

Mixed Assets Market Review

Global equities continued to advance in October, led by the US as the Dow Jones, S&P500 and Nasdaq indices rose 2.5%, 2.3% and 4.7% month-on-month (MoM), respectively. This growth was driven by strong earnings from AI mega-cap companies. Microsoft, Amazon, Meta, and Google all announced increased spending on AI and datacentre infrastructure for 2025-2026 compared to previous plans, reinforcing the strength of the global AI value chain and infrastructure buildouts. The US Federal Reserve (Fed) implemented a 25bps rate cut, lowering the Fed Funds Rate to 3.75%–4.00%. This marked the second cut of the year, prompted by softer inflation print and a cautious economic outlook. Fed Chair Jerome Powell reiterated a data-dependent approach, noting that further cuts are “not a given”. Additionally, the Fed announced an early end to quantitative tightening by December, citing tightening liquidity conditions. However, the US is currently experiencing limited official data availability due to a government shutdown at the start of the fourth quarter.

European equities EuroStoxx50 rose 2.4% in October, supported by “goldilocks” growth, cooling inflation, and fiscal support. On 30 October, the European Central Bank (ECB) maintained its key deposit rate at 2%, for the third straight meeting, as inflation is near target and growth resilient. The European Commission announced new measures to lower energy prices on 21 October, following US sanctions on major Russian oil suppliers related to the Ukraine war, aiming to provide relief for both industry and households.

In Asia, MSCI Asia ex Japan Index increased by 4.5% in October, fueled by AI enthusiasm. Samsung and SK Hynix reported strong results and projected sustained AI-related growth, while TSMC and other major chipmakers reached or approached record highs. Weakness in China, reflected by a 3.5% decline in the Hang Seng Index due to profit taking, was offset by strength in Korea (KOSPI +19.9%), Taiwan (+9.3%) and parts of ASEAN (MSCI ASEAN +1.1%). During the Fourth Plenum held from 20-23 October, China laid the groundwork for its 15th Five-Year Plan (2026–2030), emphasizing “self-reliance” in science and technology, domestic demand, service consumption, and social safety net reforms for pensioners, and youth unemployment.

In Malaysia, the FBMKLCI, FBM100, FBM Shariah and FBM Small Cap was at -0.2%, 0.3%, 0.7% and 0.1% MoM, respectively. Sector leaders include Technology, Consumer, Healthcare, and Plantation, while Property and Construction lagged. The tabling of Budget 2026 on 10 October, highlighted the government's ongoing fiscal reform efforts, and subsidy retargeting, aiming to achieve 4.0%-4.5% GDP in 2026 and narrow the fiscal deficit. Overall, the outlook remains positive for the consumer, construction, property, utility, and renewable energy sectors. At the 47th ASEAN Summit, Timor-Leste was admitted as the 11th ASEAN member state, and ASEAN issued a joint statement with the United States to enhance economic cooperation in trade, investment, and supply chain resilience. The United States and Malaysia also signed an Agreement on Reciprocal Trade under which Malaysia will reduce tariffs on selected US goods and refrain from restricting rare-earth exports, while the US will maintain tariffs on Malaysian products at 19%, with exemptions for certain items.

Commodity prices eased, with Brent crude falling 2.9% MoM to USD 65.1 per barrel, driven by potential supply increases from OPEC+ and ongoing demand concerns. Crude palm oil (CPO) prices declined 3.3% MoM to RM 4,207/MT, weighed down by expectations of higher production and weaker prices for other edible oils in China.

On the fixed income front, US Treasuries (UST) fluctuated as the government shutdown curtailed key economic data releases. The 10Y yield tumbled below 4.00% on safe haven demand following renewed US-China trade tensions. However, UST subsequently pared gains after Fed Chair Jerome Powell pushed back against expectations for further easing in December. Overall, UST ended the month firmer, as the 10Y UST shed 7bps MoM to

4.08%, while the 2Y yield declined 4bps to 3.57%. Locally, the MGS market was largely stable throughout the month, with a lack of new catalysts from the Budget 2026 announcements. Overall, MGS yields edged slightly higher for the month, with the 3Y yield closing at 3.13% and the 10Y yield at 3.50%.

