

Fund Objective

A fund which invests in Shariah approved fixed income securities, for example government and corporate sukuk as well as Islamic money market papers/deposits. This fund seeks to provide consistent return at low levels of volatility. Although the fund invests mainly in Malaysia (40% to 100%), it may also partially invest in foreign Shariah approved fixed income securities (up to 50%), to enhance the fund's returns.

Investment Strategy

The fund shall be actively managed to generate additional return to consistently outperform the benchmark in the long-term using top-down approach. The fund will focus on capital preservation and steady income by investing in Islamic fixed income securities with good credit fundamentals.

Asset Allocation

Fixed Income Securities: 40%-100%

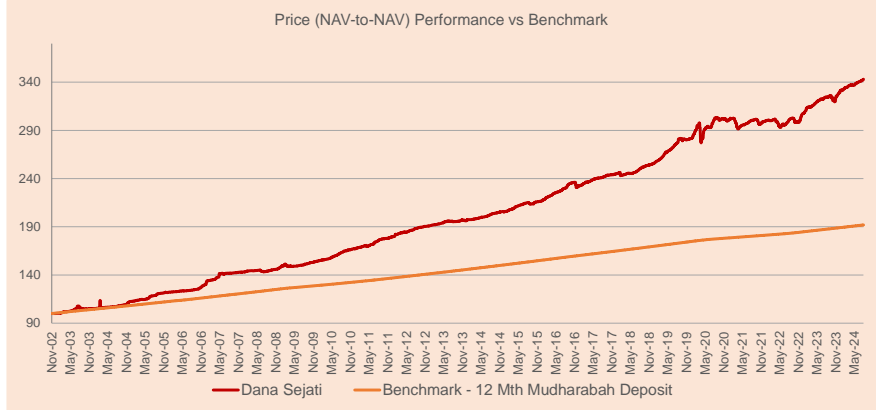
Fixed Income Securities (Foreign): up to 50%

Cash / Cash Equivalent: 0%-60%

Top 5 Holdings (as at 31-Jul-2024)

| Name | % of NAV |
|--|----------|
| IJM Land Bhd | 7.2% |
| Yinson Holdings Bhd | 7.0% |
| Government Investment Issue | 6.2% |
| Petroleum Sarawak Exploration & Production S | 5.8% |
| UMW Holdings Bhd | 4.7% |

Performance from 31 October 2002 - 31 July 2024



Notice:

Actual return is based on net basis (net of tax and charges). Past Performance of the fund is not an indication of its future performance. This is strictly the performance of the unit fund, and not the returns earned on the actual premiums paid of the Investment-Linked insurance product.

Percentage Return (NAV to NAV)

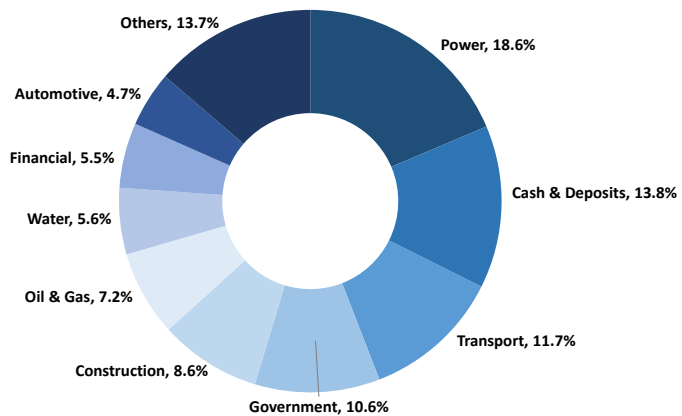
| | YTD | 1-Mth | 6-Mth | 1Y | 3Y | 5Y | Since Inception |
|---------------------------------------|------|-------|-------|------|-------|-------|-----------------|
| Dana Sejati | 3.3% | 0.6% | 2.7% | 5.8% | 14.3% | 24.1% | 243.1% |
| Benchmark - 12 Mth Mudharabah Deposit | 1.4% | 0.2% | 1.2% | 2.4% | 6.5% | 11.0% | 91.8% |

