

Portfolio Seasons

Malaysia: In search of Alpha

Malaysia 2Q23 earnings flat QoQ

MSCI Malaysia is one of only two ASEAN markets to outperform MSCI ASEAN by posting a positive 3-month return of 4.4%; Utilities, Real Estate, Financials and IT led sector performance gains. Following two consecutive quarters of YoY and QoQ core net earnings decline, MIBG's coverage universe reported flat QoQ earnings for the 2Q23 earnings season - a positive event that signals that corporate earnings may be consolidating around a trough. Comparing this observation to MIBG's Malaysia model portfolios, the Balanced, Quality, Low Volatility and Growth model portfolios delivered YTD returns of 3.9%, 4.8%, 4.0% and 1.3% respectively, beating MSCI Malaysia's tepid 0.3% return.

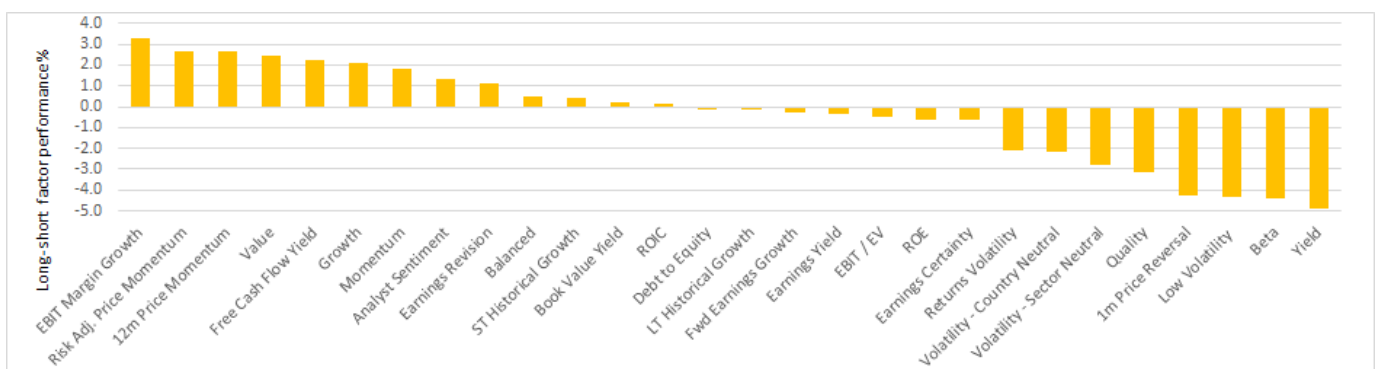
Malaysia earnings revision trend fell the least in ASEAN

MSCI Malaysia's 14x forward PE remains reasonably cheap at the 25th percentile of its 5-year PE box plot range. Sector wise, Healthcare (IHH MK, SUCB MK, TOPG MK, KRI MK and HART MK) and Materials (PCHEM MK, PMAH MK, TTNP MK) are currently the only two sectors that trade above 75th percentile on 12-month trailing PE basis. While MSCI Malaysia 3-month earnings revision has fallen by -0.6%, the delta change is the least compared to MSCI ASEAN (-1.6%), MSCI Thailand (-1.9%) and MSCI Singapore (-1.5%).

Growth & Value factor styles led performance

To help anticipate future events, we publish our back tests all factors to help clients understand what drove Malaysia's market performance since our last model portfolio rebalancing in April. Factor returns are derived by taking long positions in a subset of stocks with the strongest positive exposure to a given factor (1st decile of high scorers-F1) and shorting a subset of stocks with the weakest exposure (10th decile-FN) to the same factor. Value, Growth and Momentum styles have delivered the best returns with 2.5%, 2.1% and 1.8% respectively. At the sub factor level, this was helped by EBIT Margin Growth's 3.3% F1-FN return for the Growth style and the Free Cash Flow Yield's 2.2% for Value. Our mean reversion analysis now shows that Low Volatility, Quality and Balanced styles offer better risk-reward, and thus we add positions in Retail REITs (KLCC MK, SREIT MK), Technology EMS (UCHI MK), Consumer (SEM MK, MRDIY MK, BAUTO MK) and Finance (RCE MK, ALLZ MK).

Fig 2: Long (F1) - short (FN) returns sorted by factors: (April-August)



Source: MIBG Research, MSCI, Factset

Portfolio Strategy

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Fig 1: AxJ 3-month market performance (USD)

MSCI Vietnam	6.51%
MSCI India	4.46%
MSCI Malaysia	4.43%
MSCI Indonesia	-2.10%
MSCI AC ASEAN	-2.61%
MSCI Thailand	-3.85%
MSCI Singapore	-4.27%
MSCI AC Asia ex JP	-4.32%
MSCI China	-4.78%
MSCI Korea	-6.01%
MSCI Philippines	-6.81%
MSCI Taiwan	-8.03%
MSCI Hong Kong	-12.75%

Source: MSCI, MIBG Research

Malaysia Model Portfolio Rebalancing

In this round of rebalancing, we targeted deletions in Healthcare (IHH MK, KPJ MK), Consumer Staples (BFD MK), Utilities (GMB MK) and Financials (HLFG MK) sectors mainly from the standpoint of the constituents' low scores in price momentum, earnings revision and analyst sentiment. We also deleted Semiconductors (INRI MK), Autos (SIME MK), Construction (CMS MK) and Utilities (MLK MK) as these constituents have fallen below our quantitative thresholds for Value and Quality factors.

Given the strong performances in Growth and Value style factors since April, we look at the 15 year long-run F1-FN returns of each style and their respective sub-factors to gain insights as to which factors show the highest headroom potential from mean reversion. In Fig 5, we see that the Low Volatility (+4.2% upside to mean), Quality (+3.8%) and Balanced (+2.3%) factor styles offer the best potential upside for mean reversion. With this focus in mind, we have added positions in Retail REITs (KLCC MK, SREIT MK), Technology EMS (UCHI MK), Consumer (SEM MK, MRDIY MK, BAUTO MK) and Finance (RCE MK, ALLZ MK) and allocated these names to the aforementioned portfolio styles.

