



MARKET OUTLOOK

The ASEAN bourses recorded positive returns in October with Jakarta Composite Index (JCI), Singapore's Straits Times Index (STI), FTSE Bursa Malaysia KLCI Index (FBMKLCI), Philippine's Stock Exchange Index (PCOMP), and Thailand's Stock Exchange Index (SET) rose by 4.84%, 3.61%, 1.59%, 1.46%, and 1.11% MoM respectively.

China's official manufacturing purchasing managers' index fell to 49.2 in October, the second month it was below the key 50-mark that signals a contraction in manufacturing activity. The supply chain continued to be pressured by a power crunch triggered by a shortage of coal and tougher emissions standards on the back of strong industrial demand. As winter looms, the prolonged situation could push up the input cost prices in which China's producer index already hit a 26-year high in September, up by 10.7% YoY. Despite the global trend of countries to coexist with the virus, China is still adamant to uphold its Covid Zero strategy as more provinces are now battling with surging Delta outbreaks. The authority plans to lower fees and taxes for businesses, particularly in small and medium-sized enterprises while the central bank boosted the injection of short-term cash into the banking system amid growing concerns on liquidity tightness in the market.

Japan's ruling coalition holds power in the recent parliamentary election will bring about a smooth passage for Prime Minister Fumio Kishida to pass a supplementary budget by the end of the year. In September, the deeper-than-expected drop in Japan's industrial output of 5.4% MoM (-3.2% YoY) was mainly due to supply problems. A temporary drop in capacity was due to shortages of chips and other key devices coupled with weaker demand from China and from within Japan due to virus-related restrictions. The BOJ has also revised downward its 2021 GDP growth outlook of 3.4% from 3.8% in July estimates, while core inflation is forecasted at 0.0% from 0.6% previously.

During the tabling of Malaysia Budget 2022, Prosperity Tax (Cukai Makmur) was introduced as a one-off company income tax whereby companies with profit before tax above the MYR100 million will be taxed at a rate of 33%, instead of 24% for the first MYR100 million. This would affect a number of large cap companies, including banks, property, constructions, and utilities, as it is not specific to the gloves sectors as the market anticipate earlier. This is expected to be imposed in the 2022 assessment year and we estimate about 85% of the top 100 market cap companies' net profit will be affected negatively, as mentioned in our previous [report](#). Overall, the government expects GDP growth for 2022 at 5.5-6.5% YoY, expanded from 2021 that is expected to grow around 3.5% YoY and in line with the expectation of an improved fiscal deficit of 6.0% in 2022 from 6.5% in 2021. For more information, please refer to the previous [Malaysia Budget 2022](#). For this month, we have made no changes to the portfolio allocation.

EQUITY

FBMKLCI rose by 1.59% MoM in October to close at 1,562.31 points. Looking at the trading participants for the month, local retailers and foreign investors were both net buyers, buying MYR327 million and MYR1.57 billion worth of shares, respectively. On the other hand, local institutions were the only net sellers selling MYR1.9 billion worth of shares. For year-to-date (YTD), local institutions and foreign investors were the net sellers, selling MYR8.53 billion and MYR2.18 billion worth of shares, respectively, while the local retailers were net buyers, buying MYR10.7 billion.

Most sectors in Malaysia were in the positive territory in October except for healthcare which fell by 4.09% MoM amid persistent sell-off from the glove counters as Covid-induced demand eases on the back of normalization in economic activities. Other sectors namely property, energy, plantation, technology, construction, finance, transport, consumer, industrial, product, telecom, and utilities rose by 8.75%, 7.85%, 7.28%, 4.49%, 4.43%, 2.51%, 1.87%, 1.26%, 1.25%, 0.74%, and 0.27% MoM respectively.

BOND

In October, the yield for the Malaysian Government Securities (MGS) for the 3-year, 5-year, 7-year, and 10-year rose by 24bps, 32bps, 18bps, and 21bps to close at 2.68%, 3.24%, 3.48%, and 3.58% respectively.

