



MONTHLY FUND PERFORMANCE UPDATE AIA DANA PROGRESIF

Investment Objective

This Fund focuses on Shariah-approved securities listed on Bursa Malaysia and Islamic debt securities in order to maximize medium to long-term capital appreciation on your investment. The Fund is suitable for investors who are willing to take moderate risk in order to achieve a reasonable return.

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

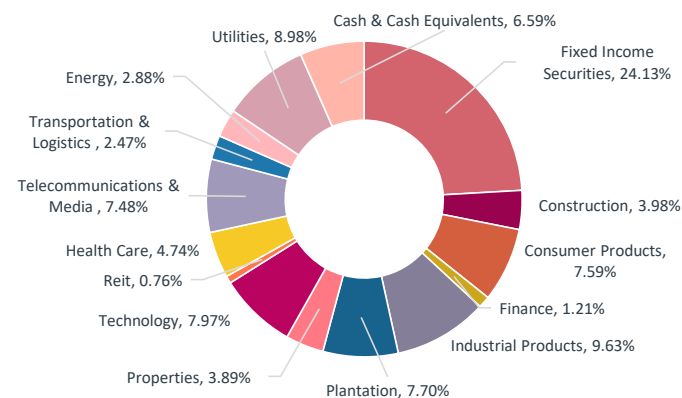
Fund Details

Unit NAV (30 Nov 2023)	: RM 2.81349
Fund Size (30 Nov 2023)	: RM 407.796 million
Fund Currency	: Ringgit Malaysia
Fund Inception	: 3 March 2000
Offer Price at Inception	: RM1.00
Fund Management Charge	: 1.40% p.a.
Investment Manager	: AIA Bhd.
Basis of Unit Valuation	: Net Asset Value
Frequency of Unit Valuation	: Daily

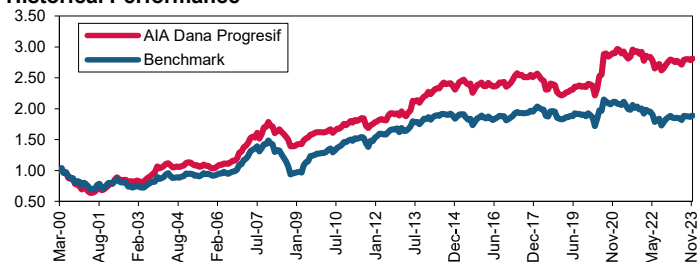
Top Holdings

1	TENAGA NASIONAL BHD	6.51%
2	MALAYSIA GOVERNMENT SECURITIES	4.24%
3	PETRONAS CHEMICALS GROUP BHD	3.31%
4	GAMUDA BHD	3.10%
5	PRESS METAL ALUMINIUM HOLDINGS BHD	2.72%

Asset and Sector Allocation



Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund ^a	0.93%	2.47%	3.65%	-3.00%	26.17%	181.35%
Benchmark ^a	1.11%	2.55%	3.00%	-10.35%	2.65%	88.81%
Excess	-0.18%	-0.08%	0.65%	7.35%	23.51%	92.54%

^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% FBM Emas Shariah (Source: Bursa Malaysia) + 30% GII ALL Index (Source: RAM QuantShop @www.quantshop.com)

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

Market Review

The FBMS ("Index") rose 0.81% Month-on-Month ("MoM") to close at 10,929 pts on 30 November 2023. The Index underperformed the MSCI Asia Ex Japan Index, which rose 4.57% MoM in Malaysian Ringgit ("MYR") terms over the same period. Foreign investors turned net buyers of Malaysian equities amounting to MYR1.6 billion in November 2023 while local institutions turned net sellers with net sell flow of MYR1.5 billion. Bursa Malaysia's average daily transaction value ("ADTV") rose 9.7% MoM to MYR2.2 billion in November 2023. During the month, Kossan Rubber Industries (+19.3%), Hartalega (+15.9%) and Top Gloves (+11.7%) were the key gainers, while key detractors were PPB Group (-7.1%), IHH Healthcare (-2.8%) and Press Metal (-2.4%). Sector wise, Plantation (+2.9%), Telecom (+1.8%) and Healthcare (+3.3%) were the key performers while Property (-2.3%), Energy (-1.5%), and Industrial Products & Services (-0.9%) were the key detractors. Major news during the month included Malaysia's intention to roll out targeted subsidy program for RON95 petrol in 2H24. Malaysia's Gross Domestic Product ("GDP") grew 3.3% Year-on-Year ("YoY") in 3Q23, driven by private sector spending.

The Government Investment Issues ("GII") yield curve shifted lower during the month in tandem with the strong rally in US Treasuries ("UST") after the US Federal Open Market Committee ("FOMC") kept the fed funds rate unchanged. While this was largely expected, market participants had a neutral to slightly dovish assessment of US Federal Reserve ("Fed") chairman Jerome Powell's speech. Other factors which contributed to the rally in UST included the weaker-than-expected ISM manufacturing data, lower-than-expected coupon supply from the UST quarterly refunding announcement, as well as slower nonfarm payroll gains and inflation prints. Domestic sukuk tracked the rally as market participants who were previously light on positioning decisively added on positions. On the currency front, Malaysian ringgit ("MYR") strengthened against the United States dollar ("USD") by 2.1% to end the month at 4.6625. GII levels as of end-November 2023 were: 3Y at 3.55% (-13 bps), 5Y at 3.66% (-19 bps), 7Y at 3.86% (-20 bps), 10Y at 3.87% (-22 bps), 15Y at 4.01% (-22 bps), 20Y at 4.20% (-22 bps) and 30Y at 4.39% (-23 bps).

