



**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.

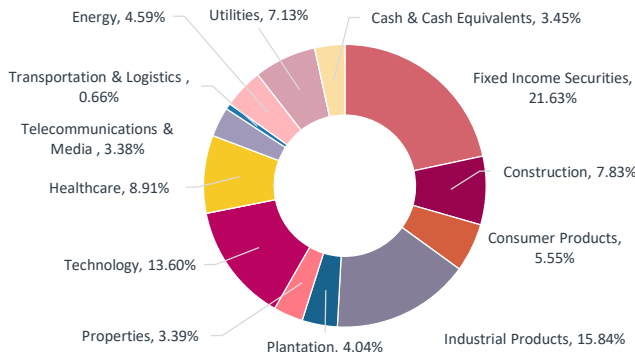
Fund Details

| | |
|-----------------------------|---------------------------|
| Unit NAV (31 May 2026) | : RM 1.99598 |
| Fund Size (31 May 2026) | : RM 216.207 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 |

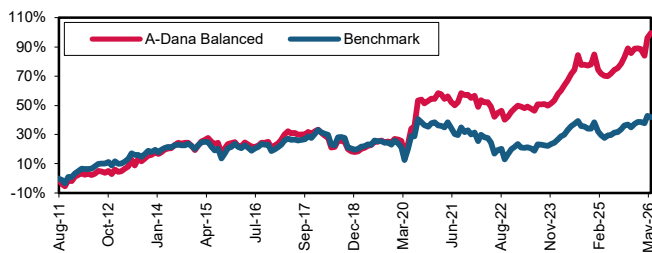
Top Holdings

| | | |
|---|------------------------------------|-------|
| 1 | MALAYSIA GOVERNMENT SECURITIES | 9.22% |
| 2 | TENAGA NASIONAL BHD | 7.13% |
| 3 | IHH HEALTHCARE BHD | 4.84% |
| 4 | AEON CREDIT SERVICE M BHD | 4.63% |
| 5 | PRESS METAL ALUMINIUM HOLDINGS BHD | 3.00% |

Asset and Sector Allocation



Historical Performance



| Cumulative Performance | 1-Mth | 6-Mth | 1-Year | 3-Year | 5-Year | Since Inception |
|------------------------|--------|-------|--------|--------|--------|-----------------|
| Fund [^] | 1.67% | 7.48% | 16.16% | 35.14% | 31.09% | 99.60% |
| Benchmark [*] | -0.55% | 5.08% | 9.47% | 17.85% | 5.61% | 41.98% |
| Excess | 2.22% | 2.40% | 6.69% | 17.30% | 25.48% | 57.62% |

[^] 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 0.9% Month-on-Month ("MoM") to close at 12,604 pts in May 2026, underperforming the MSCI Asia ex Japan Index, which rose 10.8% MoM in Malaysian Ringgit ("MYR") terms over the same period. The weaker performance was driven by persistent foreign selling, weaker-than-expected 1Q26 corporate earnings, and escalating geopolitical tensions in the Middle East. Foreign investors turned net sellers at MYR3,731 million in May 2026, reversing their net buying position of MYR241 million in the preceding month. Local institutions were net buyers at MYR2,928 million, followed by local retail investors with a net buy of MYR597 million. Market activity strengthened, with Bursa Malaysia's average daily trading value ("ADTV") rising 23.6% MoM to MYR3.8 billion in May 2026. At the stock level, Maxis (+6.3%), Press Metal (+4.3%) and IHH Healthcare (+2.2%) were the key gainers, while Nestle Malaysia (-16.1%), Axiata Group (-14.9%) and PPB Group (-14.1%) were the main detractors. Sector-wise, Technology (+19.0%), Utilities (+2.8%) and Healthcare (+2.2%) outperformed, while Energy (-7.4%), Consumer (-5.9%) and Plantation (-4.9%) lagged. Key developments during the month included worsening supply chain disruptions and rising cost pressures as the Middle East conflict strained raw materials and manufacturing activity, heightened political uncertainty following resignation of Members of Parliament and increasing speculation of a potential snap general election, and targeted government interventions such as cost-of-living support measures and subsidy adjustments to cushion households and sustain economic stability.

The Government Investment Issue ("GII") yield curve bear-flattened in May 2026 amid higher global rates, as markets reacted to persistent inflation concerns, stronger-than-expected economic data, and uncertainty surrounding the US Federal Reserve's ("Fed") interest-rate path. Disruptions in and around the Strait of Hormuz also kept Brent crude prices above USD90 per barrel. Kevin Warsh was confirmed by the U.S. Senate as the 17th Chair of the Fed, formally succeeding Jerome Powell. At the start of the year, Fed funds futures had been pricing in rate cuts for 2026; however, expectations have since shifted toward potential rate hikes. Domestically, Bank Negara Malaysia ("BNM") kept the Overnight Policy Rate ("OPR") unchanged at 2.75%, as widely expected, and maintained that the current policy stance remains appropriate and consistent with the outlook for continued price stability and sustainable economic growth. On the currency front, the MYR strengthened by 0.2% against the USD in May 2026, ending the month at 3.9645. GII yields as at end-May 2026 were: 3-year at 3.22% (+4 bps), 5-year at 3.37% (+5 bps), 7-year at 3.56% (+7 bps), 10-year at 3.61% (+4 bps), 15-year at 3.88% (+2 bps), and 20-year at 3.97% (unchanged).

