

## 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 seeks to provide capital appreciation over the medium to long term by investing in a diversified portfolio comprising stocks of companies in Asia which are considered to have strong growth prospects and are able to benefit from the rising wealth effect of the region's middle class population.

**Fund Category/Type**

Equity / Growth

**Launch Date**

18 July 2007

**Trustee**

CIMB Commerce Trustee Berhad

**Benchmark**

MSCI AC Asia

**Designated Fund Manager**

Lee Sook Yee

**Sales Charge**

Max 5.00%

**Annual Management Fee**

1.70% p.a.

**Annual Trustee Fee**

0.08% p.a.

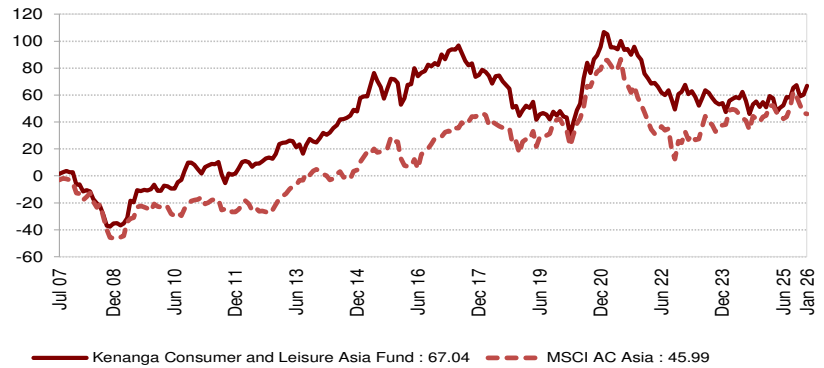
**Redemption Charge**

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 31/01/2026**



Source: Novagmi Analytics and Advisory

**CUMULATIVE FUND PERFORMANCE (%)<sup>#</sup>**

Period	Fund	Benchmark
1 month	4.22	-0.42
6 months	5.44	1.58
1 year	10.59	0.93
3 years	-0.29	9.84
5 years	-19.19	-21.47
Since Launch	67.04	45.99

<sup>#</sup> Source: Novagmi Analytics and Advisory, 31 January 2026

**CALENDAR YEAR FUND PERFORMANCE (%)<sup>#</sup>**

Period	Fund	Benchmark
2025	3.47	1.83
2024	0.56	4.56
2023	-5.20	10.58
2022	-12.67	-18.51
2021	-4.93	-14.62

**DISTRIBUTION HISTORY \***

Date	Gross Distribution		
	RM	Yield (%)	Unit Split
15-Apr-22	7.50 sen	10.34%	-
9-Apr-21	12.00 sen	12.02%	-

**HISTORICAL FUND PRICE \***

	Since Inception	Date
Highest	RM 1.1525	17-Feb-21
Lowest	RM 0.3017	29-Oct-08

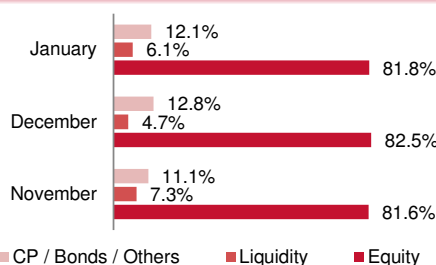
**FUND SIZE \***

RM 13.03 million

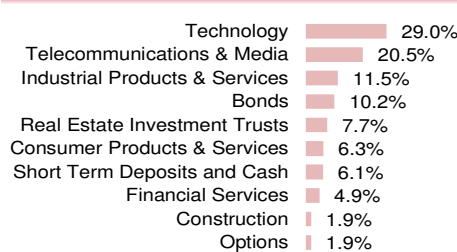
**NAV PER UNIT \***

RM 0.6588

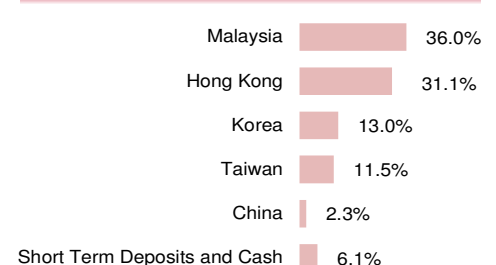
**ASSET ALLOCATION (% NAV) \***



**SECTOR ALLOCATION (% NAV) \***



**COUNTRY AND CASH ALLOCATION (% NAV) \***



**TOP EQUITY HOLDINGS (% NAV) \***

1	SK HYNIX INC	9.7%
2	TENCENT HOLDINGS LTD	9.6%
3	TSMC	8.5%
4	ALIBABA GROUP HOLDING LTD	5.0%
5	POWERWELL HOLDINGS BHD	4.3%

**TOP FIXED INCOME HOLDINGS (% NAV) \***

1	YTL POWER IMTN 5.050% 03.05.2027	8.7%
	CIMB 3.800% 03.12.2035-T2 SUKUK WAKALAH S10 T1	1.6%

\* Source: Kenanga Investors Berhad, 31 January 2026

Based on the fund's portfolio returns as at 12 January 2026, the Volatility Factor (VF) for this fund is 11.59 and is classified as "High". (Source: Lipper). "High" includes funds with VF that are above 10.325 and less than or equal to 13.66 (source: Lipper). The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC. The Master Prospectus dated 30 November 2019 and the Supplemental Prospectus (if any), its Product Highlights Sheets ("PHS") or Supplemental Disclosure Document ("SDD") (if any) have 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 Master Prospectus, Supplemental Prospectus (if any), SDD (if any) and the PHS are obtainable at our offices. Application for Units can only be made on receipt of application form referred to in and accompanying the Master Prospectus and/or Supplemental Prospectus (if any), SDD (if any) and PHS. Investors are advised to read and understand the Master Prospectus, its PHS and any other relevant product disclosure documents involved before investing. Investors are also advised to consider the fees and charges before investing. Unit prices and distributions may go down as well as up. Where a unit split/distribution is declared, investors are advised that following the issue of additional units/distribution, the NAV per unit will be reduced from pre-unit split NAV/cum-distribution NAV to post-unit split NAV/ex-distribution NAV. Where a unit split is declared, investors should note that the value of their investment in Malaysian Ringgit will remain unchanged after the distribution of the additional units. 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 market risk, currency risk, country risk, liquidity risk, stock specific risk, warrants risk and sectorial risk. Kenanga Investors Berhad 199501024358 (353563-P)