



MONTHLY FUND PERFORMANCE UPDATE A-DANA BALANCED

Investment Objective

The fund objective is to maximize total returns with reasonable safety of principal and is suitable for participants who are willing to take moderate risk in order to achieve a reasonable return.

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

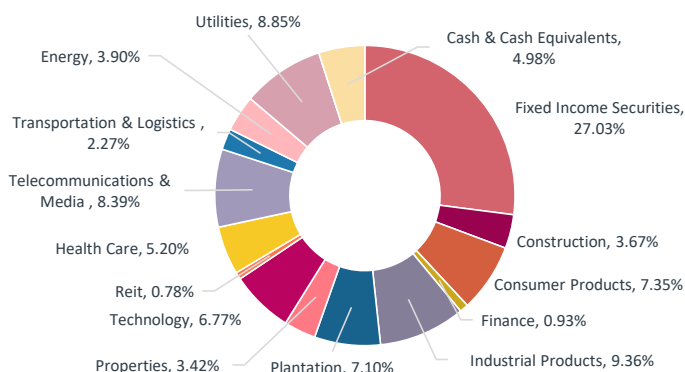
Fund Details

Unit NAV (30 Sep 2023)	: RM 1.50962
Fund Size (30 Sep 2023)	: RM 135.556 million
Fund Currency	: Ringgit Malaysia
Fund Inception	: 8 August 2011
Offer Price at Inception	: RM1.00
Fund Management Charge	: 1.20% p.a.
Investment Manager	: AIA Bhd.
Takaful Operator	: AIA PUBLIC Takaful Bhd.
Basis of Unit Valuation	: Net Asset Value
Frequency of Unit Valuation	: Daily

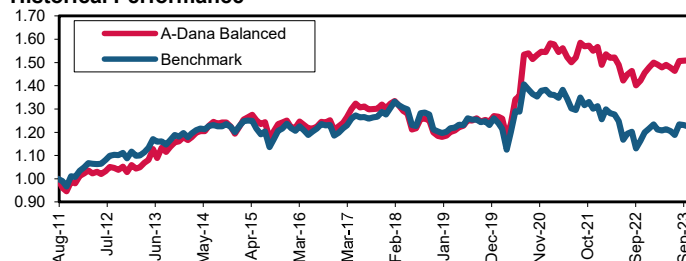
Top Holdings

1	TENAGA NASIONAL BHD	6.65%
2	MALAYSIA GOVERNMENT SECURITIES	4.35%
3	AMANAT LEBUHRAYA RAKYAT BHD	3.86%
4	SARAWAK PETCHEM SDN BHD	3.22%
5	PETRONAS CHEMICALS GROUP BHD	3.07%

Asset and Sector Allocation



Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund ^A	0.14%	2.03%	7.69%	-0.29%	20.61%	50.96%
Benchmark [*]	-0.44%	1.48%	8.45%	-10.11%	-3.91%	22.62%
Excess	0.58%	0.55%	-0.76%	9.82%	24.52%	28.34%

^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.

^{*} 70% FBM Emas Shariah (Source: Bursa Malaysia) + 30% GII 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 FBMS ("Index") rose by 0.30% Month-on-Month ("MoM") to close at 10,874.52 pts on 29 September 2023. The Index outperformed the MSCI Asia Ex Japan Index, which fell 1.69% MoM in Malaysian Ringgit ("MYR") terms over the same period. Foreign investors stayed net buyers of Malaysian equities amounting to MYR0.67 billion in September 2023 while local institutions turned net sellers with net sale value of MYR0.58 billion. Bursa Malaysia's average daily transaction value ("ADTV") rose by 1.6% MoM to MYR2.0 billion in September 2023. During the month, Icon Offshore (+37.5%), HSS Engineers (+30.0%) and Pecca Group (+26.2%) were the key gainers while key detractors were Signature International (-23.2%), Revenue Group (-12.8%) and Texchem Resources (-12.4%). Sector wise, Energy (+6.6%), Property (+6.3%) and Utilities (+2.3%) were the key performers while Technology (-2.8%), Financial Services (-2.5%) and Transportation & Logistics (-1.6%) were the key detractors. Major news during the month includes the launching of the New Industrial Master Plan 2030 with a target to increase manufacturing value-added by 6.5% by 2030, Malaysia's August export and import declining by 18.6% Year-on-Year ("YoY") and 21.2% YoY respectively, and the launching of the Sabah Energy Roadmap and Masterplan 2040.

Government Investment Issues ("GII") yield curve shifted higher tracking global rates movement in September 2023. Bank Negara Malaysia ("BNM") kept the Overnight Policy Rate ("OPR") unchanged at 3.00% at the September Monetary Policy Committee ("MPC") meeting. However, sentiment deteriorated throughout the month, as the Federal Reserve Open Market Committee ("FOMC")'s September 2023 meeting leaned towards a soft-landing narrative with higher for longer rates on the back of strong growth and jobs data. Concerns on a possible US government shutdown led to sharp rises in US Treasury ("UST") yields as well. As a result, emerging market government bonds saw selling pressure following the macro backdrop and the strength of the US dollar ("USD"). On the currency front, Malaysian ringgit ("MYR") weakened against the USD by 1.22% to end the month at 4.6953. GII levels as of end-September 2023 were: 3Y at 3.57% (+11 bps), 5Y at 3.79% (+16 bps), 7Y at 3.88% (+9 bp), 10Y at 4.00% (+12 bps), 15Y at 4.12% (+13 bp), 20Y at 4.32% (+9 bps) and 30Y at 4.47% (+11 bps).

