

INVESTMENTS PORTFOLIO

We invest in global and domestic portfolios to achieve consistent long-term risk-adjusted returns which is crucial in growing the nation's wealth.

RM122.5
billion
2022 RAV

-5.7%
2022 NAV
TWRR

2.2%
4-year rolling
NAV TWRR

“

As at 31 December 2022, the RAV of our Investments Portfolio stood at RM122.5 billion, with a one-year NAV TWRR of -5.7% and a rolling four-year TWRR of 2.2%.”

The Investments Portfolio performance was negatively affected by the significant macroeconomic headwinds in 2022, which included rising inflationary pressure, aggressive monetary tightening by the US Federal Reserve and the ongoing energy crisis precipitated by the Russia-Ukraine war. This led to depressed equity markets which impacted investment managers around the world, contributing to the Investments Portfolio's -5.7% annual Time-Weighted Rate of Return based on Net Asset Value (NAV TWRR). The NAV TWRR decline was largely attributable to the valuation decline in the Public Markets asset class (both Malaysia and globally).

Against this backdrop, our exposure in Real Assets and Private Markets investments remained broadly resilient and generated positive returns in 2022, underpinning the importance of portfolio diversification across asset classes, sectors and geographies.



► Tenaga Nasional's transmission tower



► A Malaysia Airlines aircraft at the Kuala Lumpur International Airport (KLIA)



► PLUS highway

Investments Portfolio Annual Returns by Asset Class

Asset Classes	2022	2021	2020	2019	4-yr Rolling
Public Markets - Malaysia	-4.2%	14.0%	-7.4%	3.2%	1.1%
Public Markets - Global	-16.3%	1.6%	26.2%	27.5%	8.1%
Private Markets - Malaysia	16.8%	12.2%	-4.7%	5.9%	7.2%
Private Markets - Global	3.9%	19.1%	-1.3%	6.1%	6.7%
Real Assets	23.5%	11.2%	0.1%	10.5%	11.0%

In line with portfolio rebalancing towards our Strategic Asset Allocation (SAA), we remained disciplined by systematically deploying capital into Private Markets, Public Markets and Real Assets – including our internal direct investments – and also leveraging our relationships with top-tier general partners and external fund managers to execute our investment strategy.

Our Real Assets deployments cover investments in real estate and infrastructure, where the asset class objective is to provide the portfolio with long-term income generation and as long-term inflation protection. On the other hand, our investments into Private Markets is intended to enhance portfolio returns through our direct, co-investments and funds programme, leveraging on our access to top quartile managers. Concurrently, we continue to build our exposure in Developed Markets via Public Markets to diversify our existing Emerging Markets concentration.

Together, the actions we are taking across these asset classes are instrumental in driving the long-term growth of our AUM, enhancing our risk-adjusted returns and ensuring sufficient liquidity and capital available to fund the various requirements of our mandate.

Investments Portfolio Split by Asset Class

Asset Classes	2022	2021	2020	2019	2018
Public Markets - Malaysia	55.9%	59.0%	59.5%	62.0%	63.4%
Public Markets - Global	13.4%	13.5%	14.4%	9.2%	9.6%
Private Markets - Malaysia	9.2%	8.9%	9.2%	11.2%	10.0%
Private Markets - Global	13.5%	12.1%	10.1%	9.2%	8.5%
Real Assets	8.0%	6.6%	6.8%	8.5%	8.5%

Investments Portfolio Split by Geography

Geographical Split	2022	2021	2020	2019	2018
Malaysia	66.3%	69.5%	70.5%	75.1%	75.0%
China	10.1%	12.3%	13.7%	11.2%	9.3%
Asia (Ex-China)	10.6%	10.0%	9.7%	10.4%	12.0%
EMEA ¹	3.1%	2.3%	2.2%	2.0%	2.6%
North America	9.9%	5.9%	3.9%	1.3%	1.0%

¹ EMEA - Europe, Middle East & Africa

We invest globally across various asset classes to grow our portfolio value. This is supported by the proprietary networks that we have established through our regional offices and global partnerships, aiding the deployment of capital across four focus sectors – Healthcare, Technology, Consumer & Business Services, and Financial Institutions.

In parallel to our portfolio rebalancing efforts, we continue to explore value creation opportunities for our existing investments. In spite of the bearish market of 2022, we completed RM2.5 billion of divestments and received dividends and distributions from our existing investments, strengthening our balance sheet and contributing to an annual profitability of RM1.6 billion. Further to this, we leveraged our strong relationships with fund managers and global portfolio companies to drive the flow of knowledge, skills and expertise from global markets into Malaysia, while striving to create an ideal climate for foreign investments and strategic mergers and acquisitions (M&A) in the country.

Looking forward, despite a challenging macroeconomic environment, we will continue to execute our investments and value creation activities concurrently to build portfolio resilience, reduce our risk exposure and unlock further monetisation opportunities.