Fixed income foreign flows recorded the third consecutive month of outflow in October 2023 at MYR2.6 billion (September 2023: -MYR4.4 billion). Foreign holdings in Malaysian Government Securities ("MGS") and GII fell to 22.7% in October 2023 (September 2023: 23.1%).

There were 3 government securities auctions during the month: 30Y GII 5/52 reopening auction with a tender size of MYR5.0 billion including a private placement of MYR2.0 billion drew a bid-to-cover ("BTC") ratio of 2.076x at an average yield of 4.484%, 3Y GII 9/26 reopening auction with a tender size of MYR5.0 billion drew a BTC ratio of 1.508x at an average yield of 3.622% and 7Y GII 9/30 reopening auction with a tender size of MYR5.0 billion drew a BTC ratio of 3.304x at an average yield of 3.897%.

On the economic data front, Malaysia's foreign reserves stood at USD110.5 billion as of 15 November 2023 (31 October 2023: USD108.5 billion). The reserves are sufficient to finance 5.3 months of retained imports and 1.0x of short-term external debt. Malaysia's exports declined 4.4% Year-on-Year ("YoY") in October 2023 (September 2023: -13.7% YoY) as the dip across the Mining and Manufacturing sectors more than offset the growth in the Agriculture sector. Meanwhile, imports slipped marginally by 0.2% YoY (September 2023: -11.1% YoY) on the back of lower imports of intermediate goods, but this was partially cushioned by a growth in capital and consumption goods. Trade balance narrowed to MYR12.9 billion (September 2023: MYR24.5 billion). Separately, Malaysia's headline inflation moderated to 1.8% YoY in October 2023 (Sep 2023: +1.9% YoY), the lowest level since March 2021. Components that partly contributed to a lower rise were alcoholic beverages and tobacco (+0.6% YoY) as well as clothing and footwear (0.0% YoY), while food and non-alcoholic beverages inflation remained high at 3.6% YoY. Core inflation eased to 2.4% YoY (September 2023: +2.5% YoY). Malaysia's industrial production for September 2023 dipped 0.5% YoY (August 2023: +0.3% YoY). The decline was attributable to the drop in the mining sector, which offset the growth in the manufacturing and electricity sectors. Malaysia's final reading of 3Q23 Gross Domestic Product ("GDP") growth remained at 3.3% YoY, similar to the advanced estimate provided earlier. Growth was driven by the construction and services sectors, which grew 7.2% YoY and 5.0% YoY, respectively. Sectors which displayed weakness were agriculture (+0.8% YoY), mining (-0.1% YoY) and manufacturing (-0.1% YoY). On the monetary policy front, Bank Negara Malaysia ("BNM") kept the overnight policy rate ("OPR") on hold at 3.0% as widely expected. BNM's assessment on growth was rather neutral as potential growth drivers from the resilient domestic expenditure, expected recovery in electrical and electronic ("E&E") exports, improvement in tourist arrivals and continued progress of existing and new infrastructure projects are subjected to downside risks from geopolitical tensions, weaker-than-expected external demand and decline in commodity production. Inflation is expected to remain modest in 2024, with risks remaining highly subjected to domestic policies on subsidies and global commodity prices.

On the primary corporate sukuk space, notable issuances included MYR1.5 billion RHB Bank IMTN, MYR1.0 billion CIMB IMTN and MYR500m Cagamas ASEAN Social SRI Sukuk. In terms of rating revisions, Exsim Capital Resources Berhad's Tranche 2 IMTN rating has been upgraded to AA2 from AA3 with a revision in rating outlook to positive from stable, and Golden Assets International Finance Limited's MYR5 billion IMTN rating has been upgraded to AA2(s) from AA3(s) with a revision in rating outlook to stable from positive. Separately, MARC has also upgraded Titijaya Land Berhad's MYR150 million Islamic Commercial Paper short-term rating to MARC-1IS from MARC-2IS, revised the rating outlook to stable from positive. MYR1.5 billion IMTN to negative from stable while affirming its A-HS rating, revised Evyap Sabun Malaysia's MYR500 million Sukuk rating outlook to positive from stable, downgraded YNH Property Berhad's IMTN rating to AIS while concurrently revising its rating outlook to negative from stable, and revised DRB-HICOM's MYR3.5 billion Sukuk and MYR2.0 billion Perpetual Sukuk Programmes' outlook to positive from stable.

Market Outlook

We are cautiously optimistic of the equity market in the near term. We believe that US interest rates may have peaked but developed markets equity valuation has yet to fully reflect the soft landing or mild recession (if any) in the US and Euro land. Investors are now watching the macro data closely to gauge the timing of a possible rate cut going forward. Over in Asia, China's policy easing is gaining momentum given the earlier-than-expected policy rate cut, less restrictions on house ownership policy, and efforts to revitalize the capital market and stabilize foreign trade and investment. Domestically in Malaysia, we expect a brighter outlook given the lower political risk premium amidst a more stable unity government coupled with stronger corporate earnings upside arising from the implementation of the government's pump priming initiatives as well as launching of mega energy renewal and infrastructure projects. Downside risks to the market could stem from a hard landing US recession, worsening geopolitical tension, and weak China economy.

For Fixed Income, although recent inflation readings and economic data from the US have shown signs of moderation, the US Fed continues to reiterate the need to maintain tighter monetary policy amidst robust labour market data. Despite this, it is apparent that we are at the tail-end of the rate normalisation cycle. Domestically, BNM has kept the OPR unchanged at its recent Monetary Policy Committee ("MPC") meeting. For the remainder of 2023, we expect rates volatility to linger due to uncertainties surrounding economic data and central banks' future monetary policy moves as market conditions evolve.