August 2022

MONTHLY FUND PERFORMANCE UPDATE
PB INCOME PLUS 2 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.

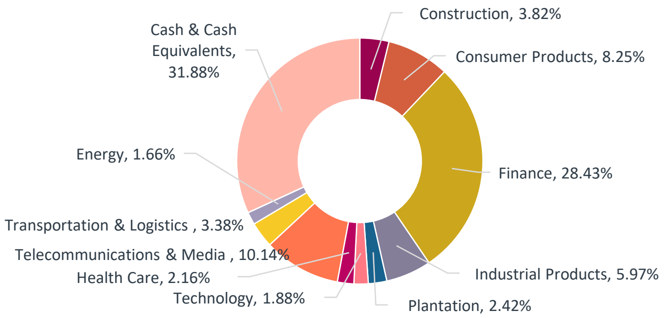
Fund Details

Unit NAV (30 Aug 2022)	:	RM 0.88876
Fund Size (30 Aug 2022)	:	RM 27.261 million
Fund Currency	:	Ringgit Malaysia
Fund Inception	:	20 October 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

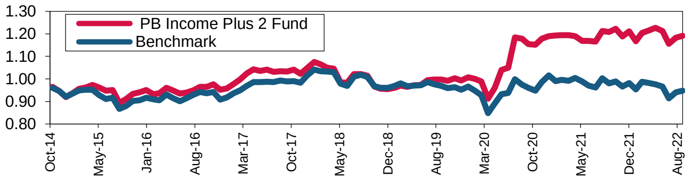
Top Holdings

1	PUBLIC BANK BHD	7.14%
2	MALAYAN BANKING BHD	7.11%
3	CIMB GROUP HOLDINGS BHD	3.82%
4	RHB BANK BHD	3.66%
5	TELEKOM MALAYSIA BHD	3.36%

Asset and Sector Allocation



Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund^	0.68%	-1.13%	-1.75%	19.46%	15.06%	25.33%
Benchmark*	0.73%	-4.02%	-5.53%	-2.19%	-4.56%	-0.23%
Excess	-0.05%	2.89%	3.78%	21.65%	19.62%	25.56%

^ 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") rose 1.33% Month-on-Month ("MoM") to close at 1,512.05 pts on 30 August 2022. The Index outperformed the MSCI Asia Ex Japan Index, which grew by 0.37% MoM in Malaysia Ringgit ("MYR") terms over the same period. In terms of fund flows, retailers turned net buyers and foreign investors remained net buyers while local institutions turned net sellers. During the month, the key performers of the Index were Tenaga Nasional Bhd (+8.8%), CIMB Group Holdings Bhd (+3.0%) and Public Bank Berhad (+1.5%), while key detractors were Hartalega Holdings Bhd (-39.4%), Top Glove Corp Bhd (-16.5%) and IHH Healthcare Bhd (-2.9%). Sector wise, key performers were Utilities (+6.7%), Telecommunications & Media (+5.2%) and Financial Services (+1.3%) while key detractors were Health Care (-11.9%), Technology (-5.2%) and Industrial Products & Services (-1.2%). Major news during the month included the possibility of a revival in the terminated High Speed Rail project with Singapore and the announcement of Malaysia's second quarter Gross Domestic Product ("GDP") which saw accelerated growth at 8.9% YoY.

Malaysian Government Securities ("MGS") yield curve generally steepened during the month as offshore and onshore investors had better buying interest at the short end of the curve on robust 2Q22 growth reported in Malaysia. Despite the volatile global rates markets, the longer end of the curve for local government bonds were well anchored. On the currency front, MYR weakened by 0.69% against the US dollar ("USD") to end the month at MYR4.4828. MGS levels as of end-Aug 2022 were: 3Y at 3.33% (-16 bps), 5Y at 3.72% (-1 bps), 7Y at 3.88% (+3 bps), 10Y at 3.98% (+8 bps), 15Y at 4.25% (+3 bps), 20Y at 4.40% (-) and 30Y at 4.57% (+1 bps).

There were three government securities auctions during the month: 20Y Government Investment Issue ("GII") 9/41 reopening auction with a tender size of MYR3.0 billion and private placement of MYR2.5 billion recorded a bid-to-cover ("BTC") ratio of 2.742x at an average yield of 4.410%, 5Y MGS 11/27 reopening auction with a tender size of MYR5.0 billion recorded a BTC of 2.044x at an average yield of 3.798% and 15Y MGS 4/37 reopening auction with a tender size of MYR2.5 billion and private placement of MYR2.5 billion recorded a BTC ratio of 2.244x at an average yield of 4.249%.

