

# wealth



**REFINITIV  
LIPPER  
FUND  
AWARDS**

**2021**

Presented by **THEEDGE**  
MALAYSIA

**Resilience**  
in adversity

## Foreword

At the start of 2020, when global markets were not looking too good, the thinking then among many fund managers was that it would be tough to bring in returns that matched those of previous years.

Indeed, when the global markets crashed in March as the Covid-19 pandemic heightened and what started as a health crisis quickly snowballed into an economic one, the worst of times seemed inevitable.

But in a year of multiple black swans, the fund management industry has shown great resilience, thanks to global monetary easing which brought about a big turnaround in equity markets. More im-

portantly, a major factor was the quick thinking and decisive measures by fund managers to manage the risks and ride the volatility.

So, what was expected to be a washout year turned out to be an extraordinary one for our fund managers. For the Refinitiv Lipper Fund Awards 2021 in collaboration with *The Edge*, most of the winning funds outperformed, with Public Mutual standing out again as the biggest winner.

What of this year? There is certainly optimism that 2021 will be a year of recovery, but be that as it may, challenges remain as we are not quite out of the woods yet.

To all the winners, we say, "Congratulations". — *By Anna Taing*

## Winners list

### GROUP AWARD WINNERS

DURATION: 3 YEARS

GROUP AWARD	COMPANY
Best Bond Group (Provident)	AmFunds Management Bhd
Best Equity Group (Malaysia)	Public Mutual Bhd
Best Equity Group (Islamic)	Kenanga Investors Bhd
Best Equity Group (Provident)	Hong Leong Asset Management Bhd
Best Mixed Assets Group (Malaysia)	Public Mutual Bhd
Best Mixed Assets Group (Islamic)	Public Mutual Bhd
Best Mixed Assets Group (Provident)	Kenanga Investors Bhd

### FUND AWARD WINNERS

DURATION: 3 YEARS

AWARD	FUND
Bond MYR (Malaysia)	AmanahRaya Unit Trust
Bond MYR (Islamic)	AmanahRaya Syariah Trust
Bond MYR (Provident)	AmDynamic Bond
Equity Malaysia (Malaysia)	Areca equity Trust
Equity Malaysia (Islamic)	Hong Leong Dana Makmur
Equity Malaysia (Provident)	Hong Leong Dana Makmur
Equity Malaysia Small & Mid-Cap (Malaysia)	Public Emerging Opportunities
Equity Malaysia Small & Mid-Cap (Islamic)	Public Islamic Opportunities
Equity Malaysia Small & Mid-Cap (Provident)	Kenanga OA Inv-Kenanga Growth Opportunities
Equity Malaysia Diversified (Provident)	Public Strategic Growth
Equity Asean (Malaysia)	United ASEAN Discovery
Equity Asia-Pacific (Malaysia)	KAF Jade
Equity Asia-Pacific (Provident)	PB Islamic Asia Strategic Sector
Equity Asia-Pacific ex-Japan (Malaysia)	Pheim Asia Ex-Japan
Equity Asia-Pacific ex-Japan (Islamic)	Public Islamic Asia Leaders Equity
Equity Asia-Pacific ex-Japan (Provident)	Hong Leong Asia-Pacific Dividend
Equity Global (Malaysia)	PB Global Equity
Equity Global (Islamic)	Public Islamic Global Equity
Equity Malaysia Income (Malaysia)	Areca Dividend Income
Equity Malaysia Income (Islamic)	Public Islamic Savings
Equity Malaysia Income (Provident)	AmDividend Income
Mixed Asset MYR Balanced - Malaysia (Malaysia)	Public Growth Balanced
Mixed Asset MYR Balanced - Malaysia (Islamic)	Kenanga SyariahEXTRA
Mixed Asset MYR Balanced - Malaysia (Provident)	Kenanga SyariahEXTRA
Mixed Asset MYR Balanced - Global (Malaysia)	Public Strategic Balanced
Mixed Asset MYR Balanced - Global (Provident)	Affin Hwang Select Balanced
Mixed Asset MYR Conservative (Malaysia)	United Income Plus
Mixed Asset MYR Conservative (Islamic)	Public Ehsan Mixed Asset Conservative
Mixed Asset MYR Conservative (Provident)	Public Ehsan Mixed Asset Conservative
Mixed Asset MYR Flexible (Malaysia)	Public Tactical Allocation
Mixed Asset MYR Flexible (Islamic)	Public Islamic Asia Tactical Allocation
Mixed Asset MYR Flexible (Provident)	RHB Thematic Growth

