

ABF MALAYSIA BOND INDEX FUND

MONTHLY REVIEW

**For the month of
December 2024**

By



AmInvest

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

- Investment Banking
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A. BOND MARKET OVERVIEW

Market Review & Outlook

MGS Benchmark Tenors	31-December-24 (%)	Net Change MoM (bps)	Net Change Year-To-Date (bps)
3Y	3.53	+2	0
5Y	3.65	+4	+1
7Y	3.78	+1	+4
10Y	3.84	+2	+11
15Y	3.98	+3	0
20Y	4.08	+1	-4
30Y	4.19	-1	-6

Source: Bond Pricing Agency Malaysia, 3 December 2024.

Malaysian bond market traded marginally weaker in December amidst profit taking activities on the back of bearish global bond backdrop and partly contributed by a lack of liquidity in second half of December as many were away for year-end holiday. This was despite positive news from Bank Negara Malaysia (“BNM”) on the announcement of a much smaller than expected final government bond auction for the year. Overall, Malaysian Government Securities (“MGS”) yields rose 1-4bps, except for the ultra-long end 30-Year MGS which declined 1bps on a MoM basis in December.

There was only one sovereign bond auction with total size of RM2 billion in December, namely the reopening of 10-year MGS. The auction received only a moderate 2.015x bid-to-cover (“BTC”) ratio despite its relatively small auction size. The result reflected investors’ cautious move ahead of release of US job data and US Federal Reserve meeting in December coupled with investors’ preference to focus on 2025 auction calendar. The accepted bids ranged from a high of 3.781% to a low of 3.760% with average of 3.776%.

The local bond market saw trading volume of corporate bonds (including quasi-sovereign) increase 2.00% MoM to RM13.3 bil in December (November: RM13.1 bil). In terms of foreign flows, Ringgit fixed income securities foreign outflows eased to MYR1.1 bil in November after witnessing largest drawdown since March 2020 of MYR11.4 bil in October. MGS and GII saw net outflow of RM1.8 bil during the month as compared to RM10.6 billion net outflow in October. Consequently, total share in government bond (MGS+GII) declined further from 21.70% in October to 21.40% in November.

B. PORTFOLIO ACTIVITY REVIEW

For the end of the month of December 2024, there is no inclusion and no exclusion in the ABF Malaysia Index.

The portfolio had 88.96% of sovereign bonds, 10.21% of quasi-sovereign bonds and 0.83% in cash. As of 31 December 2024, the portfolio held 84 bonds versus the benchmark universe of 297 bonds.

C. PERFORMANCE EVALUATION REVIEW

As of 31 December, 2024	Modified Duration (years)	Weighted Market Yield (%)	Total Return (Net) for the Month of December 2024
Benchmark	7.48	3.83	0.24%
Actual Portfolio	7.38	3.82	0.24%

The top 10 holdings of the portfolio as of 31 December 2024 are as shown below:

Maturity Date	Issuer	ISIN Code	Nominal Value	Market Value
7/4/2037	Malaysia Government Bond	MYBMX1700033	40,000,000	43,637,301.16
15/10/2042	Malaysia Government Bond	MYBMY2200023	40,000,000	43,496,073.09
15/9/2039	Malaysia Government Investment Issue	MYBGY1900021	40,000,000	42,601,445.65
14/08/2043	Malaysia Government Investment Issue	MYBGY2300023	40,000,000	41,631,454.26
27/05/2039	1MDB	MYBVZ0902446	35,000,000	41,123,659.94
15/08/2029	Malaysia Government Bond	MYBMO1900020	40,000,000	40,997,032.83
30/09/2026	Malaysia Government Investment Issue	MYBGO1600036	40,000,000	40,881,015.45
30/9/2027	Malaysia Government Investment Issue	MYBGL2000018	40,000,000	40,263,550.88
15/06/2028	Malaysia Government Bond	MYBMS1300057	40,000,000	40,252,870.96
31/5/2027	Malaysia Government Bond	MYBMX0700034	40,000,000	40,124,802.05

The tracking error based on gross return for the last 3 years (31 December 2020 – 31 December 2024) of the Fund was 10.91 basis points while the tracking error based on net return was 10.91 basis points.

Net asset value of the portfolio stood at RM 1,792,795,902.68 at end of December 2024.