Fixed income foreign holdings rose, with foreign investors increasing holdings by MYR3.8 billion in April 2026 (March 2026: MYR6.1 billion). Foreign holdings in Malaysian Government Securities ("MGS") and GII dipped slightly to 21.5% in April 2026 (March 2026: 21.6%).

There were two government security auctions during the month: the 10-year GII 4/35 reopening (MYR5.0 billion) recorded a bid-to-cover ("BTC") ratio of 2.868x with an average yield of 3.60%, while the 30-year GII 1/56 reopening (MYR3.0 billion), together with a MYR2.0 billion private placement, recorded a BTC ratio of 2.285x with an average yield of 4.103%. Overall, demand was healthy, as indicated by bid-to-cover ratios above 2.0x for both offerings.

On the economic data front, Malaysia's foreign reserves decreased slightly to USD129.5 billion as of 15 May 2026 (30 April 2026: USD129.7 billion). The reserves position is sufficient to finance 4.6 months of imports of goods and services and cover 0.9x of total short-term external debt. Malaysia's headline inflation increased to 1.9% YoY in April 2026 (March 2026: 1.7% YoY), mainly driven by higher transport inflation. Core inflation, which excludes volatile fresh food prices and price-administered goods, eased slightly to 2.0% YoY (March 2026: 2.1% YoY). Malaysia's exports growth accelerated sharply to 36.9% YoY



in April 2026 (March 2026: 8.3% YoY), mainly driven by demand for E&E products from the ongoing Artificial Intelligence (“AI”)-driven tech upcycle. Imports also grew 20.0% YoY (March 2026: 10.4% YoY), resulting in a trade surplus of MYR28.8 billion (March 2026: MYR24.5 billion). Industrial production for March 2026 grew 3.1% YoY (February 2026: 3.1% YoY). The expansion was supported by the manufacturing and electricity sectors, partially offset by the mining sector. Malaysia’s 1Q26 GDP grew slightly better than expected at 5.4% YoY (4Q25: +6.2% YoY). Q12026 saw slower growth in services, construction, and agriculture, while manufacturing remained resilient. Moderation in private and public consumption and investment led to a deceleration in private expenditure.

In the primary corporate sukuk space, notable issuances included MYR4.0 billion Tenaga Nasional Berhad IMTN, MYR1.91 billion Cagamas Berhad IMTN, MYR2.0 billion Imtiaz Sukuk II Berhad IMTN, and MYR1.2 billion Malayan Banking Berhad IMTN. In terms of credit ratings, RAM Ratings upgraded Exsim Capital Resources Berhad’s outstanding MYR340 million Tranche 5 IMTN to AAA/Stable from AA2/Positive.

Market Outlook

The US–Iran war has heightened geopolitical tensions, leading to increased oil price volatility. At this stage, the outcome and duration of the conflict remain uncertain. The longer the war persists, the higher the risk premium is likely to be embedded in oil prices. Sustained elevated oil prices could subsequently impact global growth, inflation dynamics and policy responses. Markets are therefore assessing whether the current situation represents a temporary geopolitical disruption or a more persistent supply shock to the global energy market. Asia and Europe are likely to be more affected than the United States, given their relatively higher dependence on oil imports from the Middle East. Our base case, for now, is that the supply shock remains transitory, although we will continue to monitor developments closely. Despite concerns surrounding a potential oil supply shock and its implications for the broader global economy, we have continued to see net earnings upgrades within the technology sector. Corporates are increasingly raising capital expenditure commitments, supported by a stronger-than-expected Artificial Intelligence (“AI”) outlook and ongoing investment into digital infrastructure and AI-related ecosystems. While we remain mindful that a prolonged period of elevated oil prices could lead to earnings downgrades across non-technology sectors, particularly among energy-intensive industries, we continue to remain constructive and positive on equities overall. This is underpinned by our base view that oil prices within the USD90-110 per barrel range remain manageable for corporates and the broader economy, although some moderation in economic activity may be expected.

For Malaysia, we remain constructive on domestic equities. Malaysia is among the least affected markets in a higher oil price environment, given that the country is a net exporter of oil and gas, in contrast to most Asian economies which are net energy importers. Domestic growth also continues to be supported by several structural initiatives, including the Johor–Singapore Special Economic Zone, the National Energy Transition Roadmap, and ongoing major infrastructure projects. Key risks to monitor include a prolonged oil supply shock, a weaker Chinese economy, delays in domestic growth initiatives, and hyperscalers scaling back AI capex. In this environment, we will maintain a proactive and disciplined approach to portfolio construction as conditions evolve.

While external risks, particularly geopolitical risk, continue to linger, Malaysia’s proactive policy measures and resilient domestic fundamentals are expected to provide a constructive backdrop for the local sukuk market in 2026. The latest Summary of Economic Projections from the US Federal Open Market Committee (“FOMC”) continues to indicate one rate cut for 2026, which is expected to support the ringgit and attract foreign inflows. Domestically, BNM kept the OPR unchanged at 2.75% at its May 2026 Monetary Policy Committee (“MPC”) meeting. Despite Malaysia’s solid GDP growth, the monetary policy statement was neutral, with BNM highlighting contained inflation and downside risks to growth as reasons to remain cautious. For now, BNM is expected to keep the policy rate on hold while evaluating incoming data to guide its next steps.