



Active Balanced Fund

Fund Update April 2022

Investment Objective

To provide a steady incomes and capital growth over the medium to long-term period.

Fund Details

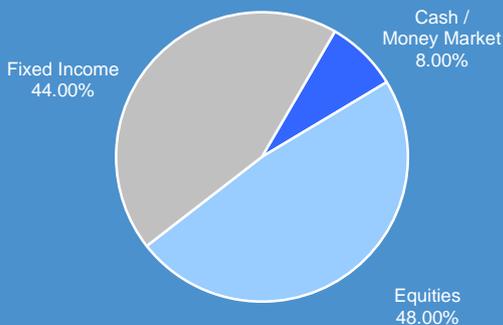
Fund Size	RM152,385,509
Unit NAV @ 30/04/2022	RM3.0359
Valuation Frequency	Daily
Fund Manager	Affin Hwang Asset Management Berhad
Fund Management Fee	1.25% p.a.
Launch Date	25 Sep 2006

Portfolio Composition and Holdings

Top Five Holdings

Securities	% Holding
GII 4.045% (15.08.2024)	13.2%
MGS 3.882% (14.03.2025)	6.6%
GII 3.726% (31.03.2026)	4.6%
Lembaga Pembiayaan Perumah SA 3.83% (21.09.2023)	3.3%
AMMB Holdings Bhd	3.3%

Portfolio Composition by Category of Investment



Fund Performance*

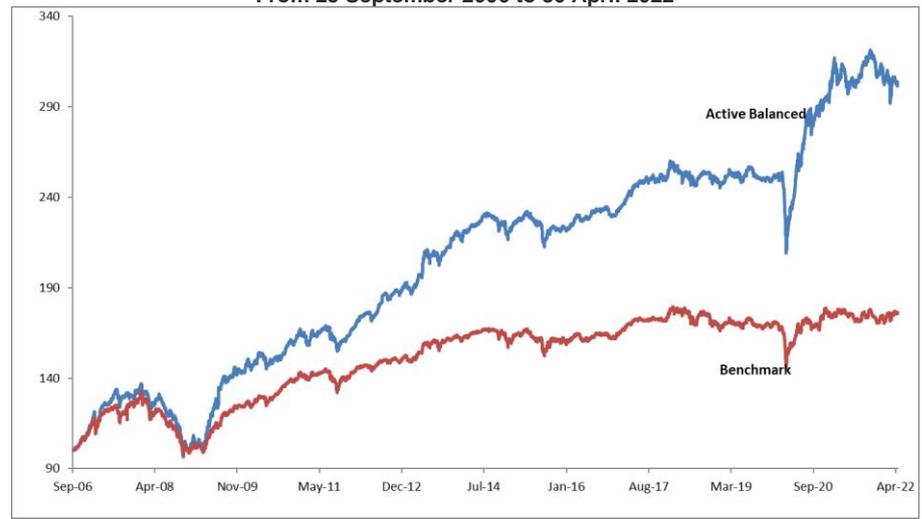
Total Return (%)	1 Month	3 Month	6 Month	1 Year	3 Year	5 Year	YTD	Since Inception
Fund	(0.70)	(0.20)	(5.16)	(1.44)	20.04	23.39	(2.82)	203.63
Benchmark	0.43	2.97	0.13	(0.38)	3.31	2.67	1.05	76.42

Annualised Return (%)	1 Year	3 Year	5 Year	YTD	Since Inception
Fund	(1.44)	6.27	4.29	(8.33)	7.38
Benchmark	(0.38)	1.09	0.53	3.23	3.70

Calendar Year Return (%)	2021	2020	2019	2018
Fund	5.49	17.66	1.47	(2.73)
Benchmark	(0.93)	3.56	0.75	(3.91)

*Calculation of performance is based on NAV-to-NAV basis including fund distribution(s), if any. Also, performance for 1-, 3-, 6-months and 1-, 3-, 5-years is based on the fund's performance for the respective preceding period.

