

## INVESTMENTS PORTFOLIO

In 2023, our Investments Portfolio's RAV grew to RM126.2 billion, registering a 5-year rolling Net Asset Value (NAV) Time-Weighted Rate of Return (TWRR) of 2.9% and an annual return of 5.7%.

► **RM126.2 billion**  
2023 RAV

► **2.9%**  
5-year rolling NAV TWRR

► **5.7%**  
2023 NAV TWRR

The global markets presented significant challenges, including higher for longer interest rates, China's weak economic growth and geopolitical tensions in Europe and the Middle East.

Despite these challenges, we remained disciplined in our capital allocation plans with the aim of delivering sustainable returns and value to Malaysia.

### Performance Highlights

We delivered a stronger performance in 2023 as we continued to rebalance our portfolio to achieve diversification and build portfolio resilience to withstand short-term market shocks.

**Portfolio performance improved in 2023 due to the listed Developed Markets portfolio which we seeded in 2020 and the partial recovery of our listed investee companies in Malaysia.**

Investments Portfolio RAV TWRR by Asset Class	% of portfolio <sup>1</sup>	2019	2020	2021	2022	2023	5-Year Rolling
Public Markets - Malaysia	52.9%	3.2%	-7.4%	14.0%	-4.2%	<b>4.5%</b>	1.8%
Public Markets - Global	17.2%	27.5%	26.2%	1.6%	-16.3%	<b>15.9%</b>	9.7%
Private Markets - Malaysia	5.8%	5.9%	-4.7%	12.2%	16.8%	<b>4.4%</b>	6.7%
Private Markets - Global	14.7%	6.1%	-1.3%	19.1%	3.9%	<b>2.4%</b>	5.8%
Real Assets	9.4%	10.5%	0.1%	11.2%	23.5%	<b>8.7%</b>	10.6%

<sup>1</sup> as at 31 December 2023

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## Public Markets

Public Markets Global saw strong growth, driven by the US equity market rally, reversing 2022's performance that was affected by global macroeconomic headwinds. Our performance in Public Markets Malaysia is a testament to our active shareholding and value-creation initiatives in our listed investee companies.

## Private Markets

Private Markets is crucial for portfolio diversification. We leverage our access to top-quartile General Partners (GPs) for co-investments and funds investment opportunities, and we have access to direct private equity deal flows through our presence in the US, China, Europe, and India via our regional offices (ROs).

## Real Assets

Our Real Assets portfolio, which covers investments in real estate and infrastructure, continued to provide stable returns, buffering against long-term inflation and contributing positively to the overall portfolio performance. These assets have shown consistent yield and act as a critical diversifier amidst market volatility.

## Strategic Investments and Portfolio Management

Throughout 2023, Khazanah maintained a disciplined investment strategy focused on long-term capital deployment across diversified asset classes. This approach was pivotal in navigating the effects of the COVID-19 pandemic and geopolitical

tensions that influenced market conditions. In 2023, we deployed RM7.3 billion in new investments and raised RM7.2 billion from asset monetisation.

Our SAA enables us to adapt to global shifts, ensuring alignment with our overarching investment objectives of growth, resilience and sustainability.

## Portfolio Diversification and Rebalancing

Khazanah remains steadfast in its portfolio diversification efforts through systematic investments in both public and private markets. By balancing exposure across various geographies and sectors, we enhanced our portfolio's ability to withstand market volatility. The rebalancing efforts initiated in prior years yielded a positive outcome in 2023, as evidenced by the solid portfolio performance.

## Looking Forward

As we move into 2024, we will continue our capital allocation and investment strategy to remain resilient against persistent global macroeconomic challenges. We will identify and capitalise on opportunities that align with our vision of delivering sustainable returns to Malaysia. As a sovereign wealth fund, we remain committed to driving Malaysia's economic prosperity in line with our Advancing Malaysia strategy.