Phillip allocator

MONTHLY INVESTMENT ALLOCATOR

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MARKET OUTLOOK

- Positive momentum from US-China trade truce seems to be short-lived when the World Health Organization (WHO) declared the novel coronavirus (2019-nCoV) outbreak a global public health emergency, but did not call for restrictions on travel or trade. However, investors were encouraged by China's announcement that it will cut tariffs on $75bn of US goods effective 14 February, as part of the phase 1 trade deal. January's jobs report showed that the US economy added a solid 225,000 jobs, wage growth accelerated, and more workers were pulled from the side-lines and into the workforce. Manufacturing PMIs also unexpectedly expanded in January to the highest level since July 2019

- German manufacturing data in January suggested demand is firming up, shaking off the trade drag that nearly pulled the German economy into recession last year. Signs of improvement were echoed by a slew of other indicators as manufacturing-led pick-up in activity in Germany is consistent with one of our key macro views - global growth is present in 2020 albeit lower than 2019. Financial conditions remain highly accommodative in the Euro area, a de-escalation of the US-China trade dispute would reduce the drag on the Eurozone, while 2019-nCov is still a distance issue to Euro area. We believe that growth will remain moderate in 2020, where the Europe ex UK market will be driven by liquidity.

- India announced its annual budget, an upward revision targeting a 3.5% fiscal deficit for FY 2021 and 3.8% for 2020. Measures such as the removal of a dividend distribution tax, higher indirect taxes on cigarettes and support investment over consumption were also part of the budget announcement. India's manufacturing PMI accelerated for the third straight month to 55.3 in January, a eight-year high, led by strong growth in new orders, while Services PMI rose to 55.5 from 53.3 in December 2019, the highest in seven years. However, India is facing social unrest over the controversial citizenship law that was ruled out in 10 January 2020 in which critics said such move undermine India's secular constitution

- All ASEAN bourses were in negative territory in January. Philippine's Stock Exchange Index (PCOMP) recorded the worst performance which slumped by 7.9%, followed by Jakarta Composite Index (JCI),, Thailand's Stock Exchange Index (SET), FTSE Bursa Malaysia KLCI Index (FBMKLCI), and Singapore's Straits Times Index (STI), which fell by 5.7%, 4.2%, 3.6%, and 2.1% MoM respectively.

- Aside from the 2019-nCoV affecting the global supply chain, other major setback to global growth seems unlikely, given continued accommodative monetary policy, fiscal stimulus, ample bank credit in most regions, as well as moderate oil and commodities prices. We assume that the supply chain hiccup will not be prolonged and we maintained our 2020 strategic asset allocation (SAA) recommendations as modestly risk on (Overweight equities, Underweight bonds, Neutral on alternative investments), hence we have made no changes on the allocation for this month.

EQUITY

FBMKLCI dropped by 3.6% MoM in January 2020 to close at 1,531.06 points. Looking at the trading participants for the month, only local retailers were net buyers, buying RM342.8mil worth of shares. Local institutions and foreign investors on the other hand, were net sellers, selling RM204.5mil and RM138.3mil worth of shares.

All sectors in Malaysia recorded negative returns in January 2020 with the exception of healthcare and technology sector which jumped by 9.8% and 3.1% MoM respectively. Other sectors namely transport, telecom, consumer, utilities, finance, construction, industrial product, energy, plantation and property fell by 3.8%, 3.9%, 4.1%, 4.4%, 4.4%, 5.5%, 6.6%, 7.2%, 7.6% and 8.0% MoM respectively. The 2019-nCoV outbreak that emerged from Wuhan has spooked the market in which the 2019-nCoV has been declared as a global emergency by the World Health Organization.

BONDS

In January 2020, the yields for the Malaysian Government Securities (MGS) for the 3-year, 5-year, 7-year and 10-year decreased by 12bps, 20bps, 21bps and 17bps respectively to close at 2.86%, 2.95%, 3.09% and 3.13% respectively.

COMMODITIES

Crude palm oil dropped by 13.2% MoM to close at RM2,640MT in January 2020 compared to RM3,041MT December 2019 which due to lower demand for palm oil from China as China resume purchases of US soybeans as part of the phase-one trade deal. Nymex (WTI) crude oil fell 15.6% MoM in January 2020, closing at $51.56/barrel from $61.06/barrel in December 2019. Gold increased by 3.9% MoM to close at $1,582.9/Oz in January 2020 as oppose to $1,523.10Oz in December 2019.