COMMODITIES

Nymex (WTI) crude oil price climbed 11.38% MoM in October, closing at USD83.57/barrel from USD75.03/barrel in September week on. The oil price continued to rally ahead of the winter season due to the ongoing energy undersupply concern. Crude palm oil went up by 11.77% MoM to close at MYR5,402/MT in October compared to MYR4,833/MT in the previous month. Meanwhile gold price rose by 1.63% MoM to close at USD1,783.90/Oz in October, as compared to USD1,755.30/Oz in September.



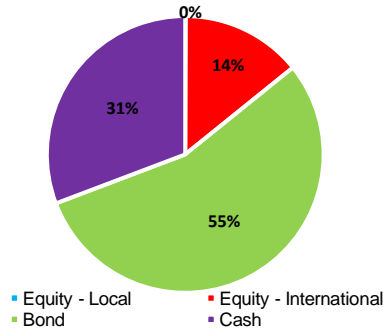
Commentary

For last month, only our moderate and aggressive portfolios have outperformed the benchmark. Overall, the performance of the portfolios was supported mainly by Franklin U.S. Opportunities MYR and Affin Hwang World Series - EU Unconstrained MYR H, which went up by 6.7% and 6.4% MoM respectively.

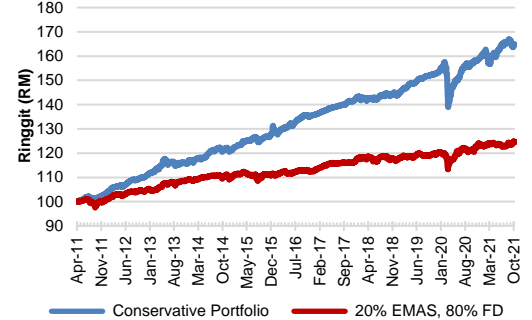
CONVENTIONAL MODEL PORTFOLIO

Conservative Portfolio

Franklin US Opportunities MYR	2%
RHB Entrepreneur	1%
Affin Hwang World Series EU Unconstrained MYR H	1%
AmChina A-Shares MYR	2%
Affin Hwang Aiiman Asia (ex Japan) Growth MYR	2%
AmAsia Pacific REITs B MYR	1%
United Golden Opportunity MYR H	1%
United Global Healthcare Fund A MYR Acc	3%
AmanahRaya Syariah Trust	25%
AmAl-Amin	25%
Maybank Financial Institutions Income	10%
Franklin Malaysia Sukuk A MYR	5%
ICD Global Sustainable	2%
Phillip Money Market Fund	20%
TOTAL	100%

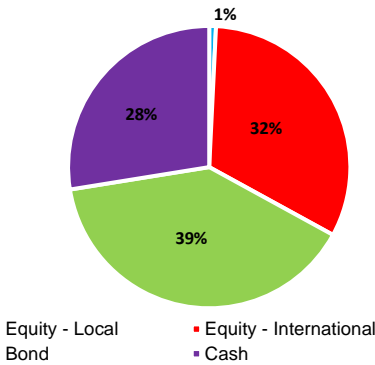


Performance from 18 Apr 2011 to 29 Oct 2021

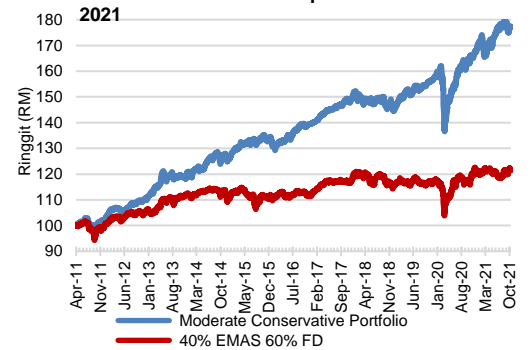


Moderate Conservative Portfolio

Franklin US Opportunities MYR	4%
RHB Entrepreneur	4%
Affin Hwang World Series EU Unconstrained MYR H	3%
AmChina A-Shares MYR	4%
Affin Hwang Aiiman Asia (ex Japan) Growth MYR	2%
United ASEAN Discovery	2%
KAF Tactical	1%
AmAsia Pacific REITs B MYR	2%
United Golden Opportunity MYR H	2%
United Global Healthcare Fund A MYR Acc	5%
AmanahRaya Syariah Trust	20%
Maybank Financial Institutions Income	20%
AmAl-Amin	5%
ICD Global Sustainable	6%
Phillip Money Market Fund	20%
TOTAL	100%