Fig 3: MIBG Malaysia Model Portfolio Additions

Portfolio Additions	BBG Code	Portfolio	Best Scoring Factor(s) in 1 st Decile
Allianz Malaysia Bhd.	ALLZ MK	Balanced	Earnings Yield, Return Volatility, Risk-adjusted Price Momentum, Debt to Equity
Uchi Technologies Bhd.	UCHI MK	Balanced	Return Volatility, Return Volatility (country neutral), Return Volatility (sector neutral), Return on Equity, Return on Invested Capital
Bermaz Auto Berhad	BAUTO MK	Balanced	Short-term Historical Growth, Return on Equity, Return on Invested Capital
Ta Ann Holdings Bhd.	TAH MK	Value	EBIT/EV Multiple
My E.G. Services Bhd.	MYEG MK	Value	Book Value Yield
Sime Darby Property Bhd.	SDPR MK	Value	Book Value Yield
7-Eleven Malaysia Holdings Bhd	SEM MK	Momentum	Risk-adjusted Price Momentum
RCE Capital Bhd.	RCE MK	Momentum	Long-term Price Momentum (12m), Risk-adjusted Price Momentum
Eco World Development Group Bhd.	ECW MK	Momentum	Long-term Price Momentum (12m), Risk-adjusted Price Momentum
Sime Darby Property Bhd.	SDPR MK	Momentum	Long-term Price Momentum (12m), Risk-adjusted Price Momentum
MR. D.I.Y. Group (M) Bhd.	MRDIY MK	Growth	Long-term Historical Growth, Analyst Sentiment
Tenaga Nasional Bhd	TNB MK	Growth	Long-term Historical Growth, Analyst Sentiment
Uchi Technologies Bhd.	UCHI MK	Quality	Return on Equity, Return on Invested Capital, Debt to Equity, Earnings Certainty
QL Resources Bhd.	QLG MK	Low Volatility	Return Volatility, Return Volatility (country neutral), Return Volatility (sector neutral)
KLCC Property Holdings Bhd.	KLCC MK	Low Volatility	Return Volatility, Return Volatility (country neutral), Return Volatility (sector neutral)
Sunway Real Estate Investment Trust	SREIT MK	Low Volatility	Return Volatility, Return Volatility (country neutral)

Source: MIBG Research, Factset

Fig 4: MIBG Malaysia Model Portfolio Deletions

Portfolio Deletions	BBG Code	Portfolio	Weak Scoring Factor(s)
RHB Bank Bhd.	RHBBANK MK	Balanced	Analyst Sentiment, Earnings Revision
Inari Amertron Berhad	INRI MK	Balanced	Earnings Yield, Short-term Historical Growth, Return Volatility (country neutral)
Telekom Malaysia Bhd.	T MK	Balanced	Risk-adjusted Price Momentum, Long-term Price Momentum (12m)
Sime Darby Bhd.	SIME MK	Value	Free Cash Flow Yield
Cahaya Mata Sarawak Bhd.	CMS MK	Value	Free Cash Flow Yield
Malakoff Corporation Bhd	MLK MK	Value	Earnings Revision, Earnings Yield
Hong Leong Financial Group Bhd.	HLFG MK	Momentum	Risk-adjusted Price Momentum, Long-term Price Momentum (12m)
IHH Healthcare Bhd.	IHH MK	Momentum	Earnings Revision, Long-term Price Momentum (12m), Risk-adjusted Price Momentum
Gas Malaysia Bhd.	GMB MK	Momentum	Risk-adjusted Price Momentum, Long-term Price Momentum (12m)
Berjaya Food Bhd.	BFD MK	Momentum	Long-term Price Momentum (12m), Risk-adjusted Price Momentum, Earnings Revision
IHH Healthcare Bhd.	IHH MK	Growth	Analyst Sentiment
Inari Amertron Berhad	INRI MK	Growth	Short-term Historical Growth
Inari Amertron Berhad	INRI MK	Quality	Earnings Certainty
KPJ Healthcare Bhd.	KPJ MK	Low Volatility	Return Volatility (country neutral)
Sports Toto Berhad	SPTOTO MK	Low Volatility	Return Volatility (sector neutral)
Leong Hup International Bhd.	LHIB MK	Low Volatility	Return Volatility (sector neutral)

Source: MIBG Research, Factset

Fig 5: Long run F1-FN returns sorted by style factors & government administration eras

