

Equity (Asia) Market Review

US equities were mixed to positive in January 2026 as markets navigated geopolitical uncertainty and a brief partial US government shutdown. The Dow Jones gained 1.7% month-on-month (MoM), while the technology-heavy Nasdaq and S&P 500 was up 0.9% MoM and 1.4% MoM respectively, with technology stocks supported by earnings that indicated robust momentum in AI demand. The US 10-year Treasury yield rose 6.9 basis points (bps) to 4.24% while the US dollar index (DXY) fell to 97.0. December's unemployment rate was recorded at 4.4%, reinforcing a steady labour market. The Federal Reserve (Fed) kept interest rates steady at 3.50%–3.75% in January and signalled it is in no rush to cut, maintaining a data-dependent stance after three consecutive reductions in late 2025.

In Europe, the market faced potential trade disruptions from newly announced 10% US tariffs on eight European countries over Greenland, effective 1 February. Despite this, EuroStoxx50 grew 2.7%, the IMF upgraded its 2026 global growth outlook to 3.3% supported by an ongoing AI investment boom, while the World Bank raised its forecast to 2.6%. Japan's Nikkei 225 rose 5.9% MoM, initially driven by expectations of political stability from a snap election, though it later faced pressure from rising interest rates and a stronger JPY (+1.2% MoM).

In Asia, the MSCI Asia ex-Japan Index surged 8.2% MoM, marking its third-best start to a year this century. Performance was led by South Korea's KOSPI, which rose 24.0% MoM on a continued rally in memory names despite a stall in broader global AI stocks. Taiwan's TWSE climbed 10.7% MoM as TSMC committed to USD 52–56 billion in 2026 capital expenditure to support AI compute growth. Hong Kong's Hang Seng and HSCEI also advanced 6.9% MoM and 4.5% MoM. These rallies reflected strong AI technology spending and improving macro backgrounds across the region. However, India's SENSEX fell 3.5% MoM due to persistent foreign outflows, currency weakness, and an oil price spike.

On commodities, Brent Crude jumped 16.2% MoM to approximately USD 70.7 per barrel in January, fuelled by escalating tensions related to Iran and production disruptions from US winter storms. Gold hit record highs, surging past USD 5,500/oz amid concerns over geopolitical risks and Fed independence. Crude palm oil (CPO) prices were range-bound, averaging near RM 4,229/MT, as the market balanced seasonal output against a stronger Ringgit.

Equity (Asia) Market Outlook

The Asian equity market delivered its third-best start to a year this century in January, driven by a massive acceleration in the AI-led semiconductor cycle. The outlook for the region is bolstered by TSMC's commitment to a 30% increase in capital expenditure (up to USD 56 billion) for 2026 and projections that memory prices for DRAM and NAND will continue to increase. While the US-China trade truce provided initial relief, new trade uncertainties have surfaced, including US threats to raise South Korean tariffs to 25% and China's warning to Japan regarding tighter rare earth export licenses. Despite these risks, the sustainability of the datacenter build-out remains the principal driver for Asian equities.

Equity (Asia) Fund Strategy

We continue to remain positive on North Asia which is benefitting from the AI thematic. In China, policy support is expected to continue alongside monetary easing and targeted measures to boost consumption. Additionally, the 'anti-involution' campaign aimed at curbing excessive price competition should also be broadly positive for corporate margins. Overall in China, we overweight new economy stocks in areas such as internet, tech, semiconductors, EV batteries, power and robotics. In North Asia, we remain constructive on companies which are leveraged to the AI boom.

FUND OBJECTIVE

The Fund aims to provide capital appreciation over the long-term (over 5 years) by investing in Shariah-compliant equities and Shariah-compliant equity related securities of companies in the Asia Pacific (ex Japan) region.

Fund Category/Type

Equity (Shariah-compliant) / Growth

Launch Date

27 October 2023

Trustee

RHB Trustees Berhad

Benchmark

8% per annum

Designated Fund Manager

Lee Sook Yee

Sales Charge

Up to 5.5% p.a.

Annual Management Fee

Up to 1.75% p.a.

