

ABF MALAYSIA BOND INDEX FUND

MONTHLY REVIEW

**For the month of
September 2025**



AmFunds Management Berhad (154432-A)
(A member of AMMB Holdings Berhad)

- Investment Banking
- Treasury Solutions

- Funds Management
- Stock & Futures Broking

- Private Banking
- Islamic Markets

A. BOND MARKET OVERVIEW

Market Review & Outlook

MGS Benchmark Tenors	30-September 2025 (%)	Net Change MoM (bps)	Net Change
			YTD (bps)
3Y	3.15	+14	-38
5Y	3.25	+14	-40
7Y	3.43	+12	-35
10Y	3.47	+7	-37
15Y	3.70	+8	-28
20Y	3.87	+12	-21
30Y	3.92	+4	-27

Source: Bond Pricing Agency Malaysia, 1 October 2025.

Malaysia Government Securities ("MGS") weakened in September 2025, as profit-taking activities dominated the market, driving yields higher across the curve. Investors' sentiment was also dampened by weaker bid-to-cover ratio at the 15Y MGS auction, resulting in a more cautious tone in the domestic bond market. Overall, the short-end of the MGS yield curve rose by 14bps on a MoM basis while the long-end of MGS yield curve moved upwards between 4 and 12bps on a MoM basis.

There were four sovereign bond/ sukuk auctions with a total size of RM19.5 billion in September 2025, namely the reopening of 3Y MGS with issue size of RM5.0 billion on 8 September 2025, followed by reopening of 30Y Malaysian Government Investment Issue ("MGII") with the issue size of RM3.0 billion on 12 September 2025, the reopening of the 15Y MGS with issue size of RM3.5 billion on 22 September 2025 and reopening of the 3Y MGII with the issue size of RM5.0 billion on 29 September 2025. The first three auctions of the month drew tepid demand with bid-to-cover ("BTC") of 1.928x for the 3Y MGS as well as 30Y MGII auctions and 1.520x for the 15Y MGS auction. In contrast, the 3Y MGII auction was well received with BTC of 2.876x.

The local bond market saw trading volume of corporate bonds (including quasi-sovereign) in September 2025 decreased considerably by 23.92% MoM to RM17.5 billion (August 2025: RM23.1 billion). Meanwhile, August 2025 saw a net foreign fund inflow of RM3 billion, led by combined inflow of RM3.3 billion from MGS and MGII (August 2025: outflow of RM5.3 billion). The sizeable foreign inflows to local bonds were driven by growing conviction on Fed easing.

B. PORTFOLIO ACTIVITY REVIEW

For the end of the month of September 2025, there is no inclusion and two exclusions in the ABF Malaysia Index.

The details of the exclusions:

Maturity Date	Issuer	ISIN Code	Outstanding Amount
15/9/2026	Malaysia Government Bond	MYBMX0600028	2,310,000,000
21/9/2026	Lembaga Pembiayaan Perumahan Sektor Awam	MYBVN1602793	700,000,000

The portfolio had 87.67% of sovereign bonds, 10.10% of quasi-sovereign bonds and 2.23% in cash. As of 30 September 2025, the portfolio held 85 bonds versus the benchmark universe of 291 bonds.

C. PERFORMANCE EVALUATION REVIEW

As of 30 September, 2025	Modified Duration (years)	Weighted Market Yield (%)	Total Return (Net) for the Month of September 2025
Benchmark	7.53	3.50	-0.34%
Actual Portfolio	7.50	3.50	-0.36%

The top 10 holdings of the portfolio as of 30 September 2025 are as shown below:

Maturity Date	Issuer	ISIN Code	Nominal Value	Market Value
15/10/2042	Malaysia Government Bond	MYBMY2200023	40,000,000	45,381,485.43
7/4/2037	Malaysia Government Bond	MYBMX1700033	40,000,000	45,142,890.17
15/9/2039	Malaysia Government Investment Issue	MYBGY1900021	40,000,000	43,399,005.39
5/7/2034	Malaysia Government Bond	MYBMS1900047	41,500,000	42,889,355.39
14/8/2043	Malaysia Government Investment Issue	MYBGY2300023	40,000,000	42,723,184.26
27/5/2039	1MDB	MYBVZ0902446	35,000,000	42,540,093.75
15/6/2050	Malaysia Government Bond	MYBMZ2000016	40,000,000	41,267,609.68
15/8/2029	Malaysia Government Bond	MYBMO1900020	40,000,000	41,141,650.83
15/6/2028	Malaysia Government Bond	MYBMS1300057	40,000,000	41,046,037.19
15/10/2030	Malaysia Government Investment Issue	MYBGO2000020	40,000,000	40,979,930.01

The tracking error based on gross return for the last 3 years (30 September 2022 – 30 September 2025) of the Fund was 9.73 basis points while the tracking error based on net return was 9.70 basis points.

Net asset value of the portfolio stood at RM 1,846,100,374.29 at end of September 2025.