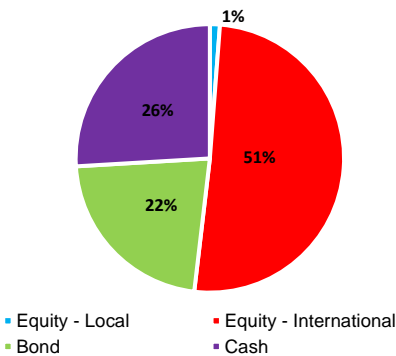


Performance from 18 Apr 2011 to 29 Oct 2021

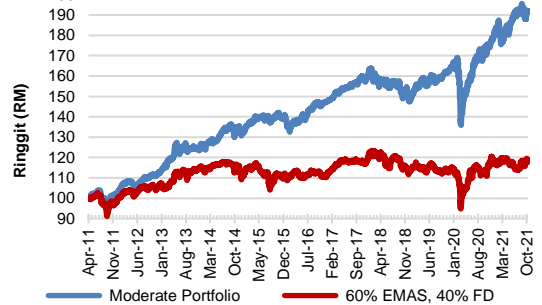


Moderate Portfolio

Franklin US Opportunities MYR	6%
RHB Entrepreneur	6%
Affin Hwang World Series EU Unconstrained MYR H	6%
AmChina A-Shares MYR	5%
Affin Hwang Aiiman Asia (ex Japan) Growth MYR	3%
United ASEAN Discovery	3%
KAF Tactical	2%
AmAsia Pacific REITs B MYR	4%
United Golden Opportunity MYR H	4%
United Global Technology Fund	2%
United Global Healthcare Fund A MYR Acc	7%
AmanahRaya Syariah Trust	15%
Maybank Financial Institutions Income	10%
ICD Global Sustainable	7%
Phillip Money Market Fund	20%
TOTAL	100%

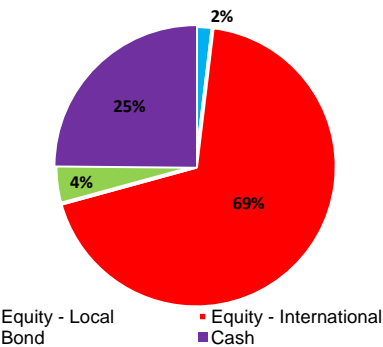


Performance from 18 Apr 2011 to 29 Oct 2021

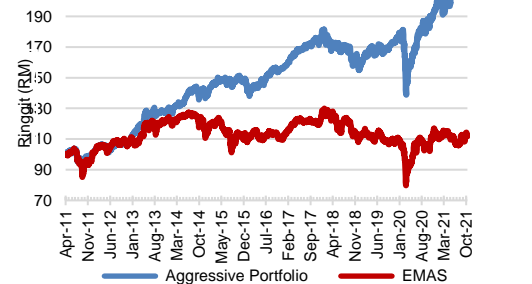


Aggressive Portfolio

Franklin US Opportunities MYR	8%
RHB Entrepreneur	8%
Affin Hwang World Series EU Unconstrained MYR H	8%
AmChina A-Shares MYR	6%
Affin Hwang Aiiman Asia (ex Japan) Growth MYR	5%
United ASEAN Discovery	5%
KAF Tactical	2%
AmAsia Pacific REITs B MYR	5%
United Golden Opportunity MYR H	5%
United Global Technology Fund	4%
United Global Healthcare Fund A MYR Acc	10%
AmanahRaya Syariah Trust	5%
ICD Global Sustainable	9%
Phillip Money Market Fund	20%
TOTAL	100%



Performance from 18 Apr 2011 to 29 Oct 2021



	1 Mth	6Mths	YTD	1 Yr	Since Inception		1 Mth	6Mths	YTD	1 Yr	Since Inception
Conservative Portfolio	0.3%	2.1%	3.4%	5.0%	64.8%	Moderate Portfolio	1.6%	3.8%	7.0%	12.7%	92.0%
Benchmark	0.5%	0.2%	0.8%	3.1%	24.4%	Benchmark	1.4%	-0.9%	-0.4%	6.1%	17.9%
Moderate Conservative Portfolio	0.9%	3.0%	5.2%	8.8%	77.4%	Aggressive Portfolio	2.3%	4.6%	8.7%	16.7%	112.8%
Benchmark	1.0%	-0.3%	0.2%	4.6%	21.4%	Benchmark	2.2%	-2.0%	-1.7%	8.9%	11.7%