Foreign funds remained net sellers with MYR3.5 billion outflows in July 2022 (June 2022: -MYR4.1 billion) amid hawkish major central bank monetary policies. Overall, foreign holdings in MGS and GII eased further to 23.3% (June 2022: 23.9%).

On the economic data front, Malaysia's 2Q22 real GDP accelerated by 8.9% YoY (1Q2022: +5.0%) on continued reopening boost to domestic demand. The growth was mainly lifted by expansion in the manufacturing, services, and construction sectors, mitigating the decline in the agriculture and mining sectors. On the demand side, all expenditure components expanded, led by private and public consumption as well as private and public investments. Malaysia's foreign reserves increased by USD1.7 billion to USD110.9 billion as of 15 Aug 2022 (29 July 2022: USD109.2 billion). The reserves are sufficient to finance 5.5 months of retained imports and 1.1x of short-term external debt. Malaysia's exports grew 38.0% YoY in July 2022 (June 2022: 38.8% YoY). The growth was mainly driven by electrical & electronic products, refined petroleum and chemicals & chemical products, as well as mining goods. Meanwhile, imports grew 41.9% YoY (June 2022: 49.3% YoY), on the back of an increase in consumption, intermediate and capital goods. As a result, trade balance narrowed to MYR15.5 billion (June 2022: MYR21.9 billion). Separately, Malaysia's headline inflation continued to accelerate at 4.4% YoY in July 2022 (June 2022: 3.4%). The increase in prices was led by food & non-alcoholic beverages, transport, and restaurants & hotels. Core CPI rose at 3.4% YoY in July 2022 (June 2022: 3.0%) amid pent up discretionary spending and services demand. On Malaysia's industrial production index, it increased 12.1% YoY in June 2022 (May 2022: 4.1% YoY). The manufacturing, electricity and mining indices grew during the period.

On the primary corporate bond space, notable issuances included MYR1.09 billion Cagamas Berhad MTN, MYR525 million Cagamas Bhd IMTN, MYR500 million SME Development Bank Malaysia Berhad IMTN, MYR500 million Bank Islam Malaysia Berhad IMTN, amongst others.

There was one credit rating upgrade in August 2022. The long-term financial institution ratings of RHB Bank Berhad and its banking subsidiaries were upgraded to AA1 from AA2. All the ratings carry a stable outlook. The upgrade reflects sustained improvement in its credit metrics, which have proven to be resilient through the recent pandemic. The rating action also incorporates disciplined execution of business strategies over the years with tangible results.

Market Outlook

Most global central banks have started to hike policy rates with clear commitments to rein in inflationary expectations, leading to an environment of rising interest rates which continue to pressure the valuation for stocks and cap its upside in the near term. Ongoing geopolitical tension between Russia and Ukraine remains unabated with EU now committing to restrict energy imports from Russia while sourcing for alternative supplies elsewhere. This has clear implications on global energy markets and the supply chain. In addition, the recent Pelosi visit to Taiwan has resulted in the escalation of US China tension. Globally, we see economic headwinds from recessionary fears in the US and a lack of stimulus momentum in China. Given China's commitment to its zero COVID strategy and the growing domestic property crisis, China will unlikely achieve its GDP growth target. At the corporate earnings level, we expect some earnings revision in the near term to account for slowing topline and margin pressure. In the near term, we are of the view that equities remain volatile as investors continue to assess the US inflationary outlook and the risk of Fed overtightening. On the other hand, we are of the view that the recent retracement in equities globally has priced in some of the macro concerns. In terms of strategy, we are generally neutral on equities. Domestically, local market is supported by (1) recovery in corporate earnings from the reopening of the economy, and (2) Malaysia as a net commodity exporter is expected to benefit from high commodity price. We look for opportunities to build position on any weakness. Downside risks to the market could stem from Fed's over tightening of rates, deterioration and protracted global energy disruption, stagflation and new COVID-19 variants.

For Fixed Income, major central banks have inevitably reiterated its hawkish tone amid global recessionary concerns. Persistently high inflation pressures central banks to move forward with the tightening path despite material downgrades to growth forecast, reflecting the effects of sanctions and energy shocks. Domestically, BNM's 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.

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.