### FUND AWARD WINNERS

DURATION: 5 YEARS

AWARD	FUND
Bond MYR (Malaysia)	AmanahRaya Unit Trust
Bond MYR (Islamic)	AmanahRaya Syariah Trust
Bond MYR (Provident)	AmDynamic Bond

Equity Malaysia (Malaysia)	Areca equity Trust
Equity Malaysia (Islamic)	Hong Leong Dana Makmur
Equity Malaysia (Provident)	AmMalaysia Equity
Equity Malaysia Small & Mid-Cap (Malaysia)	Public Strategic SmallCap
Equity Malaysia Small & Mid-Cap (Islamic)	Public Islamic Opportunities
Equity Malaysia Small & Mid-Cap (Provident)	Maybank Malaysia SmallCap
Equity Malaysia Diversified (Provident)	Hong Leong Growth
Equity Asia-Pacific (Malaysia)	PB China Pacific Equity
Equity Asia-Pacific (Provident)	PB Islamic Asia Strategic Sector
Equity Asia-Pacific ex-Japan (Malaysia)	Pheim Asia Ex-Japan
Equity Asia-Pacific ex-Japan (Islamic)	Public Islamic Asia Leaders Equity
Equity Asia-Pacific ex-Japan (Provident)	Hong Leong Asia-Pacific Dividend
Equity Global (Malaysia)	PB Global Equity
Equity Malaysia Income (Islamic)	Public Islamic Savings
Equity Malaysia Income (Provident)	Hong Leong Dividend
Mixed Asset MYR Balanced - Malaysia (Malaysia)	Public Growth Balanced
Mixed Asset MYR Balanced - Malaysia (Islamic)	Kenanga SyariahEXTRA
Mixed Asset MYR Balanced - Malaysia (Provident)	Kenanga SyariahEXTRA
Mixed Asset MYR Balanced - Global (Malaysia)	United Bond & Equity Strategic Trust
Mixed Asset MYR Balanced - Global (Provident)	Affin Hwang Select Balanced
Mixed Asset MYR Conservative (Malaysia)	PB Mixed Asset Conservative
Mixed Asset MYR Conservative (Islamic)	Public Ehsan Mixed Asset Conservative
Mixed Asset MYR Conservative (Provident)	Public Ehsan Mixed Asset Conservative
Mixed Asset MYR Flexible (Malaysia)	Public Tactical Allocation
Mixed Asset MYR Flexible (Islamic)	Public Islamic Asia Tactical Allocation
Mixed Asset MYR Flexible (Provident)	Public Islamic Asia Tactical Allocation

### FUND AWARD WINNERS

DURATION: 10 YEARS

AWARD	FUND
Bond MYR (Malaysia)	KAF Bond
Bond MYR (Islamic)	PB Islamic Bond
Bond MYR (Provident)	Maybank Malaysia Income
Equity Malaysia (Malaysia)	Areca equity Trust
Equity Malaysia (Islamic)	Affin Hwang Ailman Growth
Equity Malaysia (Provident)	AmMalaysia Equity
Equity Malaysia Small & Mid-Cap (Provident)	KAF Vision
Equity Malaysia Income (Islamic)	Manulife Investment Al-Fauzan
Equity Malaysia Income (Provident)	AmDividend Income
Equity Malaysia Diversified (Provident)	Affin Hwang Select Opportunity
Equity Asia-Pacific (Malaysia)	PB China Pacific Equity
Equity Asia-Pacific ex-Japan (Malaysia)	Pheim Asia Ex-Japan
Equity Asia-Pacific ex-Japan (Islamic)	Public Islamic Asia Leaders Equity
Equity Asia-Pacific ex-Japan (Provident)	Principal Asia Titans
Mixed Asset MYR Balanced - Malaysia (Islamic)	Dana Makmur Pheim
Mixed Asset MYR Balanced - Malaysia (Provident)	Dana Makmur Pheim
Mixed Asset MYR Conservative (Provident)	Eastspring Investments Dana al-Islah
Mixed Asset MYR Flexible (Malaysia)	InterPac Dynamic Equity
Mixed Asset MYR Flexible (Islamic)	Eastspring Investments Dana Dinamik
Mixed Asset MYR Flexible (Provident)	Manulife Investment-HW Flexi
Mixed Asset MYR Balanced - Global (Malaysia)	Pheim Emerging Companies Balanced

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We went into capital protection mode early on by raising cash levels to above 20%, in anticipation of a major market correction ... We were able to pick up many quality names at distressed valuations."

> **Loh**



when the risk-reward ratio looked favourable after the FBM KLCI plunged below 1,300 points. "We were able to pick up many quality names at distressed valuations. This rebalancing process was repeated throughout the year due to the constant change in the lockdown stance to combat Covid-19."