Source: Lipper

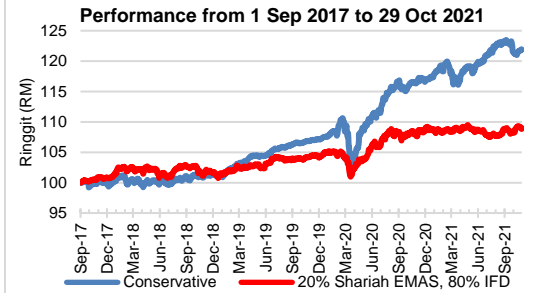
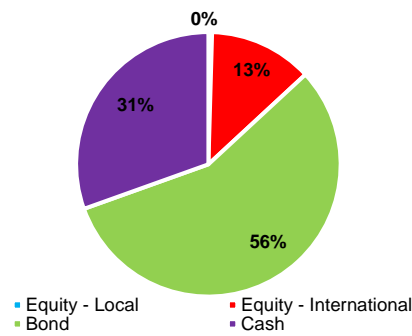
Commentary

Meanwhile, all the Shariah model portfolios have outperformed the benchmark in October. The best performing funds of the month were RHB Islamic Global Developed Markets MYR and Manulife Shariah Global REIT MYR, which increased by 5.8% and 4.4% MoM respectively.

SHARIAH MODEL PORTFOLIO

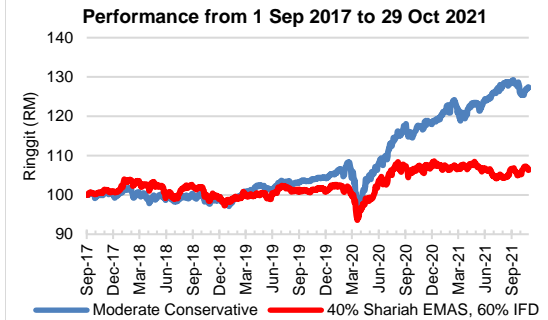
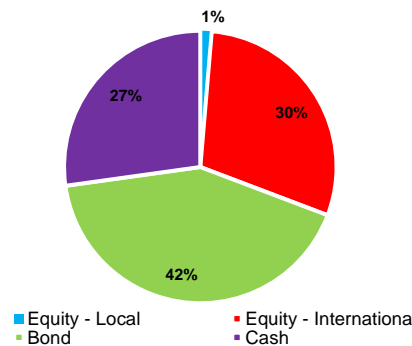
Conservative Portfolio

RHB Islamic Global Developed Markets MYR	2%
Aberdeen Standard Islamic World Equity A MYR	2%
Eastspring Investments Dinasti Equity	2%
Affin Hwang Aiman Asia (ex Japan) Growth MYR	1%
AmASEAN Equity	1%
Manulife Shariah Global REIT MYR	1%
Affin Hwang Aiman Balanced	2%
AmanahRaya Syariah Trust	24%
AmAl-Amin	24%
Maybank Malaysia Income-I A MYR	5%
Franklin Malaysia Sukuk A MYR	11%
ICD Global Sustainable	5%
Phillip Master Islamic Cash Fund	20%
TOTAL	100%



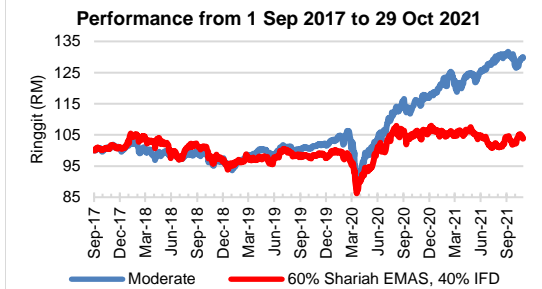
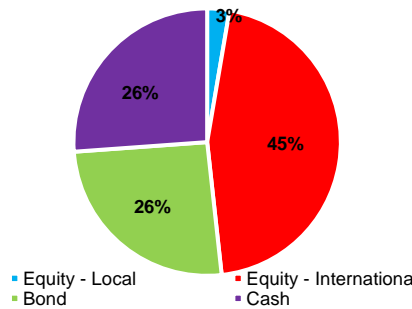
Moderate Conservative Portfolio

