

**Mixed Assets
Market Review**

US equities were mixed to weaker in February, with technology underperforming as investors rotated away from large cap names amid moderating growth expectations and heightened volatility. The Dow Jones rose 0.2% month-on-month (MoM), while the S&P 500 declined 0.9% MoM and the Nasdaq fell 3.4% MoM, reflecting profit taking in technology and AI related stocks following strong prior performance. US macro data continued to point to an orderly slowdown. On monetary policy, the US Federal Reserve (Fed) meeting minutes reiterated a data-dependent stance (rates currently at 3.50-3.75%) after three consecutive rate cuts in late 2025, with inflation easing towards the mid-2% range and markets pricing a gradual continuation of the easing cycle. The 10Y US Treasuries (UST) yield eased to 3.94%, while the US Dollar Index (DXY) hovered near 97.6, providing a broadly supportive backdrop for risk assets. However, sentiment turned more volatile late in the month following the US–Israel strikes on Iran on 28 February 2026 (Operation Epic Fury), alongside renewed trade uncertainty after the US moved to raise its global tariff rate from 10% to 15%, raising concerns over potential spillovers to global growth.

In Europe, the Euro Stoxx 50 rose 2.7% MoM, supported by expectations of eventual policy easing despite mixed macro signals. The European Central Bank (ECB) kept its deposit rate unchanged at 2.00%, maintaining a data dependent approach. Eurozone manufacturing PMI turned in expansion at 50.8, and resilient services activity kept the composite PMI expansionary at 51.9.

Asian equities delivered solid performance during the month, with the MSCI Asia ex Japan Index rising 5.8% MoM, led by North Asia. South Korea's KOSPI climbed 20.1% MoM on renewed foreign inflows and optimism over semiconductor and AI demand, while Taiwan's TWSE advanced 11.26% MoM supported by strong export orders and resilient factory output tied to AI servers and advanced chips. Japan's Nikkei 225 gained 9.2% MoM, underpinned by stable yen dynamics and corporate earnings. In contrast, China and Hong Kong remained mixed, with the Hang Seng Index declining 2.9% MoM and the HSCEI slipping 5.1% MoM, as ongoing property sector stress and cautious investor sentiment offset incremental liquidity support from Beijing. India's SENSEX declined 1.19% MoM following a strong prior run.

Malaysian equities declined in February amid heightened global volatility and cautious risk sentiment. The FBM KLCI fell 1.4% MoM, while broader indices also weakened, with the FBM100 down 1.0% MoM, the FBM Shariah Index declining 0.5% MoM, and the FBM Small Cap Index retreating 1.5% MoM, reflecting broad based risk aversion across market segments. Outperformers were Transport (+2.15% MoM), Property (+2% MoM), and Healthcare (+0.46% MoM), while the underperformers were Telecom (-3.31% MoM), Industrial Product (-2.69% MoM) and Utilities (-2.41% MoM). Despite the pullback, valuations remain attractive relative to regional peers, reinforcing Malaysia's appeal within ASEAN against a more volatile global backdrop.

On commodities, Brent crude prices rose 2.5% MoM to around USD72.5 per barrel. In February, supported by a combination of improving demand sentiment and a build up in geopolitical risk premium towards month end. CPO prices declined 4.4% MoM to RM4,042/MT, pressured by softer export demand and weaker energy prices, although downside was cushioned by seasonally tighter supply.

On the fixed income front, the UST market rallied strongly in February, due to softer economic data, cooling inflation and escalating geopolitical risks. Yields tumbled across the board by 15–30bps, as the 10Y UST closed at its lowest level since October 2024. In contrast, Malaysian Government Securities (MGS) were relatively stable, although trading activities were subdued due to the holiday shortened month. Overall, the MGS market

closed on a mixed note, with the 3Y yield rising to 3.03% (+3bps MoM) while the 10Y yield was marginally lower at 3.48%.

Mixed Assets Market Outlook

Global growth forecasts for 2026 have been revised upward, with the International Monetary Fund (IMF) and World Bank raising their projections to 3.3% and 2.6% respectively, reflecting economic resilience despite heightened trade frictions. Although the Fed has shifted to a more cautious, data dependent stance after holding rates steady at 3.50%–3.75%, overall liquidity conditions remain supportive, underpinned by easing inflation and sustained momentum from the AI investment cycle which continues to support global equity markets. That said, near term uncertainty has increased following the late February escalation in the Middle East, with crude oil price spiking and weighing on sentiment and growth expectations.

Domestically, Malaysia's growth outlook has improved meaningfully, supported by a stronger-than-expected 4Q25 Gross Domestic Product (GDP) print of 6.3% year-on-year (YoY), which lifted full year 2025 growth to 5.2%. The outlook is supported by an investment led expansion, particularly in data centres and 13MP related projects, alongside resilient consumer demand.

For fixed income, the upside risks to crude oil prices could translate into broader inflationary pressures, thus complicating the Fed's task as it balances its full employment and inflation mandates. UST yields are expected to remain volatile over the near term, as investors assess geopolitical developments alongside incoming macroeconomic and fiscal data. Meanwhile, Bank Negara Malaysia (BNM) is expected to keep the Overnight Policy Rate (OPR) unchanged at 2.75% to support the domestic economy amid heightened external uncertainties. Overall, the outlook for the local bond market remains constructive, although near term sentiment may continue to be influenced by volatility in global bond markets.

