



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.

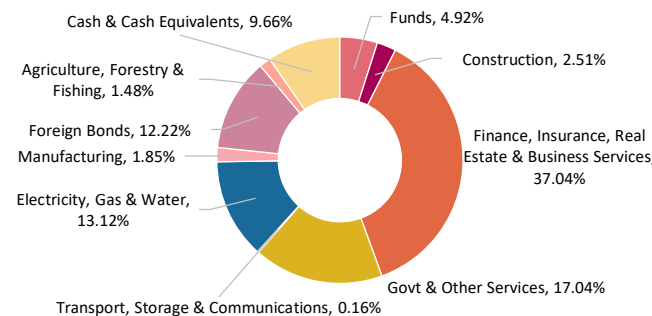
Fund Details

Unit NAV (28 February 2026)	: RM 1.12558
Fund Size (28 February 2026)	: RM 675.860 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

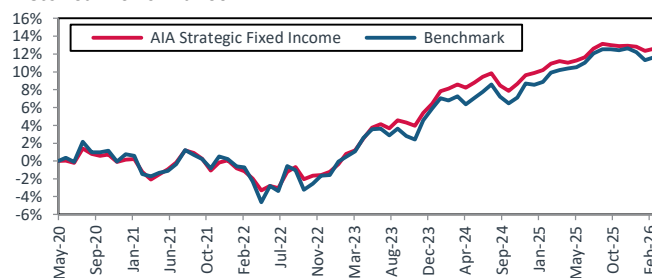
Top Holdings

1	MALAYSIA GOVERNMENT SECURITIES	14.95%
2	YINSON HOLDINGS BHD	5.89%
3	DANAINFRA NASIONAL BHD	3.57%
4	AIA US HIGH YIELD BOND FUND	3.28%
5	CIMB GROUP HOLDINGS BHD	3.15%

Asset and Sector Allocation



Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund ^a	0.19%	-0.50%	1.47%	11.67%	13.94%	12.56%
Benchmark [*]	0.26%	-0.84%	1.55%	11.06%	13.23%	11.59%
Excess	-0.08%	0.33%	-0.08%	0.61%	0.71%	0.96%

^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") traded mixed in February 2026 amidst a volatile global market environment. Trading sentiment in the local bond market remained uncertain amidst lack of strong catalyst for both rate cuts and hikes in near term. Bank Negara Malaysia ("BNM") held its first Monetary Policy Committee ("MPC") meeting for the year in January 2026 which it kept the Overnight Policy Rate ("OPR") rate unchanged at 2.75% with a neutral MPC statement. While there was no US Federal Open Market Committee ("FOMC") meeting for the month, speeches by FOMC members were mixed. Some members pointed out that more policy rate cuts are warranted amidst signs of disinflation while some sounded cautious as inflation remains elevated amidst a stable labour market. On the currency front, the Malaysian ringgit ("MYR") appreciated against the US dollar ("USD") by 1.3% in February 2026 to end the month at 3.8925. MGS levels as at end-February 2026 were: 3-year at 3.06% (+3 bps), 5-year at 3.31% (+3 bps), 7-year at 3.42% (-2 bps), 10-year at 3.50% (-), 15-year at 3.78% (+1 bp), 20-year at 3.93% (+1 bps) and 30-year at 4.03% (-).

Fixed income foreign net inflows totaled MYR1.0 billion in January 2026 (December 2025: MYR3.0 billion). Foreign holdings in MGS and Government Investment Issue ("GI") decreased slightly to 21.5% in January 2026 (December 2025: 21.6%).

There were 3 government security auctions during the month: The 10-year MGS 7/35 reopening auction with an auction size of MYR5 billion drew a bid-to-cover ("BTC") ratio of 1.603x at an average yield of 3.572%, the 20-year GI 5/45 reopening with an auction size of MYR3.0 billion and a MYR2.0 billion private placement drew a BTC of 2.896x at an average yield of 3.990% and the 5-year MGS 6/31 reopening with an auction size of MYR5 billion drew a BTC of 2.921x at an average yield of 3.359%.

