



## MARKET OUTLOOK

The ASEAN bourses recorded mixed returns in July in which Jakarta Composite Index (JCI) and FTSE Bursa Malaysia KLCI Index (FBMKLCI) recorded positive returns with 5.0% and 6.8% MoM growth respectively. Meanwhile, Thailand's Stock Exchange Index (SET), Singapore's Straits Times Index (STI) and Philippine's Stock Exchange Index (PCOMP) were down by 0.8%, 2.3% and 4.5% MoM respectively.

China's economy returned to growth in 2Q20 which recovered by 3.2% YoY from its first annual decline of 6.8% in the previous quarter. The resumption of business activity led to firmer recovery in the manufacturing side driven by rising demand and trade activity whereas the domestic consumption still under pressure with the retail sales down by 1.8% YoY in June. In July, China's factory activity expanded at the fastest rate in 9 years with the Caixin manufacturing Purchasing Managers' Index (PMI) surpassed expectation when it hit 52.8 amid flare-ups of the epidemic in some regions in China. PMI reading above 50 marks indicates expansion.

The long-awaited European recovery plan came into conclusion last month when the European Union leaders announced EUR750 bil new fiscal stimulus injection in the form of grants and low-interest rate loans to address pandemic and climate concerns. The historic deal will be financed by joint debt issuance, representing the eurozone's first attempt to mutualizing debt as the bloc edges toward fiscal union. On the other hand, the eurozone's manufacturing PMI turned into expansionary territory for the first time since January which stood at 51.8 in July, fuelled by a recovery in new orders demand.

In US, manufacturing activity showed improvement in July with the ISM Manufacturing PMI increased by 1.6 points to 54.2 propelled by the production and new orders index both posting the highest reading since 2018 while employment index contracted. Most of the industries reported growth in the same month, except for transportation equipment, machinery and fabricated metal products. On the consumption side, the US retail sales recorded better-than-expected growth of 7.5% in June, as a result of businesses reopened and supported by jobless benefit albeit cautious demand risk ahead given the new spikes in Covid-19 cases across US could lead to a stricter lockdown measures.

While the US Congress is in the midst of hammering out a new aid package as the crucial lifeline of the unemployment benefits are winding down, markets are cautious on the rising trade tension and uncertainty in presidential election this November as the current polls signal to a potential win for Democratic challenger, Joe Biden. For our allocation this month, we retain Europe exposure as the economy would be further supported with the pandemic relief fund on the back of weakening US Dollar by replacing TA Global Technology (YTD return: 19.7%) with United Global Technology (YTD return: 37.1%) as the fund was ranked lower than the average within our proprietary methodology scoring for two consecutive periods.

## EQUITY

FBMKLCI rose by 6.8% MoM in July 2020 to close at 1,603.75 points. Looking at the trading participants for the month, local retailers and local institutions were net buyers, buying RM2.05bil and RM0.51bil worth of shares respectively. Foreign investors on the other hand were the net sellers, selling RM2.66bil worth of shares. Similarly, for year-to-date (YTD), local retailers and local institutions were the net buyers, buying RM8.56bil and RM10.45bil worth of shares respectively while the foreign investors were net sellers, selling RM18.84bil.

Most sectors in Malaysia were in the positive territory in July with the exception of telecom and construction which both fell by 1.7%. Other sectors namely healthcare, technology, plantation, industrial product, finance, consumer, utilities, transport, energy and property rose by 68.0%, 24.4%, 6.5%, 5.6%, 3.6%, 2.3%, 2.2%, 1.2%, 0.2% and 0.1% respectively. The healthcare segment rallied on the back of surging demand for gloves and positive sentiment from potential participation from pharmaceutical companies in vaccine packaging.

## Bond

In July 2020, the yields for the Malaysian Government Securities (MGS) for the 3-year, 5-year, 7-year and 10-year fell by 34bps and 35bps, 41bps and 31bps respectively to close at 1.9%, 2.11%, 2.25% and 2.55% respectively.

## COMMODITIES

Crude palm oil went up by 16.9% MoM to close at RM2,780 in July compared to RM2,379MT in June. Nymex (WTI) crude oil price jumped by 2.6% MoM in July, closing at \$40.27/barrel from \$39.27/barrel in the previous month. Meanwhile gold price climbed by 9.01% MoM to close at \$1,962.8/Oz in July, as compared to \$1,800.5/Oz in June. The rising of geopolitical tension, low interest rate environment and softening US Dollar have helped to push the gold price to a new-record high for the month.



