December 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.

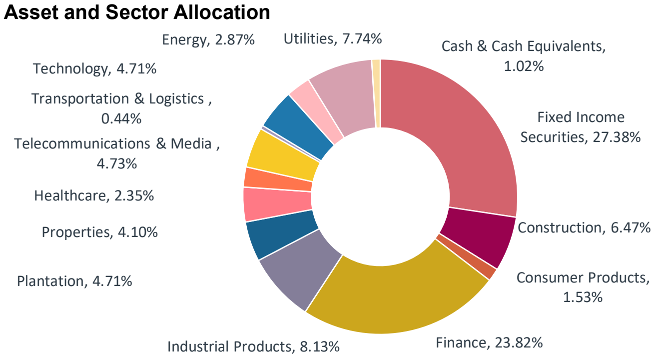
Fund Details

Unit NAV (31 December 2025)	:	RM 5.00829
Fund Size (31 December 2025)	:	RM 3,424.787 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

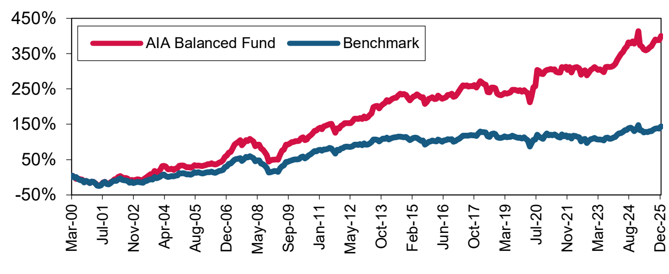
Top Holdings

1	MALAYSIA GOVERNMENT SECURITIES	11.22%
2	CIMB GROUP HOLDINGS BHD	6.83%
3	TENAGA NASIONAL BHD	5.81%
4	MALAYAN BANKING BHD	4.40%
5	PUBLIC BANK BHD	4.31%

Asset and Sector Allocation



Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund^	2.53%	7.23%	1.10%	23.24%	24.07%	400.83%
Benchmark*	2.51%	5.98%	0.91%	16.72%	9.00%	144.06%
Excess	0.02%	1.25%	0.19%	6.52%	15.07%	256.77%

^ 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)*

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

Market Review

The FBMKLCI ("Index") jumped 4.71% Month-on-Month ("MoM") to close at 1,680 pts in December 2025. The Index outperformed the MSCI Asia ex Japan Index, which only gained 0.68% MoM in Malaysian Ringgit ("MYR") terms over the same period. Foreign investors remained net sellers of Malaysian equities, increasing their net sell by 81.20% MoM to MYR2.0 billion while local institutions were net buyers of MYR2.6 billion during the month. Bursa Malaysia's average daily transaction value ("ADTV") dipped by 22.30% MoM to MYR2.2 billion in December 2025. During the month, Petronas Chemical (+21.00%), 99 Speed Mart (+14.49%), Ambank (+11.52%) and RHB Bank (+10.94%) were the key gainers while Gamuda (-6.92%), QL Resources (-6.42%) and Maxis (-5.01%) were the key detractors. Sector wise, Finance (+6.07%), Industrial (+5.85%) and Plantation (+3.13%) were the key outperformers, while Construction (-4.83%), Technology (-3.54%) and Utilities (-0.90%) were the key detractors. Major developments during December 2025 included Bank Negara Malaysia ("BNM") maintaining the Overnight Policy Rate ("OPR") at 2.75%, reflecting a steady monetary stance amid moderate inflation. Key economic indicators such as robust industrial production growth and positive leading index trends signal sustained economic momentum, while the MYR strengthened to approximately 4.05 against the US dollar ("USD"), supported by resilient fundamentals.