RHB Islamic Global Developed Markets MYR	7%
Aberdeen Standard Islamic World Equity A MYR	7%
Eastspring Investments Dinasti Equity	3%
Affin Hwang Aiman Asia (ex Japan) Growth MYR	3%
AmASEAN Equity	3%
Kenanga OA Inv-Kenanga Shariah Growth Opps	1%
Manulife Shariah Global REIT MYR	2%
Affin Hwang Aiman Balanced	4%
AmanahRaya Syariah Trust	19%
Franklin Malaysia Sukuk A MYR	19%
AmAl-Amin	5%
ICD Global Sustainable	7%
Phillip Master Islamic Cash Fund	20%
TOTAL	100%



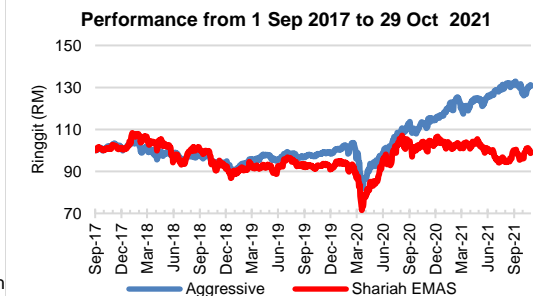
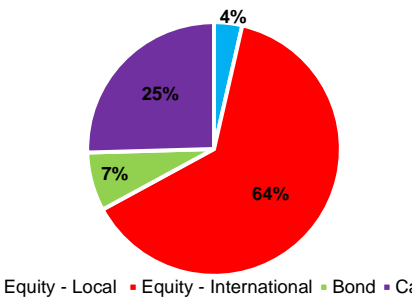
Moderate Portfolio

RHB Islamic Global Developed Markets MYR	10%
Aberdeen Standard Islamic World Equity A MYR	10%
Eastspring Investments Dinasti Equity	6%
Affin Hwang Aiman Asia (ex Japan) Growth MYR	6%
AmASEAN Equity	6%
Kenanga OA Inv-Kenanga Shariah Growth Opps	2%
Manulife Shariah Global REIT MYR	4%
Affin Hwang Aiman Balanced	6%
AmanahRaya Syariah Trust	11%
Franklin Malaysia Sukuk A MYR	11%
ICD Global Sustainable	8%
Phillip Master Islamic Cash Fund	20%
TOTAL	100%



Aggressive Portfolio

RHB Islamic Global Developed Markets MYR	15%
Aberdeen Standard Islamic World Equity A MYR	15%
Eastspring Investments Dinasti Equity	9%
Affin Hwang Aiman Asia (ex Japan) Growth MYR	8%
AmASEAN Equity	8%
Kenanga OA Inv-Kenanga Shariah Growth Opps	2%
Manulife Shariah Global REIT MYR	5%
Affin Hwang Aiman Balanced	6%
AmanahRaya Syariah Trust	2%
ICD Global Sustainable	10%
Phillip Master Islamic Cash Fund	20%
TOTAL	100%



	1 Mth	6Mths	YTD	1 Yr	Since Inception		1 Mth	6Mths	YTD	1 Yr	Since Inception
Conservative Portfolio	0.4%	2.3%	3.4%	4.8%	21.9%	Moderate Portfolio	2.0%	4.0%	8.3%	13.6%	29.7%
Benchmark	0.4%	-0.3%	0.2%	1.1%	8.9%	Benchmark	1.1%	-2.7%	-2.0%	0.0%	3.8%
Moderate Conservative Portfolio	1.2%	3.1%	5.9%	9.2%	27.3%	Aggressive Portfolio	3.0%	4.8%	10.7%	18.2%	30.8%
Benchmark	0.8%	-1.5%	-0.9%	0.5%	6.3%	Benchmark	1.9%	-5.1%	-4.3%	-1.2%	-1.2%

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