



September 2025

MONTHLY FUND PERFORMANCE UPDATE AIA DANA PROGRESIF

Investment Objective

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

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

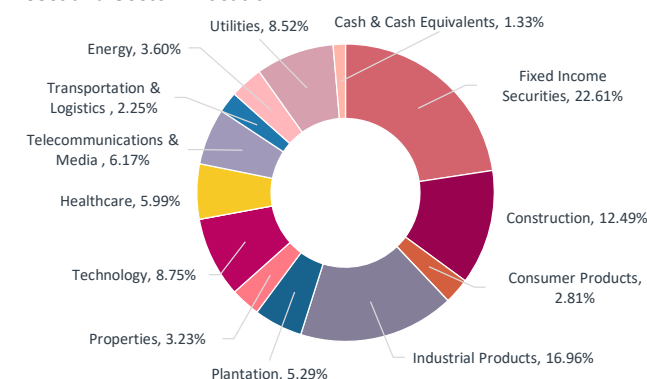
Fund Details

Unit NAV (30 September 2025)	: RM 3.32583
Fund Size (30 September 2025)	: RM 536.604 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

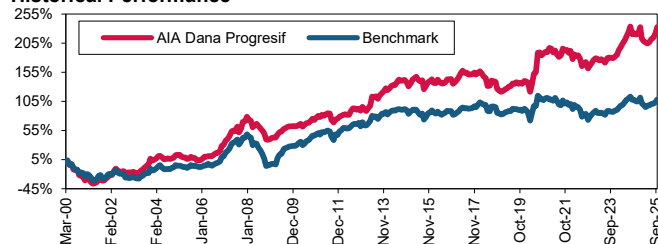
Top Holdings

1	TENAGA NASIONAL BHD	8.00%
2	MALAYSIA GOVERNMENT SECURITIES	7.60%
3	GAMUDA BHD	5.53%
4	IHH HEALTHCARE BHD	4.89%
5	PRESS METAL ALUMINIUM HOLDINGS BHD	3.79%

Asset and Sector Allocation



Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund ^a	3.12%	8.61%	3.42%	27.07%	17.10%	232.58%
Benchmark ^a	2.10%	6.78%	0.49%	20.56%	-0.07%	108.32%
Excess	1.03%	1.83%	2.93%	6.51%	17.18%	124.27%

^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") gained 3.2% Month-on-Month ("MoM") to close at 12,016 pts in September 2025. The Index underperformed the MSCI Asia ex Japan Index, which gained 6.2% MoM in Malaysian Ringgit ("MYR") terms over the same period. Foreign investors turned net buyers of Malaysian equities with net buy flows of MYR76.0 million while local institutions remained net buyers amounting to MYR0.58 billion during the month. Bursa Malaysia's average daily transaction value ("ADTV") fell 4.0% MoM to MYR2.7 billion in September 2025. During the month, Sunway Berhad (+14.8%), IHH Healthcare (+11.2%) and Mr. DIY Group (+10.8%) were the key gainers while key detractors were Petronas Chemicals (-2.3%), MISC (-1.6%) and Petronas Gas (0.8%). Sector wise, Utilities (+6.4%), Industrial Production (+5.7%) and Consumer (+5.3%) were the key performers, while Healthcare (0.6%), Construction (0.6%) and Telecom (0.8%) were the key detractors. Major news during the month include the US Federal Reserve ("Fed") cutting rates by 25 basis points ("bps") to 4.00-4.25% in its first move of 2025 marking its first easing since December 2024, Bank Negara Malaysia ("BNM") keeping the Overnight Policy Rate ("OPR") unchanged at 2.75% citing steady domestic demand but external risks to growth, and the launch of the Budi Madani RON95 ("BUDI95") Programme which places the price of subsidized and unsubsidized RON95 petrol at RM1.99/liter and RM2.60/liter respectively.

Government Investment Issue ("GII") 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 sukuk 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. GII levels as at end September 2025 was: 3-year at 3.15% (12 bps), 5-year at 3.25% (12 bps), 7-year at 3.36% (11 bps), 10-year at 3.49% (7 bps), 15-year at 3.69% (10 bps) and 20-year at 3.81% (7 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 Malaysian Government Securities ("MGS") and GII increased marginally to 21.3% in August 2025 (July 2025: 21.1%).

There were 2 government security auctions during the month: 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 bid-to-cover ("BTC") ratio of 1.928x at an average yield of 3.927%, 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 2025: 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% 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 2025: 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 sukuk space, notable issuances included MYR3.0 billion Malayan 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.

Market Outlook

We remain cautiously optimistic on equities as Fed has started embarking on an easing cycle with a rate cut in September 2025. At this juncture, markets remain supported by fundamentals and indication of future monetary easing. Effects of trade tariffs continue to weigh on corporate sentiment, prompting a delay in capital expenditure and a more measured business outlook. However, increased optimism on Artificial Intelligence ("AI") has further accelerate overall capex in the tech sector. On the macro front, investors continue to monitor persistent inflation concerns and unemployment data, which could constrain macroeconomic policy flexibility and limit scope of further monetary policies. We continue to adjust the portfolio proactively to manage risks and capture opportunities as they arise. For Malaysia, our optimism on domestic equities remains on the back of global easing cycle and domestic growth initiatives. The success of key growth initiatives such as the Johor-Singapore Special Economic Zone, the National Energy Transformation Roadmap, and major local infrastructure projects, will be critical in supporting economic resilience and investor sentiment. In terms of valuation, Malaysia is trading at 14.5x vs a long term mean valuation of 15x based on 1-year forward earnings. Key risks are (1) escalating geopolitical tensions, (2) tariff noises, (3) weak Chinese stimulus, and (4) potential setbacks in domestic growth initiatives.

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.