



Jul 2023

MONTHLY FUND PERFORMANCE UPDATE AIA DANA BON

Investment Objective

The primary goal of this Fund is to provide a steady stream of income returns through investments in Islamic fixed income securities and Islamic money market instruments. The secondary goal of the Fund is to provide medium to long-term capital appreciation whilst preserving the capital invested.

Notice: Please refer to the Fund Fact Sheet for more information about the Fund.

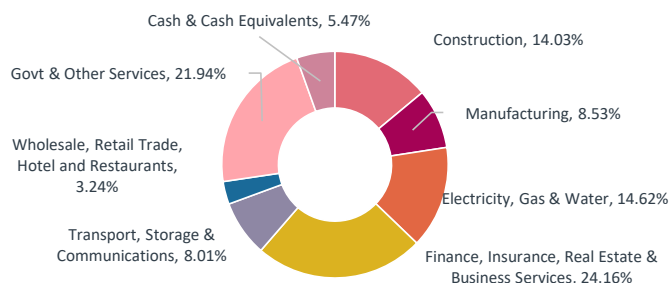
Fund Details

Unit NAV (31 Jul 2023)	: RM 0.94169
Fund Size (31 Jul 2023)	: RM 293.999 million
Fund Currency	: Ringgit Malaysia
Fund Inception	: 22 July 2008
Offer Price at Inception	: RM0.50
Fund Management Charge	: 0.50% p.a.
Investment Manager	: AIA Bhd.
Basis of Unit Valuation	: Net Asset Value
Frequency of Unit Valuation	: Daily

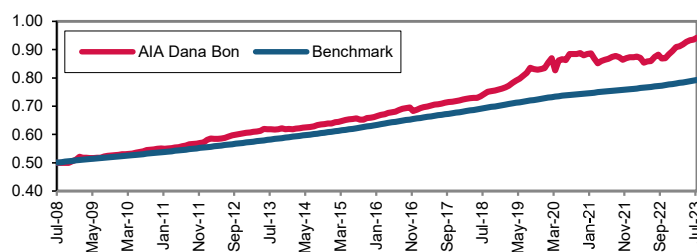
Top Holdings

1	MALAYSIA GOVERNMENT SECURITIES	7.16%
2	MALAYAN BANKING BHD	7.07%
3	CIMB GROUP HOLDINGS BHD	5.51%
4	PUBLIC BANK BHD	5.19%
5	TENAGA NASIONAL BHD	3.83%

Sector Allocation



Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund ^a	0.63%	3.57%	7.69%	6.47%	26.82%	88.34%
Benchmark [*]	0.25%	1.51%	2.95%	7.13%	14.32%	58.47%
Excess	0.38%	2.06%	4.74%	-0.66%	12.50%	29.87%

^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.

^{*} 12-month Maybank General Investment Account (Islamic) Tier 1 Rate (Source: Maybank)

Notice: Past performance of the Fund is not an indication of its future performance.

Market Review

Government Investment Issues ("GII") traded mixed in July 2023. Short-end yields came under pressure at the start of the month on expectations of tighter market liquidity and as market participants de-risked ahead of Bank Negara Malaysia's ("BNM") Monetary Policy Committee ("MPC") decision. Subsequently, local government bonds rallied and reversed some of their losses after the release of weaker-than-expected US Consumer Price Index ("CPI") data for June 2023, with the rally led by a good mix of buying flows from both onshore and offshore participants across the curve. Towards month-end, trading interests turned relatively subdued ahead of the key rate decision by the US Federal Open Market Committee ("FOMC") meeting, which eventually saw the US Federal Reserve ("Fed") hiking the federal funds rate by 25 bps following a pause in the May 2023 FOMC meeting. On the currency front, the Malaysian ringgit ("MYR") strengthened against the US dollar ("USD") by 3.42% to close at MYR4.5070 as at end-July 2023. GII levels as of end-July 2023 were: 3Y at 3.50% (+1 bps), 5Y at 3.65% (-5 bps), 7Y at 3.80% (- bps), 10Y at 3.87% (-1 bps), 15Y at 3.99% (+3 bp), 20Y at 4.18% (+6 bps) and 30Y at 4.28% (+1 bps).

