



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.

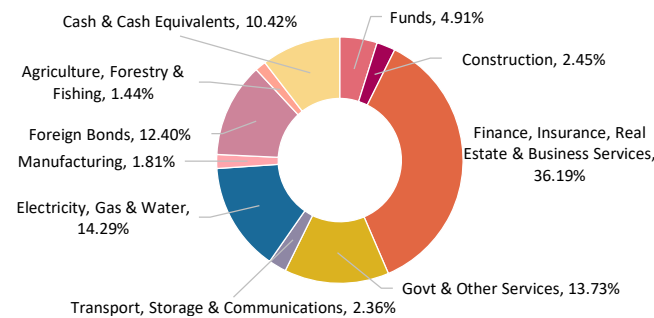
Fund Details

Unit NAV (31 March 2026)	: RM 1.12796
Fund Size (31 March 2026)	: RM 689.458 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

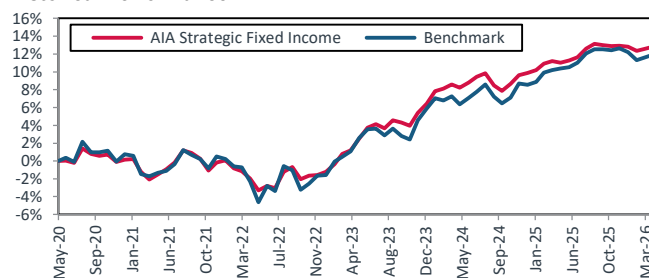
Top Holdings

1	MALAYSIA GOVERNMENT SECURITIES	11.70%
2	YINSON HOLDINGS BHD	5.76%
3	DANAINFRA NASIONAL BHD	3.48%
4	CIMB GROUP HOLDINGS BHD	3.09%
5	PENGURUSAN AIR SPV BHD	2.92%

Asset and Sector Allocation



Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund ^a	0.21%	-0.19%	1.43%	11.50%	15.17%	12.80%
Benchmark [*]	0.30%	-0.55%	1.56%	10.73%	13.89%	11.93%
Excess	-0.09%	0.36%	-0.13%	0.77%	1.29%	0.87%

^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 shifted higher in a bear flattening manner in March 2026, tracking the broader sell-off in global bond markets after the US Federal Open Market Committee ("FOMC") kept rates unchanged at 3.50%-3.75% while reinforcing a relatively hawkish stance amid persistent inflation concerns. The move was further driven by the heightened geopolitical tensions from the escalating US-Iran war, as disruptions around the Strait of Hormuz pushed Brent oil prices above USD100/barrel, lifting global inflation expectations and adding risk premium across regional bond markets. As a result, the front and belly of the MGS curve repriced more sharply in line with higher U.S. Treasury ("UST") yields, while the long end remained relatively better anchored by Malaysia's unchanged Overnight Policy Rate ("OPR") at 2.75% and still-moderate domestic inflation backdrop, resulting in a flatter curve overall. On the currency front, the Malaysian ringgit ("MYR") weakened against the US dollar ("USD") by 4.0% in March 2026 to end the month at MYR4.0495. MGS levels as at end-March 2026 were: 3-year at 3.27% (+21 bps), 5-year at 3.44% (+12 bps), 7-year at 3.55% (+13 bps), 10-year at 3.64% (+14 bps), 15-year at 3.91% (+13 bps), 20-year at 4.00% (+8 bps) and 30-year at 4.11% (+8 bps).

Fixed income foreign inflows came to a halt as foreign investors reduced holdings by MYR2.5 billion in February 2026 (January 2026: MYR1.0 billion). Foreign holdings in MGS and Government Investment Issue ("GI") decreased slightly to 21.2% in February 2026 (January 2026: 21.5%).

There were 3 government security auctions during the month: The 15-year MGII 7/40 reopening auction with an auction size of MYR3.5 billion and a MYR1.5 billion private placement drew a bid-to-cover ("BTC") ratio of 2.295x at an average yield of 3.895%, the 3-year MGS 3/29 new issue with an auction size of MYR5.0 billion drew a BTC ratio of 2.218x at an average yield of 3.237% and the 7-year MGS 3/33 new issue with an auction size of MYR5.0 billion drew a BTC ratio of 1.688x at an average yield of 3.624%.