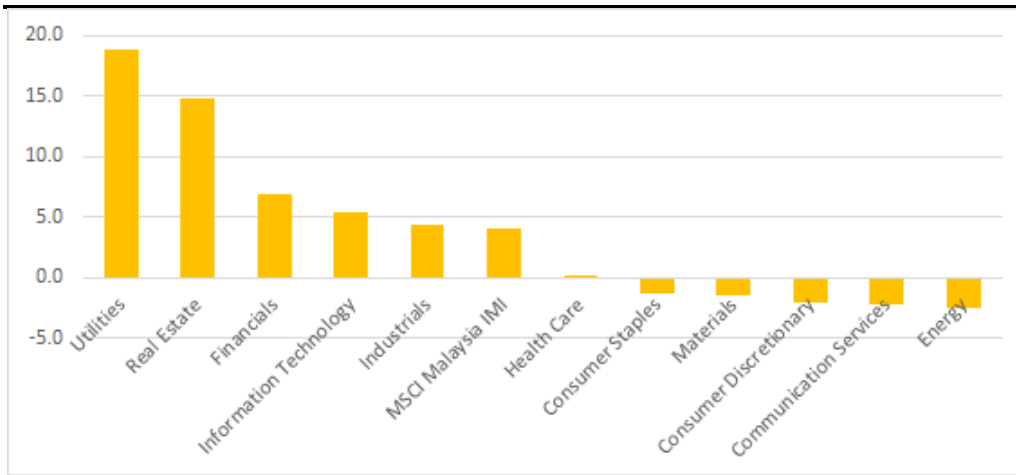
Style	Factor	2009-2018	2018-2020	2020-2021	2021-2022	2022-Present	Last Rebalancing (Apr-Aug 2023)	Long-Term 2009 - 2023	Mean Reversion: Current Admin. vs Long-Term Mean	Mean Reversion: Apr-Aug 2023 vs Long-Term Mean
Low Volatility	Low Volatility	0.33	0.25	1.50	2.22	-2.81	-4.37	-0.18	+2.63	+4.19
Quality	Quality	1.29	3.45	-0.51	0.99	-3.14	-3.14	0.64	+3.78	+3.78
Balanced	Balanced	3.51	2.98	-0.64	3.15	-0.05	0.52	2.79	+2.84	+2.27
Momentum	Momentum	2.88	1.73	0.42	2.89	0.85	1.80	2.43	+1.58	+0.63
Growth	Growth	2.23	2.29	-4.27	1.14	1.39	2.10	2.06	+0.66	-0.04
Value	Value	2.71	1.66	0.51	2.54	2.50	2.48	2.36	-0.14	-0.12
Growth	Analyst Sentiment	2.57	2.20	-1.59	3.04	0.90	1.33	2.47	+1.56	+1.14
Growth	EBIT Margin Growth	1.78	1.36	-2.30	0.71	2.20	3.31	1.38	-0.81	-1.93
Growth	Fwd Earnings Growth	-1.01	-0.72	-2.84	0.20	0.46	-0.30	-0.61	-1.07	-0.31
Growth	LT Historical Growth	1.13	2.19	-1.46	-1.00	-2.31	-0.16	0.86	+3.18	+1.02
Growth	ST Historical Growth	2.07	2.45	0.13	1.89	0.47	0.40	1.88	+1.42	+1.48
Low Volatility	Beta	0.93	2.60	-0.38	-1.45	-0.83	-4.41	0.50	+1.32	+4.91
Low Volatility	Volatility - Country Neutral	-0.34	-0.93	2.13	1.89	-2.86	-2.15	-0.81	+2.05	+1.34
Low Volatility	Volatility - Sector Neutral	-0.04	0.25	2.58	0.87	-2.31	-2.79	-0.37	+1.94	+2.42
Low Volatility	Returns Volatility	-0.25	-0.87	2.39	2.05	-2.87	-2.12	-0.72	+2.16	+1.40
Momentum	12m Price Momentum	1.66	0.40	0.85	1.17	-0.53	2.64	1.06	+1.59	-1.57
Momentum	1m Price Reversal	-1.28	-2.13	2.24	0.34	-1.40	-4.27	-1.16	+0.23	+3.11
Momentum	Risk Adj. Price Momentum	1.80	1.53	0.46	1.37	0.92	2.66	1.62	+0.71	-1.04
Quality	Debt to Equity	0.60	-0.40	2.63	-0.02	-1.23	-0.11	0.36	+1.59	+0.46
Quality	Earnings Certainty	1.04	2.17	N/A	0.17	-1.77	-0.65	0.53	+2.30	+1.18
Quality	ROE	1.98	3.22	-1.10	-0.78	-1.65	-0.65	1.09	+2.74	+1.74
Quality	ROIC	1.84	3.36	2.34	-0.45	-1.27	0.18	1.21	+2.48	+1.03
Quality	Yield	0.93	8.00	-0.21	N/A	-6.24	-4.90	0.34	+6.59	+5.24
Value	Book Value Yield	-0.51	-1.31	-0.68	-0.68	1.28	0.18	-0.20	-1.48	-0.38
Value	Earnings Revision	2.96	2.39	-2.88	2.42	1.51	1.13	2.71	+1.20	+1.58
Value	Earnings Yield	1.64	2.07	0.48	0.94	-0.29	-0.36	1.24	+1.53	+1.60
Value	EBIT / EV	2.42	3.24	-7.30	0.14	-0.87	-0.47	1.75	+2.62	+2.22
Value	Free Cash Flow Yield	1.71	1.06	-1.17	1.56	1.89	2.23	1.47	-0.42	-0.76

Source: MIBG Research, MSCI, Factset

Note:

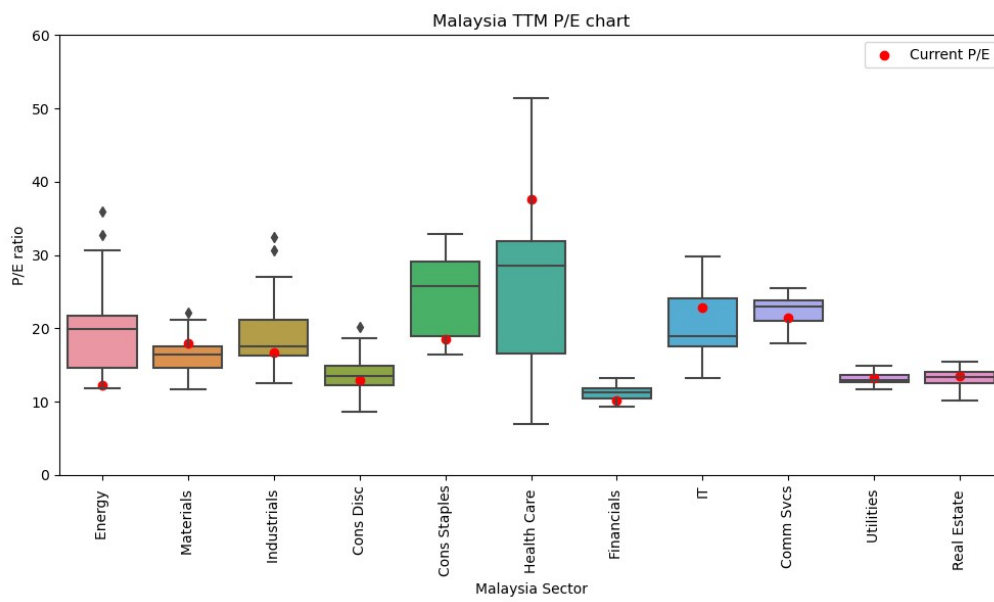
- F1-FN returns are derived by aggregating the returns from taking long positions in the best scoring fractile stock universe and subtracting these returns from taking short positions in the worst scoring fractile.
- Mean Reversion estimates are derived from subtracting the long-term F1-FN return averages (from 2009 to 2023) and the F1-FN returns since the last rebalancing of MIBG's model ports.
- Periods refer to the F1-FN profiles of different government administrations: 2009-2018 (Najib Razak), 2018-2020 (Mahathir Mohamad), 2020-2021 (Muhyiddin Yasin), 2021-2022 (Ismail Sabri Yaakob) and 2022-present (Anwar Ibrahim).
- Last Rebalancing refers to the F1-FN profile of factors since MIBG's last rebalancing in April 2023.

