



## 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.

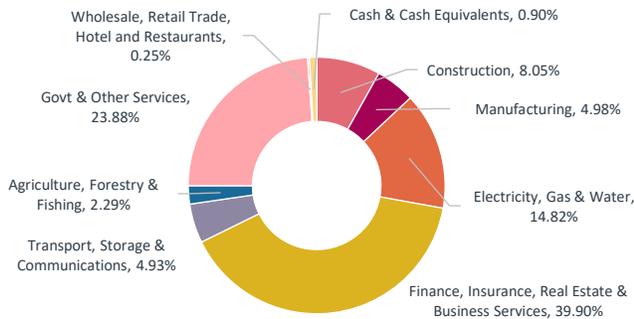
### Fund Details

Unit NAV (31 December 2025)	: RM 3.56031
Fund Size (31 December 2025)	: RM 3,346.857 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

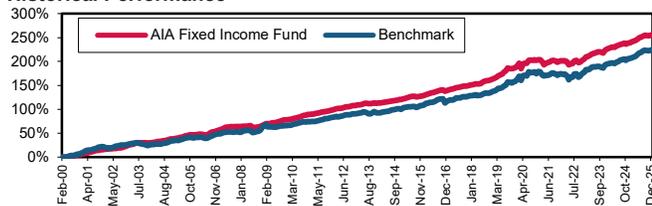
### Top Holdings

1	MALAYSIA GOVERNMENT SECURITIES	21.35%
2	YINSON HOLDINGS BHD	5.06%
3	GENM CAPITAL BHD	4.94%
4	TNB POWER GENERATION SDN BHD	4.16%
5	DANAINFRA NASIONAL BHD	3.83%

### Sector Allocation



### Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund <sup>A</sup>	0.34%	1.49%	4.93%	16.76%	17.13%	256.03%
Benchmark*	0.27%	1.72%	5.94%	17.21%	16.34%	224.72%
Excess	0.07%	-0.23%	-1.00%	-0.45%	0.79%	31.32%

<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.

\* 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 traded mixed in the final month of the year amid thin liquidity caused by typical year-end seasonality. As broadly expected, the US Federal Open Market Committee ("FOMC") lowered the federal funds target range by 25 basis points ("bps") to 3.50%-3.75%. The decision included two hawkish dissents and one dovish dissent, also in line with expectations. The FOMC's latest summary of economic projections were little changed compared to September 2025 projections. US Federal Reserve ("Fed") chairman Jerome Powell's remarks leaned neutral, as he emphasised that the time for risk management cuts has passed, and that further easing would require a material deterioration in the labour market conditions. On the currency front, the Malaysian ringgit ("MYR") emerged as one of the strongest regional currencies, appreciating against the US dollar ("USD") by 1.75% Month-to-Date ("MTD") and 9.21% Year-to-Date ("YTD"), finishing the year at MYR4.06. MGS levels as at end-December 2025 were: 3-year at 3.00% (-2 bps), 5-year at 3.25% (2 bps), 7-year at 3.38% (-6 bps), 10-year at 3.51% (4 bps), 15-year at 3.76% (3 bps), 20-year at 3.86% (-) and 30-year at 3.98% (-).

Fixed income foreign net inflows totalled MYR6.1 billion in November 2025 (October 2025: MYR4.4 billion), bringing YTD foreign net inflows to MYR22.6 billion. Foreign holdings in MGS and Government Investment Issue ("GI") increased to 21.4% in November 2025 (October 2025: 21.3%).

There was 1 government security auction during the month: The 10-year MGS 7/35 reopening auction with a smaller than expected tender size of MYR3.0 billion drew a bid-to-cover ("BTC") ratio of 1.924x at an average yield of 3.572%.

On the economic data front, Malaysia's foreign reserves rose to USD124.3 billion as of 15 December 2025 (28 November 2025: USD124.1 billion). The reserves position is sufficient to finance 4.8 months of imports of goods and services and cover 0.9x of total short-term external debt. Malaysia's headline inflation increased to 1.4% Year-on-Year ("YoY") in November 2025 (October 2025: 1.3% YoY). It was mainly driven by higher prices in transport, alcohol & tobacco and education. Core inflation, which excludes volatile fresh good prices and price-administered goods, held steady at 2.2% in November 2025 (October 2025: 2.2%). Malaysia's exports grew 7.0% YoY in November 2025 (October 2025: 15.7% YoY), largely driven by higher exports of electrical and electronics products. Imports grew 15.8% YoY (October 2025: 10.0% YoY). As a result, trade surplus narrowed to MYR6.1 billion in November 2025 (October 2025: MYR20.4 billion). Malaysia's industrial production rose 6.0% YoY in October 2025 (September 2025: 5.7% YoY). The expansion was attributed to growth of the manufacturing sector at 6.5%, mining sector at 5.8% and electricity sector at 1.2%.

On the primary corporate bond space, notable issuances included MYR1.55 billion CIMB Group Holdings Berhad IMTN, MYR1.55 billion CIMB Bank Berhad IMTN, MYR1.175 billion Yinson Holdings Berhad IMTN and MYR700 million Cagamas Berhad IMTN. In terms of credit ratings, RAM revised the outlook on corporate credit ratings of Genting Berhad and Genting Malaysia Berhad to negative from stable. The long-term ratings for both entities have maintained at AA1.

### Market Outlook

While external risks continue to linger, Malaysia's proactive policy measures and resilient domestic fundamentals continue to provide a constructive backdrop for the local bond market heading into 2026. A dovish global monetary stance, particularly from the Fed, is likely to support the MYR and foreign inflows. Domestically, Bank Negara Malaysia ("BNM") reduced the Overnight Policy Rate ("OPR") by 25 bps from 3.00% to 2.75% in July 2025 as a pre-emptive measure to preserve Malaysia's growth path in the midst of slowing inflation prospects. For now, BNM is likely keep the policy rate on hold while evaluating incoming data to guide its next steps. That said, there remains room for BNM to adopt a more accommodative stance should signs of further downside risk to growth emerge.