



MARKET OUTLOOK

- 📍 The Bureau of Economic Analysis had revised up the US 2Q17 GDP growth from 2.6% to 3.0%, earmarks the highest quarterly growth rate in two years. The upward revision reflected by strong retail sales as well as business investment, and the momentum continues into the third quarter. Consumer spending, which made up two-thirds of the US economy, grew at 3.3% from 2.8% reported in July. Government spending however contracted for a second straight quarter, dragged by decreasing state and local government investment.
- 📍 China's Caixin Manufacturing PMI continues to expand after rising to 51.6 in August, up from 51.1 in July. This was supported by sustained growth in new orders, which had led firms to expand their production schedules for the month. In the meantime, Caixin Services PMI rose to 52.7 from 51.5 in July, marks the highest reading in three months. The growth was boosted by the new business at services companies expanded at the quickest pace, although prices charged to clients fell into slight contraction for the first time since March 2016 due to growing competition.
- 📍 Indian economic growth declined to a three-year low of 5.7% in April-June quarter, from 7.9% seen in the same quarter last year and 6.1% in the preceding quarter. The slowdown in growth was caused by the impact of currency demonetization and uncertainty related to the GST rollout amid slowdown in manufacturing activities. Former Reserve Bank of India, Raghuram Rajan stated that the demonetization had cost the economy with 1-2% of the GDP. However, the impact of the demonetization is expected to taper off in 3Q17, and the growth of India may re-accelerate as GST impact fades.
- 📍 ASEAN bourses ended August with mixed performance, with Stock Exchange of Thailand (SET) leading the gain at 2.5%. Follow suit were FTSE Bursa Malaysia KLCI (FBMCLCI) and Indonesia's Jakarta Composite Index (JCI) with 0.8% and 0.4% gains respectively. Singapore's Straits Times Index (STI) reversed the gain made in July, declined 1.6% for the month and Philippines' Stock Exchange (PCOMP) inched down marginally at 0.7%.
- 📍 We maintain our allocation following concern on US government shutdown has subsided as President Donald Trump struck a deal with Democrats on three months extension on the debt ceiling issue to give priority to the Hurricane Harvey victims. However, concern on geopolitical tension between North Korea who aggressively testing its missiles is still on the table. The US has called for a trade sanctions with North Korea in regards to the matter, but this may be rejected by China and Russia. On local bourse, we still think that the general election may still provide a boost to Malaysian market although the timeline remains uncertain.

EQUITY

FBMCLCI rose 0.8% in August, maintaining YTD performance at 8.0%. Looking at trading participants, foreigners turned net sellers for the first time this year, selling RM242m worth of shares in August. Same goes to local retailers, which saw a selling of RM214m worth of shares for the month. Local institutions turned net buyers for the month, purchasing RM456m worth of shares. However, foreigners remains net buyers as of August at RM10.4bn worth of shares.

Malaysian sectors were in mixed at the end of August. Leading the gainers was the mining sector, jumped 16.3% for the month. This was followed by the Industrial product, Finance, and Trading sectors, with a slight gains of 0.8%, 0.7% and 0.3% respectively. Industrial sector led the losing counters for the month at 2.0%. Followed suit were construction, property and consumer sectors, which declined 1.6%, 1.3% and 1.1% respectively. Technology sector took a breather in August with a slight dip of 0.1%, but maintaining the strong performance YTD at 71.4%.

BONDS

On bond side, short-term Malaysian Government Securities (MGS) yield rose in August, whilst longer term MGS yield declined. 3-year MGS rose 6bps for the month, to close at 3.36%. However, 5-year, 7-year and 10-year MGS dropped 14bps, 6bps, and 10bps respectively to close at 3.56%, 3.85%, and 3.89% respectively.

COMMODITIES

Nymex WTI crude oil reversed the gain made in July, dropped 5.9% in August to close at \$47.2/barrel from \$50.2/barrel. Crude palm oil price rose slightly at 0.3%, to close at RM2,680/MT from RM2,672/MT in July. Gold price continued its upward trajectory, gained 4.1% to \$1,318.5/Oz in August from \$1,266.6/Oz, as the global investors shifted to safe haven as concerns on North Korea geopolitical tension rises.



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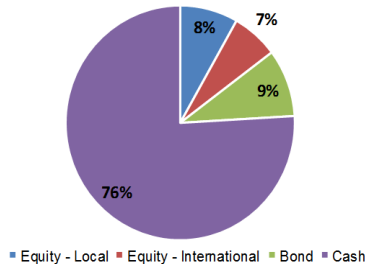
Commentary

All our portfolios outperformed their respective benchmarks. However, the performance of aggressive model portfolio was lower compared to other portfolios mainly because of its exposure into KAF Tactical Fund, which declined 3.2% in August.

