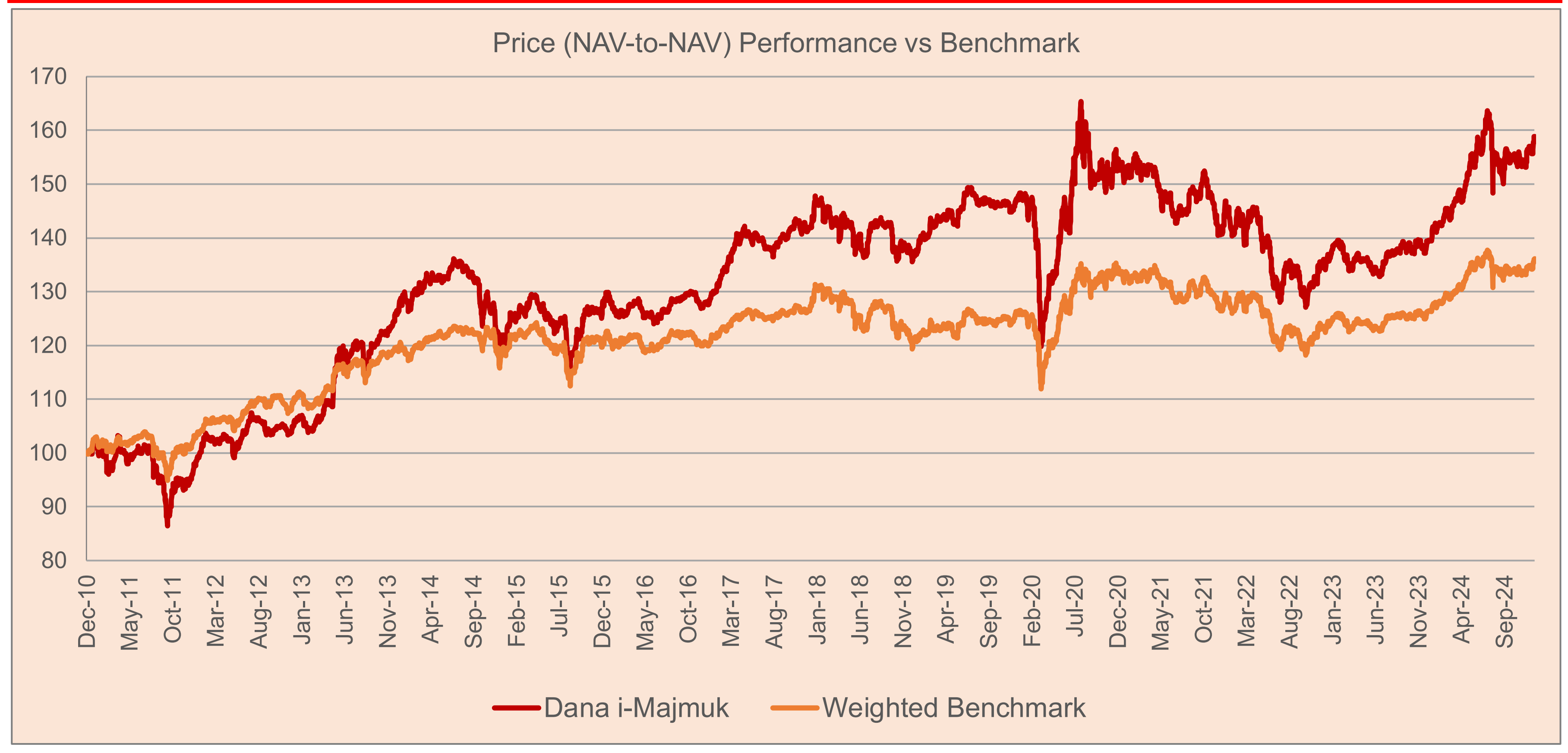
Dana i-Majmuk

31 December 2024

Fund Objective

A fund which invests in a mixture of Shariah-compliant equities, Islamic fixed income securities and Islamic deposits. There is flexibility in asset allocation as this fund may invest solely in Islamic fixed income securities or Shariah-compliant equities. This fund seeks to provide medium to long-term capital appreciation, with a moderate level of volatility. Dana i-Majmuk only invests in Shariah-compliant securities.

