



MARKET OUTLOOK

The ASEAN bourses all recorded positive returns in July, with Singapore's Straits Times Index (STI), FTSE Bursa Malaysia KLCI Index (FBMKLCI), Philippine's Stock Exchange Index (PCOMP), Jakarta Composite Index (JCI) and Thailand's Stock Exchange Index (SET) all went up by 3.52%, 3.32%, 2.61%, 0.57% and 0.52% MoM, respectively.

US real GDP fell 0.9% QoQ SAAR (Seasonally Adjusted Annual Rate) in Q2, below market expectations (Consensus: +0.4%). While it is the beginning of a "technical recession," an official recession depends on broad weakness across labour markets, industrial production, and other indicators, which currently indicates a 59% probability of recession. With S&P already priced in 73% recession probability and has already fallen 24% from this year's peak to its low, the likelihood for FBMKLCI to fall to 1356 is low assuming S&P falls 45% from its recent peak.

China's manufacturing PMI contracted gain in July to 49.0 from 50.2 in June and was below market expectations (Consensus: 50.3). On the other hand, the non-manufacturing PMI remained elevated at 53.8 in July, albeit down from 54.7 in June, in line with market consensus (Consensus: 53.8). Insufficient demand together with the weak new orders sub-were the major reasons for the fall of the manufacturing PMI. The weaker-than-expected manufacturing PMI in July indicates recovery momentum following the reopening in late May has yet to solidify since the economy faces a rising number of Covid cases. The Politburo on 28th July has again vowed to stick with the zero-Covid strategy (ZCS), and the explicitly mentioned politics is a particularly important factor to consider when handling the relationship between Covid controls and socio-economic development. Hence, Beijing will maintain ZCS at least until 1Q 2023, when the current political reshuffle is fully completed.

Meanwhile, Malaysia's inflation rose to 3.4% YoY in June from 2.8% in May, above expectations (Consensus: 2.7). Food index was the main contributor to the rise in inflation with an increase of 6.1%. With the increase in inflation and diminishing real interest rate gap with the US, BNM is expected to raise another rate hike at the next Monetary Policy Committee. We expect the interest rate will return to the pre-pandemic level by end of the year.

Despite recent market correction resulting from rising geopolitical tensions stirred up by House Speaker Nancy Pelosi's visit to Taiwan and China begins its military drills from 4th August 2022 onwards, we do not expect the situation to escalate. Hence, we maintain neutral in our strategic asset allocation for this month with 60:40 (equity: bond/cash) in our moderate portfolios.

EQUITY

FBMKLCI rise by 3.32% MoM in July to close at 1,492.23 points. Looking at the trading participants for the month, local retailers and local institutions were both net sellers, selling MYR16.41 million and MYR165.78 million worth of shares, respectively. Foreign investors were the net buyers, buying MYR182.19 million worth of shares. For year-to-date (YTD), local retail and foreign investor were the net buyers, buying MYR1,695.03 million and MYR6,265.32 million worth of shares, respectively, while the local institutions were net sellers, selling MYR7,960.35 million.

For July, most sectors in Malaysia are in the green zone. Technology, Telecom, Finance, Consumer, Utilities, Construction, Healthcare, Industrial Product Plantation and Property sector rose by 6.20%, 4.18%, 4.14%, 2.97%, 2.81%, 2.20%, 1.71%, 1.47%, 1.41% and 0.29% MoM, respectively. Meanwhile, both Transport and Energy sectors fell by 0.73% and 3.21% MoM, respectively.

BOND

In July, the yield for the Malaysian Government Securities (MGS) for the 3-year, 5-year, 7-year, and 10-year decreased by 1bps, 25bps, 37bps, and 38bps to close at 3.50%, 3.71%, 3.84%, and 3.88%, respectively.

COMMODITIES

Nymex (WTI) crude oil price fell by 6.75% MoM in July, closing at USD98.62/barrel. The oil price fell as weaker economic growth translated to weaker consumer demand than expected looms the market sentiment. Crude palm oil fell by 14.41% MoM to close at MYR4,355/MT in July due to softer demand and "distress selling" from Indonesia. Gold price decreased by 2.46% MoM to close at USD1,762.90/Oz in July.



PHILLIP MUTUAL

It's a matter of trust



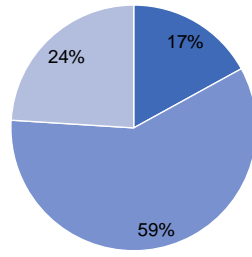
Commentary

In July, all the conventional model portfolio outperformed the benchmark. Overall, the portfolios have been supported by Principal Global Technology MYR H and Manulife Investment U.S. Equity MYR, which gained by 14.00% and 13.57%, respectively.