Malaysian Government Securities ("MGS") yield curve traded mixed in the final month of the year amid thin liquidity caused by typical year-end seasonality. As broadly expected, the US Federal Open Market Committee ("FOMC") lowered the federal funds target range by 25 basis points ("bps") to 3.50%-3.75%. The decision included two hawkish dissents and one dovish dissent, also in line with expectations. The FOMC's latest summary of economic projections were little changed compared to September 2025 projections. US Federal Reserve ("Fed") chairman Jerome Powell's remarks leaned neutral, as he emphasised that the time for risk management cuts has passed, and that further easing would require a material deterioration in the labour market conditions. On the currency front, the Malaysian ringgit ("MYR") emerged as one of the strongest regional currencies, appreciating against the US dollar ("USD") by 1.75% Month-to-Date ("MTD") and 9.21% Year-to-Date ("YTD"), finishing the year at MYR4.06. MGS levels as at end-December 2025 were: 3-year at 3.00% (-2 bps), 5-year at 3.25% (2 bps), 7-year at 3.38% (-6 bps), 10-year at 3.51% (4 bps), 15-year at 3.76% (3 bps), 20-year at 3.86% (-) and 30-year at 3.98% (-).

Fixed income foreign net inflows totalled MYR6.1 billion in November 2025 (October 2025: MYR4.4 billion), bringing YTD foreign net inflows to MYR22.6 billion. Foreign holdings in MGS and Government Investment Issue ("GII") increased to 21.4% in November 2025 (October 2025: 21.3%).

There was 1 government security auction during the month: The 10-year MGS 7/35 reopening auction with a smaller than expected tender size of MYR3.0 billion drew a bid-to-cover ("BTC") ratio of 1.924x at an average yield of 3.572%.

On the economic data front, Malaysia's foreign reserves rose to USD124.3 billion as of 15 December 2025 (28 November 2025: USD124.1 billion). The reserves position is sufficient to finance 4.8 months of imports of goods and services and cover 0.9x of total short-term external debt. Malaysia's headline inflation increased to 1.4% Year-on-Year ("YoY") in November 2025 (October 2025: 1.3% YoY). It was mainly driven by higher prices in transport, alcohol & tobacco and education. Core inflation, which excludes volatile fresh good prices and price-administered goods, held steady at 2.2% in November 2025 (October 2025: 2.2%). Malaysia's exports grew 7.0% YoY in November 2025 (October 2025: 15.7% YoY), largely driven by higher exports of electrical and electronics products. Imports grew 15.8% YoY (October 2025: 10.0% YoY). As a result, trade surplus narrowed to MYR6.1 billion in November 2025 (October 2025: MYR20.4 billion). Malaysia's industrial production rose 6.0% YoY in October 2025 (September 2025: 5.7% YoY). The expansion was attributed to growth of the manufacturing sector at 6.5%, mining sector at 5.8% and electricity sector at 1.2%.

On the primary corporate bond space, notable issuances included MYR1.55 billion CIMB Group Holdings Berhad IMTN, MYR1.55 billion CIMB Bank Berhad IMTN, MYR1.175 billion Yinson Holdings Berhad IMTN and MYR700 million Cagamas Berhad IMTN. In terms of credit ratings, RAM revised the outlook on corporate credit ratings of Genting Berhad and Genting Malaysia Berhad to negative from stable. The long-term ratings for both entities have maintained at AA1.

Market Outlook

We maintain a cautiously optimistic stance on equities as markets sustain positive momentum, supported by resilient corporate earnings, moderating inflation, and growing expectations of policy normalization. Anticipated rate cuts by the US Federal Reserve ("Fed") and other major central banks in 2026 should provide a tailwind for risk assets and supporting valuation multiples. The pace of easing is expected to remain gradual, underpinned by softening inflation and stable labor market conditions. Emerging markets are likely to attract further investor interest, driven by a weaker USD, improving liquidity, and compelling relative valuations. Investors should expect volatility to persist amid geopolitical uncertainties, uneven policy signals, and potential profit-taking following recent rallies.

While external risks continue to linger, Malaysia's proactive policy measures and resilient domestic fundamentals continue to provide a constructive backdrop for the local bond market heading into 2026. A dovish global monetary stance, particularly from the Fed, is likely to support the MYR and foreign inflows. Domestically, Bank Negara Malaysia ("BNM") reduced the Overnight Policy Rate ("OPR") by 25 bps from 3.00% to 2.75% in July 2025 as a pre-emptive measure to preserve Malaysia's growth path in the midst of slowing inflation prospects. For now, BNM is likely keep the policy rate on hold while evaluating incoming data to guide its next steps. That said, there remains room for BNM to adopt a more accommodative stance should signs of further downside risk to growth emerge.

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Lipper Leader Fund for:

1. Consistent Return
2. Preservation

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