Fixed income foreign flows recorded its first monthly outflow in August 2023 at MYR5 billion (July 2023: +MYR11.3 billion). Foreign holdings in Malaysian Government Securities ("MGS") and GII fell to 23.4% in August 2023 (July 2023: 24.2%).

There were 2 government securities auctions during the month: 3Y GII 9/26 reopening auction with a tender size of MYR4.5 billion drew a bid-to-cover ("BTC") ratio of 2.167x at an average yield of 3.539% and 5Y GII 7/28 reopening auction with a tender size of MYR5.0 billion drew a BTC ratio of 1.954x at an average yield of 3.808%.

On the economic data front, Malaysia's foreign reserves declined further by USD1.0 billion to USD111.5 billion as of 15 September 2023 (30 August 2023: USD112.5 billion). The reserves are sufficient to finance 5.2 months of retained imports and 1.0x of short-term external debt. Malaysia's exports further declined by 18.6% Year-on-Year ("YoY") in August 2023 (July 2023: -13.0% YoY). The deceleration was mainly driven by Electrical & Electronic Products, Palm Oil Products and Chemical & Chemical Products. Meanwhile, imports also declined 21.2% YoY (July 2023: -16.1% YoY), on the back of a lower imports of consumption and intermediate goods, partially offset by the increased in imports of capital goods. As a result, trade balance narrowed slightly to MYR17.3 billion (July 2023: MYR17.4 billion). Separately, Malaysia's headline inflation was unchanged at 2.0% YoY in August 2023 (July 2023: +2.0% YoY). The stable inflation rate was partly attributable to favourable base effects as well as the continuation of government subsidies. Overall prices for Food, Restaurants and Hotels recorded a slower increase, which helped to counter-balance the stronger price growth in Health, Transport, Education and Utilities. Core inflation decelerated for a 9th straight month to 2.5% YoY (July 2023: +2.8% YoY). On Malaysia's industrial production index, it rebounded to 0.7% YoY in July 2023 (June 2023: -2.2% YoY). The electricity and mining indices led the growth by 1.5% YoY and 4.2% YoY respectively, partially offset by the manufacturing sector at -0.2% YoY.

On the primary corporate space, notable issuances included MYR500 million OSK Rated Bond Sdn Bhd IMTN, MYR500 million Press Metal Aluminium Holdings Berhad IMTN and MYR350 million UEM Sunrise Berhad IMTN. In terms of rating revisions, September 2023 was a busy month. The rating of Tranche 3 Structured Covered Sukuk issued under MBSB Bank Berhad's MYR2.295 billion Structured Covered Sukuk Murabahah Programme was upgraded to AAA from AA1. The outlook on the AA2 rating of Konsortium ProHAWK Sdn Bhd's MYR900 million IMTN Programme was revised from negative to stable. Cenergi SEA Berhad's corporate credit ratings and the issue ratings of its MYR1.5 billion Senior Sukuk/Subordinated Perpetual Sukuk Programme were upgraded. The rating of UEM Group Berhad's MYR2.2 billion IMTN Programme, issued through funding vehicle United Growth Berhad, was upgraded from AA2/Stable to AA1/Stable. Lastly, the rating on Celcom Networks Sdn Bhd's Sukuk Murabahah programme of MYR5.0 billion was upgraded to AAA_{IS} from AA₊.

Market Outlook

We are cautiously optimistic on the equity market in the near term. We are of the view that we have already seen the peak of US Federal Reserve's hawkishness and equities valuation has been partially adjusted downwards accordingly. Investors are now watching the macro data closely to gauge the extent of future rate hike in the US and the timing of a rate cut going forward. Over in Asia, China's policy easing is gaining momentum with the earlier-than-expected policy rate cut, housing policy adjustment, and efforts to revitalize the capital market and stabilize foreign trade and investment. The increasing pace of policy easing is encouraging and important to contain the risk of a downward spiral in economic activity. Domestically in Malaysia, we expect a better outlook given the lower political risk premium with a relatively more stable unity government coupled with corporate earnings recovery from the implementation of government initiatives and mega projects. Downside risks to the market could stem from a prolonged deep US recession, worsening geopolitical tension, weak China economic recovery and domestic politics.

For Fixed Income, although recent inflation readings and economic data from the US have shown signs of moderation, the US Federal Reserve ("Fed") continues to reiterate the need to maintain tighter monetary policy amidst robust labour market data. Despite this, it is apparent that we are at the tail-end of the rate normalisation cycle, with potentially one final hike by the Fed in 2023. Domestically, BNM has kept the OPR unchanged at its recent MPC meeting. Against the backdrop of moderating inflation expectations as well as growth outlook in 2H23, the possibility of further OPR hikes for the rest of the year may be remote at this juncture, barring the uncertain timing of subsidy rationalization. For the remainder of 2023, we expect rates volatility to linger due to uncertainties surrounding economic data and central banks' future monetary policy moves as market conditions evolve.

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