Performance from 10 December 2010 - 31 December 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 contributions paid of the Investmen-Linked Takaful product.

Investment Strategy

The fund shall be actively managed, investing in Malaysian Shariah-compliant equities with good fundamentals and growth potential. The fund also can strategically be invested in defensive instruments such as Islamic government securities and/or Corporate sukuks in response to the market and economic changes. The fund aims to provide consistent long-term return above the benchmark.

Percentage Return (NAV to NAV)

	YTD	1-Mth	6-Mth	1Y	3Y	5Y	Since Inception
Dana i-Majmuk	13.9%	3.7%	1.7%	13.9%	8.1%	8.0%	58.8%
Weighted Benchmark*	8.5%	2.4%	0.7%	8.5%	4.8%	8.1%	36.0%

* Change of benchmark: 50% FBME Shariah Index + 50% 12 month Islamic Deposit Rate.

Source: Bloomberg - FBMS - Bursa Malaysia

Asset Allocation

Equities: 0% - 100%

Islamic Debt Instruments / Money Market Papers / Deposits: 0% - 100%

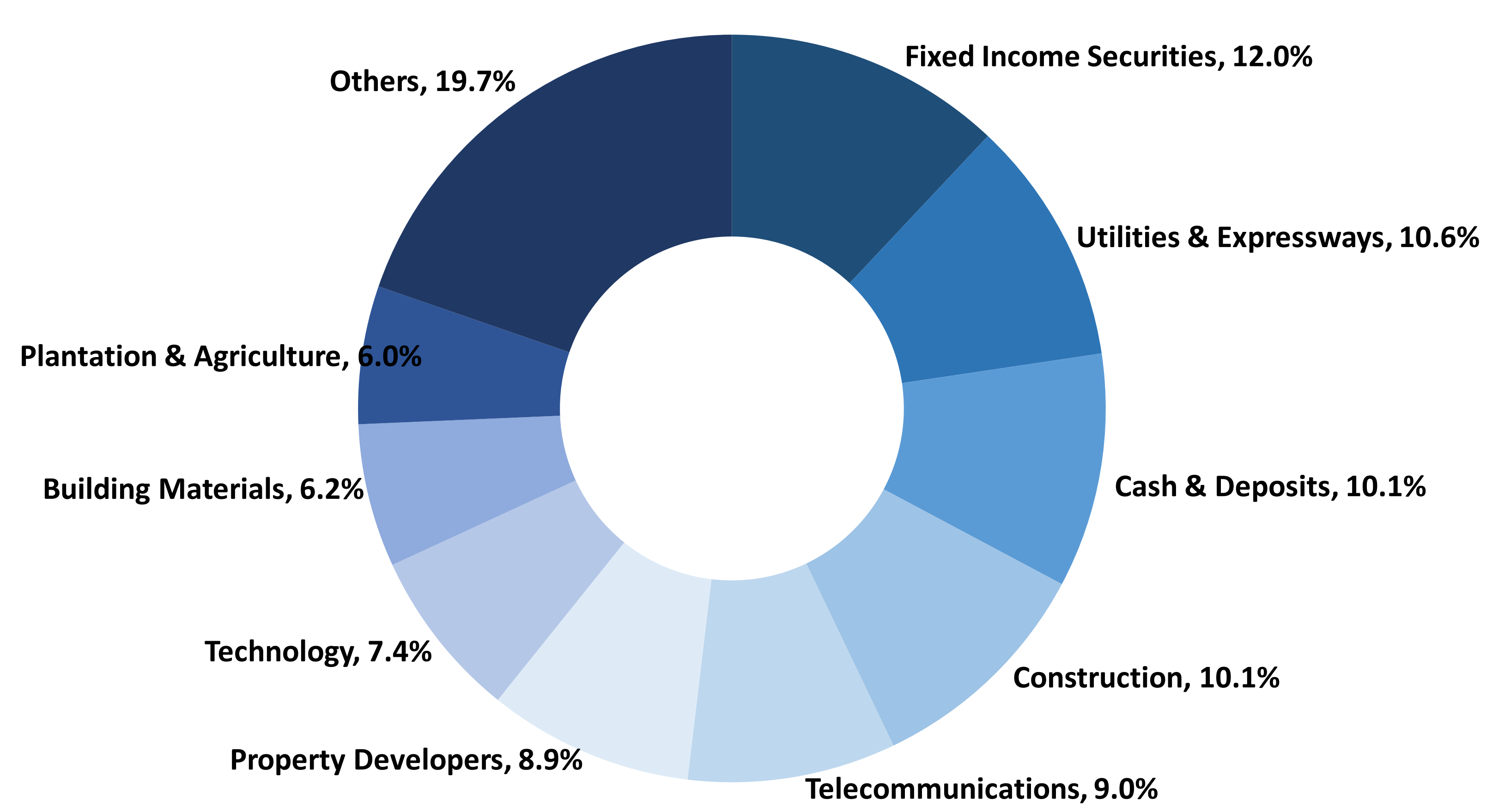
Fund Info (as at 31-Dec-2024)

