



November 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.

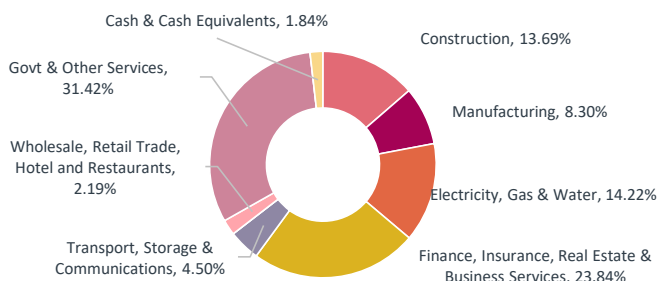
### Fund Details

Unit NAV (30 Nov 2023)	: RM 0.95091
Fund Size (30 Nov 2023)	: RM 300.583 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

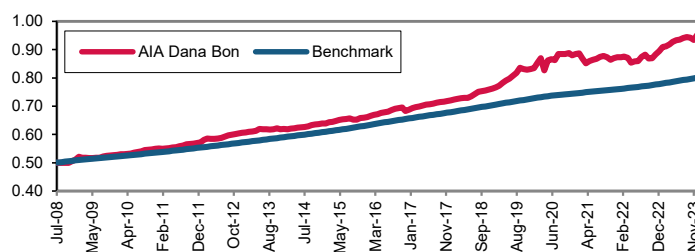
### Top Holdings

1	MALAYSIA GOVERNMENT SECURITIES	25.50%
2	TNB POWER GENERATION SDN BHD	7.03%
3	YINSON HOLDINGS BHD	6.67%
4	JOHOR CORP	5.91%
5	SARAWAK PETCHEM SDN BHD	4.75%

### Sector Allocation



### Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund <sup>^</sup>	1.72%	1.93%	7.57%	8.02%	25.33%	90.18%
Benchmark <sup>*</sup>	0.24%	1.51%	3.03%	7.49%	14.08%	60.04%
Excess	1.48%	0.42%	4.54%	0.53%	11.26%	30.14%

<sup>^</sup> 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.

<sup>\*</sup> 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

The Government Investment Issues ("GII") yield curve shifted lower during the month in tandem with the strong rally in US Treasuries ("UST") after the US Federal Open Market Committee ("FOMC") kept the fed funds rate unchanged. While this was largely expected, market participants had a neutral to slightly dovish assessment of US Federal Reserve ("Fed") chairman Jerome Powell's speech. Other factors which contributed to the rally in UST included the weaker-than-expected ISM manufacturing data, lower-than expected coupon supply from the UST quarterly refunding announcement, as well as slower nonfarm payroll gains and inflation prints. Domestic sukuk tracked the rally as market participants who were previously light on positioning decisively added on positions. On the currency front, Malaysian ringgit ("MYR") strengthened against the United States dollar ("USD") by 2.1% to end the month at 4.6625. GII levels as of end-November 2023 were: 3Y at 3.55% (-13 bps), 5Y at 3.66% (-19 bps), 7Y at 3.86% (-20 bps), 10Y at 3.87% (-22 bps), 15Y at 4.01% (-22 bps), 20Y at 4.20% (-22 bps) and 30Y at 4.39% (-23 bps).

Fixed income foreign flows recorded the third consecutive month of outflow in October 2023 at MYR2.6 billion (September 2023: -MYR4.4 billion). Foreign holdings in Malaysian Government Securities ("MGS") and GII fell to 22.7% in October 2023 (September 2023: 23.1%).

There were 3 government securities auctions during the month: 30Y GII 5/52 reopening auction with a tender size of MYR5.0 billion including a private placement of MYR2.0 billion drew a bid-to-cover ("BTC") ratio of 2.076x at an average yield of 4.484%, 3Y GII 9/26 reopening auction with a tender size of MYR5.0 billion drew a BTC ratio of 1.508x at an average yield of 3.622% and 7Y GII 9/30 reopening auction with a tender size of MYR5.0 billion drew a BTC ratio of 3.304x at an average yield of 3.897%.

