

FUNDAMENTAL FLASH


Recalibrating for Resilience


Prepared by: AHAM Asset Management Berhad

US President Trump announced larger-than-expected new tariffs last week, sparking significant volatility across global financial markets. The implications of these tariffs are profound, reverberating through global financial systems and raising fears of a potential economic downturn.

As major economies may resort to further retaliations amid a growing rise in trade protectionism, market sentiment is expected to remain fragile until there are clear signs of trade de-escalation.

Against this backdrop, it is essential for investors to revisit their asset allocation strategies and ensure portfolios are positioned to weather near-term uncertainties while remaining aligned to longer-term goals. In our latest Fundamental Flash, we share our key asset class views and how investors can position their portfolios in the current market environment

 Theme 1: Rate Cut Beneficiaries	
<p>The market’s reaction to weaker global growth expectations has been swift, with yields on government bonds declining as investors flee to safety.</p> <p>In such an environment, bond funds with longer duration are better placed to benefit from falling interest rates.</p> <ul style="list-style-type: none"> • AHAM World Series – Global Income Fund (+2.9%) • AHAM World Series – US Dollar Bond Fund (+4.1%) • AHAM Select Bond Fund (+1.4%) • AHAM World Series – Global Infrastructure Income Fund (+5.0%, equity fund) 	<p>Portfolio Strategies</p> <p>Investors who anticipate a weakening global growth outlook and wish to reduce portfolio risk may consider seeking refuge in safer assets.</p> <p>These include government bonds, global investment-grade corporate bonds, and long-duration utility assets-segments that can shield portfolios from greater market fluctuations.</p>

 Theme 2: Stay Grounded with Quality	
<p>Equity markets may remain unsettled in the near term, but quality always has its place.</p> <p>Funds with a focus on high-conviction, cash-generative companies typically found in core strategies may be more resilient and recover more steadily.</p> <ul style="list-style-type: none"> • AHAM World Series - Income Fund (-3.1%) • AHAM Absolute Return Fund II (-6.8%) • AHAM World Series – Global Equity Fund (-8.6%) • AHAM World Series – Global Brands Fund (-0.2%) 	<p>Portfolio Strategies</p> <p>In anticipation of a more challenging economic cycle, investors seeking funds with defensive holdings and active stock picking can add significant value during this volatile period..</p>

 Theme 3: Opportunistic Entry into Growth	
<p>High-growth sectors, including technology and thematic, have borne the brunt of the recent selloffs as growth forecasts are shaved downwards.</p> <p>While valuation resets may continue, the current correction also presents an opportunity for investors to gradually build exposure to this segment, while positioning for future growth.</p>	<p>Portfolio Strategies</p> <p>The recent market selloff may present buying opportunities for investors who have been sitting on the sidelines.</p> <p>Similarly, for those with a long-term perspective, this volatility offers a chance to gradually accumulate positions.</p> <p>For prudent risk management, it is advisable that investors average in by tranches.</p>

Source: Bloomberg, AHAM Capital, the fund performance is calculated on year-to-date basis as of 4 April 2025, expressed in USD terms except for AHAM Select Bond Fund and AHAM Absolute Return Fund II.

Stick to The Plan

In periods of heightened volatility, the instinct to react impulsively can be strong. But history shows that investors who stay the course are rewarded in the end. Selling in the midst of a downturn not only risks crystallising losses but also missing out on sharp rebounds that typically follow periods of stress.

This is where diversification proves its value, by spreading exposure across different asset classes and regions, it cushions the impact of market swings. At the same time, dollar cost averaging helps reduce the risk of poor timing by investing consistently through market cycles, allowing investors to take advantage of lower valuations during periods of weakness.

Speak to us today to ensure your portfolio remains aligned with your long-term goals and resilient through change.

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