Source: 12mth Mudharabah Deposit - Hong Leong Bank

Fund Info (as at 31-Jul-2024)

| | | | |
|---------------------------|------------------------------|-----------------------------------|-------|
| Inception Date | 31 October 2002 | For Single Pricing Product | |
| Fund Size (RM mil) | 366.7 | NAV per unit (RM) | 3.260 |
| Management Fee | 0.50% p.a. on NAV | For Dual Pricing Product | |
| Other Charges | Nil | Bid Unit Price (RM) | 3.260 |
| Fund Manager | GELM Investment | Offer Unit Price (RM) | 3.432 |
| Valuation | Daily based on market prices | Risk Profile | Low |

Sector Allocation (as at 31-Jul-2024)



The fund performance updates presented by Great Eastern Life Assurance (Malaysia) Berhad ("the Company") are to be used as an information source only.

Please read and understand the contents of the fund fact sheet before investing. The fund performance updates should be read in conjunction with the fund fact sheet, product brochure, Product Disclosure Sheet, sales illustration, and policy contract.

There can be no assurances that the fund will be able to maintain its net asset value per security at a constant amount or that the full amount of your investment in the fund will be returned to you. Customers should consider the fees and charges involved.

Fixed Income

Market review

In the political arena, several major events unfolded, intensifying an already volatile sukuk market. Notable among these are the assassination attempt of Donald Trump, drop out of the presidential election by U.S. President Joe Biden, endorsement of the current U.S. Vice President Kamala Harris to run against Donald Trump, and the escalating geopolitical tensions between U.S and Israel as a result of the assassination of Hamas political chief Ismail Haniyeh. Sukuk markets worldwide witnessed rally towards the end of July. U.S. Treasury yields dropped by as much as 50 basis points (bps) in the month of July.

Tracking strength in the global sukuk markets, the Malaysian Government Investment Issue (GII) yield curve bull-steepened, with 2-year yield dropped 10 bps while the 20 to 30-year yields shed 7-8 bps month-on-month (m-o-m), largely driven by foreign demand. 10-year yield dropped 17bps to 3.72%, a level not seen since June-2023. The rally was also evident in the Malaysian Ringgit movement, which has strengthened substantially by 2.69% against the US Dollar to 4.5905 end of July.

There were three government bond/sukuk auctions in the month of July, 5-year MGS, 10-year GII, and 15-year MGS. All three auctions drew healthy demand, with average bid-to-cover ratio above 2x. As for Private Debt Securities, local corporate spreads widened as much as 9 bps, trailing behind the GII yields.

Foreign holdings of GII increased from 9.2% to 9.3% of total outstanding in the month of July. Foreign investors' net GII purchase was about RM 1.4 billion. GII sukukuks have experienced the highest foreign inflows year-to-date in 2024 compared to other ASEAN markets. Meanwhile, Brent price dropped 4.45% m-o-m to USD 77.91 per barrel.

Market outlook

Moving into August, global sukuk yields rallied sharply after several surprising releases of U.S. economic data indicating slower-than-expected economic growth. U.S. labour market signaled slowdown as unemployment rate crept up. Although Federal Reserve (FED) maintained the benchmark Fed funds rate at between 5.25% and 5.50% at its Federal Open Market Committee (FOMC) meeting, it also hinted the potential September's cut as inflation continued to behave as expected. The market narrative on global rates changed rapidly, from the timing of first FED rate cut, to the size of the cut. Global rates are reflecting more than 100 bps Fed funds rate cut by 2024, a significantly shift to a more dovish positioning compared to just 25-50bps before the shift.

Year-to-date as of 5th of August, the Ringgit has strengthened about 3.5% against USD, one of the best performers in the forex market. Coupled with favourable domestic sukuk supply-demand profiles, better economy growth prospect, and front-loaded U.S. rate cuts, Malaysian sukukuks have rallied further into August. For the GII rates to decrease further from these levels, a more severe economic downturn in the U.S. would be necessary. This could lead to spillover effects, prompting other central banks to cut its rates. Along with the potential increased inflation numbers resulting from the diesel subsidy retargeting drive, and the expected soon-to-be-announced subsidy rationalization initiative on RON95, we may see some profit taking activities emerging in the near term.