



May 2026

## 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.

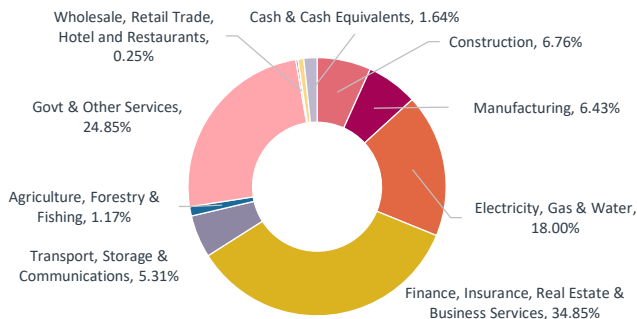
### Fund Details

Unit NAV (31 May 2026)	: RM 3.58932
Fund Size (31 May 2026)	: RM 3,365.964 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

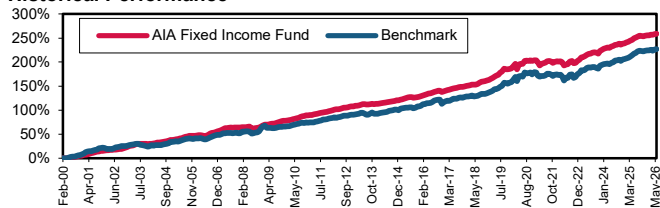
### Top Holdings

1	MALAYSIA GOVERNMENT SECURITIES	22.36%
2	GENM CAPITAL BHD	4.88%
3	YINSON HOLDINGS BHD	4.87%
4	PENGURUSAN AIR SPV BHD	4.17%
5	SARAWAK PETCHEM SDN BHD	3.98%

### Sector Allocation



### Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund <sup>A</sup>	0.36%	1.29%	3.36%	13.55%	20.86%	258.20%
Benchmark <sup>*</sup>	0.79%	1.39%	3.84%	13.47%	20.25%	226.60%
Excess	-0.43%	-0.10%	-0.49%	0.08%	0.60%	31.61%

<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> MGS All Index (Source: RAM QuantShop)

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

### Market Review

The Malaysian Government Securities (“MGS”) yield curve bear-flattened in May 2026 amid higher global rates, as markets reacted to persistent inflation concerns, stronger-than-expected economic data, and uncertainty surrounding the US Federal Reserve’s (“Fed”) interest-rate path. Disruptions in and around the Strait of Hormuz also kept Brent crude prices above USD90 per barrel. Kevin Warsh was confirmed by the U.S. Senate as the 17th Chair of the Fed, formally succeeding Jerome Powell. At the start of the year, Fed funds futures had been pricing in rate cuts for 2026; however, expectations have since shifted toward potential rate hikes. Domestically, Bank Negara Malaysia (“BNM”) kept the Overnight Policy Rate (“OPR”) unchanged at 2.75%, as widely expected, and maintained that the current policy stance remains appropriate and consistent with the outlook for continued price stability and sustainable economic growth. On the currency front, the Malaysian ringgit (“MYR”) strengthened by 0.2% against the US dollar (“USD”) in May 2026, ending the month at 3.9645. MGS yields as at end-May 2026 were: 3-year at 3.23% (+3 bps), 5-year at 3.41% (+7 bps), 7-year at 3.56% (+10 bps), 10-year at 3.59% (+3 bps), 15-year at 3.83% (unchanged), 20-year at 3.97% (+1 bp), and 30-year at 4.08% (+1 bp).

Fixed income foreign holdings rose, with foreign investors increasing holdings by MYR3.8 billion in April 2026 (March 2026: MYR6.1 billion). Foreign holdings in MGS and Government Investment Issue (“GI”) dipped slightly to 21.5% in April 2026 (March 2026: 21.6%).

There were three government security auctions during the month: the 10-year GI 4/35 reopening (MYR5.0 billion) recorded a bid-to-cover (“BTC”) ratio of 2.868x with an average yield of 3.60%; the 7-year MGS 4/33 reopening (MYR5.0 billion) recorded a BTC ratio of 2.592x with an average yield of 3.58%; and the 30-year GI 1/56 reopening (MYR3.0 billion), together with a MYR2.0 billion private placement, recorded a BTC ratio of 2.285x with an average yield of 4.103%.

On the economic data front, Malaysia’s foreign reserves decreased slightly to USD129.5 billion as of 15 May 2026 (30 April 2026: USD129.7 billion). The reserves position is sufficient to finance 4.6 months of imports of goods and services and cover 0.9x of total short-term external debt. Malaysia’s headline inflation increased to 1.9% Year-on-Year (“YoY”) in April 2026 (March 2026: 1.7% YoY), mainly driven by higher transport inflation. Core inflation, which excludes volatile fresh food prices and price-administered goods, eased slightly to 2.0% YoY (March 2026: 2.1% YoY). Malaysia’s exports growth accelerated sharply to 36.9% YoY in April 2026 (March 2026: 8.3% YoY), mainly driven by demand for electrical and electronic (“E&E”) products from the ongoing Artificial Intelligence (“AI”)–driven tech upcycle. Imports also grew 20.0% YoY (March 2026: 10.4% YoY), resulting in a trade surplus of MYR28.8 billion (March 2026: MYR24.5 billion). Industrial production for March 2026 grew 3.1% YoY (February 2026: 3.1% YoY). The expansion was supported by the manufacturing and electricity sectors, partially offset by the mining sector. Malaysia’s 1Q 2026 Gross Domestic Product (“GDP”) grew slightly better than expected at 5.4% YoY (4Q25: +6.2% YoY). 1Q2026 saw slower growth in services, construction, and agriculture, while manufacturing remained resilient. Moderation in private and public consumption and investment led to a deceleration in private expenditure.

In the primary corporate bond space, notable issuances included MYR4.0 billion Tenaga Nasional Berhad IMTN, MYR1.91 billion Cagamas Berhad IMTN, MYR2.0 billion Intiaz Sukuk II Berhad IMTN, and MYR1.2 billion Malayan Banking Berhad IMTN. In terms of credit ratings, RAM Ratings upgraded Exsim Capital Resources Berhad’s outstanding MYR340 million Tranche 5 IMTN to AAA/Stable from AA2/Positive.

### Market Outlook

While external risks, particularly geopolitical risk, continue to linger, Malaysia’s proactive policy measures and resilient domestic fundamentals are expected to provide a constructive backdrop for the local bond market in 2026. The latest Summary of Economic Projections from the US Federal Open Market Committee (“FOMC”) continues to indicate one rate cut for 2026, which is expected to support the ringgit and attract foreign inflows. Domestically, BNM kept the OPR unchanged at 2.75% at its May 2026 Monetary Policy Committee (“MPC”) meeting. Despite Malaysia’s solid GDP growth, the monetary policy statement was neutral, with BNM highlighting contained inflation and downside risks to growth as reasons to remain cautious. For now, BNM is expected to keep the policy rate on hold while evaluating incoming data to guide its next steps.

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.