



## 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.

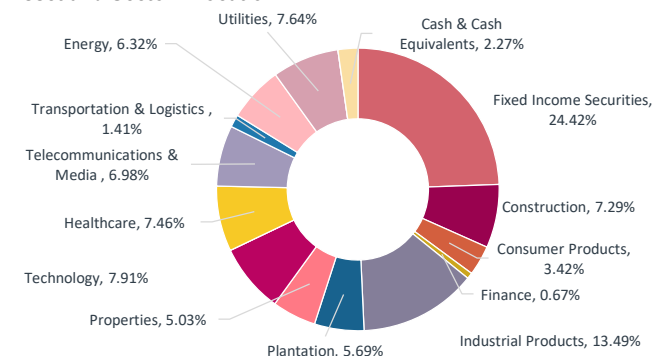
### Fund Details

Unit NAV (31 January 2025)	: RM 1.74374
Fund Size (31 January 2025)	: RM 174.495 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

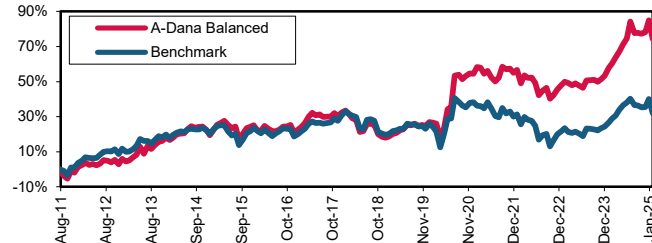
### Top Holdings

1	MALAYSIA GOVERNMENT SECURITIES	7.92%
2	TENAGA NASIONAL BHD	7.33%
3	TELEKOM MALAYSIA BHD	5.04%
4	IHH HEALTHCARE BHD	4.46%
5	GAMUDA BHD	4.21%

### Asset and Sector Allocation



### Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund*	-5.72%	-5.37%	10.46%	17.09%	37.69%	74.37%
Benchmark*	-4.64%	-5.17%	4.18%	5.18%	6.59%	32.12%
Excess	-1.08%	-0.20%	6.27%	11.91%	31.11%	42.25%

\* 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") fell 6.8% Month-on-Month ("MoM") to close at 11,737.14 points in January 2025. The Index underperformed the MSCI Asia ex Japan Index, which rose by 0.3% MoM in Malaysian Ringgit ("MYR") terms over the same period. Foreign investors remained net sellers of Malaysian equities amounting to MYR3.1 billion while local institutions remained net buyers amounting to MYR1.2 billion during the month. Bursa Malaysia's average daily transaction value ("ADTV") grew 5.8% MoM to MYR2.7 billion in January 2025. During the month, Celcom Digi (+3.6%) and Petronas Dagangan (+1.6%) were the key gainers while key detractors were Gamuda (-14.8%), Axiata Group (-10.8%) and Petronas Chemicals (-10.1%). Sector wise, REIT (+0.4%) and Energy (+0.1%) were the key performers, while Construction (-13.5%), Technology (-10.5%) and Utilities (-9.9%) were the key detractors. Major news during the month included Malaysia and Singapore formalizing an agreement to establish the Johor-Singapore Special Economic Zone ("JS-SEZ") at their border and setting a target of 50 projects within five years, the Biden administration proposing new rules governing the export of advanced AI chips and technologies to about 120 countries, Bank Negara Malaysia keeping interest rates unchanged citing sustained growth and manageable inflation, and Gateway Development Alliance announcing that it had secured enough shares to delist and privatize Malaysia Airports Holdings.

Government Investment Issue ("GII") yield curve bull steepened marginally in the first month of the year. GII yields traded in a relatively tight range despite the volatility seen in US treasuries ("UST") in a month that was dominated by headlines and shifting expectations on President-elect Donald Trump's policies post his inauguration on 22 January 2025. As broadly expected, the US Federal Open Market Committee ("FOMC") voted to keep the federal funds target range unchanged at 4.25% to 4.50%. Separately, Bank Negara Malaysia ("BNM") also kept the overnight policy rate ("OPR") unchanged at 3% as widely expected. The language of the latest monetary policy statement by BNM was rather neutral and balanced in its views regarding the downside risks to growth from external uncertainties and upside risks to inflation from domestic policy changes in the country. The neutrality of the policy statement suggests that an OPR hike by BNM is unlikely in the immediate future. On the currency front, Malaysian Ringgit ("MYR") strengthened against the US Dollar ("USD") by 0.3% to end the year at MYR4.4602. GII levels as at end January 2025 were : 3Y at 3.52% (+10 bps), 5Y at 3.62% (-), 7Y at 3.77% (+3 bps), 10Y at 3.82% (-1 bps), 15Y at 3.95% (-2 bps), 20Y at 4.08% (-1 bps) and 30Y at 4.19% (-).

Fixed income foreign flows registered a net outflow of MYR1.4 billion in December 2024 (November 2024: - MYR1.1 billion), bringing Year-to Date ("YTD") net foreign inflows to MYR4.8 billion. Foreign holdings in Malaysian government securities ("MGS") and GII dipped to 21.2% in December 2024 (November 2024: 21.4%).

There were 2 government security auctions during the month: The 15.5Y GII 7/40 new issue with a tender size of MYR3.0 billion with MYR1.0 billion private placement drew a BTC of 4.289x at an average yield of 3.974% and the 3Y GII 7/28 reopening auction with a tender size of MYR5.5 billion drew a BTC of 2.623x at an average yield of 3.561%.

On the economic data front, Malaysia's foreign reserves decreased to USD116.2 billion as of 31 December 2024 (29 November 2024: USD118.3 billion). The reserves are sufficient to finance 5.0 months of retained imports and 1.0x of short-term external debt. Malaysia's December 2024 headline inflation eased to 1.7% Year-of-Year ("YoY") (November 2024: +1.8% YoY), tempered by softer non-food price inflation. Core inflation moderated to 1.5% YoY in December 2024 (November 2024: +1.8% YoY). Headline inflation averaged 1.8% YoY in 2024 (2023: +2.5% YoY), which was well within the Ministry of Finance's 1.5-2.5% forecast for the year. Malaysia's exports surged 16.9% YoY in December 2024 (November 2024: +4.1% YoY) while imports grew 11.9% YoY (November 2024: +1.6% YoY). As a result, trade balance widened to MYR19.2 billion in December 2024 (November 2024: MYR15.3 billion). Separately, Malaysia's industrial production for November 2024 rose 3.6% YoY (October 2024: +2.1% YoY), led by growth in the Manufacturing (+4.6% YoY) and Electricity (+3.9% YoY) sectors. This was partially offset by the downtrend in the Mining sector which contracted 0.8% YoY. Malaysia's 4Q24 advanced Gross Domestic Product ("GDP") showed an estimated growth of 4.8% YoY against expectations of 5.2% YoY (3Q24: +5.3% YoY). The moderation in 4Q24 GDP growth was due to contractions in the agriculture and mining sectors and quarrying sector, as well as slower manufacturing output. The final data will be released on 14 February 2025.

On the primary corporate bond space, notable issuances included MYR2.5 billion Danum Capital iMTN, MYR400 million PLUS Berhad iMTN and MYR400 million LBS Bina iMTN.

### 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 ("USD") 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 Deep Seek by the Chinese.

Although recent US economic growth data releases have remained robust, the trend for a moderation in inflation and a softening in the labour market remains intact. With the prospect of pro-inflationary policies under a Trump presidency in 2025, the US Federal Reserve ("Fed") is expected to proceed with caution on rate cuts going forward. 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 a Trump presidency.



### Lipper Leader Fund for:

1. 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