



December 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.

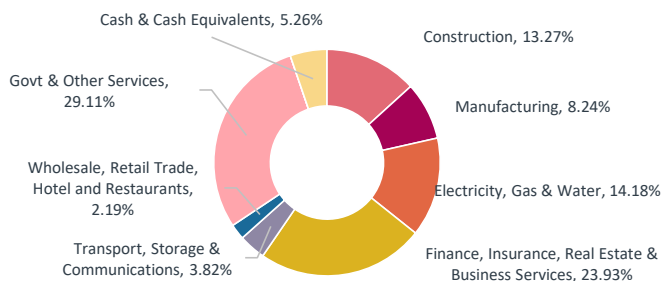
Fund Details

Unit NAV (31 Dec 2023)	: RM 0.96252
Fund Size (31 Dec 2023)	: RM 305.307 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

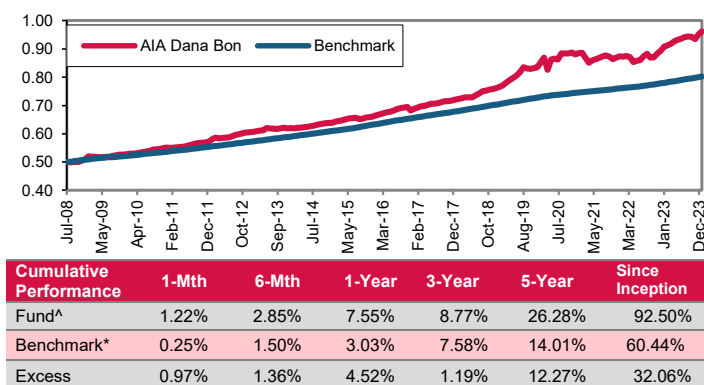
Top Holdings

1	MALAYSIA GOVERNMENT SECURITIES	23.23%
2	TNB POWER GENERATION SDN BHD	7.09%
3	YINSON HOLDINGS BHD	6.58%
4	JOHOR CORP	5.87%
5	DANAINFRA NASIONAL BHD	5.53%

Sector Allocation



Historical Performance



[^] 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

The Government Investment Issues ("GII") yield curve bull flattened in the last month of the year following a strong rally in US Treasuries ("UST") after the US Federal Open Market Committee ("FOMC") voted to keep the federal funds target range unchanged at 5.25% to 5.50%. US Federal Reserve ("Fed") chairman Jerome Powell's speech leaned towards a dovish tilt and said that the committee had begun to discuss when it will be appropriate to begin dialling back the amount of policy restraint that is currently in place. The FOMC's summary of economic projections indicated that a large majority of the Committee are comfortable with multiple cuts in 2024 signalling that the Fed is done with rate hikes. On the currency front, Malaysian ringgit ("MYR") strengthened against the United States dollar ("USD") by 1.47% to end the year at 4.5940. GII levels ended the year 2023 at: 3Y at 3.48% (-7 bps), 5Y at 3.60% (-6 bps), 7Y at 3.77% (-9 bps), 10Y at 3.79% (-8 bps), 15Y at 3.93% (-8 bps), 20Y at 4.09% (-11 bps) and 30Y at 4.31% (-8 bps).

Fixed income foreign flows reversed the outflow trend by recording an inflow in November 2023 at MYR5.4 billion (October 2023: -MYR2.6 billion). Foreign holdings in Malaysian Government Securities ("MGS") and GII rose to 23.1% in November 2023 (October 2023: 22.7%).

On the economic data front, Malaysia's foreign reserves stood at USD112.8 billion as of 15 December 2023 (30 November 2023: USD112.3 billion). The reserves are sufficient to finance 5.5 months of retained imports and 1.0x of short-term external debt. Malaysia's exports declined 5.9% Year-on-Year ("YoY") in November 2023 (October 2023: -4.5% YoY) due a drop in manufacturing and agriculture exports. Meanwhile, imports rebounded by 1.7% YoY (October 2023: -0.3% YoY) on the back of higher imports of capital and consumption goods, but this was partially offset by a decline in intermediate goods. As a result, trade balance narrowed to MYR12.4 billion (October 2023: MYR12.9 billion). Separately, Malaysia's headline inflation moderated to 1.5% YoY in November 2023 (October 2023: +1.8% YoY). Food & non-alcoholic beverages and Restaurants & hotels saw deceleration in the price increase. Core CPI also eased to 2.0% YoY in November 2023 (October 2023: 2.4%). Malaysia's industrial production index rebounded to 2.7% YoY in October 2023 (September 2023: -0.5% YoY). The manufacturing, electricity and mining sectors contribute to the growth.

On the primary corporate sukuk space, notable issuances included MYR1.0 billion Bank Pembangunan Malaysia Berhad IMTN, MYR775 million Cagamas IMTN and MYR600 million Affin Islamic Bank Berhad IMTN. There were no rating revisions during the month, but the rating outlook was raised to positive from stable for Samalaju Industrial Port Sdn Bhd, Bintulu Port Holdings Berhad, Press Metal Aluminium Holdings Berhad and Point Zone (M) Sdn Bhd.

Market Outlook

The recent US economic data releases are suggestive of a softening in economic activities and moderation in inflation. As such, the Fed has signalled that it is a step closer towards its dual mandate goal and the aggressive hiking cycle could be in its final phase. Domestically, Bank Negara Malaysia ("BNM") kept may keep its Overnight Policy Rate ("OPR") unchanged in the coming meetings as it observes domestic inflation trend. These factors are supportive of the domestic bond market while the market observes developments on global central banks' monetary policy decisions, geopolitical risks, and the US presidential elections.



Lipper Leader Fund for:

1. Total Return
2. 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