

ABF MALAYSIA BOND INDEX FUND

MONTHLY REVIEW

**For the month of
April 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	30-Apr-24 (%)	Net Change MoM (bps)	Net Change YTD (bps)
3Y	3.61	+13	+8
5Y	3.77	+11	+12
7Y	3.90	+12	+16
10Y	3.99	+11	+25
15Y	4.06	+6	+7
20Y	4.25	+16	+14
30Y	4.30	+10	+4

Source: Bond Pricing Agency Malaysia, 30 April 2024

The local bond market was weaker in April, following the sell-off in US Treasury. Sticky inflation and resilient labor market have given more reasons for the US Fed to stand pat on key rates. Thin market liquidity and rising geopolitical risk in Middle East also dented bond market sentiment. Overall, Malaysian Government Securities (“MGS”) curve was repriced higher by 6 to 16 basis points (“bps”) MoM and 4 to 25 bps Year-to-Date (“YTD”).

There were 4 sovereign bond auctions in April, namely the reopening of 5Y MGS, 3Y Government Investment Issue (“GII”), and new issuance of 7Y GII and 15Y MGS. Both 5Y MGS and 3Y GII auction drew a tepid bid-to-cover (“BTC”) of 1.797x and 1.746x, respectively as sentiments were weighed by persistent weakness in UST. Meanwhile, auction demand was strong for 7.5Y GII and 15Y MGS which became the new benchmarks, recording BTC of 3.33x and 2.16x respectively.

Despite the selloff in the UST market, the local MGS market did not suffer a similar spike in yields. Bonds yields only rose marginally and were relatively supported. This has been attributed to the deep domestic liquidity holdings particularly from GLICs and institutional investors.

B. PORTFOLIO ACTIVITY REVIEW

For the end of the month of April 2024, there are two inclusions and two exclusions in the ABF Malaysia Index.

The details of the inclusion:

Maturity Date	Issuer	ISIN Code	Outstanding Amount
8/10/2031	Malaysia Government Investment Issue	MYBGL2400028	4,500,000,000
18/4/2039	Malaysia Government Bond	MYBMS2400013	5,000,000,000

The details of the exclusions:

Maturity Date	Issuer	ISIN Code	Outstanding Amount
29/4/2025	Cagamas Berhad	MYBVG2201938	555,000,000
4/4/2025	Lembaga Pembiayaan Perumahan Sektor Awam	MYBVK1801334	1,000,000,000

The portfolio had 89.79% of sovereign bonds, 9.77% of quasi-sovereign bonds and 0.44% in cash. As of 30 April 2024, the portfolio held 83 bonds versus the benchmark universe of 297 bonds.

C. PERFORMANCE EVALUATION REVIEW

As of 30 April, 2024	Modified Duration (years)	Weighted Market Yield (%)	Total Return (Net) for the Month of April 2024
Benchmark	7.34	3.94	-0.52%
Actual Portfolio	7.32	3.93	-0.52%

The top 10 holdings of the portfolio as of 30 April 2024 are as shown below:

Maturity Date	Issuer	ISIN Code	Nominal Value	Market Value
30/09/2026	Malaysia Government Investment Issue	MYBGO1600036	45,000,000	45,628,543.25
15/10/2042	Malaysia Government Bond	MYBMY2200023	40,000,000	42,403,340.25
15/10/2030	Malaysia Government Investment Issue	MYBGO2000020	42,500,000	41,573,609.40
27/05/2039	1MDB	MYBVZ0902446	35,000,000	41,558,892.31
15/06/2028	Malaysia Government Bond	MYBMS1300057	40,000,000	40,506,741.84
15/08/2029	Malaysia Government Bond	MYBMO1900020	40,000,000	40,438,637.14
15/06/2050	Malaysia Government Bond	MYBMZ2000016	40,000,000	39,135,476.37
22/05/2040	Malaysia Government Bond	MYBMY1900052	40,000,000	38,847,364.80
09/07/2029	Malaysia Government Investment Issue	MYBGO1900014	36,160,000	37,122,685.28
30/11/2034	Malaysia Government Investment Issue	MYBGT1900062	35,000,000	35,896,037.82

The tracking error based on gross return for the last 3 years (30 April 2020 – 30 April 2024) of the Fund was 11.72 basis points while the tracking error based on net return was 11.74 basis points.

Net asset value of the portfolio stood at RM 1,756,317,346.89 at end of April 2024.