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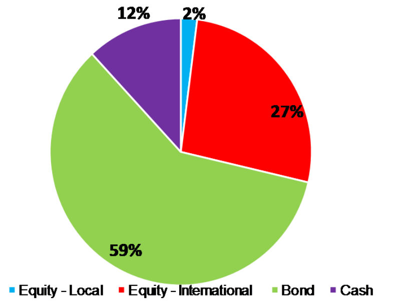
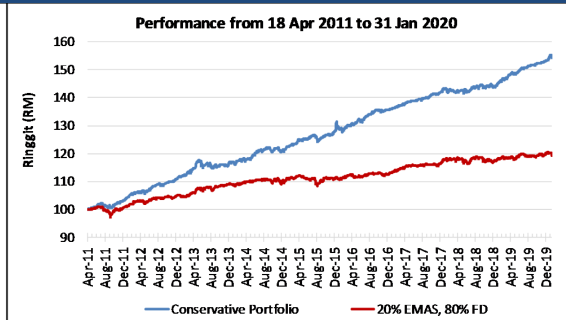
Commentary

Most our model portfolios recorded negative returns with the exception of conservative portfolio. Overall, all portfolios outperforming their respective benchmarks in January. Top performing funds were United Golden Opportunity MYR fund and TA Global Technology fund which gained 4.3% and 4.0% MoM respectively.

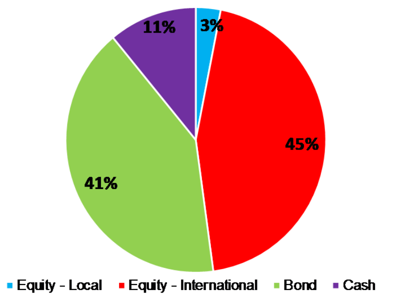
Model Portfolio

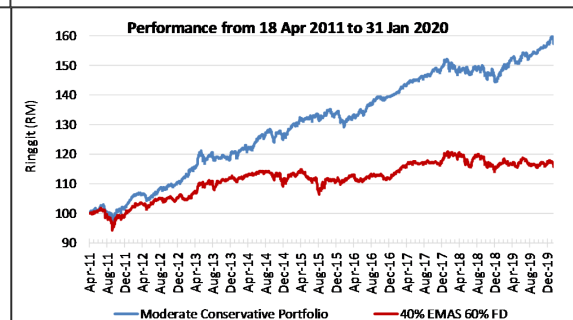
Conservative Portfolio	
RHB-GS US Equity	4.00%
AmPan European Property Equities	4.00%
RHB Entrepreneur	4.00%
CIMB-Principal Australian Equity	2.00%
Eastspring Investments Dinasti Equity	4.00%
Affin Hwang Select APAC ex-Japan Dividend MYR	4.00%
Manulife India Equity MYR	2.00%
United ASEAN Discovery	4.00%
AmAsia Pacific REITs B MYR	1.00%
United Golden Opportunity MYR H	1.00%
AmanahRaya Syariah Trust	20.00%
Maybank Financial Institutions Income Asia	20.00%
Amdynamic Bond	15.00%
Affin Hwang Select Bond MYR	10.00%
Phillip Money Market Fund	5.00%
Total	100.00%