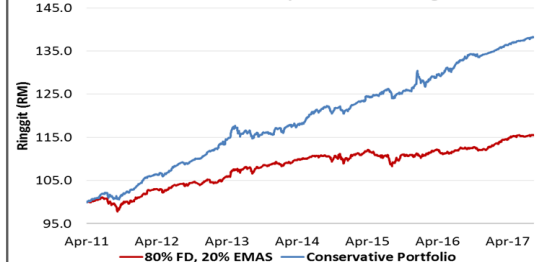
Model Portfolio

Conservative Portfolio

Eastspring Investments Asia Pacific Equity	2.00%
CIMB-Principal Global Titans	4.00%
Manulife India Equity	1.00%
Phillip Master Equity Growth	1.00%
Kenanga Malaysian Inc	4.00%
Eastspring Investments Equity Income	5.00%
AmBon Islam	5.00%
AMB Income Trust Fund	5.00%
Phillip Master Money Market	73.00%
Total	100.00%

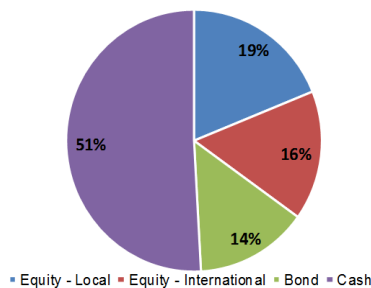


Performance from 18 April 2011 to 30 August 2017



Moderate Conservative Portfolio

Eastspring Investments Asia Pacific Equity	7.00%
CIMB-Principal Global Titans	8.00%
Manulife India Equity	2.00%
Phillip Master Equity Growth	3.00%
Eastspring Investments Equity Income	13.00%
Kenanga Malaysian Inc	7.00%
AmBon Islam	5.00%
AMB Income Trust Fund	10.00%
Phillip Master Money Market	45.00%
Total	100.00%

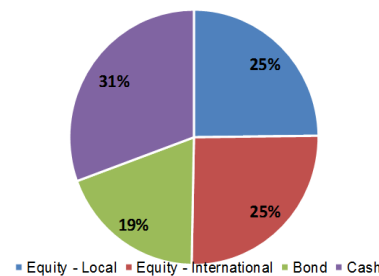


Performance from 18 April 2011 to 30 August 2017

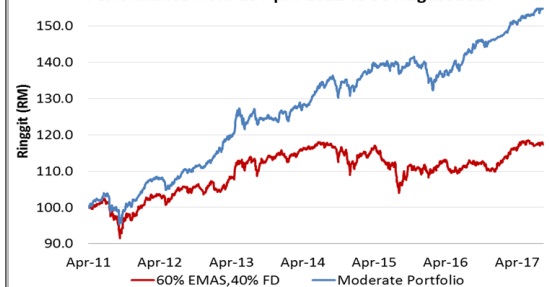


Moderate Portfolio

Eastspring Investments Asia Pacific Equity	12.00%
CIMB-Principal Global Titans	12.00%
Manulife India Equity	3.00%
Phillip Master Equity Growth	5.00%
Eastspring Investments Equity Income	15.00%
Kenanga Malaysian Inc	10.00%
AmBon Islam	5.00%
AMB Income Trust Fund	15.00%
Phillip Master Money Market	23.00%
Total	100.00%

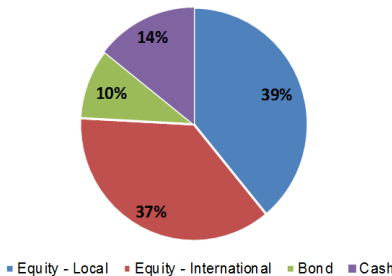


Performance from 18 April 2011 to 30 August 2017

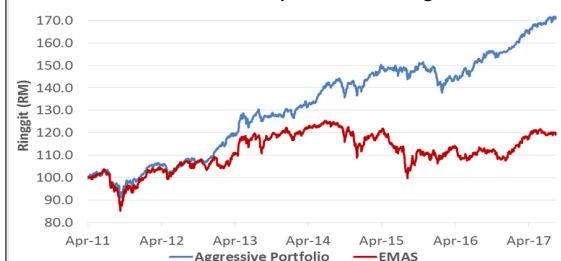


Aggressive Portfolio

Eastspring Investments Asia Pacific Equity	17.00%
CIMB-Principal Global Titans	17.00%
Manulife India Equity	5.00%
Phillip Master Equity Growth	7.00%
Eastspring Investments Equity Income	20.00%
KAF Tactical Fund	5.00%
Kenanga Malaysian Inc	15.00%
AMB Income Trust Fund	10.00%
Phillip Master Money Market	4.00%
Total	100.00%



Performance from 18 April 2011 to 30 August 2017



	1 Month	6 Months	YTD	1 Year	Since Inception		1 Month	6 Months	YTD	1 Year	Since Inception
Conservative Portfolio	0.3%	2.2%	2.9%	3.9%	38.3%	Moderate Portfolio	0.4%	4.7%	5.9%	8.4%	55.2%
Benchmark	0.0%	1.7%	2.7%	2.7%	15.4%	Benchmark	-0.2%	3.3%	6.0%	4.5%	17.3%
Moderate Conservative	0.4%	3.9%	4.9%	6.6%	45.7%	Aggressive Portfolio	0.2%	7.2%	9.7%	12.7%	71.4%
Benchmark	-0.1%	2.5%	4.3%	3.6%	16.3%	Benchmark	-0.5%	4.8%	9.3%	6.3%	19.2%

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Source : Bloomberg



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