PHILLIP MUTUAL

It's a matter of trust



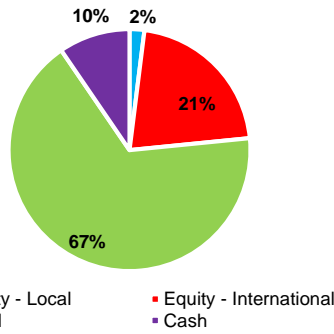
### Commentary

In July, the conservative and moderate conservative portfolios have outperformed the benchmark. All the funds within the portfolio recorded positive returns with the best performing funds were Eastspring Investments Dinasti Equity and United Golden Opportunity MYR H which rose by 11.0% and 8.8% respectively.

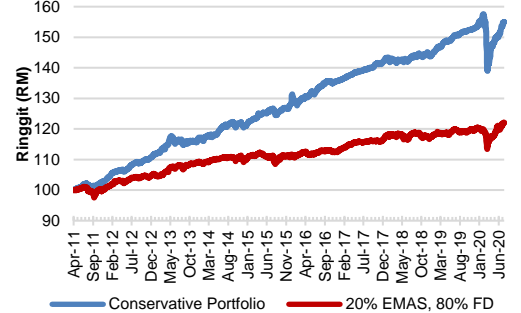
### MODEL PORTFOLIO

#### Conservative Portfolio

Franklin U.S. Opportunities MYR	3%
Affin Hwang World Series - EU Unconstrained MYR H	2%
Eastspring Investments Dinasti Equity	4%
Affin Hwang ALIMAN Asia (ex Japan) Growth	3%
AmAsia Pacific REITs B MYR	1%
United Golden Opportunity MYR H	1%
United Global Technology	2%
United Global Healthcare A MYR Acc	3%
Maybank Malaysia Dividend	1%
AmanahRaya Syariah Trust	25%
AmDynamic Bond	25%
Manulife Bond Plus	15%
AmanahRaya Unit Trust	10%
Phillip Money Market Fund	5%
<b>TOTAL</b>	<b>100%</b>

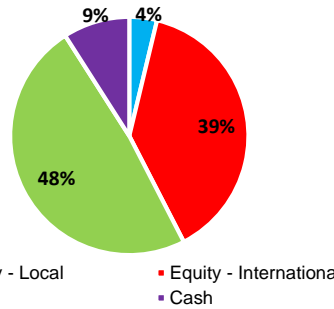


Performance from 18 Apr 2011 to 31 July 2020

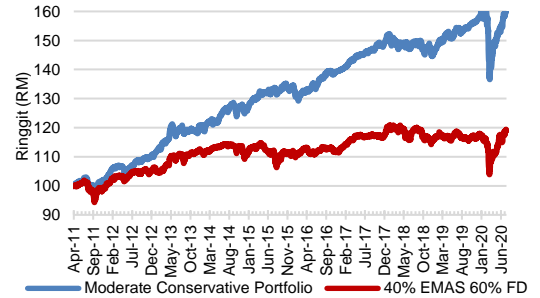


#### Moderate Conservative Portfolio

Franklin U.S. Opportunities MYR	6%
Affin Hwang World Series - EU Unconstrained MYR H	3%
Eastspring Investments Dinasti Equity	8%
Affin Hwang ALIMAN Asia (ex Japan) Growth	5%
Affin Hwang Select Dividend Fund	1%
AmAsia Pacific REITs B MYR	2%
United Golden Opportunity MYR H	2%
United Global Technology	6%
United Global Healthcare A MYR Acc	5%
Maybank Malaysia Dividend	2%
AmanahRaya Syariah Trust	25%
AmDynamic Bond	25%
Manulife Bond Plus	5%
Phillip Money Market Fund	5%
<b>TOTAL</b>	<b>100%</b>