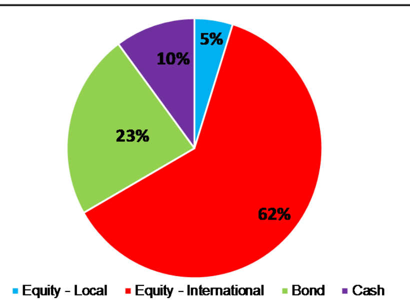


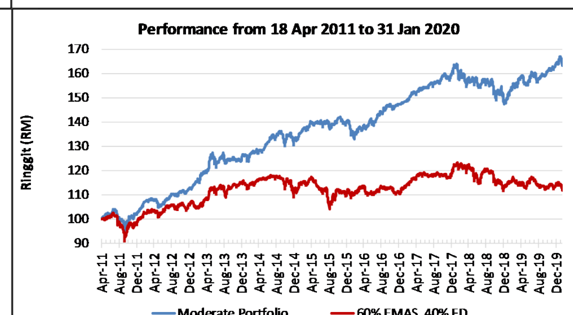
Moderate Conservative Portfolio	
RHB-GS US Equity	7.00%
AmPan European Property Equities	6.00%
RHB Entrepreneur	6.00%
CIMB-Principal Australian Equity	3.00%
Eastspring Investments Dinasti Equity	7.00%
Affin Hwang Select APAC ex-Japan Dividend MYR	7.00%
Manulife India Equity MYR	3.00%
United ASEAN Discovery	6.00%
AmAsia Pacific REITs B MYR	2.00%
United Golden Opportunity MYR H	2.00%
TA Global Technology Fund	1.00%
AmanahRaya Syariah Trust	20.00%
Maybank Financial Institutions Income Asia	20.00%
Amdynamic Bond	5.00%
Phillip Money Market Fund	5.00%
Total	100.00%



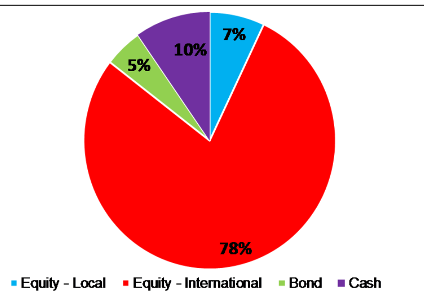


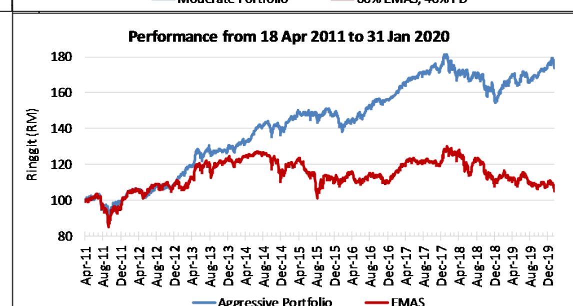
Moderate Portfolio	
RHB-GS US Equity	9.00%
AmPan European Property Equities	8.00%
RHB Entrepreneur	8.00%
CIMB-Principal Australian Equity	5.00%
Eastspring Investments Dinasti Equity	9.00%
Affin Hwang Select APAC ex-Japan Dividend MYR	9.00%
Manulife India Equity MYR	5.00%
United ASEAN Discovery	8.00%
Kenanga OA Inv-Kenanga Shariah Growth Opps	1.00%
AmAsia Pacific REITs B MYR	3.00%
United Golden Opportunity MYR H	3.00%
TA Global Technology Fund	2.00%
AmanahRaya Syariah Trust	15.00%
Maybank Financial Institutions Income Asia	10.00%
Phillip Money Market Fund	5.00%
Total	100.00%





Aggressive Portfolio	
RHB-GS US Equity	11.00%
AmPan European Property Equities	10.00%
RHB Entrepreneur	11.00%
CIMB-Principal Australian Equity	6.00%
Eastspring Investments Dinasti Equity	11.00%
Affin Hwang Select APAC ex-Japan Dividend MYR	11.00%
Manulife India Equity MYR	6.00%
United ASEAN Discovery	11.00%
Kenanga OA Inv-Kenanga Shariah Growth Opps	2.00%
AmAsia Pacific REITs B MYR	4.00%
United Golden Opportunity MYR H	4.00%
TA Global Technology Fund	3.00%
AmanahRaya Syariah Trust	5.00%
Phillip Money Market Fund	5.00%
Total	100.00%





	1 Mth	6 Mths	YTD	1 Year	Since Inception		1 Mth	6 Mths	YTD	1 Year	Since Inception
Conservative Portfolio	0.5%	2.3%	0.5%	6.0%	54.2%	**Moderate Portfolio**	-0.5%	2.4%	-0.5%	7.0%	63.1%
Benchmark	-0.6%	0.0%	-0.6%	1.2%	19.4%	**Benchmark**	-2.2%	-3.0%	-2.2%	-2.8%	11.7%
Moderate Conservative	-0.1%	2.4%	-0.1%	6.5%	57.5%	**Aggressive Portfolio**	-1.1%	2.4%	-1.1%	7.4%	73.7%
Benchmark	-1.4%	-1.5%	-1.4%	-0.8%	15.7%	**Benchmark**	-3.8%	-6.0%	-3.8%	-6.6%	5.2%

