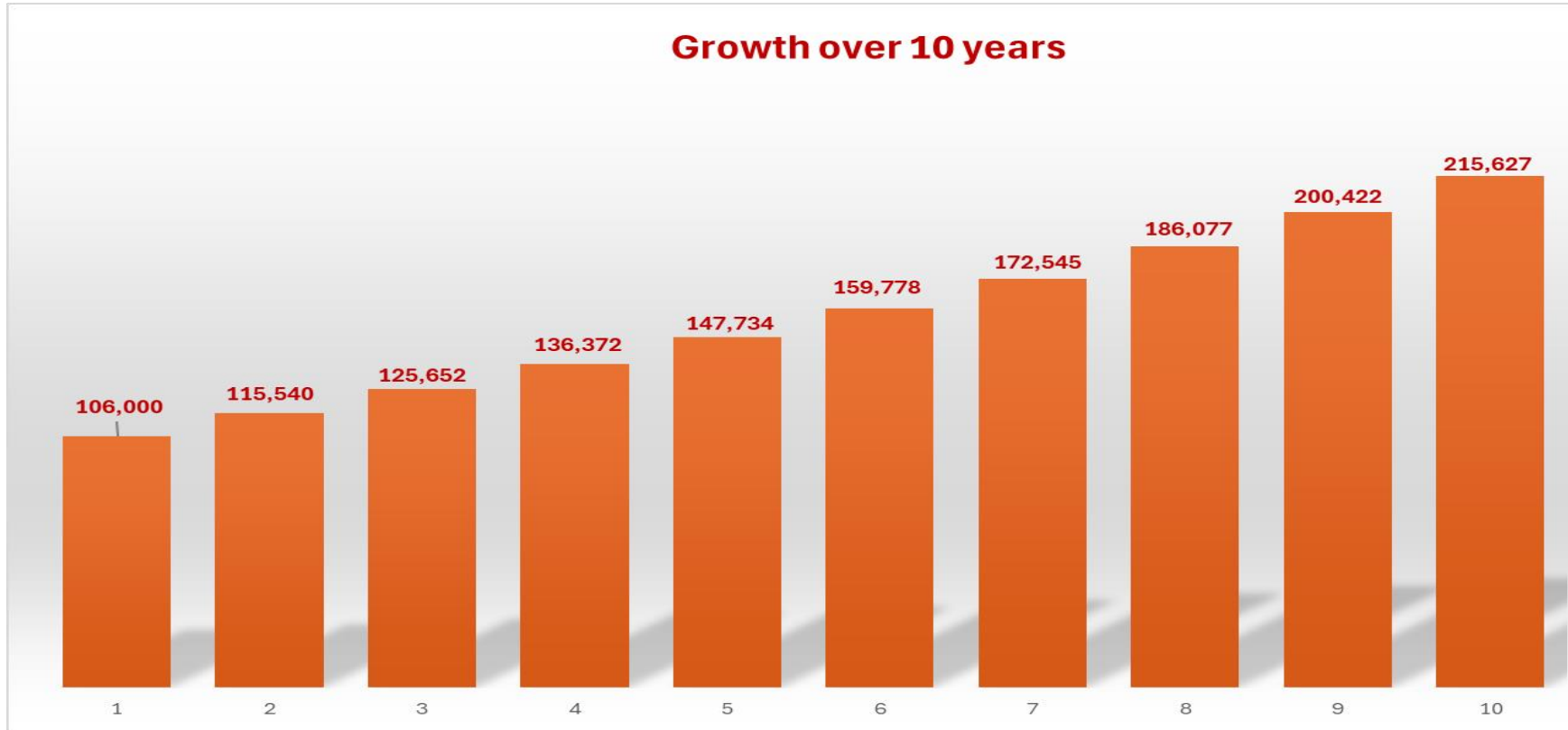


## **Illustration:**

Diversifying across multiple sectors to enhance portfolio resilience including:

- Financial Services (42%)
- REITs (23%)
- Information technology (8%)
- Energy (7%)
- Consumer Staples (4%)

# FUND FOCUS: Dividend Income Helps to Amplify Wealth Over Time



APAM's 10-year model portfolio back-testing for the new fund showed an average dividend return of **over 5.6%**, excluding capital gains.

