



January 2024

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.

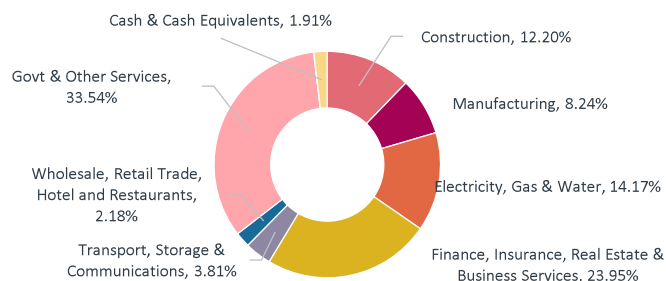
Fund Details

Unit NAV (31 Jan 2024)	: RM 0.96752
Fund Size (31 Jan 2024)	: RM 306.199 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

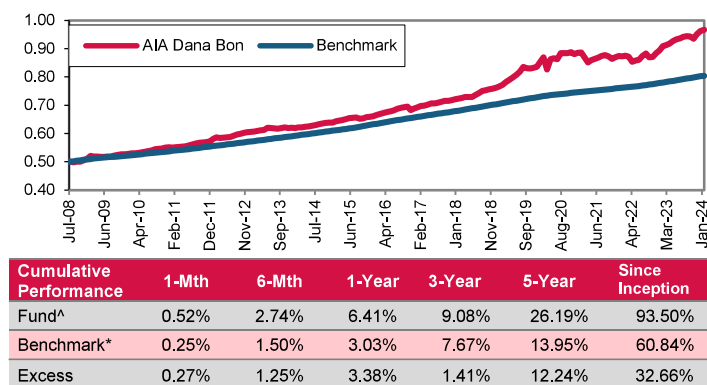
Top Holdings

1	MALAYSIA GOVERNMENT SECURITIES	26.00%
2	JOHOR CORP	7.54%
3	TNB POWER GENERATION SDN BHD	7.09%
4	YINSON HOLDINGS BHD	6.57%
5	DANAINFRA NASIONAL BHD	5.56%

Sector Allocation



Historical Performance



^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

The local sukuk market started the year on a weaker footing in tandem with weaker US treasuries ("UST") as market participants reassessed assumptions of an early US Federal Funds Rate cut amid the slew of economics and labour market data releases. But the local market eventually gained ground on the back of strong onshore buying interests as funds put cash to work. Demand for duration at the start of the year helped anchor the long end of the curve, though the belly came under pressure due to new supply during the month. As a result, the Government Investment Issues ("GII") market traded mixed in January 2024. On the currency front, Malaysian ringgit ("MYR") weakened against the US dollar ("USD") by 3.03% to end the year at 4.7330. GII levels ended January 2024 at: 3Y at 3.43% (-6 bps), 5Y at 3.56% (-4 bps), 7Y at 3.75% (-2 bps), 10Y at 3.83% (+4 bps), 15Y at 3.94% (+1 bps), 20Y at 4.11% (+3 bps) and 30Y at 4.28% (-3 bps).

Fixed income foreign flows recorded an outflow of MYR2.1 billion in December 2023 (November 2023: +MYR5.4 billion). Foreign holdings in Malaysian Government Securities ("MGS") and GII dipped to 22.7% in December 2023 (November 2023: 23.1%).

There were 2 government securities auctions during the month: 10Y GII 8/33 reopening auction with a tender size of MYR5.0 billion drew a bid-to-cover ("BTC") ratio of 2.445x at an average yield of 3.908% and 5Y GII 7/28 reopening auction with a tender size of MYR5.0 billion drew a BTC of 4.402x at an average yield of 3.620%.

On the economics data front, Malaysia's foreign reserves inched up to USD115.1 billion as of 15 January 2024 (31 December 2023: USD113.5 billion). The reserves are sufficient to finance 5.4 months of imports of goods and services and 1.0x of short-term external debt. Malaysia also released the advance 4Q23 Gross Domestic Product ("GDP") estimate which showed a growth of 3.4% Year-on-Year ("YoY"), bringing full-year 2023 growth to 3.8% YoY. At the same time, trade data for December 2023 was also released. Exports contracted 10% YoY (November 2023: -5.9% YoY) while imports grew 2.9% YoY (November 2023: +1.7% YoY). The contraction in total exports was driven by a decline in the exports of manufactured and agriculture goods, partly offset by the continued growth in the exports of mining goods. Meanwhile, total imports growth was driven by the growth in imports of intermediate and capital goods. As a result, trade balance for December 2023 shrank to MYR11.80 billion (November 2023: MYR12.41 billion). Separately, Malaysia's headline Consumer Price Index ("CPI") for December 2023 grew 1.5% YoY (November 2023: 1.5% YoY), bringing full-year inflation to 2.5% YoY (2022: 3.3% YoY). Core inflation eased to 1.9% in December 2023 (November 2023: 2.0% YoY). Importantly, Bank Negara Malaysia (BNM) held its first monetary policy committee ("MPC") meeting for the year where the overnight policy rate ("OPR") was kept unchanged at 3.0%. In its monetary policy statement, BNM stated that overall growth in 2023 was within expectations and that it expects economic growth to improve in 2024. On inflation, BNM stated that headline and core inflation continued to moderate amid stabilizing demand conditions, and that it expects inflation to remain modest in 2024 amid stable costs and demand conditions. The current OPR rate level remains supportive of the economy and future decisions will continue to be guided by assessment of policies and their impact on inflation and demand conditions.

On the primary corporate sukuk space, notable issuances included MYR3.0 billion Maybank Subordinated Sukuk, MYR750 million PLUS Berhad iMTN and MYR250 million Toyota Capital iMTN. In terms of rating revisions, Dar Al Arkan Real Estate Development Company's corporate credit rating was upgraded to A2/P2 from A3/P2. Concurrent with this upgrade, the outlook on its long-term rating was also revised to stable from positive. Other rating revisions included PONS Capital Berhad's debt rating upgrade from AA3(s)/Stable to AA2(s)/Stable and YNH Property Berhad's iMTN rating downgrade to BBB+IS from AIS.

Market Outlook

Although inflation continues to moderate, recent US economic data releases are suggestive of a resilient US economy and labour market. As such, we think the US Federal Reserve ("Fed") will likely proceed carefully to avoid any premature rate cuts which could fuel reflation risks. Domestically, BNM may keep its OPR unchanged in the coming meetings as it observes the domestic inflation trend. These factors are supportive of the domestic sukuk 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

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.