CONVENTIONAL MODEL PORTFOLIO

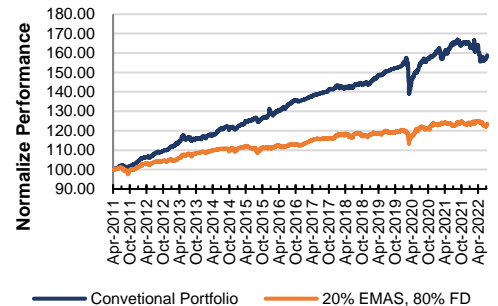
Conservative Portfolio

Manulife Investment U.S. Equity MYR	2.0%
Affin Hwang World Series - Japan Growth MYR H	2.0%
Affin Hwang World Series - EU Unconstrained MYR H	2.0%
KAF Australia Islamic Property A MYR	1.0%
Principal China Direct Opportunities MYR	2.0%
Principal Islamic Asia Pacific Dynamic Equity	2.0%
Principal ASEAN Dynamic MYR	1.0%
Maybank Financial Institutions Income	10.0%
AmanahRaya Unit Trust	25.0%
AmlIncome	25.0%
Manulife Investment Bond	10.0%
AmAsia Pacific REITs B MYR	2.0%
United Golden Opportunity MYR H	1.0%
Principal Global Technology MYR H	1.0%
Affin Hwang World Series-Global Healthscience MYR	1.0%
ICD Global Sustainable	1.0%
Phillip Money Market Fund	12.0%
TOTAL	100%



■ Equity - International ■ Bond ■ Cash

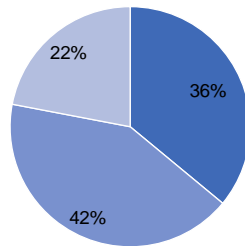
Performance from 18 Apr 2011 to 29 July 2022



— Conventional Portfolio — 20% EMAS, 80% FD

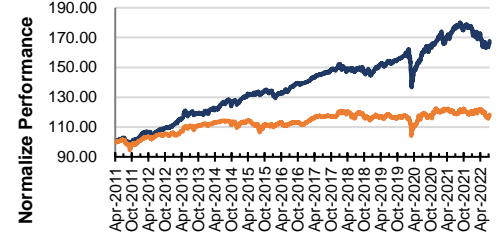
Moderate Conservative Portfolio

Manulife Investment U.S. Equity MYR	4.0%
Affin Hwang World Series - Japan Growth MYR H	3.0%
Affin Hwang World Series - EU Unconstrained MYR H	3.0%
KAF Australia Islamic Property A MYR	3.0%
Principal China Direct Opportunities MYR	4.0%
Principal Islamic Asia Pacific Dynamic Equity	3.0%
Principal ASEAN Dynamic MYR	3.0%
Manulife India Equity MYR	1.0%
Maybank Financial Institutions Income	10.0%
AmanahRaya Unit Trust	20.0%
AmlIncome	20.0%
AmAsia Pacific REITs B MYR	3.0%
United Golden Opportunity MYR H	3.0%
Principal Global Technology MYR H	3.0%
Affin Hwang World Series-Global Healthscience MYR	3.0%
ICD Global Sustainable	2.0%
Phillip Money Market Fund	12.0%
TOTAL	100%



■ Equity - International ■ Bond ■ Cash

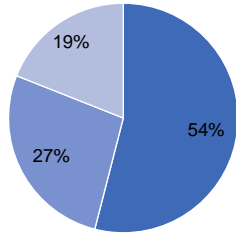
Performance from 18 Apr 2011 to 29 July 2022



— Moderate Conservative Portfolio — 40% EMAS 60% FD

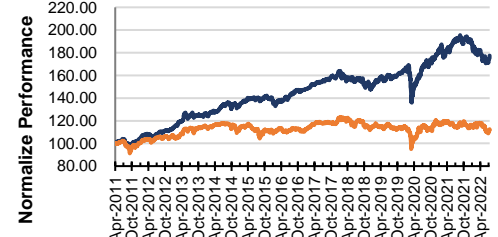
Moderate Portfolio

Manulife Investment U.S. Equity MYR	5.0%
Affin Hwang World Series - Japan Growth MYR H	5.0%
Affin Hwang World Series - EU Unconstrained MYR H	5.0%
KAF Australia Islamic Property A MYR	5.0%
Principal China Direct Opportunities MYR	5.0%
Principal Islamic Asia Pacific Dynamic Equity	5.0%
Principal ASEAN Dynamic MYR	5.0%
Manulife India Equity MYR	3.0%
AmanahRaya Unit Trust	15.0%
AmlIncome	15.0%
AmAsia Pacific REITs B MYR	4.0%
United Golden Opportunity MYR H	4.0%
Principal Global Technology MYR H	4.0%
Affin Hwang World Series-Global Healthscience MYR	4.0%
ICD Global Sustainable	4.0%
Phillip Money Market Fund	12.0%
TOTAL	100%