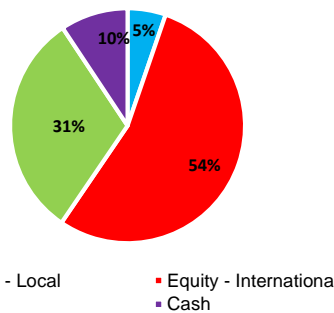


Performance from 18 Apr 2011 to 31 July 2020

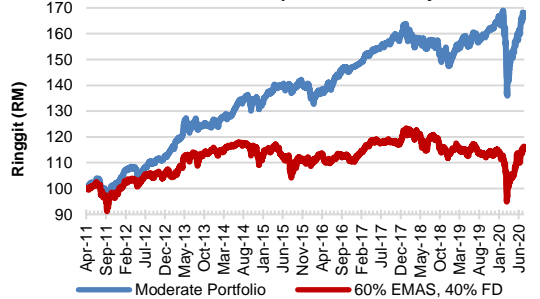


#### Moderate Portfolio

Franklin U.S. Opportunities MYR	9%
Affin Hwang World Series - EU Unconstrained MYR H	4%
Eastspring Investments Dinasti Equity	12%
Affin Hwang ALIMAN Asia (ex Japan) Growth	7%
Affin Hwang Select Dividend Fund	2%
AmAsia Pacific REITs B MYR	4%
United Golden Opportunity MYR H	4%
United Global Technology	8%
United Global Healthcare A MYR Acc	7%
Maybank Malaysia Dividend	3%
AmanahRaya Syariah Trust	20%
AmDynamic Bond	15%
Phillip Money Market Fund	5%
<b>TOTAL</b>	<b>100%</b>

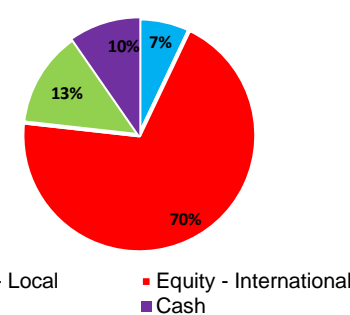


Performance from 18 Apr 2011 to 31 July 2020

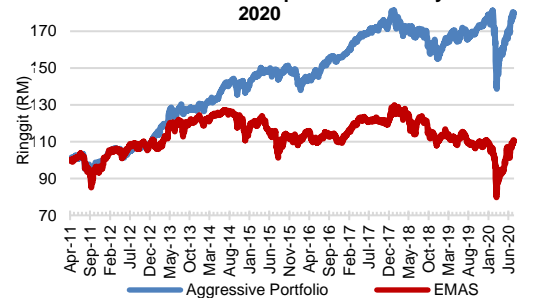


#### Aggressive Portfolio

Franklin U.S. Opportunities MYR	12%
Affin Hwang World Series - EU Unconstrained MYR H	5%
Eastspring Investments Dinasti Equity	16%
Affin Hwang ALIMAN Asia (ex Japan) Growth	10%
Affin Hwang Select Dividend Fund	2%
AmAsia Pacific REITs B MYR	5%
United Golden Opportunity MYR H	5%
United Global Technology	10%
United Global Healthcare A MYR Acc	10%
Maybank Malaysia Dividend	5%
AmanahRaya Syariah Trust	10%
AmDynamic Bond	5%
Phillip Money Market Fund	5%
<b>TOTAL</b>	<b>100%</b>



Performance from 18 Apr 2011 to 31 July 2020



	1 Mth	6Mths	YTD	1 Yr	Since Inception		1 Mth	6Mths	YTD	1 Yr	Since Inception
Conservative Portfolio	2.5%	0.5%	1.1%	2.8%	55.0%	Moderate Portfolio	4.5%	2.9%	2.4%	5.4%	67.9%
Benchmark	1.7%	2.2%	1.6%	2.1%	22.0%	Benchmark	4.9%	3.7%	1.4%	0.6%	15.9%
Moderate Conservative Portfolio	3.5%	2.0%	1.9%	4.4%	60.5%	Aggressive Portfolio	5.6%	3.5%	2.3%	5.9%	79.8%
Benchmark	3.3%	3.0%	1.6%	1.4%	19.1%	Benchmark	8.2%	4.8%	0.8%	-1.5%	10.3%

Source: Lipper



It's a matter of trust



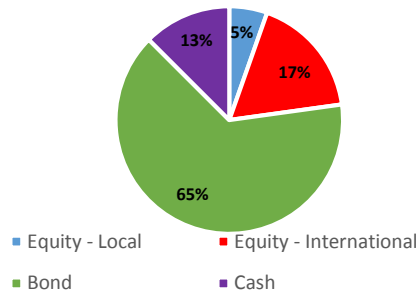
### Commentary

Similarly, the conservative and moderate conservative portfolios have outperformed the benchmark in July. Most of the funds within the portfolios were in positive territory, with the best performing funds were Kenanga OA Inv-Kenanga Shariah Growth Opps and Eastspring Investments Dinasti Equity went up by 26.9% and 11.0% respectively.