Mixed Assets Market Outlook

The US-China trade truce has lifted global sentiment, with both side agreeing to a one-year trade deal that pauses steeper US tariffs and limit China's export controls on rare earth minerals – a critical component in the AI supply chain. The ongoing strength and sustainability of the AI and datacentre build-out theme remain a principal driver of global equities. Meanwhile, the Fed's next policy move is far from certain, as the ongoing US government shutdown and delayed releases of key economic data continue to cloud the Fed's visibility on the US economy. Against this backdrop, UST yields remain vulnerable to fluctuations, as investors balance policy easing expectations with fiscal concerns and geopolitical uncertainties.

Locally, Malaysia's growth is expected to remain resilient, despite external uncertainties that may pose risks to near-term exports and GDP growth. Infrastructure projects, FDIs and domestic private investment are helping to offset export weakness. Meanwhile, domestic consumption is expected to be supported by accommodative fiscal and monetary policies. On a related note, prospects for the local bond market remain constructive, anchored by sustained reinvestment demand and ample domestic liquidity, although global developments could influence near term yield movements.

Mixed Assets Fund Strategies

A resilient domestic outlook stands in contrasts to a mixed external environment, given lingering tariff-related uncertainties, but with potential improvement in liquidity and capital flows from US rate cuts. Against this backdrop, we continue to favour sectors benefitting from strong thematic drivers such as AI & datacentre buildouts, infrastructure project rollouts, new energy, and a nascent tech upcycle. Key sectors in focus are utilities & renewable energy, infrastructure (including construction and property), technology, and REITs. A bottom-up stock picking approach preferred to identify specific opportunities.

As for fixed income, we will continue to invest in a diversified portfolio of fixed income securities and other permissible investments. Emphasis is placed on credit-worthy issuers of debt and investment-grade fixed income instruments.

FUND OBJECTIVE

Aims to provide a portfolio of investments with lower risk and lower volatility for investors.

Fund Category/Type

Balanced / Growth & Income

Launch Date

23 May 2001

Trustee

CIMB Commerce Trustee Berhad

Benchmark

60% FTSE Bursa Malaysia Top 100 Index and 40% Maybank 12-month Fixed Deposit Rate

Designated Fund Manager

Lee Sook Yee

Sales Charge

Max 5.50%

Annual Management Fee

1.50% p.a.

Annual Trustee Fee

0.05% p.a.

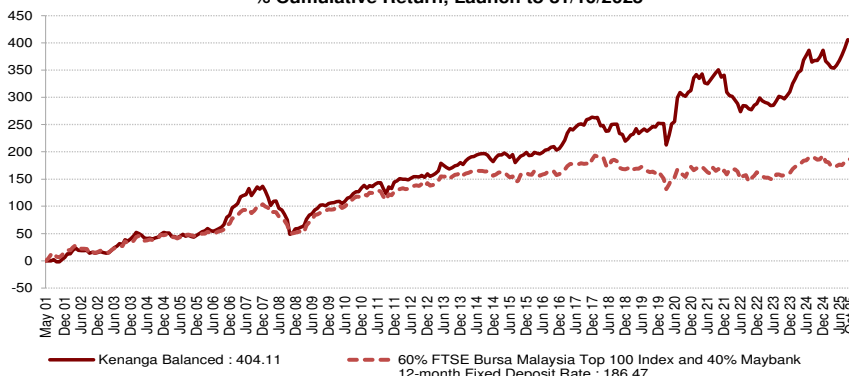
Redemption Charge

Nil

All fees and charges payable to the Manager and the Trustee are subject to the goods and services tax /sales and services tax/other taxes of similar nature as may be imposed by the government or other authorities from time to time.

FUND PERFORMANCE (%)

% Cumulative Return, Launch to 31/10/2025



CUMULATIVE FUND PERFORMANCE (%)[†]

Period	Fund	Benchmark
1 month	-0.30	0.28
6 months	11.23	3.94
1 year	7.80	0.39
3 years	33.72	14.00
5 years	25.37	12.72
Since Launch	404.11	186.47

CALENDAR YEAR FUND PERFORMANCE (%)[‡]

Period	Fund	Benchmark
2024	18.53	11.15
2023	5.81	1.36
2022	-11.93	-3.18
2021	6.73	-2.54
2020	17.00	3.13

DISTRIBUTION HISTORY *

Date	Gross Distribution			Unit Split
	RM	Yield (%)		
09-Apr-21	4.43 sen	8.02%		-
16-May-16	2.57 sen	6.58%		-
26-Feb-15	3.71 sen	8.74%		-

