Kenanga Investors

December 2025
Market Review and Outlook

Equity Market Review

Global equities were muted in November, as the Dow Jones, S&P500 indices rose 0.32% and 0.13% respectively but the Nasdaq declined 1.51% in the US. The decline in the Nasdaq was driven by concerns on the sustainability of AI spending and high valuations. However, fundamental momentum remains strong as high hyperscale capex and Nvidia's revenue reacceleration, given strong bookings into 2026, will support earnings for AI technology hardware. The longest US government shutdown ended on 12 November having caused delays in official economic data releases and increasing reliance on private indicators for markets. Based on ADP data, private sector US employers unexpectedly cut payrolls, down by -32k vs expected +40k jobs in November amid the government shutdown and raising the probability of a third Fed rate cut for the year in December.

European equities EuroStoxx50 inched up slightly by 0.1% in November but weak PMI reading (Eurozone composite 47) and no clear market catalyst limited gains. Eurozone equities (Stoxx 600, Euro Stoxx 50) were supported by US Federal Reserve (Fed) rate-cut expectations and stable European Central Bank (ECB) policy, but gains were capped by weak manufacturing and political uncertainty due to geopolitical risks. Minutes from the ECB meeting released in November also indicated no hurry to cut rates given a firmer economy and inflation at target. There was continued geopolitical uncertainty as Trump advanced a Russia-Ukraine peace plan but no major escalation from the war.

In Asia, MSCI Asia ex Japan Index declined by 2.9% in November, given concerns over AI spend and valuations. The biggest decliners being Korea (-4.4%) and Japan (-4.1%) month-on-month (MoM); but offset partially by outperformers in Indonesia (+4.2%) and Singapore (+2.2%) MoM. Korea's KOSPI declined on dampened appetite for semiconductor and export cyclicals after prior strength. Japan also declined as positive factors that had driven the prior month's rally such as sentiment over AI spend weakened. China posted modest declines (CSI300 -2.5%, SSE Comp -1.7%) as stocks struggled amid ongoing economic headwinds, with weak manufacturing PMI and sluggish property sector curbing growth. Geopolitical uncertainty eased, with the extension of tariff implementations and export controls post the US-China trade meet in Korea.

Commodity prices eased, with Brent crude falling 2.9% MoM to USD 63.2 per barrel driven by potential supply increases from OPEC+ and ongoing demand concerns. Crude palm oil (CPO) prices declined 2.2% month-on-month (MoM) to RM 4,114/MT, weighed down by expectations of higher production and weaker prices for other edible oils in China.

In Malaysia, the FBMKLCI, FBM100, FBM Shariah and FBM Small Cap was at -0.3%, -0.5%, -2.0% and -5.7% MoM, respectively. Sector laggards include Technology, Healthcare, and Telecommunication, while Financials, Property and Building materials saw selected gains. Macro fundamentals remained solid, with GDP growth surprising on the upside and inflation staying benign. Reflecting this solid macro environment alongside foreign bond inflows and Fed rate cut expectations, the Ringgit rallied to its strongest level in over a year against the USD.

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Equity Market Outlook & Fund Strategy

Post the US-China trade truce, attention turns to the depth and pace of Fed rate cuts which could support valuations and stimulate demand. Sentiment shifted positively after rate cut probabilities for December turned upwards, driving a late-month recovery in the Nasdaq. The ongoing strength and sustainability of the AI and data centre build-out theme remain a principal driver of global equities.

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Malaysia's growth is expected to remain resilient, as external uncertainties ease and domestic fundamentals remains strong. Infrastructure projects, FDIs and domestic private investment are helping to offset export weakness. Meanwhile, domestic consumption is expected to be supported by accommodative fiscal and monetary policies.

A resilient domestic outlook amidst an improving external environment should trigger potential improvement in liquidity and capital flows into the country. Against this backdrop, we continue to favour sectors benefitting from strong thematic drivers such as AI & data centre buildouts, infrastructure project rollouts, catalytic projects (Johor SEZ), new energy, and a nascent tech upcycle. Key sectors in focus are utilities & renewable energy, infrastructure (including construction and property), technology, and REITs. A bottom-up stock picking approach preferred to identify specific opportunities.

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3-year Fund Volatility
12.1
High
Lipper Analytics
11 Nov 2025

Kenanga Investors

Kenanga Amanah Saham Wanita

December 2025

FUND OBJECTIVE

The primary objective of the Fund is to offer relatively good and safe capital growth over the long term period by investing principally in an actively-managed, diversified portfolio of Shariah-compliant equities and Shariah-compliant equity-related securities.

