



February 2022

## MONTHLY FUND PERFORMANCE UPDATE PB INCOME PLUS FUND

### Investment Objective

The Fund seeks growth of capital and income through investment in a diversified portfolio of stocks, bonds and cash by investing in ringgit denominated government and corporate bonds and Malaysian equities.

This Fund will pay a fixed payout of 5 cents per unit per annum for first five (5) years of which 2.5 cents will be distributed semi-annually. However, in the event the income received from the underlying fund is insufficient to support the fixed payout, we have the discretion to liquidate a portion of the Fund's investment fund in order to meet the fixed payout requirement. Any payout will cause the Net Asset Value (NAV) to be adjusted accordingly and thus unit price will decrease.

In any event, if the NAV of the Fund drops to RM0.70 or lower where it is no longer capable of supporting further payouts, the fixed payout will cease. However, the fixed payout will resume when the NAV increases above RM0.70.

After five (5) years, the payout will be made annually if the Fund's NAV price is above RM1.00. The amount of payout declared, if any, may vary from year to year. The NAV will be adjusted accordingly upon each payout.

**Notice:** Please refer to the Fund Fact Sheet for more information about the Fund.

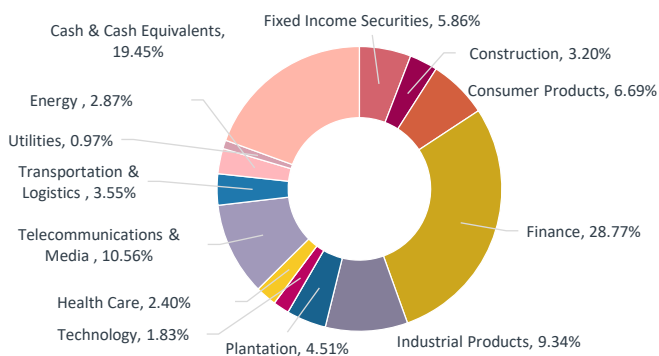
### Fund Details

Unit NAV (28 Feb 2022)	: RM 0.84984
Fund Size (28 Feb 2022)	: RM 5.119 million
Fund Currency	: Ringgit Malaysia
Fund Inception	: 21 July 2014
Offer Price at Inception	: RM0.95
Fund Management Charge	: 1.20% p.a
Investment Manager	: AIA Bhd.
Basis of Unit Valuation	: Net Asset Value
Frequency of Unit Valuation	: Daily

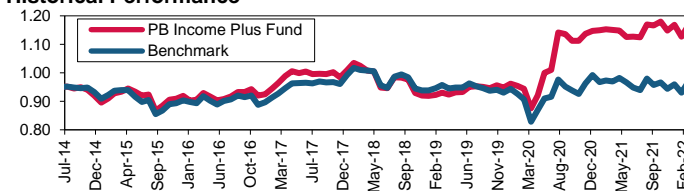
### Top Holdings

1	PUBLIC BANK BHD	7.97%
2	MALAYAN BANKING BHD	6.41%
3	ABU DHABI NATIONAL ENERGY	5.86%
4	CIMB GROUP HOLDINGS BHD	5.30%
5	PETRONAS CHEMICALS GROUP BHD	3.84%

### Asset and Sector Allocation



### Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund <sup>a</sup>	3.12%	-0.70%	0.73%	24.79%	20.48%	22.28%
Benchmark <sup>a</sup>	3.64%	-1.57%	-0.88%	0.79%	4.07%	1.54%
Excess	-0.52%	0.87%	1.61%	24.00%	16.41%	20.74%

<sup>a</sup> Calculation of past performance is based on NAV-to-NAV. This is strictly the performance of the investment fund, and not the returns earned on the actual premiums/contributions paid of the investment-linked product.

\* 70% FBM 100 (Source: Bursa Malaysia) + 30% MGS All Index (Source: RAM QuantShop @ www.quantshop.com)

Note: The total fund returns are inclusive of the payout, if applicable.