HISTORICAL FUND PRICE *

	Since	Date
Highest	RM 0.6222	11-Jan-08
Lowest	RM 0.3442	21-Jan-09

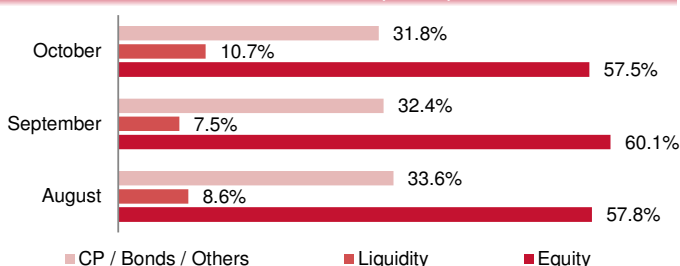
FUND SIZE *

RM 58.70 million

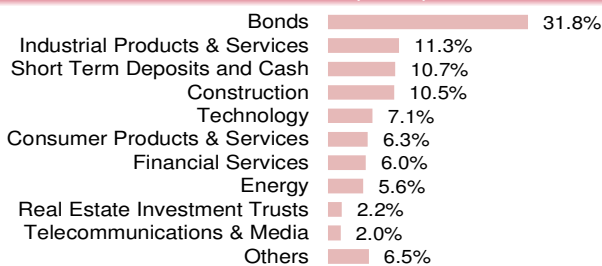
NAV PER UNIT *

RM 0.5707

ASSET ALLOCATION (% NAV) *



SECTOR ALLOCATION (% NAV) *



TOP EQUITY HOLDINGS (% NAV) *

1	SUNWAY BHD	4.1%
2	KELINGTON GROUP BHD	3.6%
3	PEKAT GROUP BHD	3.5%
4	ALLIANCE BANK MALAYSIA BHD	2.9%
5	GAMUDA BHD	2.8%

TOP FIXED INCOME HOLDINGS (% NAV) *

1	TNB WE 5.460% 30.07.2030 - T13	5.6%
2	CIMBI IMTN 4.070% 30.07.2035 - S4 T3	5.3%
3	DRB-HICOM IMTN 4.850% 11.12.2026	3.9%
4	DIALOG IMTN 3.810% 21.08.2035	3.2%
5	GII MURABAH 1/2021 3.447% 15.07.2036	2.6%

* Source: Kenanga Investors Berhad, 31 October 2025

Based on the fund's portfolio returns as at 14 October 2025, the Volatility Factor (VF) for this fund is 6.79 and is classified as "Low". (Source: Lipper). "Low" includes funds with VF that are above 4.33 and less than or equal to 8.095 (source: Lipper). The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC. The Master Prospectus dated 29 March 2019 and the Supplemental Prospectus (if any), its Product Highlights Sheets ("PHS") or Supplemental Disclosure Document ("SDD") (if any) have been registered with the Securities Commission Malaysia, who takes no responsibility for its contents. The fund fact sheet has not been reviewed by the SC. A copy of the Master Prospectus, Supplemental Prospectus (if any), SDD (if any) and the PHS are obtainable at our offices. Application for Units can only be made on receipt of application form referred to in and accompanying the Master Prospectus and/or Supplemental Prospectus (if any), SDD (if any) and PHS. Investors are advised to read and understand the Master Prospectus, its PHS and any other relevant product disclosure documents involved before investing. Investors are also advised to consider the fees and charges before investing. Unit prices and distributions may go down as well as up. Where a unit split/distribution is declared, investors are advised that following the issue of additional units/distribution, the NAV per unit will be reduced from pre-unit split NAV/cum-distribution NAV to post-unit split NAV/ex-distribution NAV. Where a unit split is declared, investors should note that the value of their investment in Malaysian Ringgit will remain unchanged after the distribution of the additional units. A Fund's track record does not guarantee its future performance. Investors are advised to read and understand the contents of the unit trust loan financing risk disclosure statement before deciding to borrow to purchase units. For investors who invest via the EPF Member Investment Scheme ("EPF MIS"), the cooling-off period shall be subject to EPF's terms and conditions, and any refund pursuant to the exercise of the cooling-off right will be credited back into your EPF accounts. Kenanga Investors Berhad is committed to preventing Conflict of Interest between its various businesses and activities and between its clients/directors/shareholders and employees by having in place procedures and measures for identifying and properly managing any apparent, potential and perceived Conflict of Interest by making disclosures to Clients, where appropriate. The Manager wishes to highlight the specific risks of the Fund are stock specific risk, currency risk, country risk, credit and default risk and interest rate risk. Kenanga Investors Berhad 199501024358 (353563-P)