



February 2025

MONTHLY FUND PERFORMANCE UPDATE AIA BALANCED FUND

Investment Objective

The Fund is to maximize total returns with reasonable safety of principal through investment in a diversified portfolio of equity, fixed income securities and cash equivalent securities. The Fund is suitable for investors who are willing to take moderate risk to achieve a reasonable return.

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

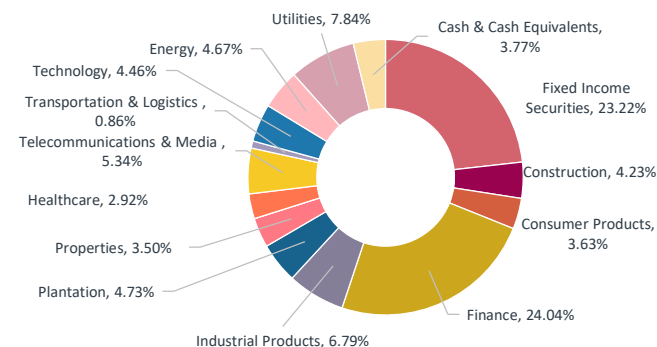
Fund Details

Unit NAV (28 February 2025)	: RM 4.69786
Fund Size (28 February 2025)	: RM 3,016.892 million
Fund Currency	: Ringgit Malaysia
Fund Inception	: 15 March 2000
Offer Price at Inception	: RM1.00
Fund Management Charge	: 1.20% p.a.
Investment Manager	: AIA Bhd.
Basis of Unit Valuation	: Net Asset Value
Frequency of Unit Valuation	: Daily

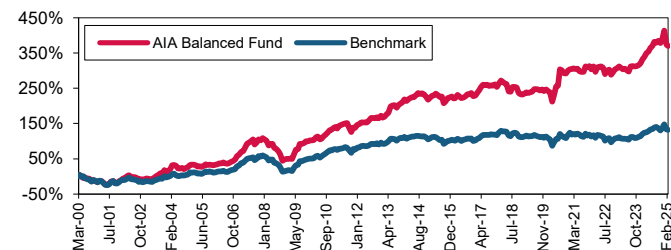
Top Holdings

1	MALAYSIA GOVERNMENT SECURITIES	8.91%
2	TENAGA NASIONAL BHD	6.41%
3	MALAYAN BANKING BHD	5.75%
4	CIMB GROUP HOLDINGS BHD	5.14%
5	PUBLIC BANK BHD	4.68%

Asset and Sector Allocation



Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund ^a	-0.85%	-1.87%	7.10%	14.81%	38.82%	369.79%
Benchmark ^a	-0.38%	-3.47%	3.47%	6.49%	13.27%	131.71%
Excess	-0.47%	1.60%	3.62%	8.32%	25.55%	238.07%

^a 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.

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

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

Market Review

The FBMKLCI ("Index") rose 1.14% Month-on-Month ("MoM") to close at 1,574.70 in February 2025. The Index outperformed the MSCI Asia ex Japan Index, which rose 1.07% MoM in Malaysian Ringgit ("MYR") terms over the same period. Foreign investors remained net sellers of Malaysian equities amounting to MYR2.2 billion while local institutions remained net buyers amounting to MYR1.2 billion during the month. Bursa Malaysia's average daily transaction value ("ADTV") fell 4.6% MoM to MYR2.5 billion in February 2025. During the month, Gamuda (+7.9%), RHB (+7.5%) and QL Resources (+6.1%) were the key gainers while key detractors were Petronas Chemicals (-20.0%), MR.DIY (-17.9%) and PPB Group (-10.2%). Sector wise, Plantation (+3.7%), Financials (+2.6%) and Construction (+1.9%) were the key performers, while Technology (-13.1%), Healthcare (-10.4%) and Energy (-8.3%) were the key detractors. Major news during the month included the Trump administration announcing plans for 25% tariffs on imports from Canada and Mexico, Deepseek's revelation that questioned the global hyperscalers' spending into training clusters and upending the AI trade, and the removal of Genting Malaysia & Inari from the MSCI Emerging Market Index.

Malaysian Government Securities ("MGS") yield curve mildly bull-steepened in February 2025. MGS yields traded in a relatively tight range despite the strong rally in US treasuries ("UST") where yields tumbled aggressively amidst safe-haven demand and heightened concerns on the impact of President Trump's trade policy on US economic growth. Domestically, ample liquidity from domestic investors continued to support the market at current levels. Foreign inflows spurred buying activity towards the end of the month but was quickly met with profit taking pressure which capped any meaningful movements in terms of yields. Additionally, domestic sentiment was also supported by a positive macro environment, boosted by a stronger-than-expected 4Q2024 Gross Domestic Product ("GDP") growth print and stable Consumer Price Index ("CPI") data in January 2025. On the currency front, Malaysian Ringgit ("MYR") weakened against the US Dollar ("USD") by 0.05% to MYR4.4625. MGS levels as at end February 2025 were: 3Y at 3.45% (-1 bp), 5Y at 3.60% (-1 bp), 7Y at 3.75% (-2 bps), 10Y at 3.79% (-2 bps), 15Y at 3.96% (-1 bp), 20Y at 4.06% (-) and 30Y at 4.18% (-).

