



MARKET OUTLOOK

- 📍 The US reported a 2.1% growth for the second quarter of 2019, falling from 3.1% during march. Consumer spending, the biggest part of the economy, increased 4.3%, while government spending climbed 5% and offered the biggest boost in a decade. Nonresidential investment fell 0.6% for the first drop since 2015 and residential decreased for a sixth straight period. Real exports fell 5.2%, which reflects slower growth in the rest of the world as well as trade war effects.
- 📍 China's GDP slowed to 6.2% YoY in 2Q19, the weakest in at least 27 years, as both local and foreign demand weakens in the midst of intensified trade pressure coming from US. However, industrial activity and retail sales surprisingly recorded strong figures, rose 6.3% and 9.8% respectively. China's US Dollar denominated exports fell 1.3% in June 2019 from a year ago while imports fell 7.3% YoY in the same period, better than economists' expectations according to the country's customs department.
- 📍 The headline of Jibun Bank Japan Manufacturing PMI recorded 49.6 in July 2019, signalling continued marginal contraction in the country's manufacturing space compared to last month's 49.3 reading. A reading below 50 point indicate contraction. Weak demand from China was the biggest drag for Japanese goods demand in that period.
- 📍 ASEAN bourses registered mixed returns in July 2019, with FTSE Bursa Malaysia KLCI Index (FBMKLCI) being the worst performer falling by 2.2% MoM followed by Thailand's Stock Exchange Index (SET) by which fell 1.1% MoM and Singapore's Straits Times Index (STI) falling 0.6% MoM. Others, namely Jakarta Composite Index (JCI), and Philippine's Stock Exchange Index (PCOMP) rose by 0.5% MoM and 0.6% MoM respectively.
- 📍 We still believe that the series of recent announcement from US are noises (or rather strategy of Mr Trump) because the proposed 10% tariff seems to be more of a negotiation tactic to demand more from China and also to indirectly pressure Powell to further lower interest rates. Moreover, as Mr Trump is seeking for 2nd term, we believe he will not want the trade issue exerting negative impact on markets and economy. However, the risk is China may go tit for tat instead of coming to negotiation table. While we believe trade war can still be avoided, financial markets volatility is on the rise. Thus, we reduce our positions in China and Japan markets and raised our cash allocation across all of our model portfolio. On top of that, Manulife Investment US Equity Fund remains at third quartile for two consecutive months, thus we replace it with RHB-GS US Equity Fund.

EQUITY

FBMKLCI fell by 2.2% MoM in July 2019 to close at 1,634.9. Looking at the trading participants for the month, both local institutions and foreign investors were net sellers, selling RM171.4mil and RM79.36mil worth of shares respectively. Local retailers on the other hand, was the net buyer, buying RM250.4mil worth of shares. On year-to-date (YTD) basis, local retailers and local institutions are the net buyers, buying RM1,013mil and RM3,729mil worth of shares respectively while foreign investors are net sellers, selling RM4,742mil.

Most sectors in Malaysia recorded negative returns namely industrial products, finance, property, plantation, healthcare, consumer and utilities decreased by 4.0%, 3.8%, 3.5%, 3.4%, 2.3%, 0.7% and 0.7% MoM respectively. On the other hand, energy, telecom, technology, construction and transport recorded positive returns which grew 6.3%, 5.3%, 5.0%, 0.1% and 0.1% MoM respectively.

BONDS

In July 2019, the yield for the Malaysian Government Securities (MGS) for the 3-year increased by 3 bps while 10-year decreased by 6bps. On the other hand, the 5-year remains flattish and 7-year MSG edged up by 1bps to close at 3.26%, 3.43%, 3.55% and 3.57% respectively.

COMMODITIES

Crude palm oil rebounded by 8.3% MoM to close at RM2,019/MT in July 2019 from RM1,865/MT in June 2019 after it dropped by 8.1% in the prior month. Increased inventory risks weighed on benchmark palm oil prices, which fell to a near four-year low in mid-July at RM1,916 (US\$459.09) per tonne. However, rising stockpiles were aided by higher output due to seasonal factors and more working days in July. Nymex (WTI) crude oil inched up 0.2% MoM in June 2019, to close at \$58.58/barrel from \$53.47/barrel in June 2019 Gold price increased by 0.9% MoM to close at \$1,426/Oz in July 2019 as oppose to \$1,416/Oz in June 2019.



