



September 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.

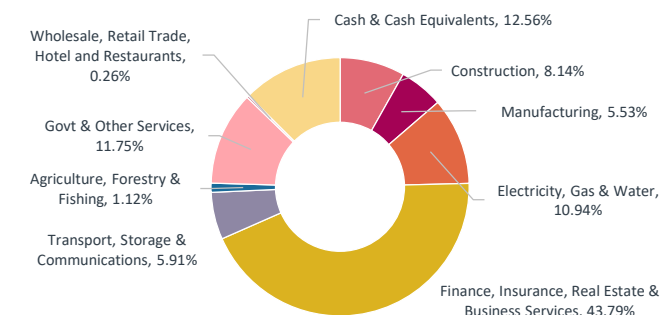
Fund Details

Unit NAV (30 September 2025)	: RM 3.53986
Fund Size (30 September 2025)	: RM 3,320.627 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

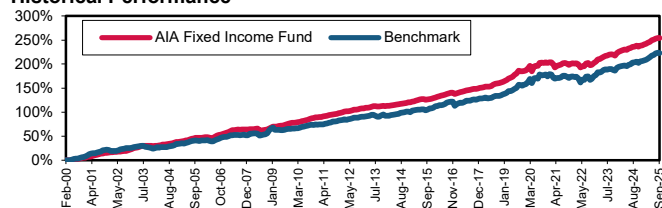
Top Holdings

1	MALAYSIA GOVERNMENT SECURITIES	9.18%
2	DANAINFRA NASIONAL BHD	6.07%
3	GENM CAPITAL BHD	4.98%
4	TNB POWER GENERATION SDN BHD	4.25%
5	YINSON HOLDINGS BHD	3.30%

Sector Allocation



Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund ^A	-0.17%	2.88%	4.68%	18.98%	16.85%	253.99%
Benchmark [*]	-0.28%	3.89%	5.82%	20.94%	16.49%	222.73%
Excess	0.11%	-1.01%	-1.14%	-1.96%	0.36%	31.26%

^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.

^{*} 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 bear flattened in September 2025, driven by cautious sentiment amid persistent US Treasury ("UST") weakness, tepid auction demand, and expectations of heavy corporate bond supply. While Bank Negara Malaysia ("BNM") held the Overnight Policy Rate steady at 2.75% with a more constructive tone, real money investors and interbank players actively repositioned, while offshore flows remained light but supportive. Despite selective dip-buying demand at the long end of the curve, sentiment turned defensive toward end-September 2025 due to supply concerns and weak auction demand. On the currency front, Malaysian Ringgit ("MYR") strengthened against the US Dollar ("USD") by 0.41% to MYR4.2095. MGS levels as at end September 2025 were: 3-year at 3.12% (13 bps), 5-year at 3.22% (14 bps), 7-year at 3.42% (13 bps), 10-year at 3.46% (7 bps), 15-year at 3.67% (8 bps), 20-year at 3.81% (7 bps) and 30-year at 3.92% (4 bps).

Fixed income foreign inflows registered MYR3.0 billion in August 2025 (July 2025: -MYR5.5 billion), reversing a two-month outflow trend. Foreign holdings in MGS and Government Investment Issue ("GII") increased marginally to 21.3% in August 2025 (July 2025: 21.1%).

There were 4 government security auctions during the month: The 3-year MGS 4/28 reopening auction with a tender size of MYR5 billion drew a bid-to-cover ("BTC") ratio of 1.928x at an average yield of 3.036%; the 30-year 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 1.928x at an average yield of 3.927%; the 15-year MGS 4/39 reopening auction with a tender size of MYR3.5 billion and private placement of MYR1.0 billion drew a BTC ratio of 1.52x at an average yield of 3.638%; and the 3-year GII 7/28 reopening auction with a tender size of MYR5.0 billion drew a BTC ratio of 2.876x at an average yield of 3.162%.

On the economic data front, Malaysia's foreign reserves rose to USD122.8 billion as of 12 September 2025 (29 August 2025: USD122.7 billion). The reserves position is sufficient to finance 4.8 months of imports of goods and services and is 0.9 times the total short-term external debt. Malaysia's headline Consumer Price Index ("CPI") grew 1.3% Year-on-Year ("YoY") in August 2025 (July 25: 1.2% YoY), meeting consensus expectations. Core CPI accelerated to 2.0% YoY (July 2025: 1.8% YoY). The increase was driven by an acceleration in the accommodation services, insurance and financial services, personal care, social protection and miscellaneous goods and services, education as well as the food and beverages sectors, among others. Malaysia's exports growth moderated to 1.9% Year-on-Year ("YoY") in August 2025 (July 2025: 6.8% YoY), primarily reflecting a slower pace of expansion in manufacturing exports. Imports growth contracted by 5.9% YoY in August 2025 (July 2025: 0.6% YoY), weighed down by weaker imports of consumption and intermediate goods, partially offset by resilient imports of capital goods. As a result, trade balance widened to MYR16.1 billion in August 2025 (July 2025: MYR15.0 billion). July 2025's industrial production grew 4.2% YoY (June 2025: 3.0% YoY). The growth was driven predominantly by the manufacturing sector, which accelerated 4.4% YoY (June 25: 3.6% YoY) and a rebound in the mining sector to 4.3% YoY (June 2025: -0.01% YoY). The electricity sector continued to post growth of 1.6% YoY (June 2025: 2.3% YoY).

On the primary corporate bond space, notable issuances included MYR3.0 billion Malaysian Banking Berhad IMTN, MYR1.0 billion Public Islamic Bank Berhad IMTN, MYR1.5 billion Danum Capital Berhad IMTN and MYR800 million Bank Pembangunan Malaysia Berhad IMTN. There were no rating actions during the month.

Market Outlook

Although there is now clarity on the 19% reciprocal tariff rate imposed by the US on Malaysian goods, uncertainties remain on potential sector-specific tariffs, particularly on semiconductors and pharmaceutical products, which could pose risks to Malaysia's external trade outlook. Against the backdrop of trade policy uncertainties, BNM has proceeded to cut policy rate by 25 basis points ("bps") in its July 2025 Monetary Policy Committee ("MPC") meeting as a pre-emptive move to support domestic growth, which should be supportive of the local bond market. While we expect BNM to hold rates steady for now as it monitors incoming economic data releases, there remains room for further easing beyond 2025 should growth conditions weaken meaningfully. In the meantime, market volatility will likely persist amid ongoing trade negotiations and key economic data releases both domestically and in the US.

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.