Inception Date	10 December 2010	**NAV per unit (RM)**	1.588
Fund Size (RM mil)	127.7	**Risk Profile**	Moderate
Fund Manager	GELM Investment	**Management Fee**	1.25% p.a. on NAV
Valuation	Daily based on market prices	**Other Charges**	Nil

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

Name	% of NAV
Tenaga Nasional Bhd	9.2%
Gamuda Bhd	6.6%
Telekom Malaysia Bhd	4.5%
Government Investment Issue	3.9%
Press Metal Aluminium Holdings Bhd	3.5%

Sector Allocation (as at 31-Dec-2024)



Equity

Market Review

The FBMS increased 4.6% MoM to end at 12,590. MSCI MY outperformed MSCI APxJ Index by 4.4% in December (vs. November's 2.9%). MYR weakened 0.6% MoM at 4.47, while 10Y MGS increased 1bps to 3.82%. Meanwhile, Brent crude oil rose 2.3% MoM to US$75/bbl. Foreign equities recorded RM2.9 billion net outflow in December 2024, compared to a net outflow of RM3.1 billion in November 2024. Malaysia's bond market recorded -0.4% MoM net foreign outflow in November 2024. Foreign holdings of MGS decreased by RM1bn MoM to RM207 billion, which is equivalent to 32.6% of total outstanding MGS. PPB Group declined -5.5% MoM on the back of the news that the company was fined by Malaysian Competition Commission (MyCC) for forming a price fixing cartel.

Market Outlook

As we move progress into 2025, a unified Republican government has been a positive environment for equities and there are a number of reasons to believe that this could be the case this time as well. The expected extension of the Tax Cuts and Jobs Act (TCJA), which is set to expire at the end of 2025, removes a major risk for US economic growth in the near term. This will lift growth prospects and earnings expectations. In addition, broad-based corporate tax hikes which could have been a topic in a different political setting are much more unlikely now. Furthermore, deregulation in sectors like finance and technology has the potential to add more fuel to the current bull market.

While the overall environment remains attractive for equities, potential downsides should not be ignored either. Many of the announced policy measures are inflationary, especially given that the US economy is still growing above trend and the labor market remains relatively tight. Tariffs in particular have the potential to disrupt financial markets and weigh on investor sentiment. Both China and Europe have signalled a willingness to negotiate, so the potential disruption to global growth may prove to be less severe than many fear. Nevertheless, the risk of an extended period of trade friction and uncertainty could weigh on financial markets and the growth outlook. Particularly with regard to China, trade friction is only one topic. The strategic rivalry between China and US is likely to keep weighing on the bilateral relationship and is another potential disruptor for markets and the economy. Investors will be looking out for more stimulus measures in the coming months as China navigates President-elect Trump's expected tariffs.