■ Equity - International ■ Bond ■ Cash

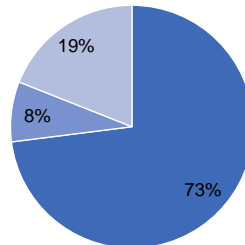
Performance from 18 Apr 2011 to 29 July 2022



— Moderate Portfolio — 60% EMAS, 40% FD

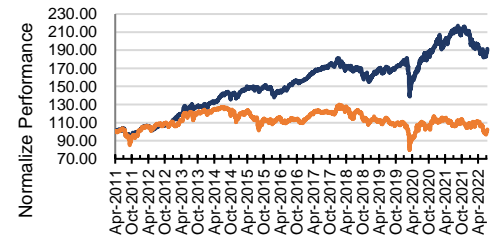
Aggressive Portfolio

Manulife Investment U.S. Equity MYR	7.0%
Affin Hwang World Series - Japan Growth MYR H	7.0%
Affin Hwang World Series - EU Unconstrained MYR H	7.0%
KAF Australia Islamic Property A MYR	6.0%
Principal China Direct Opportunities MYR	7.0%
Principal Islamic Asia Pacific Dynamic Equity	7.0%
Principal ASEAN Dynamic MYR	6.0%
Manulife India Equity MYR	5.0%
AmanahRaya Unit Trust	5.0%
AmlIncome	5.0%
AmAsia Pacific REITs B MYR	6.0%
United Golden Opportunity MYR H	5.0%
Principal Global Technology MYR H	5.0%
Affin Hwang World Series-Global Healthscience MYR	5.0%
ICD Global Sustainable	5.0%
Phillip Money Market Fund	12.0%
TOTAL	100%



■ Equity - International ■ Bond ■ Cash

Performance from 18 Apr 2011 to 29 July 2022



— Aggressive Portfolio — EMAS

	1 Mth	6Mths	YTD	1 Yr	Since Inception		1 Mth	6Mths	YTD	1 Yr	Since Inception
Conservative Portfolio	1.4%	-2.7%	-4.1%	-3.8%	58.8%	Moderate Portfolio	3.4%	-3.1%	-7.4%	-7.2%	77.3%
Benchmark	0.7%	0.2%	-0.5%	0.7%	23.6%	Benchmark	1.8%	-1.1%	-3.3%	-1.3%	12.7%
Moderate Conservative Portfolio	2.4%	-2.8%	-5.6%	-5.3%	67.7%	Aggressive Portfolio	4.4%	-3.6%	-9.3%	-9.3%	91.5%
Benchmark	1.2%	-0.4%	-1.9%	-0.3%	18.3%	Benchmark	2.9%	-2.5%	-6.3%	-3.4%	2.5%

Source: Lipper

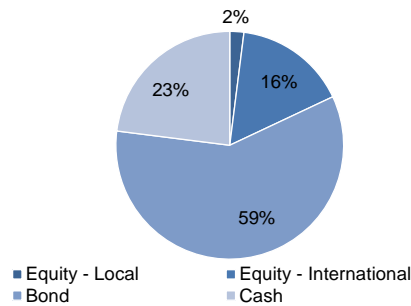
Commentary

In July, all the Shariah model portfolios outperformed the benchmark. Overall, the portfolios were supported by KAF Australian Islamic Property A MYR and RHB Islamic Global Developed Markets, which gained by 12.10% and 10.39% MoM, respectively.

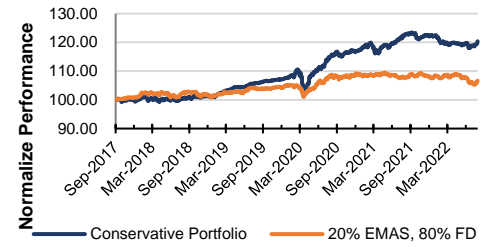
SHARIAH MODEL PORTFOLIO

Conservative Portfolio

Aberdeen Standard Islamic World Equity A MYR	3.0%
RHB Islamic Global Developed Markets MYR	2.0%
KAF Australia Islamic Property A MYR	2.0%
RHB Shariah China Focus MYR	3.0%
Principal Islamic Asia Pacific Dynamic Equity	2.0%
RHB Islamic ASEAN Megatrend MYR	2.0%
Maybank Malaysia Income-I C MYR	11.0%
AmanahRaya Syariah Trust	24.0%
AmAl-Amin	24.0%
Phillip Dana Murni	10.0%
Manulife Shariah Global REIT MYR	3.0%
ICD Global Sustainable	2.0%
Principal Islamic Lifetime Balanced	2.0%
Phillip Master Islamic Cash Fund	10.0%
TOTAL	100%

