



Aug 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.

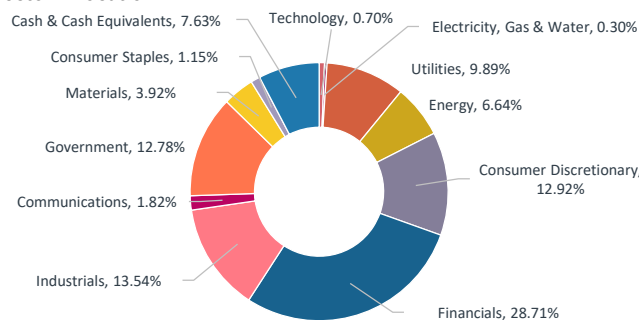
Fund Details

Unit NAV (31 August 2026)	: RM 3.57145
Fund Size (31 August 2026)	: RM 3,339.902 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

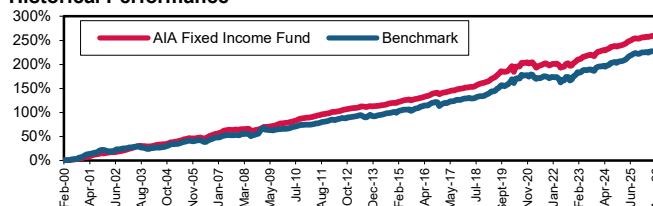
1	MALAYSIA GOVERNMENT SECURITIES	12.78%
2	YINSON HOLDINGS BHD	4.90%
3	GENM CAPITAL BHD	4.86%
4	PENGURUSAN AIR SPV BHD	4.14%
5	SARAWAK PETCHEM SDN BHD	3.92%

Sector Allocation



*Sector Allocation sourced from GICS Sector effective on June 2026

Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund [^]	-0.77%	-0.05%	0.72%	11.48%	18.20%	257.14%
Benchmark*	-0.75%	-0.28%	0.36%	12.17%	17.90%	224.82%
Excess	-0.02%	0.23%	0.35%	-0.69%	0.30%	32.33%

[^] 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") yields trended significantly higher across the curve as global bond yields continued to face upward pressure alongside ongoing geopolitical tensions and inflationary concerns. The resumption of US-Iran hostilities drove crude oil prices sharply higher, with Brent crude heading towards the USD90/barrel mark, reigniting inflationary fears across global bond markets. The market then priced in a higher possibility of rate hikes by year-end in the US, resulting in higher short-end US Treasury ("UST") yields. These external factors, along with a heavy pipeline of domestic corporate bond primary issuances locally, exerted upward pressure on MGS yields. On the currency front, the Malaysian ringgit ("MYR") appreciated by 1.50% against the US Dollar ("USD"), ending the month at 4.0247 (July 2026: 4.0860). MGS levels as at end-July 2026 were: 3-year at 3.36% (+5 bps), 5-year at 3.60% (+10 bps), 7-year at 3.79% (+15 bps), 10-year at 3.87% (+16 bps), 15-year at 4.05% (+10 bps), 20-year at 4.20% (+21 bps) and 30-year at 4.26% (+15 bps).

Net foreign flows into Malaysia's fixed income assets turned negative as foreign investors net sold MYR5.6 billion in July 2026 (June 2026: MYR4.9 billion). Foreign holdings in MGS and Government Investment Issue ("GII") dipped further to 20.1% in July 2026 (June 2026: 20.6%).

There were four government security auctions during the month: the 5-year GII 10/31 reopening with an auction size of MYR5.0 billion drew a bid-to-cover ("BTC") ratio of 2.402x at an average yield of 3.529%, the 30-year MGS 7/55 reopening with an auction size of MYR3.5 billion and MYR1.5 billion private placement drew a BTC ratio of 2.017x at an average yield of 4.213%, the 7-year GII 3/33 reopening with an auction size of MYR5.0 billion drew a BTC ratio of 2.147x at an average yield of 3.696% and the 20-year MGS 4/46 reopening with an auction size of MYR3.5 billion and MYR1.5 billion private placement drew a BTC ratio of 1.635x and an average yield of 4.189%.

On the economic data front, Malaysia's foreign reserves declined slightly to USD132.1 billion as of 31 July 2026 (30 June 2026: USD132.6 billion). The reserves position is sufficient to finance 4.7 months of imports of goods and services and cover 0.9x of total short-term external debt. Malaysia's headline inflation moderated further to 1.8% Year-on-Year ("YoY") in July 2026 (June 2026: 1.9% YoY). The moderation was primarily driven by a slower increase in the Miscellaneous Goods & Services, Insurance & Financial Services and Restaurant & Accommodation sectors. Core inflation, which excludes volatile fresh food prices and price-administered goods, inched lower to 1.8% YoY (June 2026: 1.9% YoY). Malaysia's exports remained strong, growing at 38.0% YoY in July 2026 (June 2026: 45.4% YoY), driven by strong growth in both domestic exports and re-exports. Imports growth moderated to 36.4% YoY (June 2026: +43.9% YoY), resulting in a wider trade surplus of MYR22.5 billion (June 2026: MYR14.9 billion). Industrial Production for June 2026 grew 6.5% YoY (May 2026: 8.4% YoY). The growth continued to be largely supported by the manufacturing and electricity sectors. Malaysia's 2Q2026 Gross Domestic Product ("GDP") grew better than expected at 6.0% YoY (1Q2026: +5.4% YoY). The quarter saw firmer growth in services, manufacturing and mining while construction and agriculture moderation. Overall, domestic demand remained resilient, with resilient public and private consumptions partially offset by moderation in investments.

On the primary corporate bond space, notable issuances included MYR4.8 billion Maybank T2 Sukuk, MYR1.0 billion Gamuda IMTN, MYR1.68 billion CIMB Bank IMTN and MYR0.5 billion Time DotCom IMTN. In terms of credit ratings, RAM upgraded UEM Group's MYR7 billion Sukuk Wakalah programme to AAA/Stable from AA/Stable.

Market Outlook

Looking ahead, the Malaysian bond market is expected to remain supported by healthy domestic liquidity, although risks remain elevated amid ongoing geopolitical tensions and uncertainty surrounding the US Federal Reserve ("Fed")'s interest rate trajectory. Although Bank Negara Malaysia ("BNM") maintained the Overnight Policy Rate ("OPR") at 2.75% during its July 2026 Monetary Policy Committee ("MPC") meeting with a neutral policy stance, resilient domestic growth and elevated commodity prices may prompt BNM to pave the way for policy normalization. Nonetheless, BNM is likely to remain data-dependent while assessing the evolving balance of risks between growth and inflation. Meanwhile, developments on Malaysia's political front will continue to be closely monitored, particularly with regard to policy continuity, fiscal consolidation efforts, and structural reform initiatives, given their potential impact on investor sentiment and foreign participation in the local bond market.

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.