Fig 6: MSCI Malaysia sector performance (% last 5 months, local currency)



Source: MIBG Research, MSCI, Factset

Fig 7: MSCI Malaysia sector trailing 12-months PE box plot



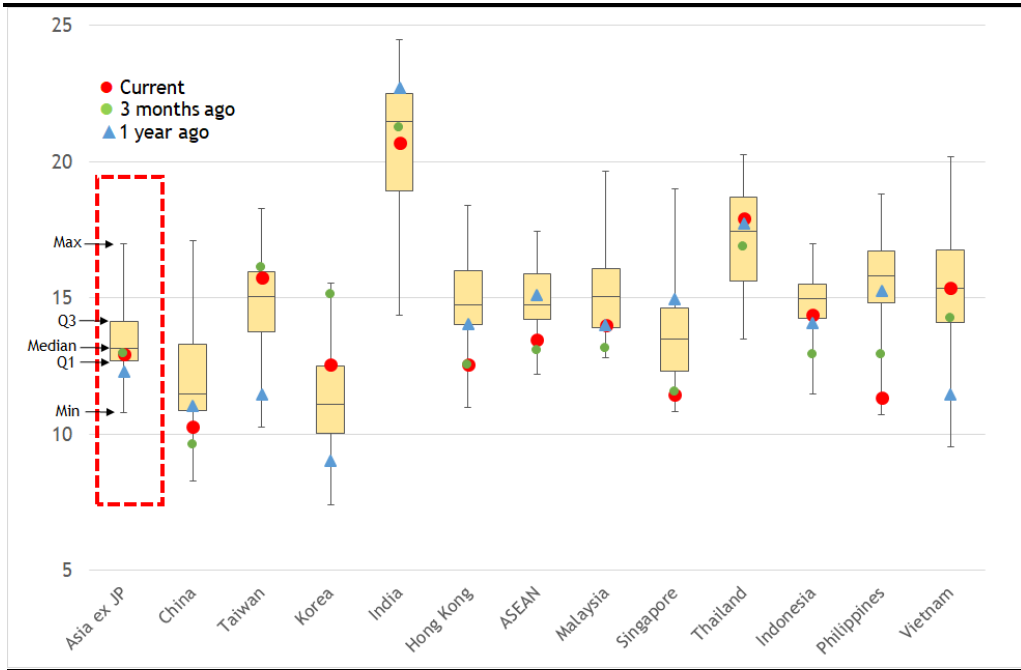
Source: MIBG Research, Factset, MSCI. 5-year data as of 31 August 2023
 Note: A box plot displays a dataset’s distribution including outliers, 1st quartile, median, 3rd quartile and maximum (Min, Q1, Median, Q3, Max).

Fig 8: MSCI ASEAN earnings revision for 2024 (calendar year)

MSCI Index	Index EPS 28/06/2023	Index EPS 22/09/2023	Earnings Revision
MSCI Vietnam	32.02	35.30	10.2%
MSCI India	106.96	112.91	5.6%
MSCI Philippines	91.83	94.69	3.1%
MSCI Indonesia	544.05	551.58	1.4%
MSCI Korea	74.93	74.57	-0.5%
MSCI Malaysia	34.56	34.35	-0.6%
MSCI Singapore	118.67	116.94	-1.5%
MSCI AC ASEAN	48.49	47.71	-1.6%
MSCI Thailand	30.84	30.25	-1.9%
MSCI AC Asia ex JP	52.79	51.14	-3.1%
MSCI China	5.91	5.71	-3.4%
MSCI Taiwan	44.74	43.05	-3.8%
MSCI Hong Kong	1008.68	938.52	-7.0%

Source: MIBG Research, MSCI, Factset
 Note: Index EPS based on sell-side analysts’ earnings estimates and MSCI’s weighting methodology

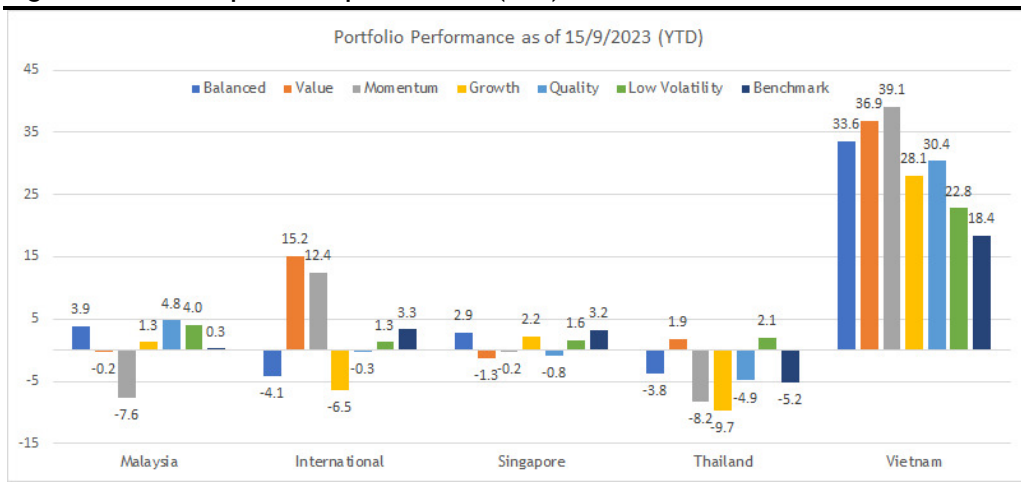
Fig 9: MSCI AC Asia ex Japan 12m forward PE box plot by countries



Source: MIBG Research, Factset, MSCI. 5-year data as of 31 August 2023

Note: A box plot displays a dataset’s distribution including outliers, 1st quartile, median, 3rd quartile and maximum (Min, Q1, Median, Q3, Max).