Source : Lipper

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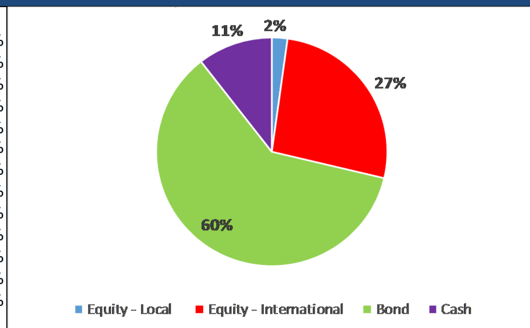
Commentary

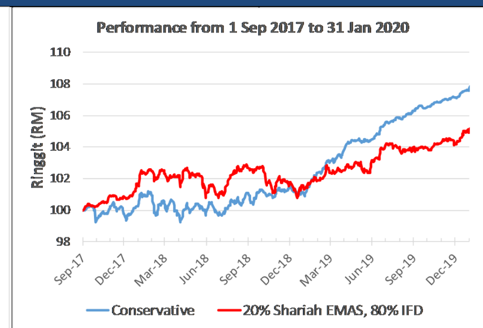
Similarly, most our model portfolios recorded negative returns with the exception of conservative portfolio while still outperforming their respective benchmarks in January. Top performing funds fwere Manulife Shariah Global REIT MYR fund and Maybank Malaysia Suku fund which gained 2.2% and 1.9% MoM respectively.

Shariah Model Portfolio

Conservative Portfolio

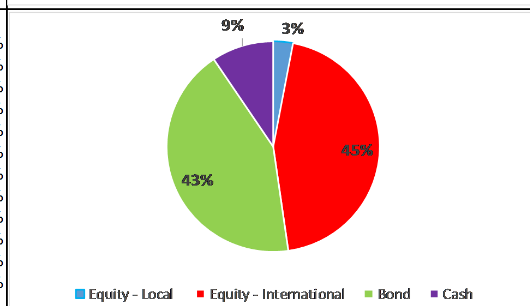
RHB Islamic Global Developed Markets MYR	5.00%
Aberdeen Standard Islamic World Equity A MYR	7.00%
Eastspring Investment Dinasti Equity	3.00%
Manulife Investment Shariah Asia-Pacific	5.00%
Affin Hwang Aiiman Asia (ex Japan) Growth MYR	4.00%
ASEAN Equity (Saturna)	4.00%
Manulife Shariah Global REITs MYR	2.00%
Amanah Raya Syariah Trust	20.00%
Affin Hwang Aiiman Global Sukuk MYR	20.00%
Maybank Malaysia Sukuk	15.00%
MAMG Global Shariah Income	10.00%
Phillip Master Islamic Cash Fund	5.00%
Total	100.00%

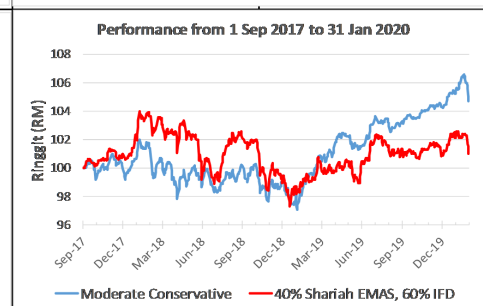




Moderate Conservative Portfolio

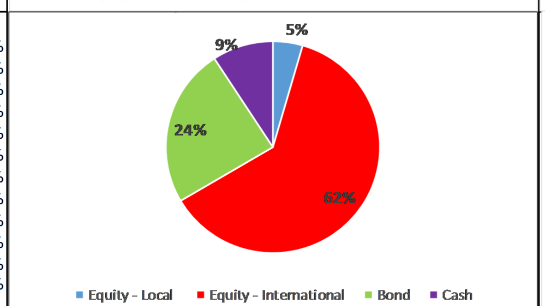
RHB Islamic Global Developed Markets MYR	9.00%
Aberdeen Standard Islamic World Equity A MYR	11.00%
Eastspring Investment Dinasti Equity	5.00%
Manulife Investment Shariah Asia-Pacific	9.00%
Affin Hwang Aiiman Asia (ex Japan) Growth MYR	7.00%
ASEAN Equity (Saturna)	5.00%
Manulife Shariah Global REITs MYR	4.00%
Amanah Raya Syariah Trust	20.00%
Affin Hwang Aiiman Global Sukuk MYR	20.00%
Maybank Malaysia Sukuk	5.00%
Phillip Master Islamic Cash Fund	5.00%
Total	100.00%