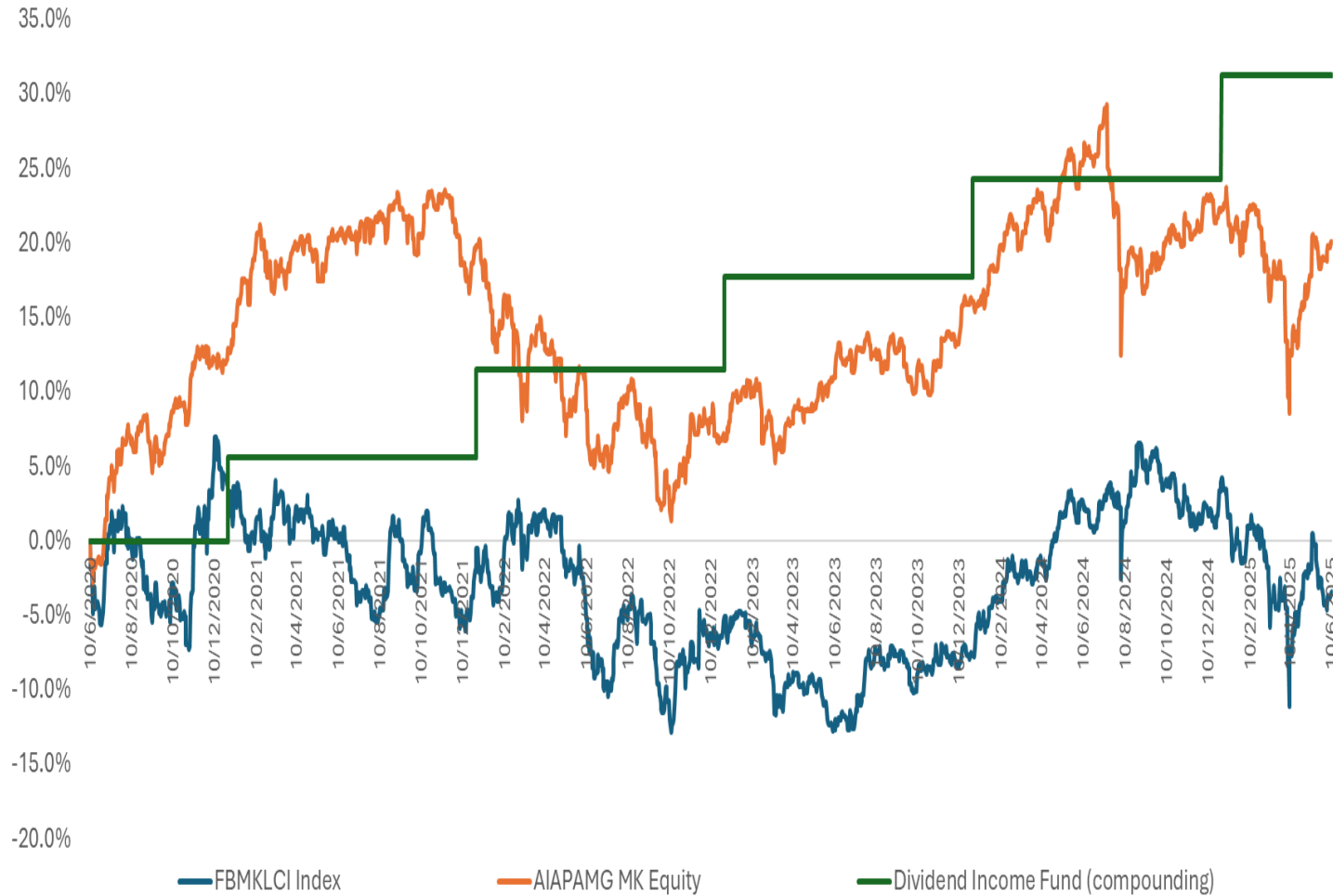
*\*Based on this, a **6% benchmark return** has been set.*

*Past performance should not be seen as an indication of future returns.*

## Diversified Your Investment and Potentially Double Your Retirement Savings in 10 Years

- Based on 6% Benchmark Return\*
- Initial contribution of RM100,000 follow by yearly contribution of RM3,000
- Example: Year 1 (RM100,000), Year 2 (RM3,000), Year 3 (RM3,000), etc

# Dividend Income Fund: What can we potentially expect?



**Source of Calculation:**  
**5 year cumulative\* return (2020-2025)**  
**calculation:**

- **FBMKLCI: -3.4%**
- **APAM's Growth fund: 20.1%.**
- **APAM's Dividend Income Fund: 31.3%**  
(forecasted return based on a 5.6% p.a. yield compounded)

*Source: Bloomberg (10 June 2025), AIA Pension and Asset Management Sdn Bhd.*

*\*The performance is calculated on NAV-to-NAV basis. Past performance is not an indication of future performance*

**Source: Bloomberg (10 June 2025), AIA Pension and Asset Management Sdn Bhd.**

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# FUND FOCUS: Peer Comparisons