Fig 10: MIBG model portfolios performance (YTD)




Source: MIBG Research, Factset, MSCI

Contents

Malaysia Model Portfolio Rebalancing	2
MIBG International Model Portfolios	8
Appendix: MIBG Model Portfolio Framework	15


MIBG International Model Portfolios

Malaysia
BALANCED 
 Model Portfolio

Trailing Returns:

4.8 %	1 Year
2.2 %	3 Years Annualised
6.4 %	5 Years Annualised


Risk: Average

Malaysia
VALUE 
 Model Portfolio

Trailing Returns:

-0.1 %	1 Year
10.5 %	3 Years Annualised
4.1 %	5 Years Annualised


Risk: Above Average

Malaysia
MOMENTUM 
 Model Portfolio

Trailing Returns:

-4.9 %	1 Year
-9.3 %	3 Years Annualised
7.8 %	5 Years Annualised

Risk: Above Average

Malaysia
GROWTH 
 Model Portfolio

Trailing Returns:

7.2 %	1 Year
-1.5 %	3 Years Annualised
8.0 %	5 Years Annualised

Risk: Average

Malaysia
QUALITY 
 Model Portfolio

Trailing Returns:

8.2 %	1 Year
-2.7 %	3 Years Annualised
-1.7 %	5 Years Annualised

Risk: Below Average

Malaysia
LOW VOLATILITY 
 Model Portfolio

Trailing Returns:

4.4 %	1 Year
1.6 %	3 Years Annualised
-3.0 %	5 Years Annualised

Risk: Below Average

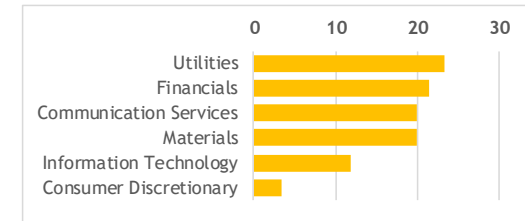
Balanced Model Portfolio

Holdings

Company Name	Sector	Portfolio Weight (%)	Price (Local)	Dividend Yield (%)
TIME dotCom	Communication Services	20.00	5.50	6.3
Scientex	Materials	20.00	3.78	2.6
Gas Malaysia	Utilities	20.00	3.05	7.0
Hong Leong Bank	Financials	11.47	19.96	3.1
Uchi Technologies	Information Technology	8.46	3.59	7.6
Allianz Malaysia	Financials	6.75	16.40	6.0
Mega First	Utilities	3.33	3.33	2.2
Bermaz Auto	Consumer Discretionary	3.33	2.24	6.3
Vitrox Corp	Information Technology	3.33	7.58	0.7
Hong Leong Financial Grp	Financials	3.33	18.22	2.8

Source: Factset; Prices as of 31 August 2023. Model portfolio weights as of 31 August 2023.

Sector Weights (%)



Performance table

Cumulative Returns (%)	YTD	1M	3M	6M	1Y	3Y
Portfolio Style	4.8	1.6	3.9	4.2	4.8	6.8
MSCI Malaysia	-1.1	-0.3	4.9	1.8	0.2	0.1

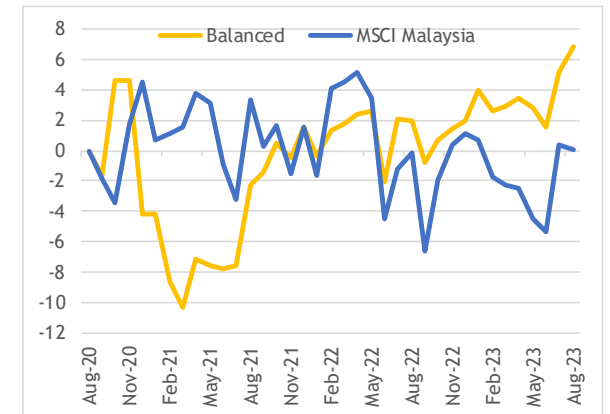
Annual Returns (%)	2022	2021	2020
Portfolio Style	19.8	4.0	14.4
MSCI Malaysia	1.9	-3.0	-4.0

Sharpe Ratio /Risk-Return (3Y)	Style	MSCI Msia
Sharpe Ratio	0.11	-0.08
Volatility (%)	9.6	11.7
Max Drawdown (%)	-14.3	-11.2
Max Drawdown Duration (months)	31	16

Source: Factset, MSCI, Maybank IBG Research

Note: Performance prior to 4 Nov 2021 based on backtest results. MSCI AxJ represents USD total return of MSCI AxJ Index including dividends. All performance data (USD) as of 31 August 2023.

