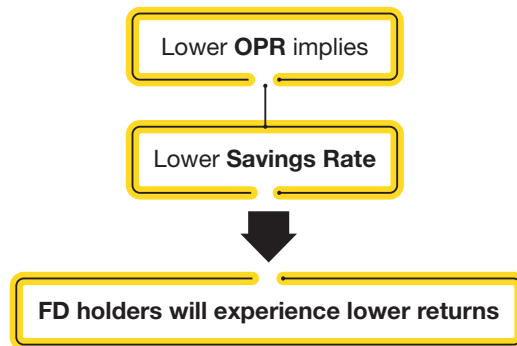


Fixed Deposit (FD) Rates Are Low and Falling – What is Your Plan B?

The Overnight Policy Rate (OPR) has been reduced by a total of 125 basis points to a low of 1.75% thus far this year to cushion the slowdown in economic activities resulting from the Covid-19 pandemic.






WHAT ARE THE IMPACTS TO A DEPOSITOR?



LOOKING FOR AN ALTERNATIVE WHEN FDs ARE GIVING LOWER RETURNS?

Investor may consider investing in bond funds as an alternative to enhance their returns in the medium to long term.

REASONS TO INVEST IN BOND FUNDS

|  POTENTIALLY BETTER RETURNS |  FLEXIBILITY |  TAX-EXEMPT RETURNS |
|--|--|--|
| Bond funds have been out performing FD returns over the medium to long term in the past. | Investors in bond funds can redeem their investments on any business day without a penalty. In contrast, early upliftment of FD prior to the contracted maturity date will be subjected to a penalty involving loss of interest income. | Returns generated from bond funds are tax-exempted. |

DID YOU KNOW?

What are the common risks for bond investment?



ADVANTAGES OF INVESTING IN PUBLIC MUTUAL'S BOND FUNDS

1. Professionally Managed

TO MITIGATE CREDIT RISKS

We invest in bonds with sound credit fundamentals and are issued by issuers with proven management track records.

Our credit analysts closely monitor the financial positions of bond issuers as well as corporate developments that could impact the bonds held by our funds.

TO MITIGATE INTEREST RATE RISKS

Our bond funds are being rebalanced on an on-going basis to ride through the interest rate cycle.

2. Diversification

Our bond funds invest in a diversified portfolio of bonds which allows investors to reduce their concentration risk of investing into one or a few individual bonds.



CREDIT RISK

The non-payment of interest (or coupon) or the principal amount by the bond issuer



INTEREST RATE RISK

The potential fluctuations in bond prices caused by movements in interest rates



3. Commendable returns as compared to FD rate

Public Mutual's Bond & Sukuk Funds Performance Ended 30 July 2020

| | Total Return (%) | | | Fund Volatility Class (FVC) | 3-Year Fund Volatility Factor (FVF)* |
|---|------------------|-------|-------|-----------------------------|--------------------------------------|
| | 1 Yr | 3 Yr | 5 Yr | | |
| BOND FUNDS | | | | | |
| PB Infrastructure Bond Fund | 8.51 | 22.60 | 32.59 | Low | 3.5 |
| Public Enterprises Bond Fund | 8.07 | 23.81 | 34.24 | Very Low | 2.6 |
| PB Fixed Income Fund | 7.52 | 20.75 | 31.44 | Very Low | 2.0 |
| PB Bond Fund | 7.47 | 20.30 | 30.32 | Very Low | 2.0 |
| Public Bond Fund | 7.14 | 19.54 | 29.90 | Very Low | 2.1 |
| Public Strategic Bond Fund | 6.45 | 18.53 | 28.12 | Very Low | 1.6 |
| Public Select Bond Fund | 5.92 | 16.90 | 25.46 | Very Low | 1.5 |
| SUKUK FUNDS | | | | | |
| Public Islamic Infrastructure Bond Fund | 8.47 | 23.00 | 33.76 | Low | 3.9 |
| PB Aiman Sukuk Fund | 8.59 | 25.27 | 37.25 | Low | 3.6 |
| PB Islamic Bond Fund | 7.69 | 22.50 | 33.69 | Very Low | 3.2 |
| Public Islamic Bond Fund | 7.18 | 21.47 | 32.31 | Very Low | 3.0 |
| Public Sukuk Fund | 7.16 | 20.84 | 31.11 | Very Low | 2.4 |
| PB Sukuk Fund | 7.12 | 20.18 | 30.38 | Very Low | 2.3 |
| Public Islamic Strategic Bond Fund | 5.89 | 18.14 | 26.71 | Very Low | 2.0 |
| Public Islamic Income Fund | 5.45 | 17.02 | 25.21 | Very Low | 2.3 |
| Public Islamic Select Bond Fund | 5.26 | 16.01 | 25.60 | Very Low | 1.4 |
| FIXED DEPOSIT RATE | | | | | |
| Public Bank 12-Month FD Rate | 2.75 | 9.52 | 16.70 | | |

* Based on the fund's portfolio returns as at end-June 2020 (Source: Lipper)
Sources: Lipper & Public Bank, August 2020
Past performance of the funds is not a reliable indicator of future performance.

Disclaimer

Investors are advised to read and understand the contents of the Master Prospectus 1 of Public Series of Funds, Master Prospectus 1 of Public Series of Shariah-Based Funds and Master Prospectus 1 of PB Series of Funds dated 30 April 2019; 1st Supplemental Prospectus of Master Prospectus 1 of Public Series of Funds and 1st Supplemental Prospectus of Master Prospectus 1 of Public Series of Shariah-Based Funds dated 22 January 2020 and the relevant fund's Product Highlights Sheet (PHS) before investing.

Investors should understand the risks of the funds, compare and consider the fees, charges and costs involved in investing in the funds.

A copy of the Prospectuses, Supplemental Prospectuses and PHS can be viewed at our website www.publicmutual.com.my.

Investors should make their own assessment of the merit and risks of the investment. If in doubt, investors should seek professional advice.

This document seeks to advertise capital market product or capital market-related services. The contents of this document have not been reviewed by the Securities Commission Malaysia (SC).

Past performance of the funds is not a reliable indicator of future performance.

Please refer to www.publicmutual.com.my for our investment disclaimer.

Lipper Fund Volatility

The Volatility Factor (VF) means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC is revised every six months or other interval as advised by FIMM. The volatility banding for the "Very Low", "Low", "Moderate", "High" and "Very High" VCs as at 30 June 2020 are $0.000 \leq VF \leq 3.315$, $3.315 < VF \leq 9.550$, $9.550 < VF \leq 12.800$, $12.800 < VF \leq 15.380$ and VF more than 15.380 respectively. For this period to 31 December 2020 the VCs for the funds are based on the VFs of the respective funds as at 30 June 2020. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC.