



## MARKET OUTLOOK

The MSCI Asia Pacific Ex-Japan Index (+2.7%) dashed past the MSCI World Index (+0.7%) for a decisive lead to close off 2025, as the Asia Pacific markets gained an impressive 26.8% for the year, outperforming the global index by 7.3%. South Korea (+7.3%) was the runaway star for the month and year (+75.6%) as the AI theme boosted DRAM names due to a supply squeeze. Taiwan (+4.8%) followed suit, as demand for advanced packaging also surged in tandem with HBM/DRAM demand. Malaysia (+4.7%) trailed closely behind, as year-end window dressing helped lift big cap names. Fortunately, even the worst performer in December closed somewhat flattish, with Hong Kong dropping only 0.9% mom as investors flocked towards crowded AI stocks.

On the monetary policy front, the Federal Reserve (Fed) cut its interest rate by 25 bps to 3.50%-3.75% in the December FOMC meeting. The European Central Bank (ECB) held its deposit rate unchanged at 2.0%. The Bank of England cut the Bank Rate by 25 bps to 3.75%. In Asia, the People's Bank of China (PBoC) maintained the one-year LPR at 3.0% and the five-year LPR at 3.5%. Finally, the Bank of Japan (BOJ) hiked interest rates by 25 bps to 0.75%, the highest in 30 years.

As we move through 2026, global equities are expected to post moderate gains, supported by solid earnings growth, though valuation concerns persist. For investors, geopolitical developments, AI-related capital expenditure monetization, and concentration risks are key factors. The current Fed rate-cut cycle should support equities, with Asian markets potentially able to ease further given elevated real rates. In this environment, we recommend a barbell strategy focused on quality growth and income to navigate potential volatility.

Following robust gains in December, we do not rule out the possibility of profit-taking, as investors continue to digest heightened geopolitical risks. These include the reported capture of Venezuelan President Maduro by the US, the potential for US intervention in Iran should civil unrest escalate, and ongoing tensions between China and Japan. That said, Malaysia's fundamentals remain supportive, underpinned by solid GDP growth (2025/26: 4.7%/4.3%), undemanding valuations (2026F P/E: 14.5x vs 5-year mean of 17.2x), a strengthening ringgit (+9.3% vs end-2024), and healthy core earnings growth of 6-8% in CY26. Private consumption is set to remain the main growth driver in 2026, supported by a tight labour market, steady wage growth, and strong household confidence, with high-value sectors like AI, data centres, and advanced manufacturing further boosting growth.

## EQUITY

The FBMKLCI Index gained 4.7% month-on-month (m-o-m) in December, closing at 1,680.11 points. Meanwhile, the Mid 70 Index declined 0.3%, while the Small Cap Index rose marginally by 0.4%. On a year-to-date (YTD) basis, the FBMKLCI Index gained 2.3% year-on-year (y-o-y), while the Mid 70 Index and the Small Cap Index declined 10.8% and 12.2%, respectively.

Sector-wise in December, the top-performing sectors were Finance, Industrial, and Plantation, which rose 6.1%, 5.9%, and 3.1% m-o-m, respectively. The worst-performing sectors were Construction, Technology, and Utilities, which lost 4.8%, 3.5%, and 0.9% m-o-m, respectively. On a YTD basis, Plantation, REITs, and Finance were the only top-performing sectors, gaining 8.8%, 8.3%, and 2.8% y-o-y, respectively. The worst-performing sectors were Healthcare, Technology, and Telecommunication Services, losing 35.9%, 14.5%, and 13.6% y-o-y, respectively.

Foreign investors continued to be net sellers in December, recording outflows of RM2.0 billion, bringing the cumulative outflows year-to-date RM22.3 billion, 5.3x higher than 2024's RM4.2 billion of outflows. Separately, in December, there were four listings on the Main Market (Geohan Corporation Bhd, Orkim Bhd, LAC Med Bhd, and Wasco Greenergy Bhd), two listings on the ACE Market (PSP Energy Bhd and BMS Holdings Bhd), and one listing on the LEAP Market (Croesus IT Holdings Bhd).

## BOND

For the month of December, the yield for the Malaysian Government Securities (MGS) for the 3-year, 5-year, 7-year and 10-year changed by -4bps, +2bps, -8bps, and +2bps, closing at 3.00%, 3.26%, 3.37% and 3.49% respectively.

