



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.

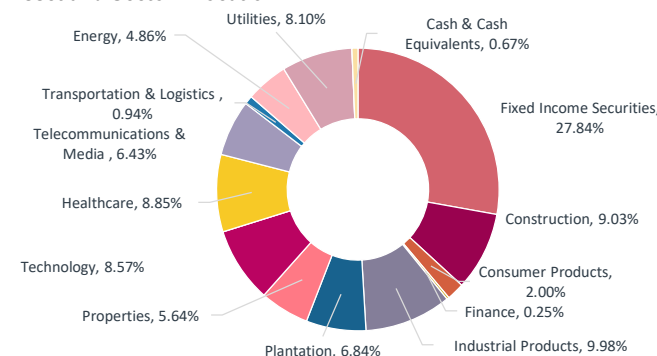
Fund Details

Unit NAV (31 July 2025)	: RM 1.75501
Fund Size (31 July 2025)	: RM 183.647 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

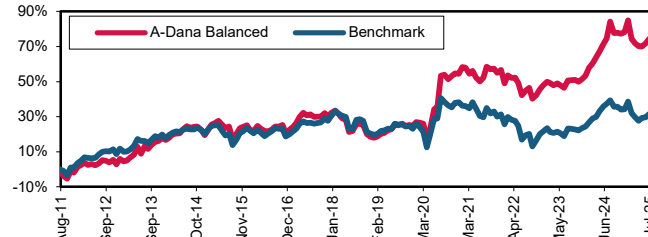
Top Holdings

1	MALAYSIA GOVERNMENT SECURITIES	7.96%
2	TENAGA NASIONAL BHD	6.63%
3	AEON CREDIT SERVICE M BHD	5.48%
4	GAMUDA BHD	5.12%
5	IHH HEALTHCARE BHD	5.06%

Asset and Sector Allocation



Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund*	0.61%	0.65%	-4.76%	21.17%	14.39%	75.50%
Benchmark*	0.39%	-0.22%	-5.38%	10.38%	-6.18%	31.83%
Excess	0.23%	0.87%	0.62%	10.79%	20.57%	43.67%

* 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") gained 0.2% Month-on-Month ("MoM") to close at 11,461 pts in July 2025. The Index underperformed the MSCI Asia ex Japan Index, which gained 3.7% MoM in Malaysian Ringgit ("MYR") terms over the same period. Foreign investors turned net sellers of Malaysian equities with net sell flows of MYR0.9billion while local institutions remained net buyers amounting to MYR0.1billion during the month. Bursa Malaysia's average daily transaction value ("ADTV") rose 9.7% MoM to MYR2.4billion in July 2025. During the month, Axiata (+16.9%), Nestle Malaysia (+14.8%) and Petronas Chemical (+11.2%) were the key gainers while key detractors were Tenaga Nasional (-9.5%), PPB Group (-8.3%) and QL Resources (-7.6%). Sector wise, Construction (+4.2%), REIT (+4.2%) and Industrial Production (+3.5%) were the key performers, while Healthcare (-3.3%), and Transport (-0.4%) were the key detractors. Major news during the month include Bank Negara Malaysia lowered the Overnight Policy Rate by 25bps to 2.75%, the United States officially informed Malaysia that a 19% tariff will be applied to all Malaysian products and Malaysia unveiled the 13th Malaysian Plan with annual Gross Domestic Product ("GDP") growth target of 4.5% to 5.5% for the 2026-2030.

Government Investment Issue ("GII") yield curve shifted lower, driven by offshore and onshore buying interest. The demand started off at the short-to-belly of the curve but later extended to the long-end segments as well. Market sentiment was driven by expectations and the eventual delivery of a 25-basis points ("bps") overnight policy rate ("OPR") cut by Bank Negara Malaysia ("BNM") earlier in the month. Trading sentiment turned cautious towards month-end, with defensive positioning ahead of key events like the US federal open market committee ("FOMC") meeting, key labour market data in the US as well as the much-anticipated 1 August 2025 deadline for the trade negotiations with the US. On the currency front, Malaysian Ringgit ("MYR") strengthened against the US dollar ("USD") by 1.30% to MYR4.2650. GII levels as at end July 2025 was: 3Y at 3.10% (-6 bp), 5Y at 3.19% (-9 bp), 7Y at 3.33% (-6 bps), 10Y at 3.41% (10 bps), 15Y at 3.63% (-7 bps) and 20Y at 3.73% (-3 bps).