Fund Category/Type
Equity (Islamic) / Growth and to a lesser extent income

Launch Date
04 May 1998

Trustee
Maybank Trustees Berhad

Benchmark
FTSE Bursa Malaysia EMAS Shariah Index

Designated Fund Manager
Lee Sook Yee

Sales Charge
Max 5.00%

Annual Management Fee
1.50% p.a.

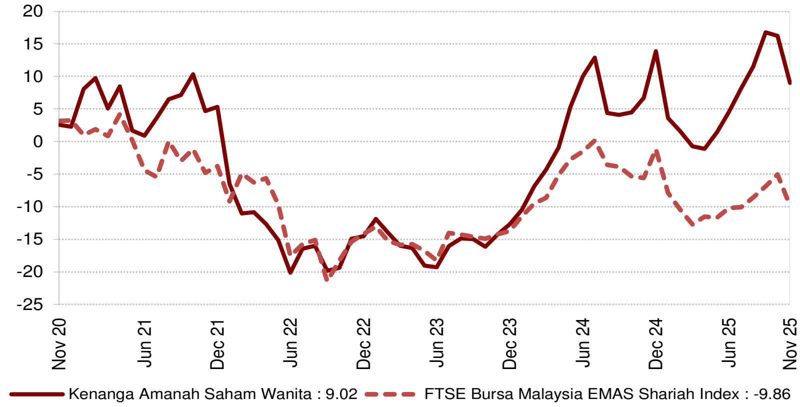
Annual Trustee Fee
0.10% p.a. of the Fund's NAV, subject to a minimum of RM50,000 p.a.

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, 30/11/2020 to 30/11/2025



Source: Novagni Analytics and Advisory

CUMULATIVE FUND PERFORMANCE (%)#

Period	Fund	Benchmark
1 month	-3.83	-2.04
6 months	10.26	5.28
1 year	4.81	-1.53
3 years	31.44	9.90
5 years	9.02	-9.86
Since Launch	407.51	-

 # Source: Novagni Analytics and Advisory, 30 November 2025

CALENDAR YEAR FUND PERFORMANCE (%)#

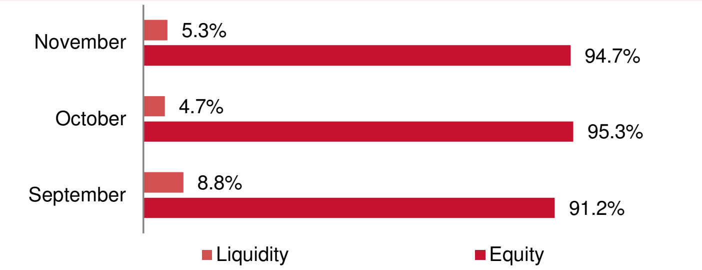
Period	Fund	Benchmark
2024	30.50	14.58
2023	2.11	0.46
2022	-18.87	-10.80
2021	2.93	-6.81
2020	24.92	10.14

FUND SIZE *	NAV PER UNIT *
RM 75.63 million	RM 0.7756

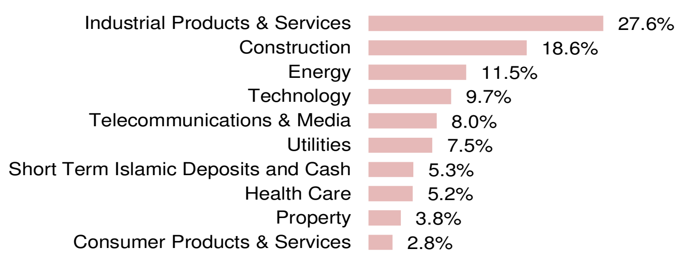
HISTORICAL FUND PRICE *

	Since Inception	Date
Highest	RM 1.0034	15-Feb-21
Lowest	RM 0.3360	17-Mar-03

ASSET ALLOCATION (% NAV) *



SECTOR ALLOCATION (% NAV) *



TOP EQUITY HOLDINGS (% NAV) *

1	GAMUDA BHD	7.1%
2	KELINGTON GROUP BHD	6.8%
3	SUNWAY BHD	5.6%
4	TENAGA NASIONAL BHD	4.7%
5	TELEKOM MALAYSIA BHD	4.3%

** Source: Kenanga Investors Berhad, 30 November 2025*

DISTRIBUTION HISTORY*

	Gross Distribution		
Date	RM	Yield (%)	Unit Split
15-Apr-22	7.00 sen	10.34%	-
9-Apr-21	11.58 sen	11.99%	-