ABF MALAYSIA BOND INDEX FUND

MONTHLY REVIEW

For the month of October 2026



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

• Investment Banking • Funds Management • Private Banking
• Treasury Solutions • Stock & Futures Broking • Islamic Markets

A. BOND MARKET OVERVIEW

Market Review & Outlook

MGS Benchmark Tenors	30-October 2026 (%)	Net Change MoM (bps)	Net Change YTD (bps)
3Y	3.49	-7.2	39.3
5Y	3.73	-8.4	43.0
7Y	3.89	-12.6	49.9
10Y	3.90	-20.0	36.9
15Y	4.17	-4.7	37.0
20Y	4.25	-6.7	39.0
30Y	4.39	-2.7	40.9

Source: Bond Pricing Agency Malaysia, 30 October 2026.

At the start of October 2026, the Malaysian Government Securities ("MGS") yields maintained some of the September 2026 surge before declining across the curve amid a post-Budget 2027 "feel-good factor" rally that was supported by expectations of continued fiscal discipline and a stable macroeconomic outlook. The rally persisted through mid-October 2026, with 10-year yields declining faster than 3-year yields, resulting in a flatter yield curve. However, the market underwent a modest correction in the second half of the month, with yields edging higher as some investors took the opportunity to sell into the strength. While easing US Treasury yields and manageable Malaysian headline inflation (August 2026: 1.8% YoY) were supportive of yields, stronger-than-expected 3Q26 GDP growth (5.3% YoY) and elevated PPI (9.7% YoY) led investors to price in a higher likelihood of an OPR hike, resulting in a modest sell-off towards month-end.

There were four sovereign bond and sukuk auctions totalling RM16.5 billion in October 2026 comprising the reopening of a 3.5-year Malaysian Government Investment Issue ("MGII") (RM5.0 billion), followed by a 15-year MGS (RM3.5 billion of which RM1.5 billion was privately placed), a 20-year MGII (RM3.0 billion of which RM1.0 billion was privately placed), and a new issue of a 10-year MGS (RM5.0 billion of which RM0.5 billion was privately placed). The bid-to-cover ("BTC") ratio in October 2026 averaged 2.38x, reflecting a willingness to absorb supply at new yield levels from domestic investors.

Meanwhile, foreign holdings of Ringgit bonds fell by almost RM1.8 billion in September 2026, reversing the inflow of RM15.9 billion in August 2026. This outflow was mainly attributable to foreign investors selling off ahead of the FOMC meeting and due to a sizeable maturity totalling RM29.5 billion of MGS in September 2026. As a result of this, total foreign holdings declined from RM320.1 billion in August 2026 to RM318.3 billion in September 2026.

B. PORTFOLIO ACTIVITY REVIEW

For November 2026, there is three inclusions and two exclusions in the ABF Malaysia Index.

The details of the inclusions:

Maturity Date	Issuer	ISIN Code
24/10/2033	Cagamas Berhad	MYBVK2604687
12/09/2035	Perbadanan Tabung Pendidikan Tinggi Nasional	MYBVN2503701
30/09/2038	Pengurusan Air SPV Berhad	MYBVQ2503860

The details of the exclusions:

Maturity Date	Issuer	ISIN Code
12/10/2027	Khazanah Nasional Bhd	MYBDS1200181
30/09/2027	Malaysia Government Investment Issue	MYBGL2000018

The portfolio had 88.85% of sovereign bonds, 10.15% of quasi-sovereign bonds and 1.00% in cash. As of 30 October 2026, the portfolio held 86 bonds versus the benchmark universe of 288 bonds.

C. PERFORMANCE EVALUATION REVIEW

As of 30 October, 2026	Modified Duration (years)	Weighted Market Yield (%)	Total Return (Net) for the Month of October 2026
Benchmark	7.36	3.93	0.94%
Actual Portfolio	7.37	3.92	0.93%

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

Maturity Date	Issuer	ISIN Code	Nominal Value	Market Value
15/10/2042	Malaysia Government Bond	MYBMY2200023	40,000,000	42,082,522.67
05/07/2034	Malaysia Government Bond	MYBMS1900047	41,500,000	41,759,671.60
15/09/2039	Malaysia Government Investment Issue	MYBGY1900021	40,000,000	41,692,651.05
15/06/2028	Malaysia Government Bond	MYBMS1300057	40,000,000	40,838,956.82
15/08/2029	Malaysia Government Bond	MYBMO1900020	40,000,000	40,769,630.43
14/08/2043	Malaysia Government Investment Issue	MYBGY2300023	40,000,000	40,469,610.30
27/05/2039	1MDB	MYBVZ0902446	35,000,000	40,007,975.00
15/10/2030	Malaysia Government Investment Issue	MYBGO2000020	40,000,000	39,875,867.57
15/06/2050	Malaysia Government Bond	MYBMZ2000016	40,000,000	39,067,453.79
22/05/2040	Malaysia Government Bond	MYBMY1900052	40,000,000	38,824,783.99

The tracking error based on gross return for the last 3 years (31 October 2023 – 30 October 2026) of the Fund was 7.87 basis points while the tracking error based on net return was 7.86 basis points.

Net asset value of the portfolio stood at RM 1,753,807,714.43 at end of October 2026.