



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.

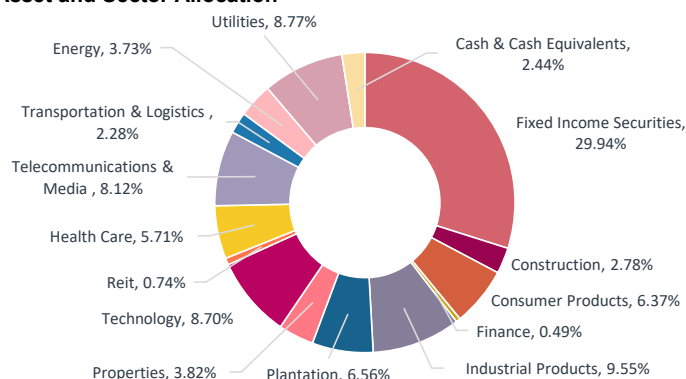
Fund Details

Unit NAV (31 Dec 2023)	: RM 1.53503
Fund Size (31 Dec 2023)	: RM 142.056 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

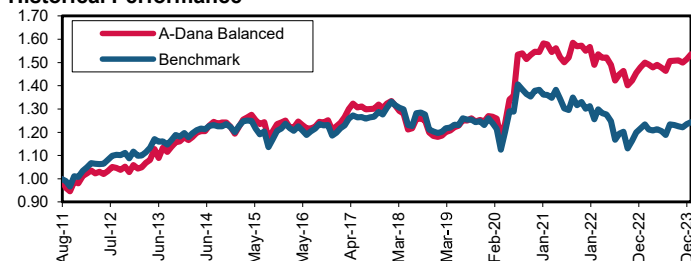
Top Holdings

1	MALAYSIA GOVERNMENT SECURITIES	7.32%
2	TENAGA NASIONAL BHD	6.38%
3	SARAWAK PETCHEM SDN BHD	3.88%
4	AMANAT LEBUHRAYA RAKYAT BHD	3.72%
5	IHH HEALTHCARE BHD	3.08%

Asset and Sector Allocation



Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund ^a	1.37%	4.89%	3.83%	-0.61%	30.02%	53.50%
Benchmark [*]	0.69%	4.63%	2.32%	-10.04%	3.99%	24.40%
Excess	0.67%	0.26%	1.52%	9.43%	26.03%	29.10%

^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 0.54% Month-on-Month ("MoM") to close at 10,988.71 pts in December 2023. The Index underperformed the MSCI Asia Ex Japan Index, which rose 1.73% MoM in Malaysian Ringgit ("MYR") terms over the same period. Foreign investors stayed net buyers of Malaysian equities amounting to MYR0.3 billion in December 2023 while local institutions stayed net sellers with net sell flow of MYR56.2 million. Bursa Malaysia's average daily transaction value ("ADTV") rose 7.5% MoM to MYR2.3 billion in December 2023. During the month, Telekom Malaysia (+5.3%), Axiata Group (+5.3%) and IHH Healthcare (+3.4%) were the key gainers while key detractors were Nestle (Malaysia) (-6.2%), Celcom Digi (-6.0%) and MR DIY (-5.2%). Sector wise, Utilities (+7.3%), Healthcare (+6.9%) and Construction (+3.3%) were the key performers while Energy (-1.4%), Consumer (-1.3%) and Plantation (-0.5%) were the key detractors. Major news during the month included Prime Minister Datuk Seri Anwar Ibrahim's reshuffling of his cabinet and YTL Power confirming the company's collaboration with Nvidia on data centre for AI infrastructure. Malaysia's GDP grew 3.9% Year-on-Year ("YoY") in 9M23.