## COMMODITIES & CURRENCIES

For the month of December, WTI crude oil declined 1.9% m-o-m, closing at US\$57.4 per barrel, while Brent oil fell 3.7% to US\$60.9 per barrel. Crude palm oil closed at RM3,998/MT, down 2.5% from the previous month, while spot gold rose 2.9%, ending the month at US\$4,341.1/oz. Currency-wise, the Malaysian ringgit appreciated 1.8% m-o-m against the greenback to RM4.0603/USD. Meanwhile, the Dollar Index lost 1.1%, ending at 98.3 points.



## Commentary

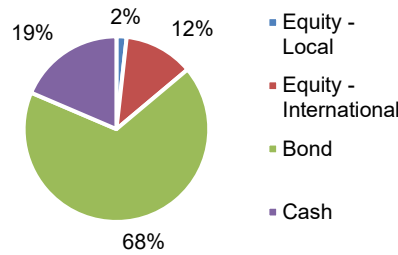
In Dec, all ports underperformed the benchmark due to lower Malaysia exposure. Manulife Investment Shariah Asia-Pacific ex Japan Fund (+4.0%) outperformed during the month, while abrdn Islamic World Equity A MYR Fund (-2.5%) underperformed.

### CONVENTIONAL MODEL PORTFOLIO

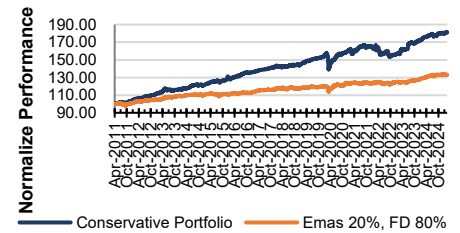
#### Conservative Portfolio

AmanahRaya Unit Trust	20.0%
United-i ESG Series-High Quality Sukuk MYR	20.0%
AmDynamic Bond	20.0%
Kenanga ASnitaBOND	20.0%
Principal Global Titans MYR	2.5%
Aberdeen Standard Islamic World Equity A MYR	2.5%
Maybank Asiapac Ex-Japan Equity-I	1.5%
Manulife Investment Shariah Asia-Pacific ex Japan	1.5%
Principal Greater China Equity Fund – MYR	2.5%
RHB Shariah China Focus MYR	2.5%
KAF Core Income	2.0%
Phillip Master Money Market	5.0%

**TOTAL 100%**



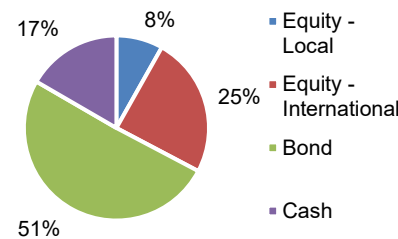
Performance from 18 Apr 11 to 31 Dec 25



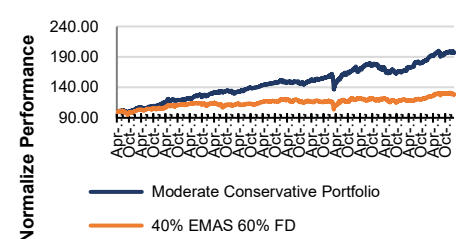
#### Moderate Conservative Portfolio

AmanahRaya Unit Trust	15.0%
United-i ESG Series-High Quality Sukuk MYR	15.0%
AmDynamic Bond	15.0%
Kenanga ASnitaBOND	15.0%
Principal Global Titans MYR	5.0%
Aberdeen Standard Islamic World Equity A MYR	5.0%
RHB Islamic Global Developed Markets MYR	5.0%
Maybank Asiapac Ex-Japan Equity-I	2.5%
Manulife Investment Shariah Asia-Pacific ex Japan	2.5%
Principal Greater China Equity Fund – MYR	2.5%
RHB Shariah China Focus MYR	2.5%
KAF Core Income	5.0%
Kenanga Growth Series 2 MYR	5.0%
Phillip Master Money Market	5.0%

**TOTAL 100%**



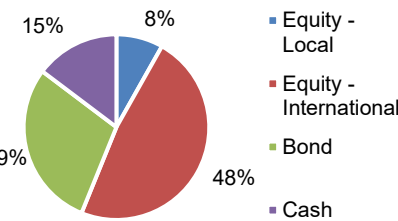
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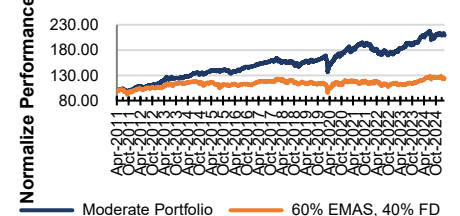
#### Moderate Portfolio

