Sept 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.

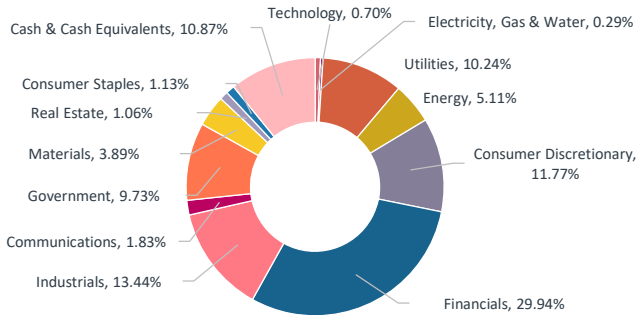
Fund Details

Unit NAV (30 Sept 2026)	:	RM 3.51752
Fund Size (30 Sept 2026)	:	RM 3,286.246 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

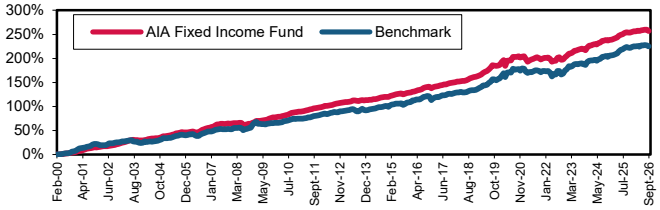
1	MALAYSIA GOVERNMENT SECURITIES	9.73%
2	GENM CAPITAL BHD	4.83%
3	PENGURUSAN AIR SPV BHD	4.12%
4	SARAWAK PETCHEM SDN BHD	3.89%
5	YINSON HOLDINGS BHD	3.40%

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^	-1.51%	-1.45%	-0.63%	10.06%	16.93%	251.75%
Benchmark*	-0.86%	-0.62%	-0.22%	11.87%	17.62%	222.03%
Excess	-0.65%	-0.83%	-0.41%	-1.82%	-0.69%	29.72%

^ 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 shifted higher across the curve in September 2026, broadly tracking the rise in US Treasury ("UST") yields as markets repriced policy rate expectations and a prolonged higher-for-longer interest rate environment. Persistent inflationary pressures, resilient economic data and increasing sovereign bond supply globally drove yields higher, while ongoing geopolitical tensions added to inflation and risk-premium concerns. Domestically, bond yields remained under upward pressure amid a perceived hawkish tilt in the latest monetary policy statement and a heavy pipeline of primary corporate bond issuances, which weighed on overall market sentiment. On the currency front, the Malaysian ringgit ("MYR") weakened by 1.37% against the US Dollar ("USD"), ending the month at MYR4.0798 (Aug 2026: 4.0247). MGS levels as at end-Sept 2026 were: 3-year at 3.48% (+13 bps), 5-year at 3.78% (+18 bps), 7-year at 4.01% (+22 bps), 10-year at 4.05% (+18 bps), 15-year at 4.20% (+15 bps), 20-year at 4.32% (+12 bps) and 30-year at 4.46% (+20 bps).

Net foreign flows into Malaysia's fixed income assets turned positive as foreign investors posted a net inflow of MYR15.9bn in August 2026 (July 2026: -MYR5.6bn). Foreign holdings in MGS and Government Investment Issue ("GII") edged higher to 20.6% in August 2026 (July 2026: 20.1%).

There were three government security auctions during the month: the 10-year GII 7/36 reopening with an auction size of MYR5.0bn drew a bid-to-cover ("BTC") ratio of 2.292x at an average yield of 4.149%, the 7-year MGS 4/33 reopening with an auction size of MYR5.0bn drew a BTC ratio of 2.168x at an average yield of 3.983%, and the 30-year GII 1/56 reopening with an auction size of MYR3.0bn and a private placement of MYR2.0bn drew a BTC ratio of 2.013x at an average yield of 4.508%.

On the economic data front, Malaysia's foreign reserves declined slightly to USD131.7bn as of 15 September 2026 (28 August 2026: USD132.0bn). 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 edged up to 1.9% Year-on-Year ("YoY") in August 2026 (July 2026: 1.8% YoY). The uptick was primarily driven by higher Transport, Housing-related and Food prices. Core inflation, which excludes volatile fresh food prices and price-administered goods, inched lower to 1.7% YoY (July 2026: 1.8% YoY). Malaysia's exports remained strong, growing at 45.5% YoY in August 2026 (July 2026: 38.0% YoY), supported by the ongoing Artificial Intelligence ("AI")- driven technology upcycle and broad-based manufacturing demand. Imports growth also accelerated to 41.1% YoY (July 2026: 36.3% YoY), resulting in a wider trade surplus of MYR28.1bn (July 2026: MYR22.5bn). Industrial production for July 2026 saw slower growth of 4.7% YoY (June 2026: 6.5% YoY). The growth was supported by higher output in the manufacturing and electricity sectors but partially offset by the mining sector.

On the primary corporate bond space, notable issuances included MYR3.0bn Sarawak Energy Berhad IMTN, MYR2.5bn Maybank AT1 Sukuk, and MYR1.0bn Cagamas Berhad Social SRI Sukuk. In terms of credit ratings, RAM upgraded Sunway REIT's corporate credit rating to AA1/Stable from AA2/Stable and CIMB Thai Bank's long- term financial institution rating outlook was revised to AA2/Positive from AA2/Stable. MARC revised the rating outlook on JB Cocoa Sdn Bhd's Sukuk Wakalah Programme to A+/Positive from A+/Stable, upgraded China Construction Bank (Malaysia) Berhad's long term financial institution rating to AAA/Stable from AA+/Stable, upgraded Sunway Treasury Sukuk Sdn Bhd's IMTN Programme to AA/Stable from AA-/Stable, upgraded Sunway Berhad's MTN Programme to AA/Stable from AA-/Stable, upgraded Sunway Berhad's Sukuk Programme to A+/Stable from A/Stable and upgraded Sunway Treasury Sukuk Sdn Bhd's IMTN Programme with Al-Kafalah guarantee from Sunway Berhad to AA/Stable from AA-/Stable. MARC revised the outlook on Gabungan AQRS Berhad's IMTN Programmes to A/Negative from A/Stable. On the watchlist, RAM has placed the AA3 rating of RP Hydro (Kelantan) Sdn Bhd's Sukuk on Rating Watch, with a developing outlook while MARC has placed its AA-IS rating on Zetrix AI Berhad's IMTN Programme on MARCWatch Developing.

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 Fed's interest rate trajectory. Although Bank Negara Malaysia ("BNM") maintained the Overnight Policy Rate (OPR) at 2.75% during its September 2026 Monetary Policy Committee 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 regarding about 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.