



September 2025

MONTHLY FUND PERFORMANCE UPDATE AIA STRATEGIC FIXED INCOME FUND

Investment Objective

The Fund aims to provide a steady stream of income returns through investments in both domestic and USD-denominated 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.

While the Fund predominantly focuses on domestic fixed income securities, it may invest up to 50% of its NAV in USD-denominated fixed income securities.

Notice: Please refer to the Fund Fact Sheet for more information about the Fund.

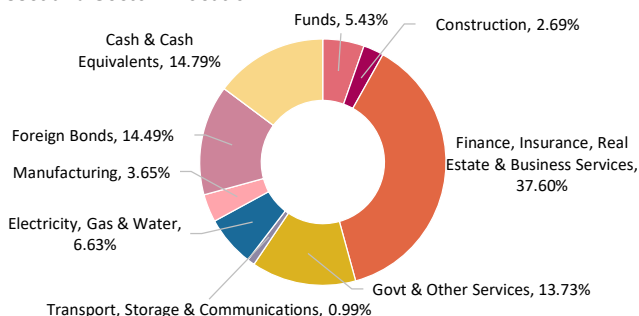
Fund Details

Unit NAV (30 September 2025)	: RM 1.13010
Fund Size (30 September 2025)	: RM 631.878 million
Fund Currency	: Ringgit Malaysia
Fund Inception	: 6 May 2020
Offer Price at Inception	: RM1.00
Fund Management Charge	: 1.00% p.a.
Investment Manager	: AIA Bhd.
Basis of Unit Valuation	: Net Asset Value
Frequency of Unit Valuation	: Daily

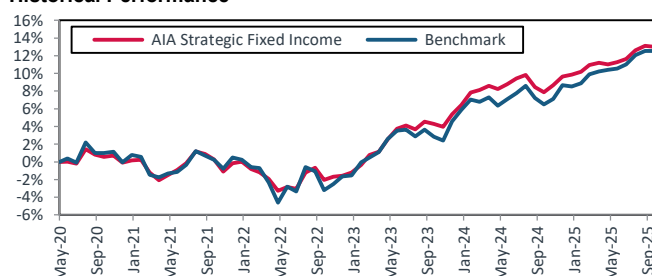
Top Holdings

1	MALAYSIA GOVERNMENT SECURITIES	11.49%
2	DANAINFRA NASIONAL BHD	4.78%
3	CIMB GROUP HOLDINGS BHD	3.39%
4	DANUM CAPITAL BHD	3.25%
5	YINSON HOLDINGS BHD	3.14%

Asset and Sector Allocation



Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund ^A	-0.10%	1.62%	4.76%	15.35%	12.38%	13.01%
Benchmark [*]	0.01%	2.12%	5.68%	16.25%	11.43%	12.55%
Excess	-0.12%	-0.50%	-0.93%	-0.90%	0.94%	0.46%

^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.

^{*} 70% MGS ALL Index (Source: RAM QuantShop @ www.quantshop.com) + 30% Bloomberg Barclays Global Aggregate USD Total Return Index Unhedged (Source: Bloomberg)

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

Market Review

Local 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.

Foreign Market Review

Markets were broadly resilient in September 2025, supported by technology optimism and central bank rate cuts, despite rising political risks in Europe along with the threat of a government shutdown and cooling labour data in the US. Specifically, towards the end of the month, the looming risk of a US government shutdown added uncertainty around policy and economic data releases, but investors remained hopeful that the broader economy would experience limited spillovers. The US Treasury ("UST") 2-year yield fell 1 bp to 3.61%, while the UST 10-year yield fell 8 bps to 4.15%. Within credit spreads, US dollar ("USD") investment grade tightened 5 bps to 76 bps, and USD high yield spreads tightened 4 bps to 280 bps.

In September 2025, the US Federal Reserve ("Fed") delivered an expected 25 bps cut, bringing the federal funds rate to a target range of 4.00% to 4.25%, citing downside risks in the labour market. The Federal Open Market Committee ("FOMC") also shifted median dots for 2025 and beyond down by 25 bps, implying a total of 75 bps for 2025. The Bank of Canada also cut the overnight rate by 25 bps to 2.50% as expected, while maintaining a cautious tone. Elsewhere, the Bank of England maintained its policy rate at 4.00% and voted to slow the pace of quantitative tightening, albeit carefully. The Bank of Japan also kept policy rate at 0.50% and announced a disposal plan for Exchange Traded Funds and Japanese Real Estate Investment Trusts. Regarding macro prints, US non-farm payrolls printed well below expectations at +22k and prior data for April 2024 to March 2025 was revised down by about 911k jobs. Meanwhile, the unemployment rate rose to 4.3%. US core CPI fell to 3.0% YoY (Aug 2025: 3.1% YoY) while headline CPI rose to 3.0% YoY (August 2025: 2.9% YoY).

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.