



May 2025

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.

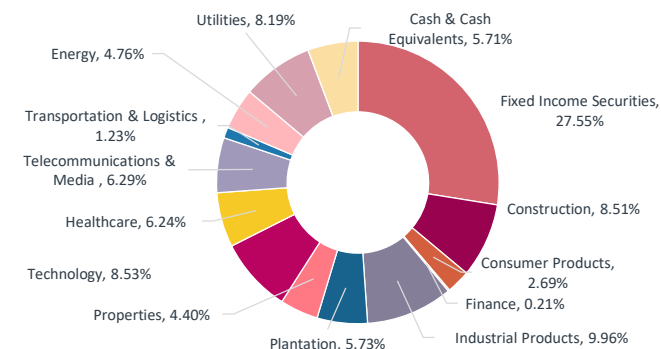
Fund Details

Unit NAV (31 May 2025)	: RM 1.71831
Fund Size (31 May 2025)	: RM 173.190 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

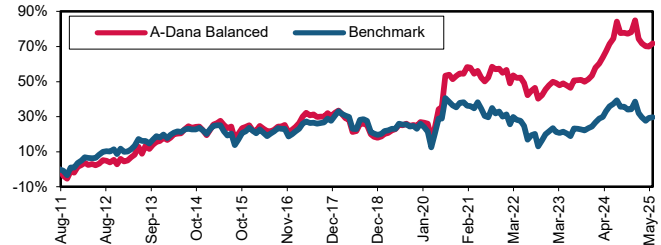
Top Holdings

1	TENAGA NASIONAL BHD	7.50%
2	MALAYSIA GOVERNMENT SECURITIES	5.93%
3	AEON CREDIT SERVICE M BHD	5.80%
4	GAMUDA BHD	5.31%
5	IHH HEALTHCARE BHD	4.77%

Asset and Sector Allocation



Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund*	1.13%	-3.59%	0.16%	15.29%	28.15%	71.83%
Benchmark*	0.23%	-3.28%	-4.53%	3.96%	0.55%	29.69%
Excess	0.90%	-0.31%	4.69%	11.33%	27.60%	42.14%

* 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 0.16% Month-on-Month ("MoM") to close at 11,256 pts in May 2025. The Index underperformed the MSCI Asia ex Japan Index, which gained 3.5% MoM in Malaysian Ringgit ("MYR") terms over the same period. Bursa Malaysia's average daily transaction value ("ADTV") rose 11.8% MoM to MYR2.5 billion in May 2025. During the month, Gamuda (+7.8%), Sunway (+4.4%) and Press Metal Aluminum (+2.9%) were the key gainers while key detractors were Sime Darby Berhad (-18.3%), Nestle Malaysia (-9.7%) and PPB Group (-9.3%). Sector wise, Construction (+9.0%), Property (+3.8%) and Technology (+3.2%) were the key performers, while Healthcare (-5.2%), Consumer (-4.2%) and Telecom (-2.4%) were the key detractors. Major news during the month included Prime Minister Datuk Seri Anwar Ibrahim addressing Parliament in a special session in response to the recent tariffs imposed by the US, Bank Negara Malaysia announcing a 100-basis-point cut in the statutory reserve requirement ratio, and US cutting tariffs on imports from China from 145% to 30% for 90 days starting 14 May 2025.

Government Investment Issue ("GII") yield curve bull-steepened in May 2025. US trade policies under the new Trump administration continued to influence global rates as US Treasury yields sharply rose during the month. The de-escalation of trade tensions between the U.S. and China boosted investor confidence, prompting a shift away from safe-haven assets like Treasuries toward riskier investments. Domestically, the market was boosted by a dovish signal by Bank Negara Malaysia ("BNM"). Although BNM kept the overnight policy rate ("OPR") on hold at the May 2025 Monetary Policy Committee ("MPC") meeting, the statement reflected heightened uncertainty on economic growth. Additionally, BNM cut the statutory reserve ratio ("SRR") by 100 bps to inject liquidity into the banking system and support financial stability. On the currency front, Malaysia ringgit ("MYR") strengthened against the US dollar ("USD") by 1.36% to MYR4.2568. GII levels as at end May 2025 were: 3Y at 3.17% (-13 bps), 5Y at 3.29% (-12 bps), 7Y at 3.40% (-13 bp), 10Y at 3.53% (-10 bps), 15Y at 3.70% (-8 bps) and 20Y at 3.79% (11 bp).