Commentary

All our model portfolios with the exception of the aggressive portfolio registered positive returns, although all portfolios outperformed their respective benchmarks in July 2019. Top performing fund was Manulife Investment U.S. Equity fund which increased 3.5% while the worst performer was Manulife India Equity fund which fell 4.4% MoM.

Model Portfolio

| Conservative Portfolio RHB-GS US Equity 2.00% Manulife India Equity 1.00% Affin Hwang Select Dividend 2.00% Manulife Investment Asia-Pacific REIT 4.00% Libra AsnitaBOND 30.00% Phillip Master Money Market 61.00% Total 100.00% | | Performance from 18 Apr 2011 to 31 July 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|-------|---|---|--------|-----------------|-----------------------------|-------|--------|-----------------|--------|-----------------|--------|-----|--------|-----------------|-------------------------------|------|------|------|------|-------|---------------------------|------|------|------|------|-------|------------------|-------|------|------|------|-------|------------------|-------|------|------|-------|-------|------------------------------|------|------|------|------|-------|-----------------------------|-------|------|------|-------|-------|------------------|-------|------|------|-------|-------|------------------|-------|-------|------|-------|-------|
| Moderate Conservative Portfolio RHB-GS US Equity 3.00% RHB European Select 2.00% CIMB-Principal Greater China Equity 4.00% RHB Entrepreneur 5.00% Manulife India Equity 2.00% Eastspring Investments Equity Income 3.00% Affin Hwang Select Dividend 5.00% Robotech RM H 1.00% Libra AsnitaBOND 25.00% Manulife Investment Asia-Pacific REIT 4.00% Phillip Master Money Market 46.00% Total 100.00% | | Performance from 18 Apr 2011 to 31 July 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Moderate Portfolio RHB-GS US Equity 4.00% RHB European Select 3.00% CIMB-Principal Greater China Equity 8.00% RHB Entrepreneur 8.00% Manulife India Equity 3.00% TA South East Asia Equity 3.00% Eastspring Investments Equity Income 5.00% Affin Hwang Select Dividend 8.00% Robotech RM H 2.00% Libra AsnitaBOND 20.00% Manulife Investment Asia-Pacific REIT 4.00% Phillip Master Money Market 32.00% Total 100.00% | | Performance from 18 Apr 2011 to 31 July 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aggressive Portfolio RHB-GS US Equity 5.00% RHB European Select 4.00% CIMB-Principal Greater China Equity 12.00% RHB Entrepreneur 11.00% Manulife India Equity 5.00% TA South East Asia Equity 4.00% Eastspring Investments Equity Income 10.00% Affin Hwang Select Dividend 10.00% Robotech RM H 3.00% Libra AsnitaBOND 15.00% Manulife Investment Asia-Pacific REIT 4.00% Phillip Master Money Market 17.00% Total 100.00% | | Performance from 18 Apr 2011 to 31 July 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | <table border="1"> <thead> <tr> <th></th> <th>1 Mth</th> <th>6 Mths</th> <th>YTD</th> <th>1 Year</th> <th>Since Inception</th> <th></th> <th>1 Mth</th> <th>6 Mths</th> <th>YTD</th> <th>1 Year</th> <th>Since Inception</th> </tr> </thead> <tbody> <tr> <td>Conservative Portfolio</td> <td>0.4%</td> <td>3.6%</td> <td>4.7%</td> <td>5.0%</td> <td>50.8%</td> <td>Moderate Portfolio</td> <td>0.1%</td> <td>4.5%</td> <td>7.4%</td> <td>1.4%</td> <td>59.3%</td> </tr> <tr> <td>Benchmark</td> <td>-0.1%</td> <td>1.2%</td> <td>1.6%</td> <td>0.9%</td> <td>19.4%</td> <td>Benchmark</td> <td>-0.9%</td> <td>0.3%</td> <td>1.1%</td> <td>-3.7%</td> <td>15.2%</td> </tr> <tr> <td>Moderate Conservative</td> <td>0.3%</td> <td>4.0%</td> <td>6.0%</td> <td>3.1%</td> <td>53.8%</td> <td>Aggressive Portfolio</td> <td>-0.1%</td> <td>5.0%</td> <td>8.6%</td> <td>-0.5%</td> <td>69.7%</td> </tr> <tr> <td>Benchmark</td> <td>-0.5%</td> <td>0.7%</td> <td>1.4%</td> <td>-1.4%</td> <td>17.5%</td> <td>Benchmark</td> <td>-1.6%</td> <td>-0.6%</td> <td>0.5%</td> <td>-8.3%</td> <td>12.0%</td> </tr> </tbody> </table> | | 1 Mth | 6 Mths | YTD | 1 Year | Since Inception | | 1 Mth | 6 Mths | YTD | 1 Year | Since Inception | Conservative Portfolio | 0.4% | 3.6% | 4.7% | 5.0% | 50.8% | Moderate Portfolio | 0.1% | 4.5% | 7.4% | 1.4% | 59.3% | Benchmark | -0.1% | 1.2% | 1.6% | 0.9% | 19.4% | Benchmark | -0.9% | 0.3% | 1.1% | -3.7% | 15.2% | Moderate Conservative | 0.3% | 4.0% | 6.0% | 3.1% | 53.8% | Aggressive Portfolio | -0.1% | 5.0% | 8.6% | -0.5% | 69.7% | Benchmark | -0.5% | 0.7% | 1.4% | -1.4% | 17.5% | Benchmark | -1.6% | -0.6% | 0.5% | -8.3% | 12.0% |
| | 1 Mth | 6 Mths | YTD | 1 Year | Since Inception | | 1 Mth | 6 Mths | YTD | 1 Year | Since Inception | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Conservative Portfolio | 0.4% | 3.6% | 4.7% | 5.0% | 50.8% | Moderate Portfolio | 0.1% | 4.5% | 7.4% | 1.4% | 59.3% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Benchmark | -0.1% | 1.2% | 1.6% | 0.9% | 19.4% | Benchmark | -0.9% | 0.3% | 1.1% | -3.7% | 15.2% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Moderate Conservative | 0.3% | 4.0% | 6.0% | 3.1% | 53.8% | Aggressive Portfolio | -0.1% | 5.0% | 8.6% | -0.5% | 69.7% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Benchmark | -0.5% | 0.7% | 1.4% | -1.4% | 17.5% | Benchmark | -1.6% | -0.6% | 0.5% | -8.3% | 12.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Source : Lipper



