June 2025

MONTHLY FUND PERFORMANCE UPDATE
AIA FIXED INCOME FUND

Investment Objective

The primary goal of this Fund is to provide a steady stream of income returns through investments in fixed income securities and 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.

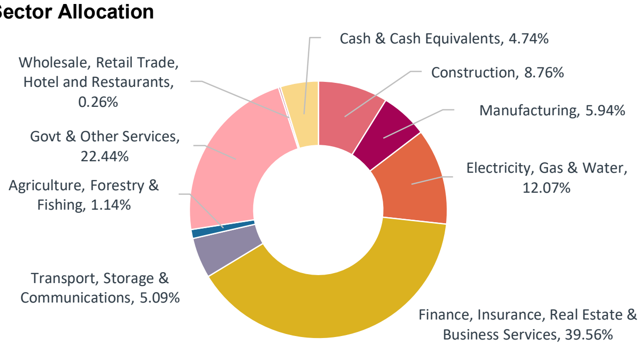
Fund Details

Unit NAV (30 June 2025)	:	RM 3.50789
Fund Size (30 June 2025)	:	RM 3,272.642 million
Fund Currency	:	Ringgit Malaysia
Fund Inception	:	29 February 2000
Offer Price at Inception	:	RM1.00
Fund Management Charge	:	0.50% p.a.
Investment Manager	:	AIA Bhd.
Basis of Unit Valuation	:	Net Asset Value
Frequency of Unit Valuation	:	Daily

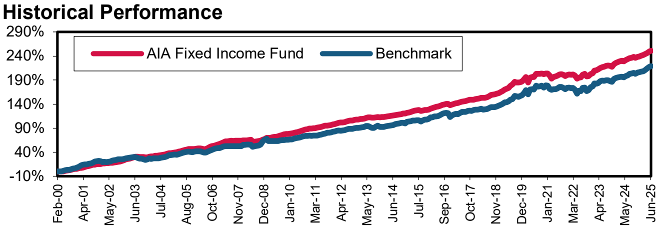
Top Holdings

1	MALAYSIA GOVERNMENT SECURITIES	20.59%
2	GENM CAPITAL BHD	5.07%
3	TNB POWER GENERATION SDN BHD	4.32%
4	DANAINFRA NASIONAL BHD	4.26%
5	YINSON HOLDINGS BHD	3.34%

Sector Allocation



Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund^	0.31%	3.39%	5.22%	18.69%	18.43%	250.79%
Benchmark*	0.41%	4.14%	6.59%	19.72%	18.17%	219.22%
Excess	-0.09%	-0.76%	-1.38%	-1.03%	0.26%	31.57%

^ 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.
** MGS All Index (Source: RAM QuantShop)*

Notice: Past performance of the Fund is not an indication of its future performance.

Market Review

Malaysian Government Securities ("MGS") yield curve experienced a bear flattening trend early in the month as offshore investors and dealers actively took profit at the belly of the curve ahead of auctions, while onshore investors selectively bought longer tenors. Sentiment shifted mid-month with a rally across the curve driven by the de-escalation between Israel and Iran tensions coupled with softer Malaysian Consumer Price Index ("CPI") data, culminating in strong demand at the 10Y MGS auction. On the currency front, Malaysian ringgit ("MYR") strengthened against the US dollar ("USD") by 1.09% to MYR4.2102. MGS levels as at end June 2025 were: 3Y at 3.14% (-2 bps), 5Y at 3.20% (+1 bp), 7Y at 3.40% (+1 bp), 10Y at 3.49% (-4 bps), 15Y at 3.70% (-), 20Y at 3.78% (-2 bps) and 30Y at 4.00% (-3 bps).

Fixed income foreign flows registered continued inflow of MYR13.4 billion in May 2025 (April 2025: +MYR10.2 billion). Foreign holdings in MGS and Government Investment Issue ("GII") rose to 22.5% in May 2025 (April 2025: 21.4%).

There were 3 government security auctions during the month: The 15Y MGS 4/39 reopening auction with a tender size of MYR3.0 billion and private placement of MYR1.0 billion drew a bid-to-cover ("BTC") ratio of 2.857x at an average yield of 3.712%; the 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 3.295x at an average yield of 4.01%; and the 10Y MGS 7/35 new issue auction with a tender size of MYR5.0 billion drew a BTC ratio of 3.008x at an average yield of 3.476%.

On the economic data front, Malaysia's foreign reserves increased by USD0.3 billion to USD119.9 billion as of 13 June 2025 (30 May 2025: USD119.6 billion). The reserves are sufficient to finance 5 months of retained imports and 0.9x of short-term external debt. Malaysia's headline inflation eased to 1.2% Year-on-Year ("YoY") in May 2025 (April 2025: 1.4% YoY). The deceleration was broad based across most CPI sub-indices, notably Personal Care, Social Protection & Miscellaneous Goods & Services, Education, and Food & Beverages. Core inflation dipped to 1.8% YoY in May 2025 (April 2025: 2.0% YoY). Malaysia's exports declined by 1.1% YoY in May 2025 (April 2025: +16.4% YoY) amid a pullback in front-loading activities ahead of the expiry of a 90-day truce in US reciprocal tariffs. Imports grew steadily at 6.6% YoY in May 2025 (April 2025: 20.0% YoY) on stronger imports of capital goods, partially offset by consumption and intermediate goods. As a result, trade balance narrowed to MYR0.77 billion (April 2025: MYR5.1 billion), the lowest monthly level since November 1997. Malaysia's industrial production index increased at a slower rate of 2.7% YoY in April 2025 (March 2025: 3.2% YoY). The manufacturing indices led the growth by 5.6% YoY, partially offset by the mining and electricity sectors at -6.3% YoY and -1.6% YoY respectively.

On the primary corporate bond space, notable issuances included MYR1.75 billion Saracap Ventures Sdn Bhd MTN, MYR900 million RHB Bank Bhd IMTN, MYR845 million Paradigm Capital Bhd MTN and MYR500 million YTL Power International Bhd IMTN. On rating actions, MARC Ratings has upgraded its rating on Exsim Capital Resources Bhd's MYR365 million Tranche 5 IMTN to AA2/Positive from AA3/Stable. Separately, RAM Ratings has revised the outlook on the AA3 rating of Cypark Ref Sdn Bhd's MYR550 million SRI Sukuk Murabahah Programme to stable from negative while concurrently affirming the rating.

Market Outlook

Malaysia's economic outlook remains cautious amid persistent global uncertainties. Although geopolitical tensions have eased and trade negotiations between the US and China are ongoing, external demand remains weak, weighing on Malaysia's export performance. Following Bank Negara Malaysia ("BNM")'s May 2025 Monetary Policy Committee ("MPC") meeting, the central bank highlighted downside risks to growth due to softer global demand, elevated uncertainty, and early signs of moderation in private consumption and investment. Against this backdrop, BNM is expected to cut the policy rate in 2H2025, which should be supportive for the local bond market. However, volatility is likely to persist in the near term as markets react to further developments in trade negotiations and key economic data releases.