Market performance in 2024 was mixed for the ASEAN markets with Singapore's Strait Times Index, Malaysia's FBM KLCI and Philippines Composite Index posting returns (in local currency terms) of +16.9%, +12.9% and +1.2% respectively. The other markets posted negative returns. We believe ASEAN-4 nations (Indonesia, Malaysia, Singapore and Thailand) are likely to be exposed to the repercussions from changes in the US trade policy. One major concern is growing trade surpluses with the US which poses a risk to the exports.

Fixed Income

Market Review

GII yields traded in a tight range in the final month of 2024. The 5 and 10-year Government Investment Issues (GII) both ended 3 bps higher in yield month-on-month while the 30-year was 1 bp lower. This was no small feat, considering that the 10-year US Treasury yield surged by 40 bps. The US Federal Open Market Committee meeting in December was decidedly hawkish in tone, which took markets by surprise. Even though the US Federal Reserve (Fed) cut rates by 25 bps, not only was there one member who voted against the cut but the economic projections showed that the committee expects higher inflation in 2025. Fed Chair Powell described labour conditions as having cooled, but still solid. This led markets to price in fewer cuts for 2025. In the lead up to the meeting, yields were already on an uptrend as there were indications of stalling progress on inflation - US consumer prices for November came in within expectations while the Producer Price Index exceeded forecasts.

Back home, Malaysia's sovereign rating was affirmed at BBB+ with a stable outlook by Fitch Ratings. 3-month KLIBOR rose by 11bps due to heightened year-end liquidity demand. Malaysia's Consumer Price Index (CPI) in November unexpectedly declined to 1.8% year-on-year (October: 1.9%). Higher inflation for food away from home and streaming services was offset by promotional pricing in the mobillione communication sector. Exports in November picked up to 4.1% year-over-year (Oct 24: +1.6%), likely influenced by preemptive activities ahead of potential tariffs when Donald Trump takes office. Manufacturing and agriculture exports drove the increase while mining was a drag. The Trump effect, coupled with the hawkish Fed, pushed USD higher and the MYR lost some ground after the year's gains to end 2024 just 2.72% stronger against the greenback.

Bank Negara Malaysia (BNM) made headlines with the cancellation of its 3-year GII auction, which originally scheduled for December 2024. This decision was initially met the optimism, as investors welcomed the smaller than expected auction of the 10-year MGS at RM2 billion (against the RM4.5 billion – RM5.5 billion range seen so far in 2024). This reduction in supply was interpreted by market as potential signal of a lower budget deficit. However, demand seen at the 10-year MGS auction was lacklustre with a bid-to-cover of 2.015x for that size. The 2025 auction calendar was announced, with higher issuance of government securities with longer maturities. We expect the impact of this to be minimal, given good demand among investors with long-dated liabillionities. Furthermore, there is a reduction in overall supply that reinforces the government's commitment to fiscal consolidation.

Private debt securities took their cue from govvies and trading volume was just a touch higher compared to November. A number of issuers came to market including Suria KLCC Sdn Berhad, Public Bank Berhad, WM Senibong Capital Berhad and Keyfield International Berhad.

Market Outlook

While Fixed Income investors in 2024 had rate cuts by key central banks (albeit uncertain in timing and magnitude) to look forward to, enthusiasm and trade positioning on rate cutting cycles seen in 2024 may not repeat in 2025. The year ahead poses more uncertainty than usual, largely due to an extraordinarily data dependent Fed, as well as the incoming Trump administration, for his known policies may be incongruous on some measures. While his stance on immigration and tariffs may be inflationary, his push for government efficiency and deregulation, and "drill, baby, drill" are not. Hence, higher inflation, a stronger USD and higher-for-longer yields are not necessarily a given. Geopolitics is again in the mix, with a number of conflicts still continuing.

Notwithstanding these, Malaysian fixed income should continue to benefit from the deep pockets of onshore investors and lower supply of government securities in 2025. Consensus does not expect any change in the Overnight Policy Rate. Even though next year could see upside risks to inflation due to higher wages, broadening of Sales and Services Tax and fuel subsidy rationalization, Bank Negara would likely want to be more supportive of growth, given the uncertainties that lie ahead.