On the economic data front, Malaysia's foreign reserves stood at USD110.5 billion as of 15 November 2023 (31 October 2023: USD108.5 billion). The reserves are sufficient to finance 5.3 months of retained imports and 1.0x of short-term external debt. Malaysia's exports declined 4.4% Year-on-Year ("YoY") in October 2023 (September 2023: -13.7% YoY) as the dip across the Mining and Manufacturing sectors more than offset the growth in the Agriculture sector. Meanwhile, imports slipped marginally by 0.2% YoY (September 2023: -11.1% YoY) on the back of lower imports of intermediate goods, but this was partially cushioned by a growth in capital and consumption goods. Trade balance narrowed to MYR12.9 billion (September 2023: MYR24.5 billion). Separately, Malaysia's headline inflation moderated to 1.8% YoY in October 2023 (Sep 2023: +1.9% YoY), the lowest level since March 2021. Components that partly contributed to a lower rise were alcoholic beverages and tobacco (+0.6% YoY) as well as clothing and footwear (0.0% YoY), while food and non-alcoholic beverages inflation remained high at 3.6% YoY. Core inflation eased to 2.4% YoY (September 2023: +2.5% YoY). Malaysia's industrial production for September 2023 dipped 0.5% YoY (August 2023: +0.3% YoY). The decline was attributable to the drop in the mining sector, which offset the growth in the manufacturing and electricity sectors. Malaysia's final reading of 3Q23 Gross Domestic Product ("GDP") growth remained at 3.3% YoY, similar to the advanced estimate provided earlier. Growth was driven by the construction and services sectors, which grew 7.2% YoY and 5.0% YoY, respectively. Sectors which displayed weakness were agriculture (+0.8% YoY), mining (-0.1% YoY) and manufacturing (-0.1% YoY). On the monetary policy front, Bank Negara Malaysia ("BNM") kept the overnight policy rate ("OPR") on hold at 3.0% as widely expected. BNM's assessment on growth was rather neutral as potential growth drivers from the resilient domestic expenditure, expected recovery in electrical and electronic ("E&E") exports, improvement in tourist arrivals and continued progress of existing and new infrastructure projects are subjected to downside risks from geopolitical tensions, weaker-than-expected external demand and decline in commodity production. Inflation is expected to remain modest in 2024, with risks remaining highly subjected to domestic policies on subsidies and global commodity prices.

On the primary corporate sukuk space, notable issuances included MYR1.5 billion RHB Bank IMTN, MYR1.0 billion CIMB IMTN and MYR500m Cagamas ASEAN Social SRI Sukuk. In terms of rating revisions, Exsim Capital Resources Berhad's Tranche 2 IMTN rating has been upgraded to AA2 from AA3 with a revision in rating outlook to positive from stable, and Golden Assets International Finance Limited's MYR5 billion IMTN rating has been upgraded to AA2(s) from AA3(s) with a revision in rating outlook to stable from positive. Separately, MARC has also upgraded Titijaya Land Berhad's MYR150 million Islamic Commercial Paper short-term rating to MARC-1<sub>IS</sub> from MARC-2<sub>IS</sub>, revised the rating outlook on Tan Chong Motor Holdings' MYR1.5 billion IMTN to negative from stable while affirming its A+<sub>IS</sub> rating, revised Evyap Sabun Malaysia's MYR500 million Sukuk rating outlook to positive from stable, downgraded YNH Property Berhad's IMTN rating to A<sub>IS</sub> while concurrently revising its rating outlook to negative from stable, and revised DRB-HICOM's MYR3.5 billion Sukuk and MYR2.0 billion Perpetual Sukuk Programmes' outlook to positive from stable.

### Market Outlook

Although recent inflation readings and economic data from the US have shown signs of moderation, the US Fed continues to reiterate the need to maintain tighter monetary policy amidst robust labour market data. Despite this, it is apparent that we are at the tail-end of the rate normalisation cycle. Domestically, BNM has kept the OPR unchanged at its recent Monetary Policy Committee ("MPC") meeting. For the remainder of 2023, we expect rates volatility to linger due to uncertainties surrounding economic data and central banks' future monetary policy moves as market conditions evolve.

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.