Fixed income foreign flows registered a net inflow of MYR1.2 billion in January 2025 (December 2024: -MYR1.4 billion). Foreign holdings in MGS and Government Investment Issue ("GII") dipped to 21.1% in January 2025 (December 2024: 21.2%).

There were 4 government security auctions during the month: The 30Y MGS 3/53 reopening auction with a tender size of MYR2.5 billion with MYR2.0 billion private placement drew a bid-to-cover ("BTC") ratio of 2.360x at an average yield of 4.186%, the 7Y GLI 10/31 reopening auction with a tender size of MYR5.0 billion drew a BTC of 2.867x at an average yield of 3.785%, the 20Y MGS 5/44 reopening auction with a tender size of MYR2.5 billion with MYR2.0 billion private placement drew a bid-to-cover ("BTC") ratio of 2.987x at an average yield of 4.068% and GLI 8/30 new issue with a tender size of MYR5.5 billion drew a BTC of 3.165x at an average yield of 3.35%.

On the economic data front, Malaysia's foreign reserves increased to USD117.7 billion as of 15 February 2025 (31 January 2025: USD116.4 billion). The reserves are sufficient to finance 5.0 months of retrained imports and 0.9x of short-term external debt. Malaysia's January 2025 headline inflation was unchanged at 1.7% Year-on-Year ("YoY") (December 2024: +1.7% YoY), supported by softening in information and communication services and clothing & footwear components. Core inflation was also steady at 1.8% YoY in January 2025 (December 2024: +1.8% YoY). Malaysia's exports moderated to 0.3% YoY in January 2025 (December 2024: +16.9% YoY) while imports grew 6.2% YoY (December 2024: +11.9% YoY). As a result, trade balance narrowed to MYR3.6 billion in January 2025 (December 2024: MYR19.1 billion). The Industrial Production Index for Malaysia increased by 4.6% YoY in December 2024 (November 2024: 3.6% YoY), driven by expansion across all sectors. The final reading of Malaysia's 4Q2024 GDP growth came in at 5.0% YoY (3Q24: 5.4% YoY), bringing the 2024 full year figure to 5.1% YoY (2023: 3.6% YoY). GDP growth was driven by strong domestic demand and a recovery in exports.

On the primary corporate bond space, notable issuances included MYR300 million Orkim Sdn Bhd IMTN, MYR250 million PKNS IMTN and MYR150 million WCT Holdings Bhd IMTN. On rating actions, RAM upgraded Malayan Cement Bhd's RM5.0 billion Sukuk Murabahah Programme to AA1 from AA3 and MUFG Bank (Malaysia) Bhd's long-term financial institution rating to AAA from AA1. RAM also upgraded the outlook on the credit rating for YTL Corporation Bhd and YTL Power International Bhd from AA1 - Stable to AA1 - Positive.

Market Outlook

Moving into 2025, we are cautiously optimistic about the equity market, though volatility is expected in the near term due to uncertainties due to US President Trump's tariff policies which are expected to stoke inflationary pressure and hurt global growth. We expect performance divergence between developed and emerging markets, including currencies, with a positive outlook for the US market due to pro-domestic growth policies. In Asia, geopolitical tensions and a strong US dollar may weigh on Asian equities. China is focusing on fiscal stimulus to support domestic growth and stabilize property markets, though structural challenges remain. In Malaysia, while our optimism on equities has moderated, we remain positive due to strong corporate earnings, government initiatives, and rising foreign direct investment. The successful implementation of key initiatives, such as the National Energy Transformation Roadmap ("NETR"), Malaysia My Second Home ("MM2H"), and infrastructure projects, will be crucial. We opine that investment in data centres in Malaysia will slow but not contract despite the implementation of the US Artificial Intelligence Diffusion Policy and the disruption caused by the discovery of DeepSeek by the Chinese.

With recent US economic data releases coming in mixed, the trend for a moderation in inflation and a softening in the labour market has somewhat slowed. At the most recent US Federal Open Market Committee ("FOMC") meeting, the US Federal Reserve ("Fed") kept the interest rate unchanged, citing concerns on the progress of inflation and potential risks from fiscal and trade policies by President Trump's administration. With these uncertainties ahead, we maintain our view that market volatility would persist as the Fed and the market would remain reactive to data releases and developments in key geopolitical events, central banks' monetary policy decisions as well as implications from President Trump's trade policies.



Lipper Leader Fund for:

1. Total Return
2. 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.