



# Dana Imbang

Fund Update July 2019

### Investment Objective

To provide a steady income and capital growth over the medium to long-term period by investing in a portfolio of investments that complies with Syariah requirements.

### Fund Details

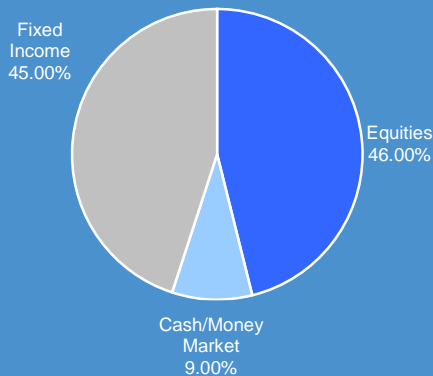
<b>Fund Size</b>	RM27,901,991
<b>Unit NAV @ 31/07/2019</b>	RM2.3337
<b>Valuation Frequency</b>	Daily
<b>Fund Manager</b>	Affin Hwang Asset Management Bhd
<b>Fund Management Fee</b>	1.25% p.a.
<b>Launch Date</b>	25 Sep 2006

### Portfolio Composition and Holdings

#### Top Five Holdings

Securities	% Holding
Perbadanan Kemajuan N Selangor 5% (10.08.2021)	7.3%
GULF Investment Corp 5.10% (16.03.2021)	7.3%
Tenaga Nasional Bhd	6.2%
BGSM Management Sdn Bhd 7.10% (28.12.2022)	5.9%
Malaysia Building Society Bhd 4.6% (10.12.2020)	5.5%

#### Portfolio Composition by Category of Investment



### Fund Performance\*

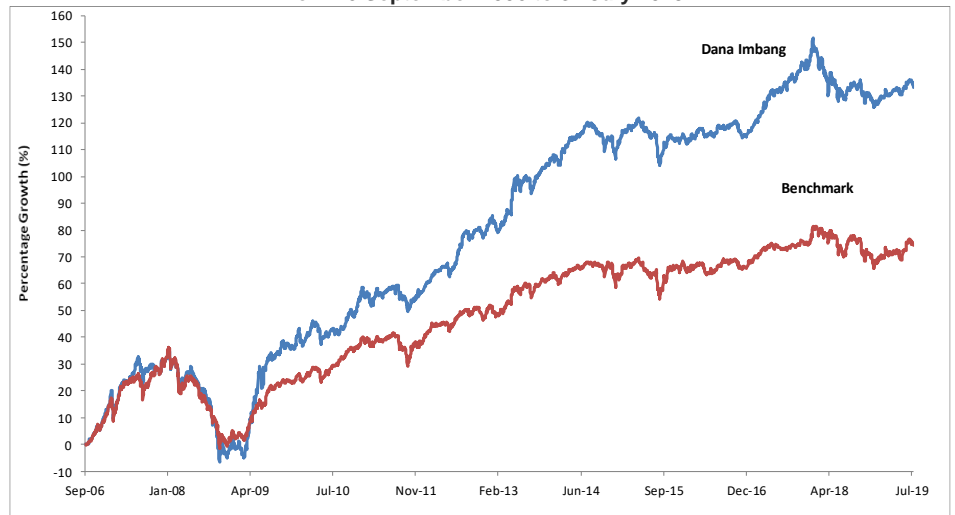
Total Return (%)	1 Month	3 Month	6 Month	1 Year	3 Year	5 Year	YTD	Since Inception
Fund	-0.68	0.34	1.77	0.23	7.08	6.27	2.42	133.34
Benchmark	-0.39	1.16	2.86	-1.37	4.76	4.04	3.24	74.36

Annualised Return (%)	1 Year	3 Year	5 Year	YTD	Since Inception
Fund	0.23	2.31	1.22	4.20	6.81
Benchmark	-1.37	1.56	0.79	5.64	4.42

Calendar Year Return (%)	2018	2017	2016	2015
Fund	-7.95	14.67	0.03	1.19
Benchmark	-5.19	7.01	-1.12	3.13

\*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-year is based on the fund's performance for the respective preceding period.