Funds	Asset Allocation	Foreign Exposure	Return* 3 Years & 5 Years
AIA PAM - Dividend Income Fund	At least 70% of the Fund's NAV in equities. The remainder of the Fund's NAV in fixed income instruments, money market instruments and/or deposits.	<div><div>✓</div>Global</div>	<div><div></div>Target return of 6% per annum</div>
Unit Trust Company A	Local equity: 71.2% Foreign equity: 26.0% Cash: 2.8%	<div><div>✓</div>Asia Pacific</div>	<div><div></div>6.50 % &amp; 7.70 %</div>
Unit Trust Company B	Local Equity: 97.2% Cash: 2.8%	<div><div>✗</div>None</div>	<div><div></div>9.63 % &amp; 8.13 %</div>
Unit Trust Company C	Local Equity: 66.1% Foreign Equity: 24.9% Cash: 9.0%	<div><div>✓</div>Asia Pacific</div>	<div><div></div>4.70 % &amp; 4.70%</div>
Unit Trust Company D	Local equity: 47.1% Foreign equity: 44.8% Cash: 8.1%	<div><div>✓</div>Asia Pacific</div>	<div><div></div>3.06 % &amp; 5.73 %</div>

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\*Return (Annualized %) as of December 2024





# FUND FOCUS: BENEFITS OF AIA PRS OVER UNIT TRUST

## Fees & Charges

**PRS:** Generally lower sales charges and no redemption charges.

**UT:** Generally higher sales charges and may include redemption charges.

## Tax Benefits

**PRS:** Eligible for up to RM3,000\* personal tax relief annually. Direct tax savings enhance net returns.

**UT:** No tax relief for personal contributions.

## Funds

**PRS:** Simplified fund selection aligned with retirement goals.

**UT:** Wide variety, generally more volatile and not retirement-specific



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# Opportunity with Purpose

# Why Dividend-Focused Investing Works



## 1. Sustainable Recurring Income\*

- Dividends provide a steady income regardless of market volatility.
- Ideal for long-term investors. Any income distribution will be reinvested.

## 2. Historical Outperformance

- Studies<sup>^</sup> (e.g., Ned Davis Research, Fidelity, MSCI) show that dividend-paying stocks, especially “dividend growers”, have outperformed non-dividend stocks over time.

## 3. Sign of Financial Health

- Companies that consistently pay and grow dividends tend to be profitable, mature, and well-managed.
- Dividend discipline often signals strong capital allocation practices.



## 4. Defensive in Down Markets

- Dividend strategies typically experience \*\*less drawdown\*\* during bear markets, offering downside protection.

## 5. Compounding Through Reinvestment

- Reinvesting dividends supercharges compounding – a major driver of long-term returns.

## 6. Anchors Against Speculation

- Dividend-paying companies are often less speculative, reducing exposure to bubbles or overhyped growth stocks.

## 7. Works Across Geographies

- Empirical evidence from the US, Europe, and Asia shows the reliability of dividend strategies over cycles.

<sup>^</sup>Source: Ned Davis Research (31 March 2025), Fidelity Learning Center (Dividend Stocks Outlook Nov 2024), MSCI High Dividend Yield Indexes brochure (2022-2023)

\*Subject to the availability of income, distribution (if any) will be distributed annually



# FUND FOCUS: Purpose Built For Clients Who Aims for Dividend & Stability

01

## Dividend Focus

- Helps preserve purchasing power and acts as a natural hedge against inflation.
- Sustainable recurring income\*, ideal for retirement planning.

02

## Moderate Risk

- Dividend-paying stocks tend to exhibit lower volatility, offering a more stable investment experience.
- Suitable for long-term potential capital appreciation without excessive risk exposure.

03

## Diversified Portfolio

- Sector diversification reduces risk and enhances portfolio resilience.
- Companies that pay regular dividends reflect strong financial health and operational stability.

04

## Reinvestment Benefits

- Contribute to potential growth of retirement savings.
- Potential for compounding returns amplify wealth accumulation over time.



# Extract From Product Highlights Sheet

Investment Objective	The Fund seeks to provide returns through a combination of income* and capital growth.  <i>*Income will be reinvested in additional Units in the Fund.</i>	
Fund Category	Non-Core (Equity)	
Investment Strategy	The Fund will invest at least 70% of its NAV in a portfolio of high quality local and foreign equities of companies with a proven track record of stable dividend payments (for at least 3 years consecutively) and consistent payout frequencies (at least annually). The Fund may invest in foreign equities and the allocation in foreign equities, if any, will not exceed 30% of the Fund's NAV.  The remainder of the Fund's NAV will be invested in fixed income instruments, money market instruments and/or deposits. The Fund will invest in local and foreign markets.	
Asset Allocation	Equities	At least 70% of the Fund's NAV
	Fixed income instruments, money market instruments and/or deposits with financial institutions	Remainder of the Fund's NAV



# Extract From Product Highlights Sheet

<b>Benchmark</b>	Target return of 6% per annum.
<b>Member Profile</b>	Members who: <ul style="list-style-type: none"><li>• are seeking returns over the long-term period; and</li><li>• have a moderate risk appetite.</li></ul>
<b>Financial Year End</b>	30 April.
<b>Minimum Initial Contribution</b>	RM100
<b>Minimum Additional Contribution</b>	RM100

Please refer to [www.aia-prs.com.my](http://www.aia-prs.com.my) for the full Product Highlights Sheet and Disclosure Document



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# Thank you