ABF MALAYSIA BOND INDEX FUND

MONTHLY REVIEW

For the month of July 2026

AmWealth

Group Wealth Management

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

A. BOND MARKET OVERVIEW

Market Review & Outlook

MGS Benchmark Tenors	31-July 2026 (%)	Net Change MoM (bps)	Net Change YTD (bps)
3Y	3.35	7.4	26.1
5Y	3.51	10.9	20.6
7Y	3.66	11.0	26.7
10Y	3.75	11.2	22.2
15Y	3.95	11.4	16.1
20Y	3.99	2.2	13.8
30Y	4.13	0.7	14.7

Source: Bond Pricing Agency Malaysia, 31 July 2025.

In July 2026, the Malaysian Government Securities ("MGS") saw yields increase across the board led by the short-end of the curve and the belly of the curve while the longer-end of the curve saw yield increase at a lower magnitude. This tracked the movement of core rates in the US as sentiment remained pessimistic as the uncertainty over the July 2026 FOMC decision was high which saw market participants lighten up positions to minimise risk. The addition of the Negeri Sembilan elections added uncertainty to the local government bond market.

There were three sovereign bond and sukuk auctions totalling RM13.5 billion in June 2026. comprising the reopening of a 10-year MGS (RM5.0 billion), followed by a 3-year Malaysian Government Investment Issue ("MGII") (RM5 billion), and a 15-year MGS (RM3.5 billion). The bid-to-cover ("BTC") ratio of ranged between 1.87x to 2.26x, reflecting the subdued demand in Malaysia Government bonds.

Meantime, foreign holdings of Ringgit bonds increased by RM4.9 billion in June 2026, reversing the outflow of RM 4.3 billion experienced in May 2026. This was following the easing of US- Iran tension in June 2026. This brought total foreign holdings down to RM309.8 billion from a previous record high of RM309.2 billion.

Malaysia's macroeconomic backdrop remains broadly supportive heading into August 2026, although conditions in the local bond market have become more challenging following the sharp sell-off observed in July 2026. Domestic growth continues to be underpinned by resilient private consumption, sustained investment activity and ongoing implementation of government development initiatives. Recent communications from Bank Negara Malaysia ("BNM") suggest that economic growth may track towards the upper end of the official 4%-5% forecast range, while inflation is expected to remain manageable within the 1.5%-2.5% range. Against this backdrop, BNM maintained the Overnight Policy Rate ("OPR") at 2.75% in July 2026 for a sixth consecutive meeting, although policymakers have acknowledged that future policy decisions will remain data dependent.

Inflation remains largely contained amid moderate cost pressures and stable domestic demand conditions. However, the strength of domestic activity, together with tighter money market conditions, warrants close monitoring. Notably, the 3-month KLIBOR has risen to approximately 3.46%, its highest level in a year and around 70bps above the

OPR, suggesting that money markets are increasingly pricing in the possibility of tighter monetary conditions ahead. While BNM has not explicitly shifted to a hawkish stance, the balance of risks has become less accommodative than earlier in the year.

B. PORTFOLIO ACTIVITY REVIEW

For July 2026, there is no inclusions and four exclusions in the ABF Malaysia Index.

The details of the exclusions:

Maturity Date	Issuer	ISIN Code
26/07/2027	Malaysia Government Investment Issue	MYBGO1700018
29/07/2027	PR1MA Corp Malaysia	MYBVI2202734
30/07/2027	PR1MA Corp Malaysia	MYBVK2001561
20/07/2027	DanaInfra Nasional Bhd	MYBVS1202726

The portfolio had 88.58% of sovereign bonds, 10.44% of quasi-sovereign bonds and 0.98% in cash. As of 31 July 2026, the portfolio held 88 bonds versus the benchmark universe of 291 bonds.

C. PERFORMANCE EVALUATION REVIEW

As of 31 July, 2026	Modified Duration (years)	Weighted Market Yield (%)	Total Return (Net) for the Month of July 2026
Benchmark	7.53	3.72	-0.06%
Actual Portfolio	7.51	3.72	-0.07%

The top 10 holdings of the portfolio as of 30 July 2026 are as shown below:

Maturity Date	Issuer	ISIN Code	Nominal Value	Market Value
15/10/2042	Malaysia Government Bond	MYBMY2200023	40,000,000	44,003,888.77
15/09/2039	Malaysia Government Investment Issue	MYBGY1900021	40,000,000	42,936,312.23
14/08/2043	Malaysia Government Investment Issue	MYBGY2300023	40,000,000	42,325,905.73
05/07/2034	Malaysia Government Bond	MYBMS1900047	41,500,000	41,889,769.12
15/08/2029	Malaysia Government Bond	MYBMO1900020	40,000,000	41,319,582.55
27/05/2039	1MDB	MYBVZ0902446	35,000,000	40,986,750.00
15/06/2028	Malaysia Government Bond	MYBMS1300057	40,000,000	40,524,790.13
15/10/2030	Malaysia Government Investment Issue	MYBGO2000020	40,000,000	40,390,665.61
15/06/2050	Malaysia Government Investment Issue	MYBMZ2000016	40,000,000	40,139,900.48
22/05/2040	Malaysia Government Bond	MYBMY1900052	40,000,000	39,506,457.59

The tracking error based on gross return for the last 3 years (31 July 2023 – 31 July 2026) of the Fund was 8.89 basis points while the tracking error based on net return was 7.84 basis points.

Net asset value of the portfolio stood at RM 1,803,343,408.16 at end of July 2026.