Mixed Assets Fund Strategies

Key investment themes continue to centre on hyperscaler led infrastructure investment, sustained multi year capex in utilities and renewable energy, and major national infrastructure developments across transport and logistics. Consumer demand is expected to stay resilient, underpinned by government support measures, Visit Malaysia Year 2026, and medical tourism inflows. Meanwhile, corporate activities including IPOs, M&A and REIT value unlocking are expected to provide incremental catalysts. In this environment, a disciplined bottom up stock selection strategy remains essential.

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

Seeks to provide capital growth.

Fund Category/Type

Core (Growth)

Launch Date

20 November 2013

Trustee

Maybank Trustees Berhad

Benchmark

Composite of All MGS Index (20%) and FTSE Bursa Malaysia Top 100 Index (80%)

Designated Fund Manager

Lee Sook Yee

Sales Charge

Up to 1.50%

Annual Management Fee

1.55% p.a.

Annual Trustee Fee

0.015% p.a.

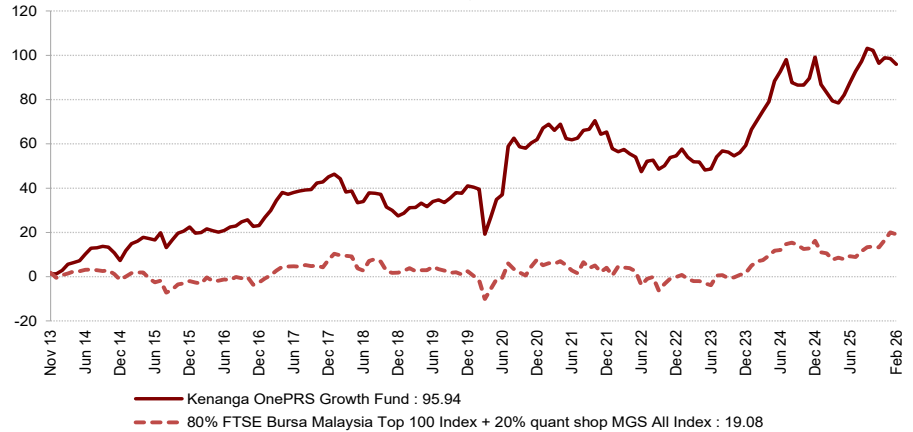
Redemption Charge

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 28/02/2026



Source: Novagni Analytics and Advisory

CUMULATIVE FUND PERFORMANCE (%)#

Period	Fund	Benchmark
1 month	-1.30	-0.76
6 months	-0.67	6.80
1 year	7.01	7.75
3 years	27.22	20.19
5 years	16.00	12.39
Since Launch	95.94	19.08

Source: Novagni Analytics and Advisory, 28 February 2026

CALENDAR YEAR FUND PERFORMANCE (%)#

Period	Fund	Benchmark
2025	-0.13	0.23
2024	25.03	14.36
2023	3.05	1.79
2022	-6.52	-4.05
2021	2.11	-3.48

DISTRIBUTION HISTORY

Not Applicable

HISTORICAL FUND PRICE *

	Since Inception	Date
Highest	RM 1.0361	3-Oct-25
Lowest	RM 0.4998	16-Dec-13

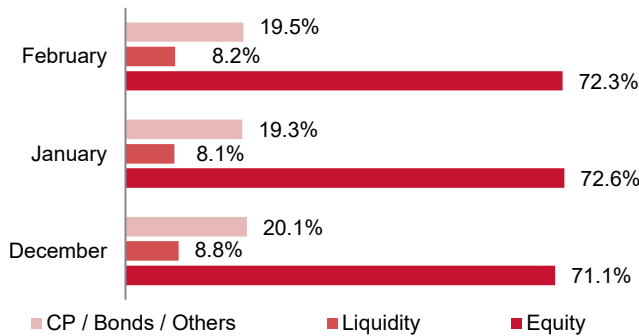
FUND SIZE *

RM 265.35 million

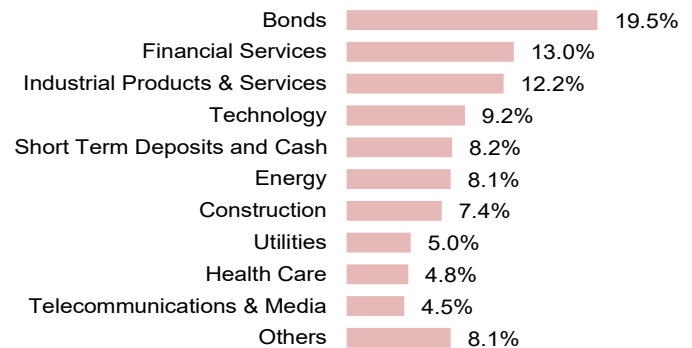
NAV PER UNIT *

RM 0.9797

ASSET ALLOCATION (% NAV) *



SECTOR ALLOCATION (% NAV) *



TOP EQUITY HOLDINGS (% NAV) *

1	CIMB GROUP HOLDINGS BHD	3.8%
2	TENAGA NASIONAL BHD	3.7%
3	IHH HEALTHCARE BHD	3.5%
4	PUBLIC BANK BHD	2.7%
5	KELINGTON GROUP BHD	2.5%

TOP FIXED INCOME HOLDINGS (% NAV) *

1	PRESS METAL IMTN 4.020% 19.03.2032	2.7%
2	PIBB T3 SENIOR SUKUK MURABAHAH 3.54% 30.09.2030	1.9%
3	YTL POWER IMTN 4.21 20370318	1.6%
4	MAHB SENIOR SUKUK WAKALAH 4.08% 22.11.2034	1.6%
5	RHBBANK MTN 3653D 28.9.2032	1.2%

* Source: Kenanga Investors Berhad, 28 February 2026

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