



July 2025

## 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.

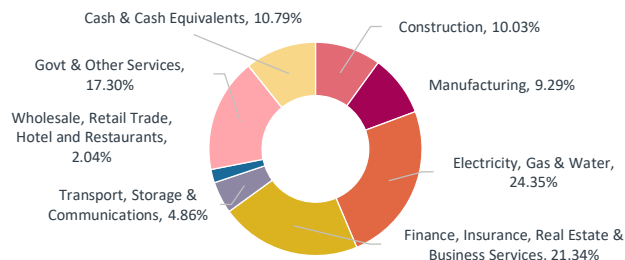
### Fund Details

Unit NAV (31 July 2025)	: RM 1.05102
Fund Size (31 July 2025)	: RM 343.644 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

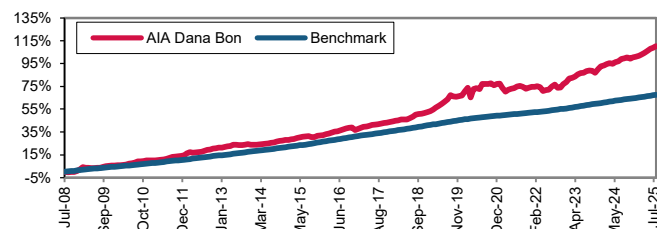
### Top Holdings

1	MALAYSIA GOVERNMENT SECURITIES	14.51%
2	YINSON HOLDINGS BHD	7.46%
3	TNB POWER GENERATION SDN BHD	6.61%
4	AMANAT LEBUHRAYA RAKYAT BHD	4.07%
5	PENGURUSAN AIR SPV BHD	3.91%

### Sector Allocation



### Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund <sup>a</sup>	0.71%	4.14%	5.73%	20.19%	18.83%	110.20%
Benchmark*	0.20%	1.28%	2.66%	8.77%	13.19%	67.44%
Excess	0.51%	2.86%	3.07%	11.41%	5.64%	42.76%

<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.

\* 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 Issue ("GII") yield curve shifted lower, driven by offshore and onshore buying interest. The demand started off at the short-to-belly of the curve but later extended to the long-end segments as well. Market sentiment was driven by expectations and the eventual delivery of a 25-basis points ("bps") overnight policy rate ("OPR") cut by Bank Negara Malaysia ("BNM") earlier in the month. Trading sentiment turned cautious towards month-end, with defensive positioning ahead of key events like the US federal open market committee ("FOMC") meeting, key labour market data in the US as well as the much-anticipated 1 August 2025 deadline for the trade negotiations with the US. On the currency front, Malaysian Ringgit ("MYR") strengthened against the US dollar ("USD") by 1.30% to MYR4.2650. GII levels as at end July 2025 was: 3Y at 3.10% (-6 bp), 5Y at 3.19% (-9 bp), 7Y at 3.33% (-6 bps), 10Y at 3.41% (10 bps), 15Y at 3.63% (-7 bps) and 20Y at 3.73% (-3 bps).

Fixed income foreign flows registered a marginal net outflow of MYR5.3 billion in June 2025 (May 2025: +MYR14.3 billion). Foreign holdings in Malaysian Government Securities ("MGS") and GII slipped to 21.8% in June 2025 (May 2025: 22.5%).

There were 2 government security auctions during the month: The 7Y GII 10/31 reopening auction with a tender size of MYR5.0 billion drew a bid-to-cover ("BTC") ratio of 2.922x at an average yield of 3.367% and the 10Y GII 4/35 reopening auction with a tender size of MYR5.0 billion drew a BTC ratio of 2.728x at an average yield of 3.468%.

On the economic data front, Malaysia's foreign reserves grew to USD120.6 billion as at end-June 2025 from USD119.6 billion as at end-May 2025. The reserves position is sufficient to finance 4.8 months of imports of goods and services and is 0.9x of total short-term external debt. Malaysia's headline inflation edged lower to 1.1% Year-on-Year ("YoY") in June 2025 (May 2025: 1.2% YoY), the lowest level since February 2021. Core inflation, which excludes volatile fresh food prices and price-administered goods, remained at 1.8% YoY (May 2025: 1.8% YoY) for the second straight month after easing from a peak of 2.0% in April 2025. The moderation in headline inflation came from softer transport, recreation services & culture, and restaurant and accommodation services prices amid stable food prices. This helped to fully cushioned the larger rise in prices of healthcare and personal care, social protection & miscellaneous goods & services. June 2025 exports shrank 3.5% YoY (May 2025: -1.1% YoY) while imports growth moderated to 1.2% YoY (May 2025: +6.6% YoY). As a result, trade surplus widened to MYR8.6 billion from MYR0.8 billion in May 2025. Malaysia's industrial production rose 0.3% YoY in May 2025 (April 2025: +2.7% YoY), well below consensus expectations of a 2.1% growth. The drag came from a steeper decline in the mining sector to -10.2% YoY (April 2025: -6.3% YoY) and a slowdown in manufacturing activities to 2.8% YoY (April 2025: +5.6% YoY), which outweighed the rebound in electricity production of 0.4% YoY (April 2025: -1.7% YoY). The key development in July 2025 was BNM's monetary policy committee ("MPC") meeting where it delivered the highly anticipated 25 bps OPR cut to 2.75% in what it described as a pre-emptive move to support growth amid rising downside risks from trade uncertainties. The monetary policy statement struck a cautious tone, with BNM highlighting that while the domestic economy is on a strong footing, uncertainties surrounding external developments could affect Malaysia's growth prospects and that the balance of risks to the growth outlook remains tilted to the downside.

On the primary corporate sukuk space, notable issuances included MYR1 billion Bank Islam IMTN. On rating actions, MARC Ratings has revised its ratings outlook on Tropicana Corporation Berhad's MYR1.5 billion IMTN and MYR2.0 billion perpetual sukuk programmes to positive from stable. The ratings on the programmes have been affirmed at AIS and A-IS. Separately, RAM Ratings has upgraded the financial institution rating of Alliance Islamic Bank to AA3/Stable/P1 from A1/Positive/P1. The long-term rating of the entity's sukuk facilities have also been upgraded with a stable outlook.

### Market Outlook

Although there is clarity now in terms of the quantum of reciprocal tariffs on Malaysian goods from the US at 19%, uncertainties remain on the imposition of tariffs on specific sectors such as semiconductors and pharmaceutical products which pose risks to external trade. Against the backdrop of trade policy uncertainties, BNM has proceeded to cut policy rate by 25 bps in its recent July 2025 MPC meeting as a pre-emptive move to support growth, which should be supportive of the local sukuk market. Our view is for BNM to stand pat for now as it awaits further economic data releases to guide its next policy action. But there is room for further easing beyond 2025 if growth weakens meaningfully. As such, volatility will still likely persist in the near term as markets react to further developments in trade negotiations and key economic data releases both domestically and in the US.



### 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.