Fixed income foreign flows registered a net inflow of MYR10.2 billion in April 2025 (March 2025: +MYR3.2 billion). Foreign holdings in Malaysian Government Securities ("MGS") and GII rose to 21.4% in April 2025 (March 2025: 20.9%).

There was 1 government security auction during the month: The 20Y GII 5/45 new issue auction with a tender size of MYR3.0 billion with a MYR2.0 billion private placement drew a bid-to-cover ("BTC") ratio of 3.318x at an average yield of 3.775%.

On the economic data front, Malaysia's foreign reserves increased to USD119.1 billion as of 15 May 2025 (31 April 2025: USD118.7 billion). The reserves position is sufficient to finance 5.0 months of imports of goods and services and is 0.9 times the total short-term external debt. In April 2025, headline inflation remained unchanged at 1.4% Year-on-Year ("YoY") (March 2025: 1.4% YoY), while core inflation edged higher to 2% YoY (March 2025: 1.9% YoY). Higher core inflation was contributed by core components including mobile communication services, jewelry and watches, as well as air passenger transport. Gross exports grew by 16.4% YoY (March 2025: 6.8% YoY) mainly due to continued strong expansion of electrical and electronic ("E&E") exports, further supported by a rebound in non-E&E and commodities exports. Imports expanded by 20% YoY (March 2025: -2.9% YoY), amidst a sharp growth of capital imports. As a result, trade surplus narrowed to MYRS2.2 billion. Industrial production index for March 2025 grew 3.2% YoY (February 2025: 1.5% YoY). Growth was supported by the manufacturing and mining sectors which grew 4.0% YoY and 1.9% YoY, respectively.

On the primary corporate bond space, notable issuances included MYR1.0 billion Maybank Islamic IMTN, MYR880 million Intiaz II IMTN and MYR750 million Maybank Subordinated Sukuk. On rating actions, MARC Ratings has upgraded its rating on Grand Sepadu (NK) Sdn Bhd's MYR210 million Sukuk Murabahah to AA from AA-, citing strengthened financial profile, driven by ongoing debt reduction, consistent traffic demand and cash flow generation. Additionally, MARC Ratings affirmed its ratings on WCT Holdings Berhad's ("WCT") sukuk programmes, and revised the ratings outlook to positive from stable, citing potential improvement in the group's balance sheet from WCT's disposal of three mall assets into Paradigm REIT.

Market Outlook

We are cautiously optimistic on equities, as recent developments in the US-China trade talks have helped avert a worst-case scenario and reduced the likelihood of a US recession. These developments have also helped stabilize the trend of negative earnings revisions. Nonetheless, some risks persist. The US-China negotiations remain fragile, and any unexpected setback could quickly escalate tensions. Furthermore, the ongoing effects of trade tariffs are already weighing on corporate sentiment, leading to capital expenditure cut and a more subdued business outlook. Additionally, Trump tariff is expected to stoke inflation, which could limit macroeconomic policy flexibility. We continue to adjust the portfolio proactively to manage risks and capture opportunities as they arise.

Despite the recent de-escalation of trade tensions between China and the US where additional tariffs were put on hold for 3 months, there is still much uncertainty on the potential economic impact of the trade war as negotiations continue between the US and its trade partners. Domestically, Malaysia's growth will likely be weighed by weakening external demand. Inflation impact would likely be muted, barring any upside risks to inflation from subsidy reform measures. Against this backdrop, BNM is expected to cut the policy rate in 2H2025 which should be supportive for the MGS market. However, we continue to expect volatility in the immediate term as the market reacts to further developments on US trade tariffs and key economic data releases.