Fund Performance vs Benchmark From 26 September 2006 to 31 July 2019



### Fund Strategy

The Fund intends to keep duration around 2-3 years and invest into liquid government securities and good quality credits. We would participate in primary issuances for better yield pick up when opportunity arises.

For the equity investments, the Fund Manager will continue to be 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.



**Market Outlook**

For the month of July, the KLCI fell by 2.2% to close at 1634.87. Meanwhile, the S&P500 was up 1.31% and the MSCI Asia ex-Japan was down 2.17%.

On the economic front, 1) Malaysia's exports fell 3.1% y-o-y in June 2019. The decline was led by electric and electronic products and timber and timber-related products. ; 2) May 2019 IPI increased by 4 % y-o-y, from 4% in April 2019. ; 3) June 2019 headline inflation rate increased 1.5% y-o-y (May: +0.2% y-o-y) and the core inflation increased by 1.9% y-o-y due to higher housing, electricity, gas and other fuel costs. ; 4) BNM has maintained the OPR at 3.0%. ; 5) BNM's international reserves increased by USD0.6B to US\$103.3bn as at 15 July 2019. The reserves position is sufficient to finance 7.3 months of retained imports and is 1.2 times the short-term external debt.

In corporate developments, 1) Hong Leong Bank Bhd is allocating 60% to 70% of its total capex of RM220mn to enhance its digitalization capability for the fiscal year ending June 30 next year. ; 2) FGV Holdings Bhd signed an equity transfer agreement with Grand Industrial Holdings Co Ltd (GIH) to divest its 100% equity interest in FGV China Oils Ltd (FGVCO) for RMB165mn (RM100mn) in cash. ; 3) AirAsia Group Bhd's cargo and logistics arm Teleport, and venture capital firm Gobi Partners are investing a total of US\$10.6mn (RM43.54mn) in regional e-commerce and parcel delivery player, EasyParcel. ; 4) Hartalega Holdings Bhd will set aside RM745mn for capex for the next three years and of the total capex, RM630mn will be for plant expansions and RM115mn for investment into industrial 4.0 technologies.

In the US, the four-week moving average of claims, considered a better measure of labour market trends as it strips out week-to-week volatility, increased to 211,500 in July from 222,500 in June 2019. Unemployment rate rose to 3.7% in May 2019. Meanwhile, the US manufacturing sector increased in July 2019, with the seasonally adjusted Markit U.S Manufacturing Purchasing Manager's Index™ (PMI™) registered at 50.4, down from 50.6 in June. US consumer confidence was at 145.7 in July,

higher than 124.3 in June. The headline inflation rate came in at +1.6% in June 2019. Core inflation, which strips out food and energy costs, edged up to 2.1% in June from 2.0% the previous month.

The FBMKLCI fell 2% in July to close at 1,635 points. While the Fed delivered a 25 bps cut in July, its chairperson, Jerome Powell cautioned that the move was a midcycle adjustment and downplayed hopes of future cut. Besides that, there was escalation in trade tension with President Trump threatening to impose 10% tariff on new Chinese goods, blaming Beijing for not buying American agriculture products. As a result, these events triggered a small foreign outflow, bringing year-to-date total net outflow to RM4.7b.

Domestically, we will be looking at 2 moves – mainly regulatory clarity and stimulus package. In 2H19, we expect to see a slew of policy decisions such as energy liberalization, regulatory asset based framework for airport, highway takeover and mega telco merger. As for stimulus package, we believe there is room for government to pump prime further given higher tax collection from SST, special voluntary disclosure programme and excise duty. We remain hopeful to see rollout of more infrastructure projects to boost domestic economy.

Next key thing to watch is August reporting season. We think results will remain lackluster as key mega infrastructure projects were only revived recently. It will take time for higher activities to filter downwards to Corporate Malaysia earnings.

Amid volatile market condition, we will continue to hold healthy cash buffer of around 15-20%. We foresee limited downside for KLCI due to its poor ytd performance and there is ample domestic liquidity to lend support to market. We continue to favour telcos, gaming and utility sectors. We have been taking profit on REITs and selected banks.