The Government Investment Issues ("GII") yield curve bull flattened in the last month of the year following a strong rally in US Treasuries ("UST") after the US Federal Open Market Committee ("FOMC") voted to keep the federal funds target range unchanged at 5.25% to 5.50%. US Federal Reserve ("Fed") chairman Jerome Powell's speech leaned towards a dovish tilt and said that the committee had begun to discuss when it will be appropriate to begin dialling back the amount of policy restraint that is currently in place. The FOMC's summary of economic projections indicated that a large majority of the Committee are comfortable with multiple cuts in 2024 signalling that the Fed is done with rate hikes. On the currency front, Malaysian ringgit ("MYR") strengthened against the United States dollar ("USD") by 1.47% to end the year at 4.5940. GII levels ended the year 2023 at: 3Y at 3.48% (-7 bps), 5Y at 3.60% (-6 bps), 7Y at 3.77% (-9 bps), 10Y at 3.79% (-8 bps), 15Y at 3.93% (-8 bps), 20Y at 4.09% (-11 bps) and 30Y at 4.31% (-8 bps).

Fixed income foreign flows reversed the outflow trend by recording an inflow in November 2023 at MYR5.4 billion (October 2023: -MYR2.6 billion). Foreign holdings in Malaysian Government Securities ("MGS") and GII rose to 23.1% in November 2023 (October 2023: 22.7%).

On the economic data front, Malaysia's foreign reserves stood at USD112.8 billion as of 15 December 2023 (30 November 2023: USD112.3 billion). The reserves are sufficient to finance 5.5 months of retained imports and 1.0x of short-term external debt. Malaysia's exports declined 5.9% Year-on-Year ("YoY") in November 2023 (October 2023: -4.5% YoY) due a drop in manufacturing and agriculture exports. Meanwhile, imports rebounded by 1.7% YoY (October 2023: -0.3% YoY) on the back of higher imports of capital and consumption goods, but this was partially offset by a decline in intermediate goods. As a result, trade balance narrowed to MYR12.4 billion (October 2023: MYR12.9 billion). Separately, Malaysia's headline inflation moderated to 1.5% YoY in November 2023 (October 2023: +1.8% YoY). Food & non-alcoholic beverages and Restaurants & hotels saw deceleration in the price increase. Core CPI also eased to 2.0% YoY in November 2023 (October 2023: 2.4%). Malaysia's industrial production index rebounded to 2.7% YoY in October 2023 (September 2023: -0.5% YoY). The manufacturing, electricity and mining sectors contribute to the growth.

On the primary corporate sukuk space, notable issuances included MYR1.0 billion Bank Pembangunan Malaysia Berhad IMTN, MYR775 million Cagamas IMTN and MYR600 million Affin Islamic Bank Berhad IMTN. There were no rating revisions during the month, but the rating outlook was raised to positive from stable for Samalaju Industrial Port Sdn Bhd, Bintulu Port Holdings Berhad, Press Metal Aluminium Holdings Berhad and Point Zone (M) Sdn Bhd.

Market Outlook

We are cautiously optimistic of the equity market in the near term. We believe that US interest rates may have peaked but developed markets equity valuation has yet to fully reflect the soft landing or mild recession (if any) in the US and Euro land. Investors are now watching the macro data closely to gauge the timing of a possible rate cut going forward. Over in Asia, China's policy easing is gaining momentum given the earlier-than-expected policy rate cut, less restrictions on house ownership policy, and efforts to revitalize the capital market and stabilize foreign trade and investment. Domestically in Malaysia, we expect a brighter outlook given the lower political risk premium amidst a more stable unity government coupled with stronger corporate earnings upside arising from the implementation of the government's pump priming initiatives as well as launching of mega energy renewal and infrastructure projects. Downside risks to the market could stem from a hard landing US recession, worsening geopolitical tension, and weak China economy.

For Fixed Income, the recent US economic data releases are suggestive of a softening in economic activities and moderation in inflation. As such, the Fed has signalled that it is a step closer towards its dual mandate goal and the aggressive hiking cycle could be in its final phase. Domestically, Bank Negara Malaysia ("BNM") kept may keep its Overnight Policy Rate ("OPR") unchanged in the coming meetings as it observes domestic inflation trend. These factors are supportive of the domestic bond market while the market observes developments on global central banks' monetary policy decisions, geopolitical risks, and the US presidential elections.