3-Year Performance (%)

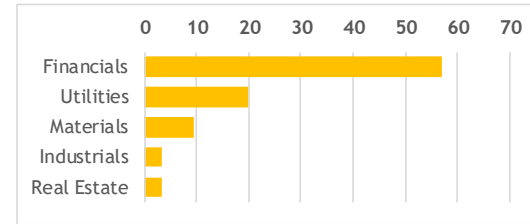


Value Model Portfolio

Holdings

Company Name	Sector	Portfolio Weight (%)	Price (Local)	Dividend Yield (%)
Hong Leong Financial Grp	Financials	20.00	18.22	2.8
Mega First	Utilities	20.00	3.33	2.2
AMMB	Financials	20.00	3.73	4.9
RHB Bank	Financials	10.39	5.61	6.9
Ta Ann	Materials	9.54	3.63	10.6
Allianz Malaysia	Financials	6.75	16.40	6.0
My EG Services	Industrials	3.33	0.80	1.6
Sime Darby Property	Real Estate	3.33	0.74	4.4
Bumi Armada	Energy	3.33	0.51	0.0
Sarawak Oil Palms	Consumer Staples	3.33	2.55	3.8

Sector Weights (%)



Source: Factset; Prices as of 31 August 2023. Model portfolio weights as of 31 August 2023.

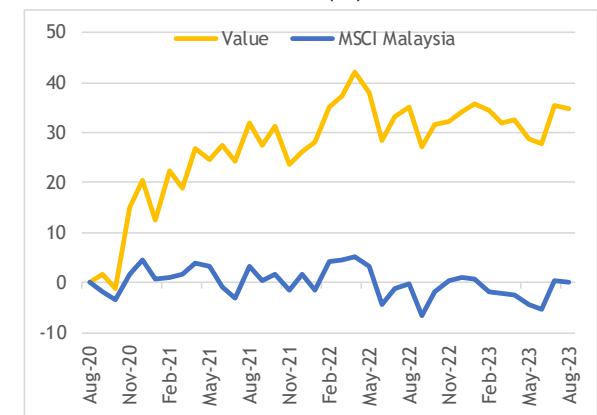
Performance table

Cumulative Returns (%)	YTD	1M	3M	6M	1Y	3Y
Portfolio Style	0.5	-0.4	4.8	0.3	-0.1	34.9
MSCI Malaysia	-1.1	-0.3	4.9	1.8	0.2	0.1

Annual Returns (%)	2022	2021	2020
Portfolio Style	0.4	10.3	3.9
MSCI Malaysia	1.9	-3.0	-4.0

Sharpe Ratio /Risk-Return (3Y)	Style	MSCI Msia
Sharpe Ratio	0.59	-0.08
Volatility (%)	16.3	11.7
Max Drawdown (%)	-10.6	-11.2
Max Drawdown Duration (months)	16	16

3-Year Performance (%)



Source: Factset, MSCI, Maybank IBG Research

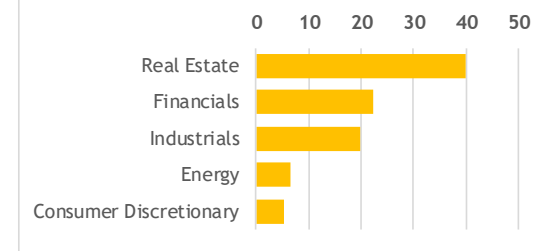
Note: Performance prior to 4 Nov 2021 based on backtest results. MSCI AxJ represents USD total return of MSCI AxJ Index including dividends. All performance data (USD) as of 31 August 2023.

Momentum Model Portfolio

Holdings

Company Name	Sector	Portfolio Weight (%)	Price (Local)	Dividend Yield (%)
Gamuda	Industrials	20.00	4.50	4.8
Eco World Development Grp	Real Estate	20.00	1.03	8.3
Sime Darby Property	Real Estate	20.00	0.74	4.4
RCE Capital	Financials	18.90	2.36	6.6
Padini	Consumer Discretionary	5.27	3.95	2.6
Vitrox Corp	Information Technology	3.33	7.58	0.7
Alliance Bank Malaysia	Financials	3.33	3.45	6.5
Hibiscus Petroleum	Energy	3.33	0.96	0.0
Malaysia Marine & Heavy	Energy	3.33	0.49	2.5
7-Eleven Malaysia Hldgs	Consumer Staples	2.51	1.92	2.8

Sector Weights (%)



Source: Factset; Prices as of 31 August 2023. Model portfolio weights as of 31 August 2023.

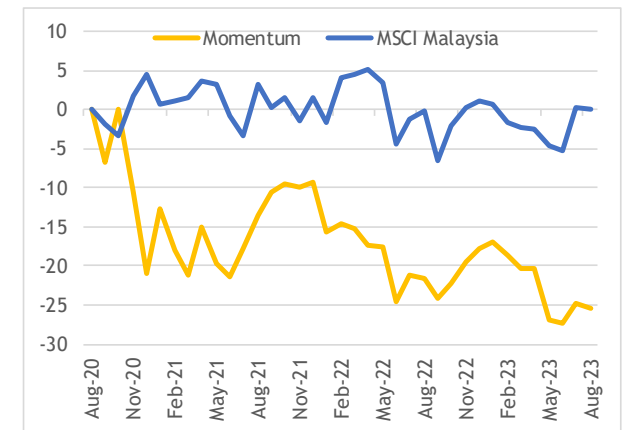
Performance table

Cumulative Returns (%)	YTD	1M	3M	6M	1Y	3Y
Portfolio Style	-9.2	-0.7	2.2	-8.3	-4.9	-25.4
MSCI Malaysia	-1.1	-0.3	4.9	1.8	0.2	0.1

Annual Returns (%)	2022	2021	2020
Portfolio Style	43.7	11.5	-1.8
MSCI Malaysia	1.9	-3.0	-4.0

Sharpe Ratio /Risk-Return (3Y)	Style	MSCI Msia
Sharpe Ratio	-0.55	-0.08
Volatility (%)	17.8	11.7
Max Drawdown (%)	-27.3	-11.2
Max Drawdown Duration (months)	34	16

3-Year Performance (%)



Source: Factset, MSCI, Maybank IBG Research

Note: Performance prior to 4 Nov 2021 based on backtest results. MSCI AxJ represents USD total return of MSCI AxJ Index including dividends. All performance data (USD) as of 31 August 2023.