**Notice:** Past performance of the Fund is not an indication of its future performance.

### Market Review

The FBMKLCI ("Index") grew 6.4% Month-on-Month ("MoM") to close at 1,608.28 pts on 28 February 2022. The Index outperformed the MSCI Asia Ex Japan Index, which fell by 2.1% MoM in Malaysian ringgit ("MYR") terms over the same period. Foreign investors remained net buyers of MYR2.8 billion of Malaysian equities after adding MYR0.3 billion in January 2022 and local institutional investors remained net sellers of MYR2.9 billion of equities, while retailers turned small net buyers with MYR0.1 billion. During the month, the key gainers of the Index were Sime Darby Plantations (+39.1%), KL Kepong (+24.1%) and IOI Corp (+21.4%) while the key detractors were Hartalega (-19.0%), Maxis (-4.9%), and Top Glove (-3.8%). Plantations (+27.2%), Finance (+5.3%) and Industrials (+4.7%) were the best performers while Technology (-5.3%) and Health Care (-1.7%) dragged. The major theme dominating headlines globally was the geopolitical crisis in Ukraine, along with a surge in commodity prices, impacting both hard commodities such as those in the energy complex and soft commodities like edible oils. Amid this volatility, Malaysian equities stood out as a safe harbour due to the market composition where commodities accounted for 27% of the Index.

Malaysian Government Securities ("MGS") bonds traded mixed during the month amid geopolitical tensions in Europe on the escalating Ukraine-Russia military conflict. The short-dated bonds outperformed as local government securities traded relatively rangebound compared to the volatility seen in the global rates market. On the currency front, the Malaysian ringgit ("MYR") weakened by 0.37% against the greenback to close the month at MYR4.1985. MGS levels as of end-February 2022 were: 3Y at 2.69% (-13 bps), 5Y at 3.29% (+3 bps), 7Y at 3.59% (+7 bps), 10Y at 3.67% (-1 bps), 15Y at 4.07% (-1 bps), 20Y at 4.21% (-4 bps) and 30Y at 4.38% (+6 bps).

There were three government securities auctions during the month: 30Y MGS 6/50 reopening auction with a tender size of MYR2.5 billion and private placement of MYR2.5 billion recorded a bid-to-cover ("BTC") ratio of 2.423x at an average yield of 4.505%, 5Y Government Investment Issue ("GII") 9/27 reopening auction with a tender size of MYR5 billion recorded a BTC ratio of 1.733x at an average yield of 3.495% and 7Y GII 10/28 reopening auction with a tender size of MYR4.5 billion recorded a BTC ratio of 1.75x at an average yield of 3.612%.

Foreign funds inflows continued to increase by MYR3.5 billion in January 2022 (December 2021: MYR6.1 billion) albeit at a slower pace. Despite rising global yields and US dollar ("USD") strength, the narrowing yield differentials did not dent foreign demand sentiment towards local government securities. As a result, foreign holdings in MGS and GII increased to 26.0% (December 2021: 25.9%).

