



Active Balanced Fund

Fund Update August 2020

Investment Objective

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

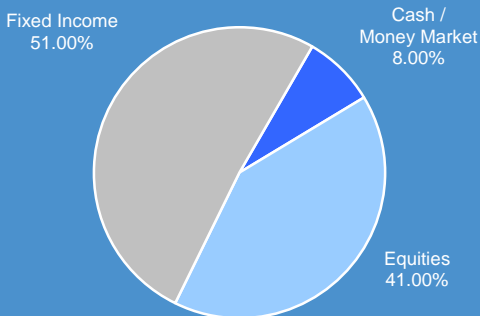
Fund Details

Fund Size	RM116,933,380
Unit NAV @ 31/08/2020	RM2.8667
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 4.13% (09.07.2029)	5.7%
GII 3.493% (31.10.2023)	5.3%
GII 4.467% (15.09.2039)	4.9%
GII 4.119% (30.11.2034)	4.7%
GII 4.094% (30.11.2023)	4.5%

Portfolio Composition by Category of Investment



Fund Performance*

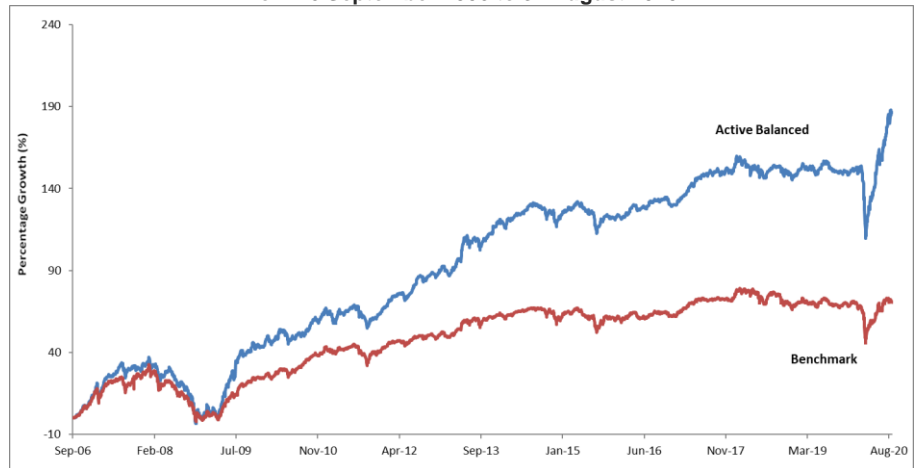
Total Return (%)	1 Month	3 Month	6 Month	1 Year	3 Year	5 Year	YTD	Since Inception
Fund	3.35	11.64	17.16	13.96	14.68	32.45	13.90	186.71
Benchmark	(1.35)	3.26	3.82	0.56	(1.27)	9.36	0.14	70.40

Annualised Return (%)	1 Year	3 Year	5 Year	YTD	Since Inception
Fund	13.92	4.67	5.78	21.49	7.85
Benchmark	0.56	-0.42	1.80	0.21	3.90

Calendar Year Return (%)	2019	2018	2017	2016
Fund	1.47	-2.73	10.75	2.68
Benchmark	0.75	-3.91	7.92	0.25

*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 26 September 2006 to 31 August 2020



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.

This is a unit-linked fund offered by AXA AFFIN Life Insurance Berhad (AXA AFFIN). This Fund Update is prepared by AXA AFFIN for information purposes only. The past performance figures shown are not indicative of future performance. Each investment fund is subject to market fluctuations and to risk inherent in all investments. The price of units of any investment fund may go down as well as up. Please refer to the Fund Fact Sheet for further details. While your insurance consultant may provide you with financial information as stated in publications authorised by the Company, you should make your fund allocation based on YOUR OWN judgement and personal circumstance.



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Market Outlook

In August, the FBMKLCI was one of the worst performing index in the region with a m-o-m 4.9% decline, versus the MSCI Asia ex-Japan's increase of 4.9%. The month saw most Malaysian corporates reporting their end of June quarter results, which reflected the full impact of the lockdown, with 2Q20 GDP falling 17% y-o-y. Almost all sectors except for gloves and technology showed earnings declines, with gaming and transportation being the biggest casualties. Corporates were generally cautious about the outlook, expecting improvement in coming quarters as economic activity picks up from the easing of movement restriction.

Market activity remained dominated by retailers in August, averaging 44% while hitting a high of 51%. Average daily trading values reached a high of RM 7 bil for August. YTD average trading values are at RM 4 bil. On foreign flows, the equity market continued to suffer outflows with USD 356 mil in August and YTD USD 4.7 bil. As a result, foreign ownership (including strategic and passive holdings) of Malaysian equities is now estimated to be around 20.3% (vs 22.3% as of end-2019).

The extension of the recovery MCO till year-end will unlikely to have significant bearing on most sectors. From a recovery standpoint, consumer staples should be the first to recover. Tourism, gaming and

aviation is expected to take the longest to recover. Moving forward, there are several hurdles domestically to watch for in September which could bring volatility to the markets. Most immediate will be the outcome of the Sabah snap elections, which could send a strong signal of voter confidence in the current government. Following that will be the end of the blanket loan moratorium, which will affect the banking sector and an indicator of the real economy. In addition, the end of the moratorium could mark the end of the retail liquidity-driven rally

The next MPC meeting will be held on 9&10 September and this will be the second last meeting for the year. As we enter towards the tail-end of the monetary easing cycle, we do not discount the possibility of a last 25bps cut by Bank Negara. We expect Bank Negara to be data dependent before making any changes in its monetary policies and will only cut the OPR if the central bank believes that the domestic recovery is lagging from its expectation

Nevertheless, we expect domestic yields to remain low in the long run in line with global yields. Furthermore, the decline in deposit rates may lead to potential inflows into the bond market.