Foreign net inflows continued for the 6th successive month in June 2023, accelerating to MYR5.2 billion (May 2023: +MYR3.0 billion). Foreign holdings in MGS and Government Investment Issue ("GII") inched up to 23.4% in June 2023 (May 2023: 23.2%).

There was one government securities auction during the month: The 7Y GII 9/30 reopening auction with a tender size of MYR5.0 billion drew a bid-to-cover ("BTC") ratio of 2.295x at an average yield of 3.788%.

Malaysia's industrial production index rebounded 4.7% Year-on-Year ("YoY") in May 2023 (April 2023: -3.3% YoY), led by growth across Mining (+2.9%), Manufacturing (+5.1%) and Electricity (+5.0%). Malaysia's unemployment rate was unchanged at 3.5% in May 2023 (April 2023: 3.5%). BNM's foreign reserves increased to USD111.8 billion as at 14 July 2023 (30 June 2023: USD111.4 billion), sufficient to finance 5.1 months of imports of goods and services and is 1.0x of short-term external debt. Malaysia's exports posted a double-digit decline of 14.1% in June 2023 (May 2023: -0.7%) on lower exports of manufactured goods such as petroleum products, palm oil-based manufactured products, chemicals & chemicals product, as well as lower exports of agricultural and mining goods. Imports decelerated by a wider 18.9% YoY (May 2023: -3.3% YoY) due to the fall in imports of intermediate goods, consumption goods and capital goods. As a result, trade surplus widened to MYR25.8 billion (May 2023: +MYR15.7 billion). Malaysia's headline CPI for June 2023 decelerated further to 2.4% YoY (May 2023: 2.8% YoY). Deceleration was noted in the Food & Non-Alcoholic Beverages, Housing, Utilities & Other Fuels and Transport sectors. Core inflation, which excludes the more volatile prices of fresh food as well as administered prices of goods by the government, increased more slowly at 3.1% (May 2023: +3.5%). 1H 2023 headline inflation now stands at 3.2%.

On the primary corporate space, notable issuances included MYR3.5 billion Sarawak Energy Berhad IMTN, MYR1.5 billion Johor Corporation IMTN and MYR935 million Cagamas IMTN. There was one rating revision in July 2023. MARC Ratings downgraded the rating on TG Excellence Berhad's MYR3.0 billion Perpetual Sukuk Wakalah Programme to A+IS(cg) from AA-IS(cg), reflecting the continued weakness in Top Glove's financial performance. MARC Ratings also revised WCT Holdings' ratings outlook to negative from stable on the back of persistently high leverage position that WCT Holdings has not been able to address in a meaningful way. The rating action has also factored in the group's weakening liquidity position as cash reserves have been used to support the group's operations in recent operations.

Market Outlook

Recent inflation readings and economic data from the US have shown signs of moderation. Although the US Fed continues to reiterate the need to maintain tighter monetary policy amidst robust labour market data, stresses in the US banking sector have called into question the ability of financial institutions to absorb further tightening in financial conditions. Domestically, BNM has kept the overnight policy rate ("OPR") unchanged at its recent MPC meeting. Against the backdrop of moderating inflation expectations as well as growth outlook in 2H2023, the possibility of further OPR hikes for the rest of the year may be remote at this juncture, barring the uncertain timing of subsidy rationalization. For 2023, we expect rates volatility to linger due to uncertainties surrounding central banks' future monetary policy moves on the back of differing and changing views as market conditions evolve.



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

This document is for informational use only. Investments are subject to investment risks including the possible loss of the principal amount invested. The value of the units may fall as well as rise. Past performance of the fund is not an indication of its future performance. This is not a pure investment product such as unit trust and please evaluate the options carefully and satisfy that the Investment-Linked Insurance / Takaful plan chosen meets your risk appetite. Please refer to the Fund Fact Sheet for more information about the fund.