

ABF MALAYSIA BOND INDEX FUND

MONTHLY REVIEW

**For the month of
December 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	28-December 2025 (%)	Net Change MoM (bps)	Net Change
			YTD (bps)
3Y	3.09	-0.9	-44
5Y	3.30	0.3	-36
7Y	3.39	-7.5	-38
10Y	3.53	4.3	-31
15Y	3.80	2.9	-19
20Y	3.86	-1.7	-22
30Y	3.98	0.1	-21

Source: Bond Pricing Agency Malaysia, 31 December 2025.

In December 2025, the Malaysian bond market performance was mixed on thin year-end volume with MGS/GII volume at RM81.6b (November 2025: RM128.7b) and corporate bond volume at RM13.3b (November 2025: RM18.8b).

The last sovereign bond auction of the year, the 10Y MGS reopening on 12 December 2025 saw better than expected demand with bid-to-cover ratio of 1.924x at size of RM3b.

Overall, the bond market should remain supported by healthy GDP growth outlook, fiscal and monetary authorities that stand ready to intervene in the event of economic shocks and contained inflation that preserve real returns on fixed-income instruments.

Foreign interest in the ringgit bond market remained strong with inflows rising to RM6.1b in November 2025 (October 2025: RM4.4b); as Malaysia benefitted from being the highest yielding market in EM Asia with a current account surplus, together with expectations of a dovish Fed and potential further appreciation in the ringgit.

B. PORTFOLIO ACTIVITY REVIEW

For the end of the month of December 2025, there is no inclusion and one exclusion in the ABF Malaysia Index.

The details of the exclusion:

Maturity Date	Issuer	ISIN Code	Outstanding Amount
30/11/2026	Malaysia Government Bond	MYBMO1600034	22,980,000,000

The portfolio had 88.83% of sovereign bonds, 10.36% of quasi-sovereign bonds and 0.81% in cash. As of 31 December 2025, the portfolio held 84 bonds versus the benchmark universe of 281 bonds.

C. PERFORMANCE EVALUATION REVIEW

As of 31 December, 2025	Modified Duration (years)	Weighted Market Yield (%)	Total Return (Net) for the Month of December 2025
Benchmark	7.57	3.53.	0.33%
Actual Portfolio	7.64	3.54	0.32%

The top 10 holdings of the portfolio as of 28 December 2025 are as shown below:

Maturity Date	Issuer	ISIN Code	Nominal Value	Market Value
15/10/2042	Malaysia Government Bond	MYBMY2200023	40,000,000	44,523,635.09
15/09/2039	Malaysia Government Investment Issue	MYBGY1900021	40,000,000	43,547,636.85
05/07/2034	Malaysia Government Bond	MYBMS1900047	41,500,000	43,154,750.38
14/08/2043	Malaysia Government Investment Issue	MYBGY2300023	40,000,000	42,762,549.06
27/5/2039	1MDB	MYBVZ0902446	35,000,000	41,660,209.94
15/08/2029	Malaysia Government Bond	MYBMO1900020	40,000,000	41,519,283.63
15/06/2028	Malaysia Government Bond	MYBMS1300057	40,000,000	40,683,211.76
30/9/2027	Malaysia Government Investment Issue	MYBGL2000018	40,000,000	40,649,512.08
15/10/2030	Malaysia Government Investment Issue	MYBGO2000020	40,000,000	40,615,042.40
15/06/2050	Malaysia Government Investment Issue	MYBMZ2000016	40,000,000	40,497,149.16

The tracking error based on gross return for the last 3 years (31 December 2022 – 31 December 2025) of the Fund was 9.29 basis points while the tracking error based on net return was 9.25 basis points.

Net asset value of the portfolio stood at RM 1,789,64,857.23 at end of December 2025.