Fund Performance vs Benchmark From 25 September 2006 to 30 April 2022



Benchmark : 50% in FTSE Bursa Malaysia Emas Index (FBMEmas) + 50% in 12 month fixed deposit Maybank interest

Fund Strategy

The Fund will focus on achieving its objective by investing in a balanced portfolio consisting fixed income and equities.

The Fund's investment in bonds would consist of government and corporate bonds. The selection of bonds will depend largely on but not limited to the credit ratings of issuances and issuers strong creditability in meeting their financial obligations. The fund manager hold the option of investing into other fixed income assets such as money market instruments and/or deposits.

For the equity investments, the fund manager is selective in its strategy by focusing on quality stocks with strong cash flows, and stocks giving attractive dividend yields or the potential to do so. The fund manager will also take tactical investments in selected situational stocks with strong fundamentals.



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Market Outlook

March was a mildly decent month for the domestic equities market, with the FBM KLCI adding 0.8% to end at 1,600 points despite volatile global markets. Meanwhile the S&P 500 corrected 8.8% & the MSCI Asia ex-Japan Index fell 5.2%.

On the economic front, 1) Malaysia's Industrial Production Index gained 3.9% y-o-y in February as the manufacturing sector continues to benefit from external tailwinds. ; 2) Malaysia's export value surged 16.8% to RM102.3bn while imports gained 18.4% to RM82.5bn. ; 3) BNM's international reserves totaled up to USD114.4bn in April, representing 1.2 times its total short term external debt outstanding. ; 4) Malaysia's Consumer Price Index rose 1.2% y-o-y as rising commodity prices impact food costs.

On corporate developments, 1) According to the National Property Information Centre, local property market transaction value added 22% to RM145bn as demand recovers post-lockdown. ; 2) Data released by BNM showed that gross impaired loans have remained stable as repayments assistance programs expire. ; 3) Gamuda Bhd is set to receive RM2.3bn from their toll assets disposal. ; 4) MBSB Bank Bhd has received the nod from BNM to commence negotiations on the acquisition of MIDF Bhd from Permodalan Nasional Bhd.

In terms of fund flows for Malaysian equities, foreigners remained net buyers in the month of April with a YTD net inflow of RM7.1bn. Buying activity was mainly concentrated in the financial & commodity-related names. Meanwhile, local institutions remained net sellers, unloading RM1.1bn with selling concentrated in the technology & commodity-related names.

Plantation names were in focus for the month, as a 24.5% surge in Crude Palm Oil price to above RM7,000/MT led to strong interest in the sector. The spike was driven mainly by newsflow that Indonesia is curtailing

exports of selected palm oil products due to severe domestic shortage. Nonetheless, plantation names have remained choppy throughout the month as investors grapple with the sustainability of high CPO prices. On the other end, the technology names were again one of the worst performing sectors due to rate hike scares. Growth-oriented names typically do not do well in a rising rate environment.

In April, global bond markets continued the selloff amid fears of rising, stickier inflation, and tighter monetary policy. In the US, the March CPI rose +8.5% yoy (Feb: +7.9%) while March PPI rose +11.2% yoy (Feb: +10%). In the Eurozone, CPI remained high at +7.4% yoy in March (Feb: +7.5%) as energy cost continue to remain elevated. U.S Treasury yields have moved up sharply in 2022 as inflation has continued to run hot, with the consumer price index hitting a level last seen more than four decades ago. Investors have penciled in the possibility of more outsize rate increases to come and more aggressive wind-down of the central bank's balance sheet.

Back home, domestic yields continue to rise in April with benchmark 10Y ending the month at 4.38%. Yields sold off by 37-60bps in April on the back of higher UST. Yields are higher by 73-93bps YTD basis with market already pricing in 5-6 rate hikes. This is despite Bank Negara's gradual approach to any normalisation of monetary policy.

Separately, Employees Provident Fund ("EPF") announced that they have received 5.3million applications under the Special Withdrawal facility to withdraw a total of RM40.1billion as of 14 April 2022. The application for the withdrawal will close by month-end which and may push total withdrawals even higher. The withdrawals were more than what market was expecting of around RM20-RM30billion. This announcement has further dampened market sentiment as market now expects EPF participation and support to reduce at least till after 1H2022.