



AFFIN HWANG

SMART INVEST PORTFOLIO – GROWTH

September 2021

Market Review & Outlook

Global equities advanced in August despite taper talks by the US Federal Reserve. The S&P 500 rose 3.0% in the month as Fed Chair Jerome Powell indicated at the Jackson Hole summit that the central bank is likely to begin tapering before the end of the year. However, he soothed market fears by asserting that the Fed will remain accommodative and not rush to raise rates, as there is still “much ground to cover” before the economy hits full employment. Bond yields ended higher with the US 10 year Treasury yield climbing 13 bps to close at 1.31% in August.

In Asia, the broader MSCI Asia ex-Japan index was barely unchanged at 0.5% as regulatory headwinds continue to batter North Asian markets. China passed a major data protection law setting out tougher rules on how companies collect and handle their users’ information. The new data privacy laws are set to come into effect on 1 September. Share price of luxury stocks and retailers in China also fell as investors started panic selling on concerns that ultra-wealthy individuals may be targeted. This comes on the back of a recent policy meeting chaired by President Xi Jinping, in which he added that China must pursue “common prosperity” in which wealth is shared by all people. Among those were pledges to adjust excessive income and encourage the wealthy to “give back to society more”.

On the domestic front, the local market bucked regional trend with the KLCI benchmark index gaining 7.2% despite a politically-charged month. Political risks abated slightly with the appointment of Datuk Seri Ismail Sabri Yaakob as the 9th Prime Minister after securing the majority support of 114 MPs. As an outcome largely expected by markets, the appointment provided a lift to sentiment by resolving the political impasse following the resignation of Tan Sri Muhyiddin Yassin.

Portfolio Review

The Affin Hwang Smart Invest Portfolio – Growth (“Fund”) detracted by 1.0% in July, as China’s equity markets continued to drag within the Fund’s Asian equity strategies. Meanwhile, the broader MSCI World Index extended its rally by 2.5% along with the global equity advance.

While the Fund’s exposure to global equities contributed positive performance during the month, the overall portfolio continue to be weighed down by the sell-off in China. Although regulatory / policy risk would remain high in the region, we believe that the managers of the underlying strategies have been able to adapt and are now in a better position to navigate the environment.

Despite the regulatory headwinds present in China, our view remains that growth can still be extracted over the long run. Nevertheless, we are constantly looking for strategies which can enhance the profile of the portfolio. The Fund currently maintains roughly 40.0% in long term growth strategies, 40.0% in dynamic & flexible strategies, and 20.0% in tactical exposures.

Affin Hwang Smart Invest Portfolio - Growth

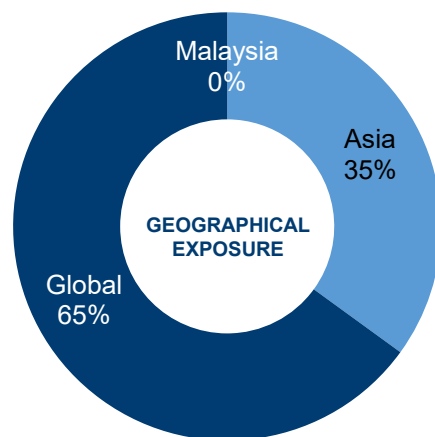
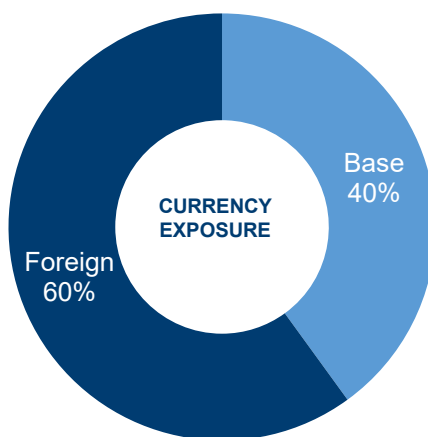
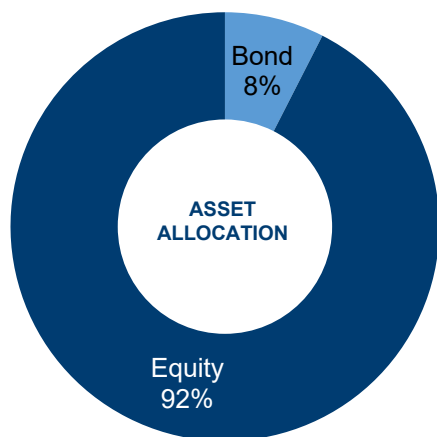
Top Contributors in August 2021	Return
Nikko AM Global Equity Fund	0.1%
iShares Core S&P 500 ETF	0.1%
Nikko AM Ark Disruptive Innovation Fund	0.1%

Bottom Contributors in August 2021	Return
UBS (Lux) Investment SICAV - China A Opportunity	-0.4%
Affin Hwang Select Asia (ex Japan) Opportunity Fund	-0.3%
Allianz Strategic Bond Fund	-0.2%

Source: Bloomberg, Affin Hwang AM, as at 31 August 2021.

AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH

Target Asset Allocation



Portfolio Holdings as of 31 August 2021	Weight	MTD Attribution	YTD Return
Affin Hwang Select Asia (ex Japan) Opportunity Fund	20.1%	-0.3%	-0.1%
Baillie Gifford Worldwide Long Term Global Growth Fund	12.7%	0.0%	10.6%
Nikko AM Global Equity Fund	10.1%	0.1%	15.8%
iShares Core S&P 500 ETF	9.2%	0.1%	21.6%
Morgan Stanley Global Brands Fund	8.8%	-0.1%	14.7%
Baillie Gifford Worldwide Health Innovation Fund	7.4%	-0.1%	13.0%
Allianz Strategic Bond Fund	7.4%	-0.2%	-4.5%
Affin Hwang Select Asia (ex Japan) Quantum Fund	5.1%	-0.1%	14.2%
Allianz China A Shares Fund	4.7%	-0.1%	-2.8%
UBS (Lux) Investment SICAV - China A Opportunity	4.5%	-0.4%	-22.2%
TT Environmental Solutions Fund	4.4%	0.0%	20.6%
Nikko AM Ark Disruptive Innovation Fund	3.7%	0.1%	-3.1%
Cash	2.0%	0.0%	0.2%
Affin Hwang Smart Invest Portfolio – Growth	100.0%	-1.0%	5.7%

Source: Morningstar, Affin Hwang AM, as at 31 August 2021.

AFFIN HWANG SMART INVEST PORTFOLIO - GROWTH

Performance & Portfolio Changes

YTD August 2021	1 month	3 months	6 months	1 year	Since Inception (p.a.)
5.7%	-1.0%	1.4%	1.8%	18.2%	19.8%

Portfolio Initiations	Weight
-	-

Portfolio Additions	Weight
-	-

Portfolio Exits	Weight
-	-

Portfolio Reductions	Weight
-	-

Source: Morningstar, Affin Hwang AM, as at 31 August 2021.

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