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It's a matter of trust

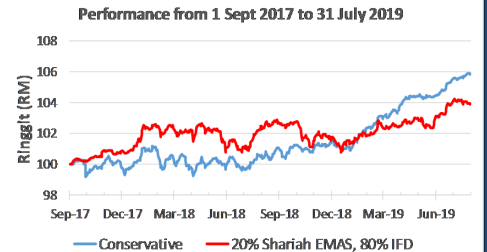
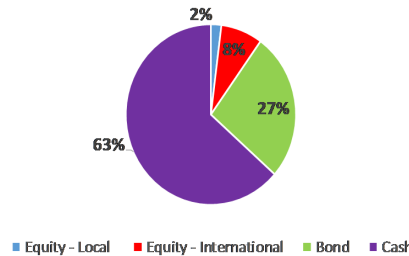
Commentary

Similarly, our Shariah model portfolios registered all portfolios outperformed their respective benchmarks but only the conservative and moderate portfolio recorded positive returns in July 2019. The top performing fund was the Libra AsnitaBond which grew 1.0% while the worst performer was the RHB Shariah China Focus which fell 2.2% MoM

Shariah Model Portfolio

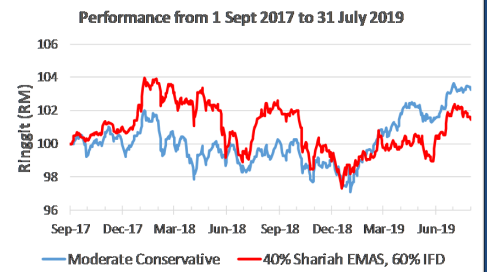
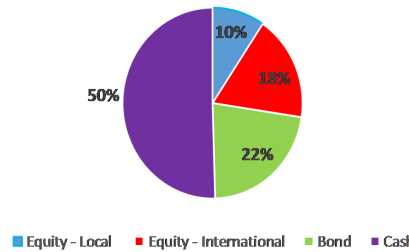
Conservative Portfolio

| | |
|------------------------------------|----------------|
| Maybank AsiaPac Ex-Japan Equity-I | 1.00% |
| TA Asia Pacific Islamic Balanced | 5.00% |
| Eastspring Investments Dana AHIham | 2.00% |
| Libra AsnitaBond | 30.00% |
| Philip Master Islamic Cash | 62.00% |
| Total | 100.00% |