On the economic data front, Malaysia's foreign reserves rose to USD127.9 billion as of 13 February 2026 (30 January 2026: USD126.9 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 remained stable at 1.6% Year-on-Year ("YoY") in January 2026 (December 2025: +1.6% YoY). Inflation was mainly driven by food & beverages, alcohol & tobacco and higher services inflation, particularly in education and miscellaneous goods & services. Core inflation, which excludes volatile fresh good prices and price-administered goods, was stable at 2.3% YoY (December 2025: +2.3% YoY). Malaysia's exports surged 19.6% YoY (December 2025: +10.4% YoY) on strong demand for electrical & electronic ("E&E") products and machinery, equipment & parts. Imports grew 5.3% YoY (Dec 2025: +12.0% YoY), resulting in a wider trade surplus of MYR21.4 billion (December 2025: MYR19.3 billion). Industrial Production for December 2025 increased to 4.8% YoY (November 2025: +4.3% YoY). The expansion was supported by the manufacturing sector which gained 6.7% YoY (November 2025: +4.9% YoY) and electricity production which rose 3.7% YoY (Nov 2025: +2.7% YoY). Meanwhile, mining sector production weakened by 2.5% YoY (November 2025: +2.3% YoY). Malaysia's 4Q 2025 Gross Domestic Product ("GDP") grew strongly at 6.3% YoY (3Q 2025: +5.4% YoY), bringing full-year GDP growth for 2025 to 5.2% YoY.

On the primary corporate bond space, notable issuances included MYR1.6 billion PASB IMTN, MYR1.4bn Danum IMTN and MYR0.5 billion UEMS IMTN. In terms of credit ratings, RAM upgraded the long-term ratings of Leader Energy Sdn Bhd's sukuk programme to AA with a stable outlook.

Market Review (Foreign Market Review)

February 2026 delivered generally solid market gains, helped by a steady flow of broadly constructive economic releases that softened the impact of headline volatility. Artificial Intelligence ("AI") related disruption fears and continued rotations within Technology remained central themes, while rising US-Iran tensions—culminating in strikes at the end of the month—added to geopolitical uncertainty. Policy risk also resurfaced after the US Supreme Court invalidated the International Emergency Economic Powers Act ("IEEPA") based tariffs introduced last year, prompting the administration to introduce a new tariff framework while renewing uncertainty around future trade dynamics.

In the monetary policy space, The Reserve Bank Australia ("RBA") was the notable exception, raising its cash rate by 25 bps to 3.85%, an unanimously supported move that followed stronger-than-expected inflation dynamics and came alongside a hawkish statement. The decision partially reversed last year's brief easing cycle and reflected the RBA's view that inflation had re-accelerated in the second half of 2025, warranting a cautious tightening step. Elsewhere, monetary authorities remained largely on hold: the European Central Bank ("ECB") kept all key policy rates unchanged, reiterating that policy remains in a good place with no imminent adjustment signaled. In the US, the release of the January 2026 FOMC minutes offered the only meaningful update, noting that several members preferred leaving the door open to potential future hikes should inflation remain at above-target levels. While rate reductions remain the base case, the minutes highlighted a more hawkish contingent within the Committee.

Market Outlook

While external risks, particularly geopolitical risk, continue to linger, Malaysia's proactive policy measures and resilient domestic fundamentals will continue to provide a constructive backdrop for the local bond market in 2026. A dovish global monetary stance, particularly from the US Federal Reserve ("Fed"), is likely to support the MYR and foreign inflows. Domestically, BNM kept the OPR unchanged at 2.75% in its recent MPC meeting in January 2026. Despite Malaysia's solid GDP growth, the monetary policy statement was rather neutral where BNM highlighted contained inflation and downside risks to growth as reasons to stay cautious. For now, BNM will likely 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.