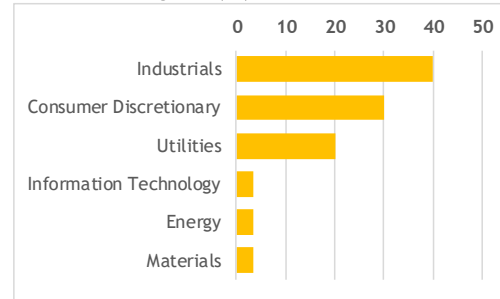
Growth Model Portfolio

Holdings

Company Name	Sector	Portfolio Weight (%)	Price (Local)	Dividend Yield (%)
MR D.I.Y. Group (M)	Consumer Discretionary	20.00	1.55	1.1
Tenaga Nasional	Utilities	20.00	9.84	4.8
Frontken	Industrials	19.91	3.50	0.0
Malaysia Airports Hldgs	Industrials	16.72	7.37	0.6
Bermaz Auto	Consumer Discretionary	6.71	2.24	6.3
Vitrox Corp	Information Technology	3.34	7.58	0.7
Genting	Consumer Discretionary	3.33	4.37	3.6
Yinson	Energy	3.33	2.51	0.7
IJM	Industrials	3.33	1.77	3.8
Press Metal Aluminium	Materials	3.33	4.85	1.4

Source: Factset; Prices as of 31 August 2023. Model portfolio weights as of 31 August 2023.

Sector Weights (%)



Performance table

Cumulative Returns (%)	YTD	1M	3M	6M	1Y	3Y
Portfolio Style	1.5	0.3	3.4	-1.0	7.2	-4.5
MSCI Malaysia	-1.1	-0.3	4.9	1.8	0.2	0.1

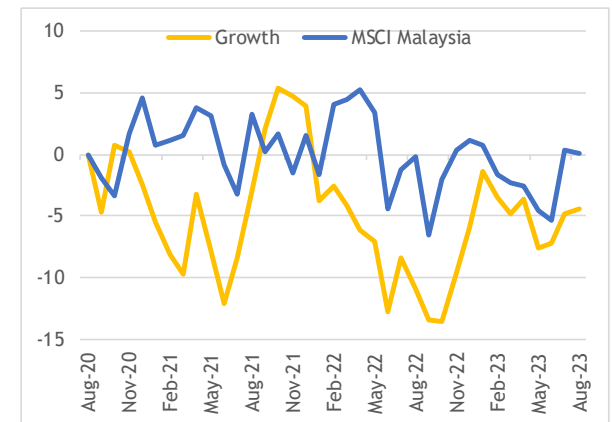
Annual Returns (%)	2022	2021	2020
Portfolio Style	57.4	7.7	-12.6
MSCI Malaysia	1.9	-3.0	-4.0

Sharpe Ratio /Risk-Return (3Y)	Style	MSCI Msia
Sharpe Ratio	-0.17	-0.08
Volatility (%)	13.2	11.7
Max Drawdown (%)	-18.1	-11.2
Max Drawdown Duration (months)	22	16

Source: Factset, MSCI, Maybank IBG Research

Note: Performance prior to 4 Nov 2021 based on backtest results. MSCI AxJ represents USD total return of MSCI AxJ Index including dividends. All performance data (USD) as of 31 August 2023.

3-Year Performance (%)

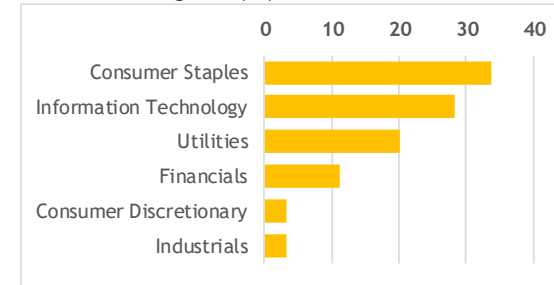


Quality Model Portfolio

Holdings

Company Name	Sector	Portfolio Weight (%)	Price (Local)	Dividend Yield (%)
Heineken Malaysia	Consumer Staples	20.00	23.80	5.5
Gas Malaysia	Utilities	20.00	3.05	7.0
Uchi Technologies	Information Technology	18.36	3.59	7.6
Fraser & Neave	Consumer Staples	13.82	25.50	2.8
Bursa Malaysia	Financials	11.16	6.90	4.0
UWC	Information Technology	3.33	3.50	0.0
CTOS Digital	Industrials	3.33	1.42	1.3
Greotech Technology	Information Technology	3.33	4.50	0.0
Vitrox Corp	Information Technology	3.33	7.58	0.7
MBM Resources	Consumer Discretionary	3.33	4.15	5.5

Sector Weights (%)



Source: Factset; Prices as of 31 August 2023. Model portfolio weights as of 31 August 2023.

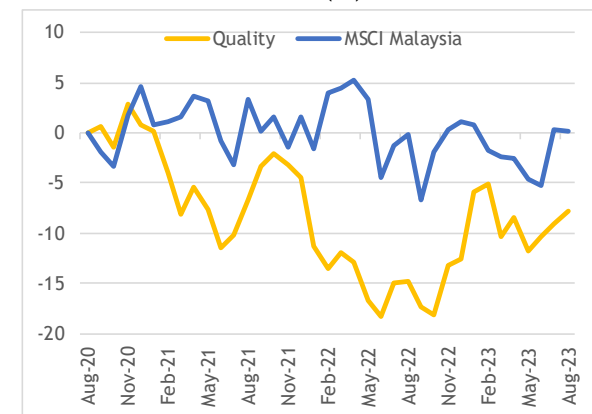
Performance table

Cumulative Returns (%)	YTD	1M	3M	6M	1Y	3Y
Portfolio Style	5.3	1.3	4.4	-3.0	8.2	-7.9
MSCI Malaysia	-1.1	-0.3	4.9	1.8	0.2	0.1

Annual Returns (%)	2022	2021	2020
Portfolio Style	-0.3	6.2	7.4
MSCI Malaysia	1.9	-3.0	-4.0

