

# Navigating Global Opportunities with a Balanced Portfolio Approach

**P**ublic e-Worldwide Thematic Growth Balanced Fund (PeWTGBF) is the first global balanced fund offered under the Public e-Series of Funds which aims to achieve capital growth over the long term through a balanced asset allocation approach.

As the Fund is offered under the Public e-Series of Funds, investors have the convenience of making their investments through the Public Mutual Online (PMO) platform with a minimum initial investment amount of RM100.

PeWTGBF's equity portfolio, which accounts for 35% to 65% of the Fund's net asset value (NAV), invests primarily in stocks of companies around the world which benefit from key themes that offer earnings growth and are versatile to economic changes over the long term. Meanwhile, 35% to 65% of the Fund's NAV may be invested in fixed income securities to capitalise on investment opportunities in the bond markets and provide less volatile returns<sup>1</sup> to the Fund's overall portfolio.

## Benefits of Investing in Balanced Funds

The portfolios of balanced funds are diversified across a variety of equity and fixed income securities; thereby resulting in a lower overall portfolio risk. Balanced funds' portfolios are also rebalanced back to within the targeted range for each of their asset classes during periods of extreme market fluctuations.

The returns of a balanced fund are also less volatile compared to an equity fund as equity and fixed income investments generally have a lower correlation. The potentially higher but more volatile returns from equity investments are also moderated by the lower and more stable returns of the fund's investment in bonds. As a result, the returns of a balanced fund tend to be more stable as compared to an equity fund.

Nevertheless, a balanced fund still allows investors to participate in the long-term capital growth of the equity markets as, in the case of PeWTGBF, a sizeable portion of up to 65% of the fund is invested in equities.

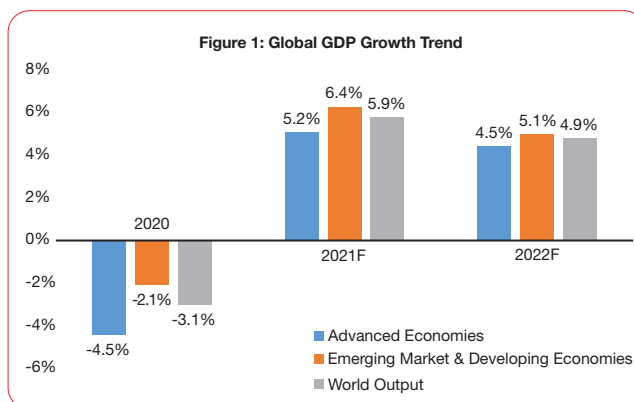
<sup>1</sup> As compared to equities



## Improved Outlook for the Global Economy

Following a contraction of 3.1%<sup>2</sup> in 2020 due to Covid-19 related shutdowns and social distancing measures, the global economy is projected to rebound by 5.9%<sup>2</sup> in 2021 and further expand by 4.9%<sup>2</sup> in 2022 amid easing movement restrictions and a normalisation in economic activities.

Advanced economies are projected to grow at a firm pace of 5.2% in 2021 compared to a decline of 4.5% in 2020, while the economic growth of emerging economies is anticipated to outpace advanced economies by posting a 6.4% increase in 2021 in tandem with the phased lifting of movement restrictions as well as the recovery in domestic consumption and direct investments. Over the longer term, major emerging markets are projected to be underpinned by the continued expansion of domestic consumption as well as higher capital investments in advanced technologies and renewable energy.



<sup>2</sup> International Monetary Fund (IMF) estimates, October 2021  
Source: IMF estimates

### Sectors that PeWTGBF's Equity Portfolio May Invest In

Key themes invested by PeWTGBF comprise sectors or sub-sectors which are projected to benefit from an increase in demand for their goods and services. As such, the Fund may seek to invest in stocks of companies listed on the global markets which are expected to generate positive earnings growth over the long term – such as those within the green energy, financial technology and innovative healthcare segments.

The global push for lower carbon emissions and greener energy sources offers new investment opportunities in companies which focus on clean energy solutions and sustainable energy production. The Fund may look to invest in the supply chains of renewable energy infrastructure, clean technology, electric vehicles and energy storage systems which are set to gain traction in the coming years amid the rise in environmental awareness and the global transition towards a low-carbon economy.

Meanwhile, financial technology (fintech) companies are fast emerging as the next wave of growth in the financial services segment. This push is driven by our increasingly digitalised lifestyles as well as the rising adoption of online banking and electronic payment services globally. Given the significant role of fintech in the transformation of digital banking, the Fund may look to invest in selected fintech companies which are noted for their innovations and proven business models.

In the medical field, technology is fuelling a wave of healthcare innovations. For instance, advanced surgical robotics can enhance surgical precision and allow surgeons to perform highly complex procedures, while augmented and virtual reality (AR & VR) can provide real-time data and 3D medical imaging that help improve surgical planning and medical education. Meanwhile, telehealth technology allows individuals to manage their health with remote support and consultations. Looking ahead, medical innovations are expected to transform the global healthcare sector, leading to more effective treatments for diseases and an improved quality of life. As such, the Fund may look to participate in companies which stand to benefit from these healthcare-related trends.

### The Fund's Benchmark

PeWTGBF's benchmark is a composite index comprising 20% Dow Jones Industrial Average, 20% STOXX Europe 50 Index, 20% customised index by S&P Dow Jones Indices, LLC based on the top 30 constituents of the S&P BMI Asia Ex-Japan Index and 40% 3-Month Kuala Lumpur Interbank Offered Rate (KLIBOR).

For the 3-year and 5-year periods ended 29 October 2021, the Fund's benchmark generated total returns of +28.48% and +47.82% respectively, which translates to respective annualised returns of +8.72% and +8.13%. The historical and annualised returns of the benchmark are stated in Table 1 below.

**Table 1: Historical Returns of PeWTGBF's Benchmark**

Benchmark	Performance in MYR (%)*		
	1-Year	3-Year	5-Year
<b>Total Return</b>	15.68	28.48	47.82
<b>Annualised Return</b>	15.68	8.72	8.13

\* Data as at 29 October 2021

Sources: Lipper, Bank Negara Malaysia and S&P Dow Jones Indices, LLC

Note: Past performance of the benchmark is not a reliable indicator of the fund's future performance.

Investors are advised to read and understand the contents of the Prospectus of Public e-Worldwide Thematic Growth Balanced Fund dated 10 December 2021 and the fund's Product Highlights Sheet (PHS) before investing. Investors should understand the risks of the fund and compare and consider the fees, charges and costs involved in investing in the fund. A copy of the Prospectus and PHS can be viewed at our website [www.publicmutual.com.my](http://www.publicmutual.com.my). Investors should make their own assessment of the merits and risks of the investment. If in doubt, investors should seek professional advice. Please refer to [www.publicmutual.com.my](http://www.publicmutual.com.my) for our investment disclaimer.