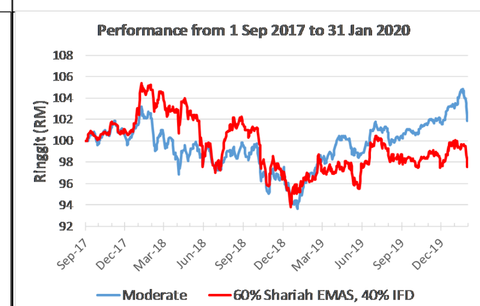




Moderate Portfolio

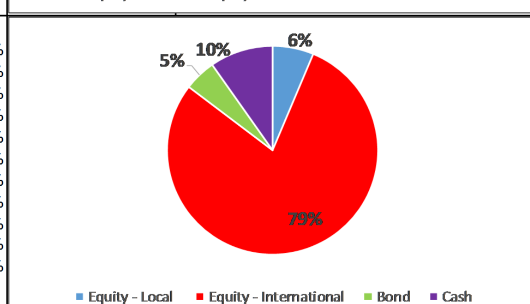
RHB Islamic Global Developed Markets MYR	12.00%
Aberdeen Standard Islamic World Equity A MYR	15.00%
Eastspring Investment Dinasti Equity	8.00%
Manulife Investment Shariah Asia-Pacific	12.00%
Affin Hwang Aiiman Asia (ex Japan) Growth MYR	10.00%
ASEAN Equity (Saturna)	6.00%
Kenanga OA Inv-Kenanga Shariah Growth Opps	1.00%
Manulife Shariah Global REITs MYR	6.00%
Amanah Raya Syariah Trust	15.00%
Affin Hwang Aiiman Global Sukuk MYR	10.00%
Phillip Master Islamic Cash Fund	5.00%
Total	100.00%

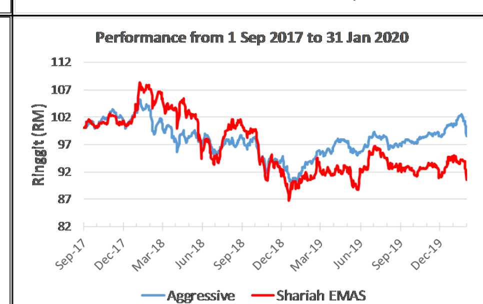




Aggressive Portfolio

RHB Islamic Global Developed Markets MYR	15.00%
Aberdeen Standard Islamic World Equity A MYR	20.00%
Eastspring Investment Dinasti Equity	10.00%
Manulife Investment Shariah Asia-Pacific	15.00%
Affin Hwang Aiiman Asia (ex Japan) Growth MYR	12.00%
ASEAN Equity (Saturna)	8.00%
Kenanga OA Inv-Kenanga Shariah Growth Opps	2.00%
Manulife Shariah Global REITs MYR	8.00%
Amanah Raya Syariah Trust	5.00%
Phillip Master Islamic Cash Fund	5.00%
Total	100.00%





	1 Mth	6 Mths	YTD	1 Year	Since Inception
Conservative Portfolio	0.2%	1.8%	0.2%	5.2%	7.7%
Benchmark	-0.4%	0.6%	-0.4%	2.6%	4.5%
Moderate Conservative	-0.5%	1.4%	-0.5%	5.1%	4.7%
Benchmark	-1.1%	-0.4%	-1.1%	2.0%	1.0%

	1 Mth	6 Mths	YTD	1 Year	Since Inception
Moderate Portfolio	-1.1%	1.0%	-1.1%	5.1%	1.8%
Benchmark	-1.8%	-1.5%	-1.8%	1.4%	-2.5%
Aggressive Portfolio	-1.8%	0.6%	-1.8%	5.0%	-1.5%
Benchmark	-3.3%	-3.8%	-3.3%	0.0%	-9.4%

Source : Lipper

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