AmanahRaya Unit Trust	10.0%
United-i ESG Series-High Quality Sukuk MYR	10.0%
AmDynamic Bond	7.5%
Kenanga ASnitaBOND	7.5%
Principal Global Titans MYR	7.5%
Aberdeen Standard Islamic World Equity A MYR	7.5%
RHB Islamic Global Developed Markets MYR	7.5%
BIMB-Arabesque i Global Dividend 1 MYR	7.5%
Maybank Asiapac Ex-Japan Equity-I	5.0%
Manulife Investment Shariah Asia-Pacific ex Japan	5.0%
Principal Greater China Equity Fund – MYR	5.0%
RHB Shariah China Focus MYR	5.0%
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**TOTAL 100%**



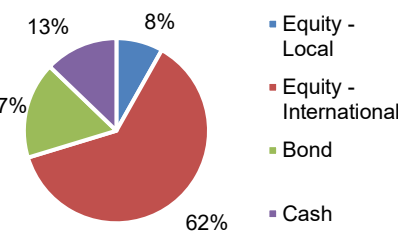
Performance from 18 Apr 11 to 31 Dec 25



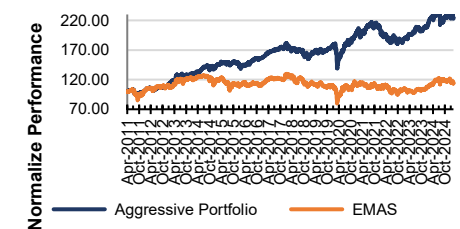
#### Aggressive Portfolio

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United-i ESG Series-High Quality Sukuk MYR	5.0%
AmDynamic Bond	5.0%
Kenanga ASnitaBOND	5.0%
Principal Global Titans MYR	10.0%
Aberdeen Standard Islamic World Equity A MYR	10.0%
RHB Islamic Global Developed Markets MYR	10.0%
BIMB-Arabesque i Global Dividend 1 MYR	10.0%
Maybank Asiapac Ex-Japan Equity-I	7.5%
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RHB Shariah China Focus MYR	5.0%
KAF Core Income	5.0%
Kenanga Growth Series 2 MYR	5.0%
Phillip Master Money Market	5.0%

**TOTAL 100%**



Performance from 18 Apr 11 to 31 Dec 25



	1 Mth	6Mths	YTD	1 Yr	Since Inception		1 Mth	6Mths	YTD	1 Yr	Since Inception
Conservative Portfolio	0.4%	3.4%	5.3%	5.3%	89.5%	Moderate Portfolio	0.5%	6.7%	6.1%	6.1%	123.7%
Benchmark	0.8%	2.5%	1.6%	1.6%	36.3%	Benchmark	2.0%	5.0%	-0.2%	-0.2%	27.8%
Moderate Conservative Portfolio	0.4%	4.2%	4.3%	4.3%	106.5%	Aggressive Portfolio	0.5%	7.8%	7.1%	7.1%	141.5%
Benchmark	1.4%	3.7%	0.7%	0.7%	32.4%	Benchmark	3.3%	7.5%	-2.2%	-2.2%	18.9%

Source: Lipper

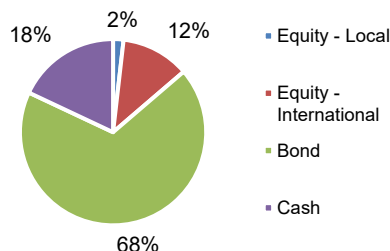
## Commentary

In Dec, all ports underperformed the benchmark due to lower Malaysia exposure. Manulife Investment Shariah Asia-Pacific ex Japan Fund (+4.0%) outperformed during the month, while abrdn Islamic World Equity A MYR Fund (-2.5%) underperformed.

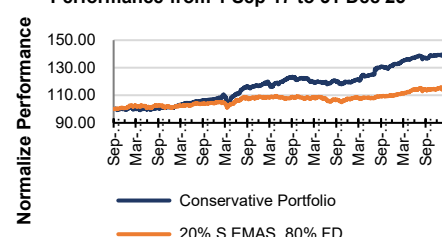
## SHARIAH MODEL PORTFOLIO

### Conservative Portfolio

AmanahRaya Syariah Trust	20.0%
Principal Islamic Lifetime Sukuk	20.0%
United-i ESG Series-High Quality Sukuk MYR	20.0%
Kenanga ASnitaBOND	20.0%
Aberdeen Standard Islamic World Equity A MYR	2.5%
RHB Islamic Global Developed Markets MYR	2.5%
Maybank Asiapac Ex-Japan Equity-I	1.5%
Manulife Investment Shariah Asia-Pacific ex Japan	1.5%
Eastspring Investments Dinasti Equity	2.5%
RHB Shariah China Focus MYR	2.5%
KAF Dana Adib	2.0%
Phillip Master Islamic Money Market	5.0%
<b>TOTAL</b>	<b>100%</b>