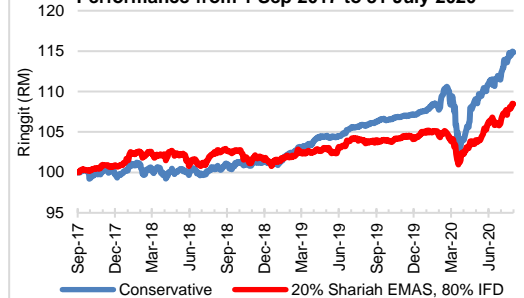
## SHARIAH MODEL PORTFOLIO

### Conservative Portfolio

RHB Islamic Global Developed Markets MYR	4%
Aberdeen Standard Islamic World Equity A MYR	3%
Eastspring Investment Dinasti Equity	5%
Affin Hwang Aiman Asia (ex Japan) Growth	3%
Pheim Asia Ex - Japan Islamic	3%
Manulife Shariah Global REITs MYR	1%
BIMB - Arabesque I Global Dividend 1 MYR	1%
Amanah Raya Syariah Trust	25%
AmDynamic Sukuk A	25%
Maybank Malaysia Sukuk	15%
Kenanga Asnita BOND	10%
Phillip Master Islamic Cash Fund	5%
<b>TOTAL</b>	<b>100%</b>

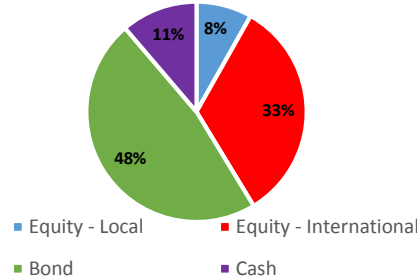


### Performance from 1 Sep 2017 to 31 July 2020

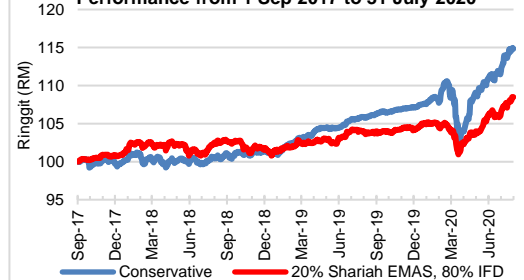


### Moderate Conservative Portfolio

RHB Islamic Global Developed Markets MYR	7%
Aberdeen Standard Islamic World Equity A MYR	7%
Eastspring Investment Dinasti Equity	10%
Affin Hwang Aiman Asia (ex Japan) Growth	5%
Pheim Asia Ex - Japan Islamic	4%
Kenanga OA Inv-Kenanga Shariah Growth Opps	3%
Manulife Shariah Global REITs MYR	2%
BIMB - Arabesque I Global Dividend 1 MYR	2%
Amanah Raya Syariah Trust	25%
AmDynamic Sukuk A	25%
Maybank Malaysia Sukuk	5%
Phillip Master Islamic Cash Fund	5%
<b>TOTAL</b>	<b>100%</b>

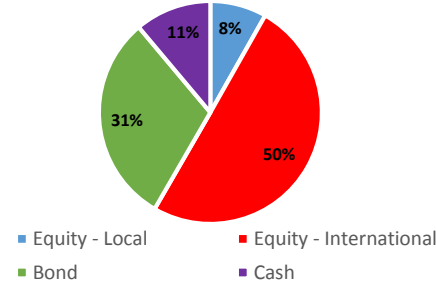


### Performance from 1 Sep 2017 to 31 July 2020

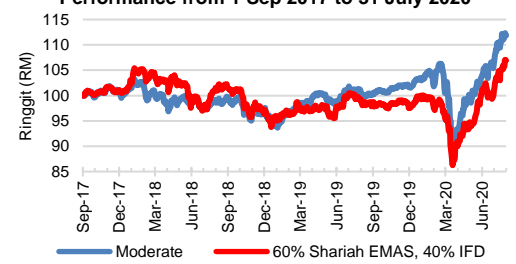


### Moderate Portfolio

RHB Islamic Global Developed Markets MYR	10%
Aberdeen Standard Islamic World Equity A MYR	10%
Eastspring Investment Dinasti Equity	15%
Affin Hwang Aiman Asia (ex Japan) Growth	7%
Pheim Asia Ex - Japan Islamic	6%
Kenanga OA Inv-Kenanga Shariah Growth Opps	4%
Manulife Shariah Global REITs MYR	4%
BIMB - Arabesque I Global Dividend 1 MYR	4%
Amanah Raya Syariah Trust	20%
AmDynamic Sukuk A	15%
Phillip Master Islamic Cash Fund	5%
<b>TOTAL</b>	<b>100%</b>