On the fund's fixed-income strategy, Ahmad Raziq Ab Rahman, senior portfolio manager at AHAM, says the fund's allocation was maintained at around 40% throughout last year. The firm took a more defensive stance during the start of the pandemic by shortening duration and then gradually increasing duration once it became clear that Bank Negara Malaysia would cut interest rates.

Looking ahead, Loh says the dissipating risk of strict lockdowns, thanks to the gradual rollout of vaccines, coupled with the unprecedented scale of stimulus measures, should drive a synchronised global recovery. This bodes well for corporate earnings, which are a key driver for equity markets.

On fixed income, Ahmad Raziq says the outlook for global growth and inflation is being reshaped by the vaccine rollouts and fiscal stimulus. Central banks and governments around the world are expected

to maintain a loose monetary and fiscal policy stance to ensure a sustainable economic rebound from the trough last year as downside risks remain.

"In the near term, rising yields will inevitably weigh on ringgit bonds. We remain focused on credit quality and have a shorter duration positioning for the fixed-income portion to protect our holdings from rising yields," he says.



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> **Raziq**



<b>FUND</b>	Affin Hwang Ailman Growth
<b>AWARD</b>	Equity Malaysia – Islamic (10 years)
<b>FUND SIZE (AS AT DEC 31, 2020)</b>	RM330.40 million
<b>FUND MANAGER</b>	Akmal Hassan Lee Pak Seng
<b>RETURNS FOR PERIODS ENDED DEC 31, 2020 (%)</b>	3 years 28.00 5 years 46.30 10 years 129.00

<b>FUND</b>	Affin Hwang Select Balanced
<b>AWARD</b>	Mixed Asset MYR Balanced – Global – Provident (3 and 5 years)
<b>FUND SIZE (AS AT DEC 31, 2020)</b>	RM272.30 million
<b>FUND MANAGER</b>	David Loh Ahmad Raziq Ab Rahman
<b>RETURNS FOR PERIODS ENDED DEC 31, 2020 (%)</b>	3 years 26.30 5 years 49.70 10 years 113.00

<b>FUND</b>	Affin Hwang Select Opportunity
<b>AWARD</b>	Equity Malaysia Diversified – Provident (10 years)
<b>FUND SIZE</b>	RM585.10 million
<b>FUND MANAGER</b>	Gan Eng Peng
<b>RETURNS FOR PERIODS ENDED DEC 31, 2020 (%)</b>	3 years 7.00 5 years 39.10 10 years 129.00

## A purpose-built ecosystem that delivers better, more consistent returns.



**REFINITIV LIPPER  
FUND AWARDS**

**2021 WINNER  
MALAYSIA**

**Bond MYR Malaysia (Provident), 10 Years**

Maybank Malaysia Income Fund

**Equity Malaysia Small and Mid Cap (Provident), 5 years**

Maybank Malaysia SmallCap Fund

To find out more about our funds, please visit [maybank-am.com.my](http://maybank-am.com.my) or call +603-2297 7888.

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# Manulife Investment Management bags two awards

BY JOTHAM LIM

**M**anulife Investment Management (M) Bhd nabbed two fund awards at the Refinitiv Lipper Fund Awards 2021.

Manulife Investment-HW Flexi won the award for Best Mixed Asset MYR Flexible (Provident) in the 10-year category, which saw a return of 143.96%, while Manulife Investment Al-Fauzan took home the award for Best Equity Malaysia Income (Islamic) in the 10-year category, with a return of 80.64%.

CEO Jason Chong attributes the funds' success to a dynamic investment team that is active in sharing ideas and quick in decision-making, which allowed them to adapt to rapidly shifting market conditions. "We work as a team, and no idea is too small or too big," he says.

"One advantage in having a regional team is that we leverage each other's deep local insights for channel checks and sector or stock read-throughs. A climate of transparency and trust in the regional team allows for a cross-fertilisation of ideas."

Chong describes 2020 as a tumultuous year in which they witnessed not only extreme swings in share prices but also investor sentiment and emotions as well. Remaining calm

and rational was a challenge in a panicked market, particularly when dealing with multiple uncertainties due to the far-reaching impact of the pandemic, he says.

To address this issue, the team had to be disciplined in adhering to their investment fundamentals and not let periods of extreme market sentiments affect their investment decisions. "When it became clearer that the pandemic was turning into a black swan event, we decided to drastically adjust our strategy — first by prioritising the return of capital," says Chong.

"This involved locking in gains in holdings that had priced in earnings growth. In addition to that, the cash would allow us to pick and choose fundamentally strong companies at beaten-down prices and valuations."