Sharpe Ratio /Risk-Return (3Y)	Style	MSCI Msia
Sharpe Ratio	-0.32	-0.08
Volatility (%)	11.6	11.7
Max Drawdown (%)	-20.6	-11.2
Max Drawdown Duration (months)	33	16

3-Year Performance (%)



Source: Factset, MSCI, Maybank IBG Research

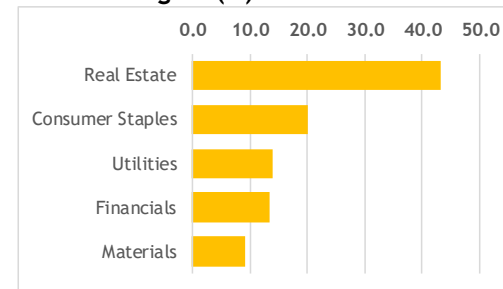
Note: Performance prior to 4 Nov 2021 based on backtest results. MSCI AxJ represents USD total return of MSCI AxJ Index including dividends. All performance data (USD) as of 31 August 2023.

Low Volatility Model Portfolio

Holdings

Company Name	Sector	Portfolio Weight (%)	Price (Local)	Dividend Yield (%)
IGB REIT	Real Estate	20.00	1.63	6.0
Sunway REIT	Real Estate	20.00	1.49	6.3
QL Resources	Consumer Staples	20.00	5.40	1.2
Petronas Gas	Utilities	10.76	17.12	4.2
Scientex	Materials	9.17	3.78	2.6
Allianz Malaysia	Financials	6.75	16.40	6.0
Gas Malaysia	Utilities	3.33	3.05	7.0
Hong Leong Bank	Financials	3.33	19.96	3.1
LPI Capital	Financials	3.33	11.86	4.7
KLCC Property	Real Estate	3.33	6.70	5.7

Sector Weights (%)



Source: Factset; Prices as of 31 July 2023. Model portfolio weights as of 31 August 2023.

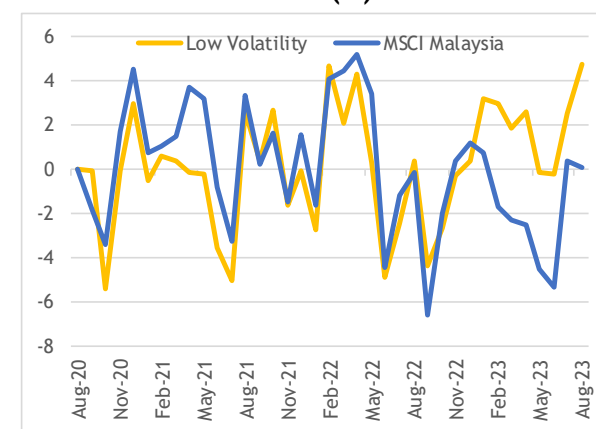
Performance table

Cumulative Returns (%)	YTD	1M	3M	6M	1Y	3Y
Portfolio Style	4.4	2.2	5.0	1.8	4.4	4.8
MSCI Malaysia	-1.1	-0.3	4.9	1.8	0.2	0.1

Annual Returns (%)	2022	2021	2020
Portfolio Style	-8.6	-4.7	5.3
MSCI Malaysia	1.9	-3.0	-4.0

Sharpe Ratio /Risk-Return (3Y)	Style	MSCI Msia
Sharpe Ratio	0.05	-0.08
Volatility (%)	11.5	11.7
Max Drawdown (%)	-9.1	-11.2
Max Drawdown Duration (months)	17	16

3-Year Performance (%)



Source: Factset, MSCI, Maybank IBG Research

Note: Performance prior to 4 Nov 2021 based on backtest results. MSCI AxJ represents USD total return of MSCI AxJ Index including dividends. All performance data (USD) as of 31 August 2023.

Appendix: MIBG Model Portfolio Framework

Quantitative factors for each model portfolio

Style Name	Factor Name	Factor Description
Value	Earnings Yield	next 12m forecast eps scaled by price (country neutral)
Value	Book Value Yield	last reported book value per share scaled by price (sector neutral)
Value	Free Cash Flow Yield	last 12m FCF per share scaled by price
Value	EBIT/EV Multiple	last 12m EBIT scaled by Enterprise Value
Value/Momentum	Earnings Revision	3m change in next 12m forecast eps
Momentum	Long-term Price Momentum (12m)	past 12m USD total return
Momentum	Short-term Price Reversal (1m)	past 1m USD total return - <i>lower better</i>
Momentum	Risk-adjusted Price Momentum	past 12m USD total return excluding past 1m scaled by past 12m total return standard deviation
Growth	Short-term Historical Growth	past 12m eps growth and past 12m sales per share growth
Growth	Long-term Historical Growth	past 5y CAGR EPS and past 5y CAGR sales per share
Growth	Forward Earnings Growth	FY2 eps forecast vs FY1 eps forecast
Growth	EBIT Margin Growth	last 12m EBIT scaled by sales vs 1y ago
Growth	Analyst Sentiment	3m change in analyst rating and eps upgrades vs downgrades over past 3m
Quality	Return on Equity	last 12m net income scaled by average equity
Quality	Return on Invested Capital	last 12m net income scaled by average invested capital
Quality	Debt to Equity	last reported debt to equity - <i>lower better</i>
Quality	Earnings Certainty	FY2 eps standard deviation scaled by mean and standard deviation of 5y annual eps growth - lower better
Quality	Yield	last 12m dividend yield
Low Volatility	Return Volatility	past 12m standard deviation of USD total return - lower better
Low Volatility	Return Volatility (country neutral)	past 12m standard deviation of local total return (country neutral) - lower better
Low Volatility	Return Volatility (sector neutral)	past 12m standard deviation of USD total return (sector neutral) - lower better
Low Volatility	Beta	3y market beta - lower better

Source: Maybank IGB Research

Note: Balanced model portfolio uses all factors specified above. Yield factor added to Quality style as of 6 April 2022.

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