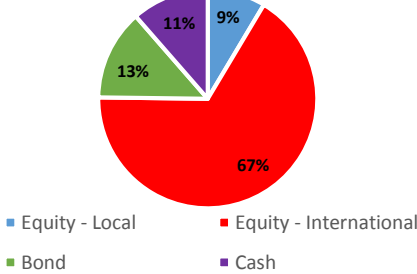


### Performance from 1 Sep 2017 to 31 July 2020

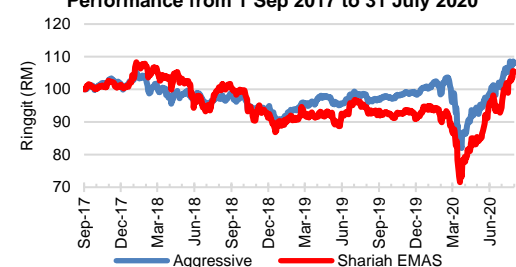


### Aggressive Portfolio

RHB Islamic Global Developed Markets MYR	14%
Aberdeen Standard Islamic World Equity A MYR	13%
Eastspring Investment Dinasti Equity	20%
Affin Hwang Aiman Asia (ex Japan) Growth	9%
Pheim Asia Ex - Japan Islamic	9%
Kenanga OA Inv-Kenanga Shariah Growth Opps	5%
Manulife Shariah Global REITs MYR	5%
BIMB - Arabesque I Global Dividend 1 MYR	5%
Amanah Raya Syariah Trust	10%
AmDynamic Sukuk A	5%
Phillip Master Islamic Cash Fund	5%
<b>TOTAL</b>	<b>100%</b>



### Performance from 1 Sep 2017 to 31 July 2020



	1 Mth	6Mths	YTD	1 Yr	Since Inception		1 Mth	6Mths	YTD	1 Yr	Since Inception
Conservative Portfolio	2.8%	6.6%	6.7%	8.5%	14.8%	Moderate Portfolio	5.6%	9.8%	8.6%	10.9%	11.9%
Benchmark	2.2%	3.8%	3.4%	4.4%	8.5%	Benchmark	6.6%	9.6%	7.7%	8.0%	6.9%
Moderate Conservative Portfolio	4.6%	9.3%	8.8%	10.9%	14.5%	Aggressive Portfolio	6.6%	9.6%	7.7%	10.2%	7.9%
Benchmark	4.3%	6.6%	5.5%	6.2%	7.7%	Benchmark	11.6%	16.3%	12.5%	12.0%	5.4%

Source: Lipper

Disclaimer: This compilation is prepared by Phillip Mutual Berhad ("PMB") in its capacity as an IUTA approved by the Federation of Investment Managers Malaysia ("FIMM") for specific Funds distributed by PMB. The information contained herein is general information only and not intended for public distribution. It is furnished to the recipient on a confidential basis. It does not take into account your individual objectives, financial situations or needs. You should seek your own professional advisers before investing. No part of this document may be circulated or reproduced without prior permission of PMB and does not constitute an offer, invitation or solicitation to invest in the specific Funds. Any investment product or service offered by PMB is not obligations of, deposits in or guaranteed by PMB. You are advised to read and understand the relevant prospectuses for the Funds, which have been registered with the Securities Commission Malaysia who takes no responsibility for the contents. The respective prospectuses to the Funds are obtainable at any of our offices, website and authorised agents. Any issue of units to which the prospectuses relate will only be made on receipt of the duly completed application form referred to in and accompanying the prospectuses. Investment in unit trust funds is not the same as placing money in a deposit with a financial institution. There are risks involved, and investors should rely on their own evaluation to assess the merits and risks when investing in these funds. There are also fees and charges involved and investors are advised to consider them before investing in the Funds. Investment in shares and bonds may go up as well as down. The prices of units and distribution payable, if any, may also go up as well as down. Past performance of the unit trust funds is not an indication of its future performance. If investors are in any doubt about any feature or nature of the investment, they should consult PMB to obtain further information before investing or seek other professional advice for the suitability of the Funds and to their specific investment needs or financial situations. Information contained herein are based on the law and practise currently in force in Malaysia and are subject to changes in such law without any notice.



PHILLIP MUTUAL

It's a matter of trust