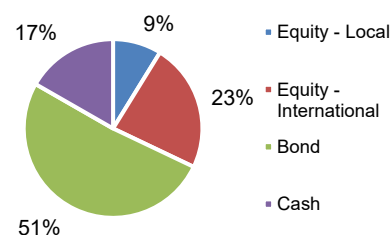


### Performance from 1 Sep 17 to 31 Dec 25

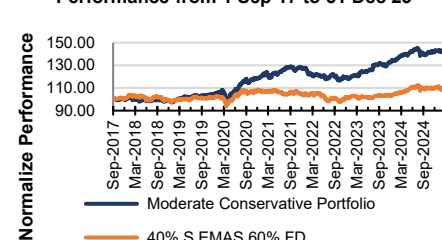


### Moderate Conservative Portfolio

AmanahRaya Syariah Trust	15.0%
Principal Islamic Lifetime Sukuk	15.0%
United-i ESG Series-High Quality Sukuk MYR	15.0%
Kenanga ASnitaBOND	15.0%
Aberdeen Standard Islamic World Equity A MYR	5.0%
RHB Islamic Global Developed Markets MYR	5.0%
BIMB-Arabesque i Global Dividend 1 MYR	5.0%
Maybank Asiapac Ex-Japan Equity-I	2.5%
Manulife Investment Shariah Asia-Pacific ex Japan	2.5%
Eastspring Investments Dinasti Equity	2.5%
RHB Shariah China Focus MYR	2.5%
KAF Dana Adib	5.0%
PMB Dana Bestari	5.0%
Phillip Master Islamic Money Market	5.0%
<b>TOTAL</b>	<b>100%</b>

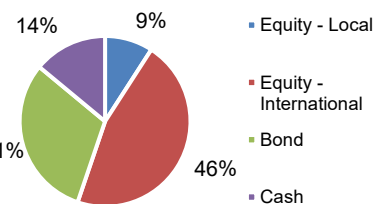


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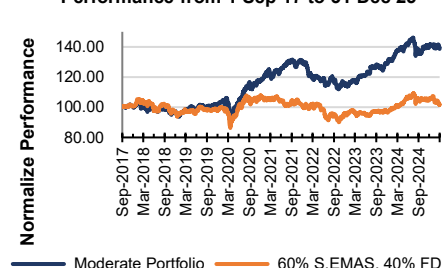


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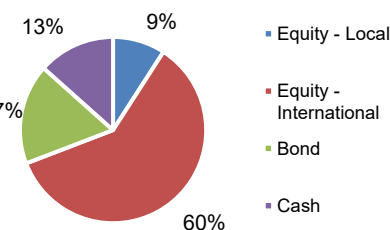


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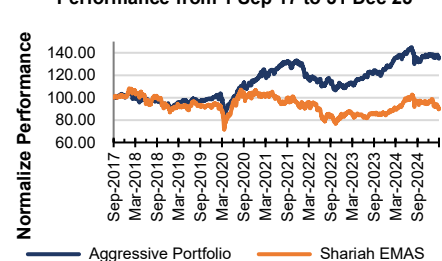


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Eastspring Investments Dinasti Equity	5.0%
RHB Shariah China Focus MYR	5.0%
KAF Dana Adib	5.0%
PMB Dana Bestari	5.0%
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<b>TOTAL</b>	<b>100%</b>



### Performance from 1 Sep 17 to 31 Dec 25



	1 Mth	6Mths	YTD	1 Yr	Since Inception		1 Mth	6Mths	YTD	1 Yr	Since Inception
Conservative Portfolio	0.4%	3.3%	4.8%	4.8%	45.8%	Moderate Portfolio	0.4%	6.8%	5.5%	5.5%	48.0%
Benchmark	0.6%	2.2%	1.3%	1.3%	17.1%	Benchmark	1.3%	4.0%	-1.2%	-1.2%	6.1%
Moderate Conservative Portfolio	0.3%	4.1%	3.9%	3.9%	48.2%	Aggressive Portfolio	0.3%	7.9%	6.2%	6.2%	45.4%
Benchmark	1.0%	3.1%	0.1%	0.1%	11.6%	Benchmark	2.1%	5.8%	-3.9%	-3.9%	-5.1%

Source: Lipper

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