For Manulife Investment-HW Flexi, Chong points out that the rebalancing exercises were concentrated in the first and fourth quarters of last year. 1Q2020 involved increasing its cash position before the market sell-down to protect the fund's position while providing ammunition to capitalise on bargain-hunting opportunities.

In 4Q2020, the team rebalanced the portfolio to support post-pandemic beneficiaries once it became clear that there was light at the end of the tunnel when it came to the pandemic.



One advantage in having a regional team is that we leverage each other's deep local insights for channel checks and sector or stock read-throughs."

> Chong

"Companies with sound balance sheets and strong management are likely to withstand the challenging economic conditions of last year. One example would be the telecommunications sector, and even alternative industries such as the glove sector, which

are enjoying strong earnings that could potentially translate into better dividend payouts later," says Chong.

Moving into 2021, he highlights a shift in investment focus — from prioritising companies with earnings certainty last year to prioritising those with strong earnings growth momentum. "We

will look for stocks that offer strong earnings recovery and growth in the light of an anticipated economic recovery, resumption of economic activities and potential reopening of borders. Under such circumstances, companies that did not fare well in 2020



# Two awards for Maybank Asset Management

BY JOTHAM LIM

**M**aybank Asset Management Sdn Bhd once again landed a winning spot at the Refinitiv Lipper Fund Awards 2021, with two fund awards this year.

Maybank Malaysia Income (MMI) took home the award for Best Bond MYR (Provident) in the 10-year category, with a return of 116.77% over the period. Maybank Malaysia SmallCap (MMSC) won the award for Best Equity Malaysia Small and Mid-Cap (Provident) in the five-year category, with a return of 76.61% over the period.

CEO Ahmad Najib Nazlan says making contrarian calls in its investment strategy enabled both MMI and MMSC to outperform their industry peers. "For MMI, we turned defensive in January 2020 and decided to have higher levels of cash to allow us to be agile in case of any market events due to the uncertainties surrounding the Covid-19 pandemic. Due to that stance, during the sell-off in March, we were able to add positions and benefit from the wild swings.

"For MMSC, we had a very strong conviction in the healthcare sector after news of the virus broke out in China heading into 2020. That conviction was vital as it contributed very positively to the portfolio. Those healthcare names were small-cap stocks when we invested, but have now increased their market cap."

Ahmad Najib points to the investment team's agility, teamwork and leadership as being key contributors to the success of the two funds. He says that from the onset of the pandemic and lockdowns, the team mobilised daily virtual meetings to discuss and plan

their fund management strategies, which allowed them to look at opportunities in dislocated markets.

"Due to our proactive engagements, we were able to turn 'defensive' early on. When the markets were dislocated, we were ready to go on the offensive and capitalise on those opportunities at attractive valuations," he adds.

However, Ahmad Najib highlights that it was challenging to make contrarian calls and persist with that view while managing investors' expectations. He says that when the team decided to position MMI defensively, investors were concerned about a lagged performance.

"Moving into 2020, the market was expecting GDP performance to be better at 4.8% compared with 4.7% in 2019 on a potential meaningful resolution to the US-China trade war. Hence, having a defensive call may have dragged our performance compared with our peers," he adds.

However, as it turned out, 2020 saw a contraction in GDP.

"Similarly with MMSC, when we decided to increase positions in healthcare and technology, investors questioned our stance as they were unsure about our view. Despite the immense pressure from our investors, we maintained our call," says Ahmad Najib.

"We continued to engage with and communicate our strategies to our investors and provided clarity and justifications for our calls. When the sell-off happened, it was challenging to stick to our conviction. But we did not panic and instead, focused on the fundamentals as well as the long-term objectives of the funds. As a result, we were able to deliver better returns to our investors."



Due to our proactive engagements, we were able to turn 'defensive' early on. When the markets were dislocated, we were ready to go on the offensive and capitalise on those opportunities at attractive valuations."

> Ahmad Najib

He says that due to the decision to position MMI to be nimble and agile early on, the investment team managed their liquidity well and kept cash at a minimum during the sell-off — opting to capture new opportunities in the bond market instead.

As for MMSC, Ahmad Najib explains that the team conducted several rebalancing exercises towards the second half of 2020, as the market shifted away from the healthcare sector. However, since the fund got into the sector early, the team was able to raise a significant amount of cash and took profit from that strategy.

Moving forward, he expects a global growth recovery this year. But he foresees a volatile market, with fiscal policies playing an increasingly critical role in supporting growth.

"For MMI, given the current volatile situation in the bond markets, we will be positioned defensively in the near term by reducing our 'govvies',