Fixed income foreign flows registered a marginal net outflow of MYR5.3 billion in June 2025 (May 2025: +MYR14.3 billion). Foreign holdings in Malaysian Government Securities ("MGS") and GII slipped to 21.8% in June 2025 (May 2025: 22.5%).

There were 2 government security auctions during the month: The 7Y GII 10/31 reopening auction with a tender size of MYR5.0 billion drew a bid-to-cover ("BTC") ratio of 2.922x at an average yield of 3.367% and the 10Y GII 4/35 reopening auction with a tender size of MYR5.0 billion drew a BTC ratio of 2.728x at an average yield of 3.468%.

On the economic data front, Malaysia's foreign reserves grew to USD120.6 billion as at end-June 2025 from USD119.6 billion as at end-May 2025. The reserves position is sufficient to finance 4.8 months of imports of goods and services and is 0.9x of total short-term external debt. Malaysia's headline inflation edged lower to 1.1% Year-on-Year ("YoY") in June 2025 (May 2025: 1.2% YoY), the lowest level since February 2021. Core inflation, which excludes volatile fresh food prices and price-administered goods, remained at 1.8% YoY (May 2025: 1.8% YoY) for the second straight month after easing from a peak of 2.0% in April 2025. The moderation in headline inflation came from softer transport, recreation services & culture, and restaurant and accommodation services prices amid stable food prices. This helped to fully cushioned the larger rise in prices of healthcare and personal care, social protection & miscellaneous goods & services. June 2025 exports shrank 3.5% YoY (May 2025: -1.1% YoY) while imports growth moderated to 1.2% YoY (May 2025: +6.6% YoY). As a result, trade surplus widened to MYR8.6 billion from MYR0.8 billion in May 2025. Malaysia's industrial production rose 0.3% YoY in May 2025 (April 2025: +2.7% YoY), well below consensus expectations of a 2.1% growth. The drag came from a steeper decline in the mining sector to -10.2% YoY (April 2025: -6.3% YoY) and a slowdown in manufacturing activities to 2.8% YoY (April 2025: +5.6% YoY), which outweighed the rebound in electricity production of 0.4% YoY (April 2025: -1.7% YoY). The key development in July 2025 was BNM's monetary policy committee ("MPC") meeting where it delivered the highly anticipated 25 bps OPR cut to 2.75% in what it described as a pre-emptive move to support growth amid rising downside risks from trade uncertainties. The monetary policy statement struck a cautious tone, with BNM highlighting that while the domestic economy is on a strong footing, uncertainties surrounding external developments could affect Malaysia's growth prospects and that the balance of risks to the growth outlook remains tilted to the downside.

On the primary corporate sukuk space, notable issuances included MYR1 billion Bank Islam IMTN. On rating actions, MARC Ratings has revised its ratings outlook on Tropicana Corporation Berhad's MYR1.5 billion IMTN and MYR2.0 billion perpetual sukuk programmes to positive from stable. The ratings on the programmes have been affirmed at AIS and A-IS. Separately, RAM Ratings has upgraded the financial institution rating of Alliance Islamic Bank to AA3/Stable/P1 from A1/Positive/P1. The long-term rating of the entity's sukuk facilities have also been upgraded with a stable outlook.

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.

Although there is clarity now in terms of the quantum of reciprocal tariffs on Malaysian goods from the US at 19%, uncertainties remain on the imposition of tariffs on specific sectors such as semiconductors and pharmaceutical products which pose risks to external trade. Against the backdrop of trade policy uncertainties, BNM has proceeded to cut policy rate by 25 bps in its recent July 2025 MPC meeting as a pre-emptive move to support growth, which should be supportive of the local sukuk market. Our view is for BNM to stand pat for now as it awaits further economic data releases to guide its next policy action. But there is room for further easing beyond 2025 if growth weakens meaningfully. As such, volatility will still likely persist in the near term as markets react to further developments in trade negotiations and key economic data releases both domestically and in the US.