On the economic data front, Malaysia's 4Q2021 real Gross Domestic Product ("GDP") grew by 3.6% Year-on-Year ("YoY") (3Q2021: -4.5%) following the upliftment of containment measures, which brought 2021 full year real GDP growth to 3.1% (2020: -5.6%). The rebound in growth was lifted by expansion in the Manufacturing, Services, and Agriculture sectors, mitigating the decline in the Construction and Mining sectors. On the demand side, all expenditure components expanded, led by private consumption, public consumption, and net exports. Both public and private investments declined, albeit at a slower pace. On Malaysia's foreign reserves, it decreased by USD0.3 billion to USD115.8 billion as of 15 February 2022 (31 January 2022: USD116.1 billion). The reserves are sufficient to finance 6.1 months of retained imports and 1.2x of short-term external debt. Malaysia's exports recorded a robust expansion of 23.5% YoY in January 2022 (December 2021: 29.2%) while imports rose faster at 26.4% YoY (December 2021: 23.6%), narrowing trade surplus to MYR18.4 billion (December 2021: MYR30.99 billion). Exports growth was broad based, led by manufacturing goods on continued strength in the electrical & electronics, manufactures of metal, petroleum products, chemicals & chemical products and palm oil based manufactured products. Imports growth was driven by higher intermediate imports, followed by capital goods and consumption goods. Separately, Malaysia's Consumer Price Index ("CPI") in January 2022 eased to 2.3% YoY (December 2021: +3.2% YoY) on diminishing base effects despite higher prices of Food & Non-Alcoholic Beverages. The increase was mainly driven by Transport, Food & Non-Alcoholic Beverages and Furniture, Household Equipment and Routine Household Maintenance. Meanwhile, Malaysia's industrial production index registered a slower growth of 5.8% YoY in December 2021 (November 2021: 9.4%), largely dragged by a decline of 2.5% YoY in the Mining sector. Both the manufacturing and electricity indices increased by 8.4% YoY and 3.7% YoY respectively.

On the primary corporate bond space, notable issuances included MYR550 million Cagamas Berhad MTN, MYR750 million Pengurusan Air SPV Berhad IMTN, MYR500 million Batu Kawan Berhad IMTN, MYR323 million YNH Property Berhad IMTN, amongst others.

There was one credit rating downgrade in February 2022. Alpha Circle Sdn Bhd's outstanding MYR115 million Senior Sukuk Musharakah was downgraded to BIS/negative from BBIS/negative and the MYR55 million Junior Sukuk Musharakah was downgraded to CIS from BIS/negative. Separately, the ratings outlook on Tropicana Corporation Berhad's MYR1.5 billion IMTN Programme and MYR2.0 billion Perpetual Sukuk Programme were revised to negative from stable on its A+IS and AIS ratings. The ratings outlook on Konsortium ProHAWK Sdn Bhd's MYR900 million IMTN Programme was also revised to negative from stable on its AA2 rating.

### Market Outlook

In the near term, investors are assessing the impact of the geo-political tension between Russia and Ukraine. Investors are turning cautious on the surging commodity price shock, and its potential impact on inflation and global growth. The recent regulatory changes, property crisis and power crunch in China are also near-term economic headwinds. In view of the very fluid geo-political situation and high volatility in the near term, we are maintaining our neutral position in equities. We look for opportunities to build position on any sharp sell-off. Downside risks to the market could stem from further deterioration and protracted global energy disruption, stagflation, and new Coronavirus ("COVID-19") variants. On the flip side, any resolution to the geo-political tension with minimal disruption on global energy supply should rerate equities.

For Fixed Income, global economy would generally see higher growth and inflation in 2022, hence expectations of monetary policy withdrawals and tightening are being priced in the bond market yields. Having said that, the Ukraine-Russia military conflict is a key risk to global growth and could drive risk-off sentiment. Domestically, Bank Negara Malaysia's ("BNM") policy measures should remain accommodative in the near term and the supply of sovereign bonds should be well absorbed by the market. Overall, the domestic financial system liquidity remains ample, which shall remain supportive of the bond market.

### Lipper Leader Fund for:



1. Consistent Return

Lipper uses a ranking system of 1 to 5. A ranking of 5 means the fund is in the top 20% of funds in that category while a ranking of 1 means the fund is in the bottom 20%. Source: www.lipperleaders.com

This document is for informational use only. Investments are subject to investment risks including the possible loss of the principal amount invested. The value of the units may fall as well as rise. Past performance of the fund is not an indication of its future performance. This is not a pure investment product such as unit trust and please evaluate the options carefully and satisfy that the Investment-Linked Insurance / Takaful plan chosen meets your risk appetite. Please refer to the Fund Fact Sheet for more information about the fund.