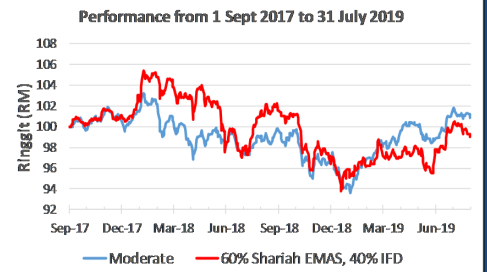
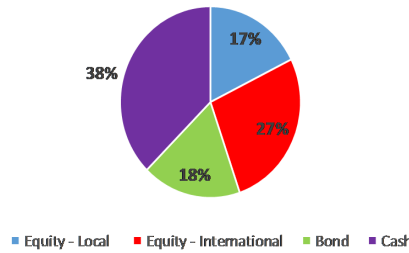
Moderate Conservative Portfolio

| | |
|-------------------------------------|----------------|
| Aberdeen Islamic World Equity A MYR | 3.00% |
| RHB Shariah China Focus | 5.00% |
| Maybank AsiaPac Ex-Japan Equity-I | 2.00% |
| TA Asia Pacific Islamic Balanced | 6.00% |
| Eastspring Investments Dana AHIham | 8.00% |
| Affin Hwang Aiiman Growth | 2.00% |
| Libra AsnitaBond | 25.00% |
| Philip Master Islamic Cash | 49.00% |
| Total | 100.00% |



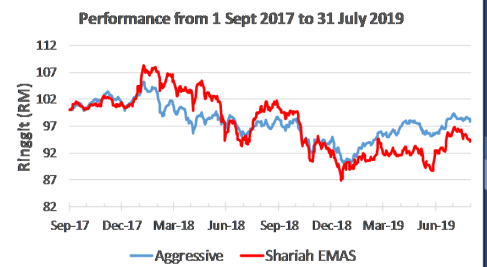
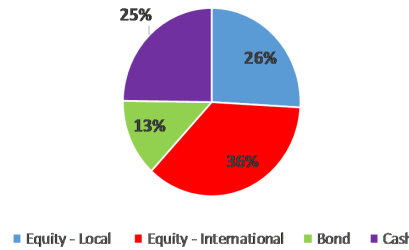
Moderate Portfolio

| | |
|-------------------------------------|----------------|
| Aberdeen Islamic World Equity A MYR | 8.00% |
| RHB Shariah China Focus | 8.00% |
| Maybank AsiaPac Ex-Japan Equity-I | 3.00% |
| TA Asia Pacific Islamic Balanced | 8.00% |
| Eastspring Investments Dana AHIham | 12.00% |
| Affin Hwang Aiiman Growth | 7.00% |
| Libra AsnitaBond | 20.00% |
| Philip Master Islamic Cash | 34.00% |
| Total | 100.00% |



Aggressive Portfolio

| | |
|-------------------------------------|----------------|
| Aberdeen Islamic World Equity A MYR | 12.00% |
| RHB Shariah China Focus | 12.00% |
| Maybank AsiaPac Ex-Japan Equity-I | 4.00% |
| TA Asia Pacific Islamic Balanced | 10.00% |
| Eastspring Investments Dana AHIham | 16.00% |
| Affin Hwang Aiiman Growth | 12.00% |
| Libra AsnitaBond | 15.00% |
| Philip Master Islamic Cash | 19.00% |
| Total | 100.00% |



| | 1 Mth | 6 Mths | YTD | 1 Year | Since Inception | | 1 Mth | 6 Mths | YTD | 1 Year | Since Inception |
|-------------------------------|-------|--------|------|--------|-----------------|-----------------------------|-------|--------|------|--------|-----------------|
| Conservative Portfolio | 0.4% | 3.4% | 4.6% | 5.3% | 5.8% | Moderate Portfolio | -0.2% | 4.1% | 6.8% | 1.8% | 0.8% |
| Benchmark | 0.0% | 2.0% | 2.3% | 1.4% | 3.9% | Benchmark | -0.5% | 2.9% | 3.3% | -2.4% | -1.0% |
| Moderate Conservative | 0.1% | 3.7% | 5.7% | 3.6% | 3.2% | Aggressive Portfolio | -0.5% | 4.4% | 7.8% | 0.1% | -2.1% |
| Benchmark | -0.2% | 2.4% | 2.8% | -0.5% | 1.5% | Benchmark | -1.1% | 3.9% | 4.3% | -6.3% | -5.9% |

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