On the economic data front, Malaysia's foreign reserves reduced slightly to USD128.1 billion as of 13 March 2026 (27 February 2026: USD128.3 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 to 1.4% Year-on-Year ("YoY") in February 2026 (January 2026: 1.6% YoY). Inflation saw slower increases in food & beverages, housing, water, electricity, gas & other fuels, information & communication, healthcare and education. Core inflation, which excludes volatile fresh good prices and price-administered goods, also moderated to 2.0% YoY (January 2026: 2.3% YoY). Malaysia's exports sustained its double-digit gains at 10.8% YoY in February 2026 (January 2026: 19.6% YoY) driven by demand for electrical & electronic ("E&E") products. Imports grew 8.2% YoY (January 2026: 5.3% YoY), resulting in a narrower trade surplus of MYR16.7 billion (January 2026: MYR21.4 billion). Industrial Production for January 2026 increased to 5.9% YoY (December 2025: 4.8% YoY). The expansion was supported by the manufacturing, electricity and mining sectors.

On the primary corporate bond space, notable issuances included MYR1.5 billion TNB Power Generation Sdn Bhd IMTN, MYR0.95 billion CelcomDigi Telecommunications Sdn Bhd IMTN, MYR0.9 billion Sunway Treasury Sukuk Sdn Bhd IMTN and MYR0.8 billion Pengerang LNG (Two) Sdn Bhd IMTN. In terms of credit ratings, RAM upgraded Country Garden Real Estate Sdn Bhd sukuk programme to B1/stable from B3/negative. Meanwhile, RAM has placed the A1 rating of Telekosang Hydro One Sdn Bhd's sukuk programme and the BBB1 rating of its junior bonds, on rating watch with a negative outlook. MARC Ratings has upgraded its outlook on Sunway Group's sukuk programme ratings to positive from stable.

Market Review (Foreign Market Review)

March 2026 was shaped by a sharp rise in geopolitical risk, as the escalation centered on Iran became the dominant driver of market sentiment. Developments around the Strait of Hormuz materially disrupted oil and liquefied natural gas ("LNG") supply, intensifying concerns over global energy supply. As risks to supply mounted, oil prices moved decisively higher, and the resulting energy shock contributed to a pronounced global sell-off in government bonds. Yield curves bear flattened across developed markets as near-term inflation expectations and policy rate expectations rose. The U.S. Treasury ("UST") 2-year yield rose 42 basis points ("bps") to 3.79%, while the 10-year yield rose 38 bps to 4.32%. Within credit spreads, USD investment grade credit widened by 4 bps to 74 bps.

In the monetary policy space, major central banks generally held policy rates unchanged with communications becoming more cautious as energy-driven inflation risks came into sharper focus. In the U.S., the US Federal Reserve ("Fed") left its Federal Funds Rate target unchanged at 3.50-3.75% with Chair Powell noting that Middle East developments pose risks to both sides of the dual mandate and further progress on inflation would be required before rate cuts could resume. Elsewhere, European Central Bank kept policy rates unchanged, citing the need for clarity on the size and persistence of the energy shock. In contrast, the Reserve Bank of Australia hiked its cash rate by 25 bps to 4.10%, in line with market expectations, citing inflationary pressures. Regarding macro prints, U.S. non-farm payrolls printed at +178k (vs. +65k expected). The unemployment rate fell to 4.3% (vs. 4.4% expected). U.S. headline Consumer Price Index ("CPI") rose to 3.3% Year-on-Year ("YoY") (February 2026: 2.4% YoY) while core CPI remained stable at 2.6% YoY (February 2026: 2.5% YoY).

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. The latest Summary of Economic Projections from the FOMC continues to indicate one rate cut for 2026, which is expected to support the MYR and attract foreign inflows. Domestically, Bank Negara Malaysia ("BNM") kept the OPR unchanged at 2.75% in its recent Monetary Policy Committee ("MPC") meeting in March 2026. Despite Malaysia's solid Gross Domestic Product ("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.