Annual Trustee Fee

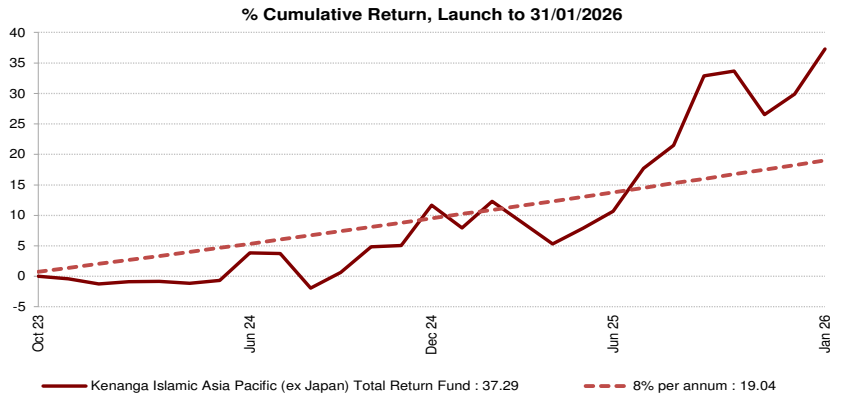
Up to 0.07% p.a.

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 (%)



Source: Novagni Analytics and Advisory

CUMULATIVE FUND PERFORMANCE (%) #

Period	Fund	Benchmark
1 month	5.72	0.66
6 months	16.64	3.95
1 year	27.21	8.00
3 years	-	-
5 years	-	-
Since Launch	37.29	19.04

CALENDAR YEAR FUND PERFORMANCE (%) #

Period	Fund	Benchmark
2025	16.27	8.00
2024	12.16	8.00

Source: Novagni Analytics and Advisory, 31 January 2026

FUND SIZE *

RM 24.02 million

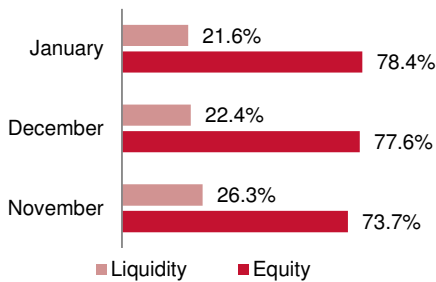
NAV PER UNIT *

RM 1.3729

HISTORICAL FUND PRICE *

	Since Inception	Date
Highest	RM 1.3842	3-Oct-25
Lowest	RM 0.9244	5-Aug-24

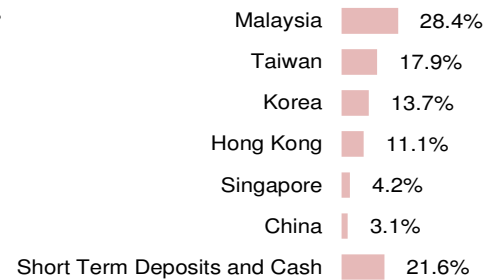
ASSET ALLOCATION (% NAV) *



SECTOR ALLOCATION (% NAV) *



COUNTRY AND CASH ALLOCATION (% NAV) *



TOP EQUITY HOLDINGS (% NAV) *

1	TSMC	9.3%
2	SAMSUNG ELECTRONICS CO LTD	7.8%
3	DELTA ELECTRONICS INC	6.4%
4	SK HYNIX INC	5.9%
5	CONTEMPORARY AMPEREX TECHNOLOGY CO LTD	5.0%

DISTRIBUTION HISTORY

Not Applicable

* Source: Kenanga Investors Berhad, 31 January 2026

The Prospectus dated 27 October 2023 has 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 Prospectus and the relevant product highlights sheet (PHS) is obtainable at our offices. Application for Units can only be made on receipt of application form referred to in and accompanying the relevant Prospectus. Investors are advised to read and understand the prospectus and consider the fees and charges involved before investing. Unit prices and distributions may go down as well as up. 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. 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 Shariah-compliant equity risk, currency risk, country risk, settlement risk, Shariah-compliant warrant and Islamic debt securities risk, reclassification of Shariah status risk and Islamic derivatives risk. Kenanga Investors Berhad 199501024358 (353563-P)