



September 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.

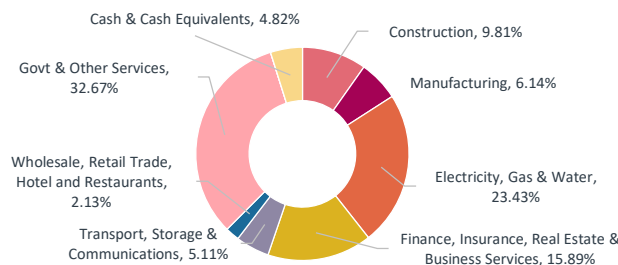
### Fund Details

Unit NAV (30 September 2024)	: RM 1.00069
Fund Size (30 September 2024)	: RM 322.856 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

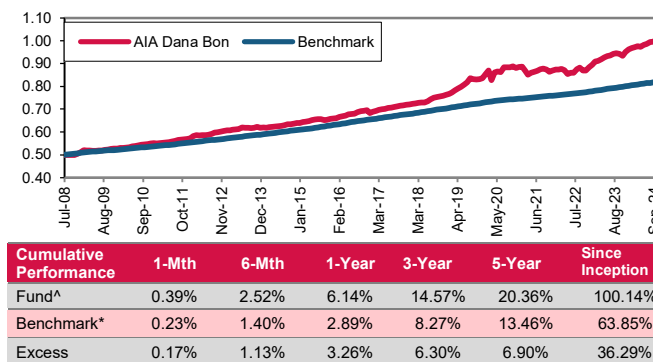
### Top Holdings

1	MALAYSIA GOVERNMENT SECURITIES	29.77%
2	TNB POWER GENERATION SDN BHD	6.83%
3	YINSON HOLDINGS BHD	6.25%
4	AMANAT LEBUHRAYA RAKYAT BHD	4.27%
5	DANAINFRA NASIONAL BHD	3.94%

### Sector Allocation



### Historical Performance



<sup>a</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 slightly lower in September 2024 as the Federal Reserve ("Fed") embarked on an easing cycle as the Fed opted to cut the federal funds target rate by 50 basis point ("bps") to 4.75%-5.00%. The larger than expected rate cut was characterized by Fed Chair Powell as a recalibration to preserve the currently strong labour market from downside risks. On the domestic front, Bank Negara Malaysia ("BNM") kept the Overnight Policy Rate ("OPR") unchanged at 3.00% at the Monetary Policy Committee ("MPC") meeting, which was widely expected. BNM highlighted that latest indicators point towards sustained strength in economic activity driven by resilient domestic expenditure and higher export activity. The recent recovery in Malaysian Ringgit ("MYR") was attributed to the shift in expectations of lower interest rates in major economies, particularly the United States ("US"), as well as Malaysia's strong economic performance. On currencies, MYR strengthened 4.6% against the United States Dollar ("USD") to close at MYR4.1235 from 4.3205 as at end September 2024. GII levels as of end of September 2024 were: 3Y at 3.31% (-1 bps), 5Y at 3.44 (-3 bps), 7Y at 3.69% (-1 bps), 10Y at 3.75% (-4 bps), 15Y at 3.91% (-4 bps), 20Y at 4.07% (-3 bp) and 30Y at 4.20% (-).

Fixed income foreign flows registered a net inflow of MYR9.0 billion in August 2024 (July 2024: MYR7.8 billion), bringing Year-to-Date ("YTD") net foreign inflows to MYR17.7 billion. Foreign holdings in Malaysian Government Securities ("MGS") and GII increased to 22.7% in August 2024 (July 2024: 22.2%).

There were 2 government securities auctions during the month: The 20Y GII 8/43 reopening auction with a tender size of MYR3.0 billion and private placement of MYR2.0 billion drew a bid-to-cover ("BTC") ratio of 1.922x at an average yield of 4.084% and 30Y GII 3/54 reopening auction with a tender size of MYR3.0 billion and private placement of MYR2.0 billion drew a BTC ratio of 1.86x at an average yield of 4.198%.

On the economic data front, Malaysia's foreign reserves increased by USD0.8 billion to USD117.6 billion as of 13 September 2024 (30 August 2024: USD116.8 billion). The reserves are sufficient to finance 5.5 months of retained imports and 1.0x of short-term external debt. Malaysia's headline inflation increased 1.9% Year-on-Year ("YoY") in August 2024 (July 2024: 2.0% YoY). Increases in food & beverages, transport and housing, water, electricity, gas & other fuels were offset by declines in clothing and footwear services. Core inflation remained stable at 1.9% YoY in August 2024 (July 2024: 1.9% YoY). On trade data, Malaysia's exports saw double digit growth of 12.1% YoY in August 2024 (July 2024: 12.3%) driven by firmer manufacturing and agriculture growth. Imports growth was robust at 26.2% YoY in August 2024 (July 2024: 25.4%) on stronger growth in imports of intermediate goods, consumption goods and capital goods. As a result, trade balance narrowed to MYR5.7 billion in August 2024 (July 2024: MYR6.4 billion). Malaysia's industrial production index increased to 5.3% YoY in July 2024 (June 2024: 5.0% YoY). The electricity and manufacturing indices led the growth by 7.0% YoY and 7.7% YoY respectively, partially offset by the mining sector at -5.0% YoY.

On the primary corporate sukuk space, notable issuances included MYR2 billion CIMB Group Holdings Berhad iMTN, MYR2 billion CIMB Bank Berhad iMTN, MYR1.2 billion CIMB Islamic Bank Berhad iMTN, MYR1.5 billion Pelaburan Hartanah Berhad iMTN and MYR1.3 billion Johor Plantations Group Berhad iMTN. On rating actions, MEX I Capital Berhad's MYR1.13 billion Senior Sukuk Musharakah was upgraded to A1/Positive from A2/Stable. DRB-HICOM Berhad's MYR3.5 billion Sukuk Programme rating was upgraded to AA-IS from A+IS. Concurrently, the rating outlook has been revised to stable from positive. Evyap Sabun Malaysia Sdn Bhd's MYR500 million Sukuk Wakalah Programme rating was upgraded to AAIS from AA-IS and concurrently, the rating outlook has been revised to stable from positive. Solarvest Holdings Berhad's MYR1 billion iMTN rating outlook on the long-term A1 rating was upgraded too positive from stable. Meanwhile, the AA3 rating of Telekomang Hydro One Sdn Bhd's MYR470 million ASEAN Green SRI Sukuk was placed on Rating Watch with a negative outlook.

### Market Outlook

Recent US economic data releases are suggestive of a moderation in inflation and a softening in the labour market. As the US Federal Reserve ("Fed") finally embarked on an easing cycle, the Fed Chair Powell has signalled that the outsized move is a recalibration to preserve the currently strong labour market from downside risk and a commitment not to fall behind the curve. We maintain our view that market volatility would persist as the Fed and the market would remain reactive to data releases and developments in key geopolitical events, central banks' monetary policy decisions and the upcoming 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](http://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.