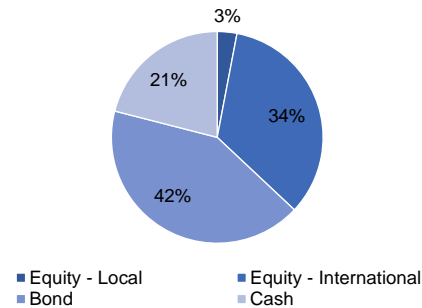


Performance from 1 Sept 2017 to 29 July 2022

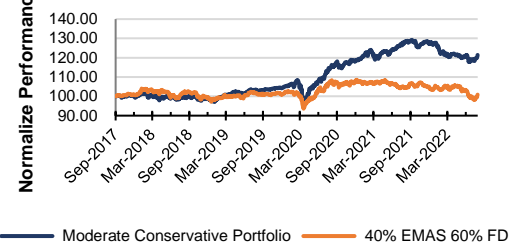


Moderate Conservative Portfolio

Aberdeen Standard Islamic World Equity A MYR	5.0%
RHB Islamic Global Developed Markets MYR	5.0%
KAF Australia Islamic Property A MYR	4.0%
RHB Shariah China Focus MYR	5.0%
Principal Islamic Asia Pacific Dynamic Equity	5.0%
RHB Islamic ASEAN Megatrend MYR	4.0%
Maybank Malaysia Income-I C MYR	10.0%
AmanahRaya Syariah Trust	19.0%
AmAl-Amin	19.0%
Manulife Shariah Global REIT MYR	5.0%
ICD Global Sustainable	5.0%
Principal Islamic Lifetime Balanced	4.0%
Phillip Master Islamic Cash Fund	10.0%
TOTAL	100%

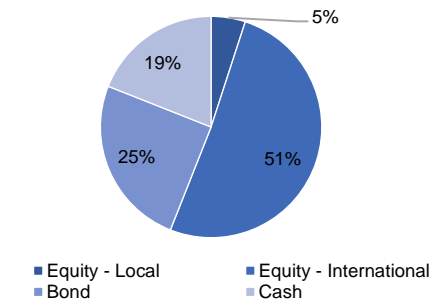


Performance from 1 Sept 2017 to 29 July 2022

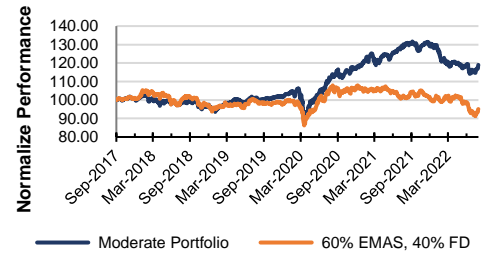


Moderate Portfolio

Aberdeen Standard Islamic World Equity A MYR	8.0%
RHB Islamic Global Developed Markets MYR	7.0%
KAF Australia Islamic Property A MYR	7.0%
RHB Shariah China Focus MYR	7.0%
Principal Islamic Asia Pacific Dynamic Equity	7.0%
RHB Islamic ASEAN Megatrend MYR	7.0%
AmanahRaya Syariah Trust	14.0%
AmAl-Amin	13.0%
Manulife Shariah Global REIT MYR	7.0%
ICD Global Sustainable	7.0%
Principal Islamic Lifetime Balanced	6.0%
Phillip Master Islamic Cash Fund	10.0%
TOTAL	100%

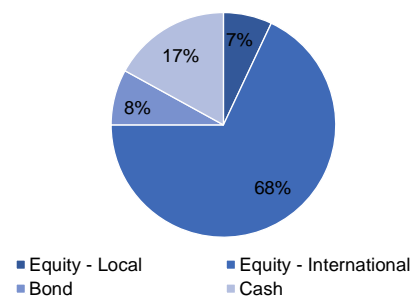


Performance from 1 Sept 2017 to 29 July 2022

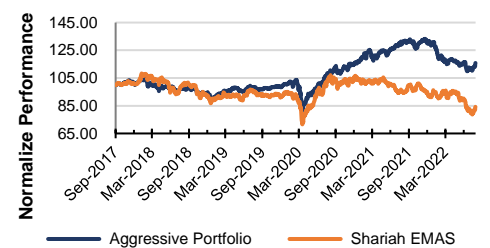


Aggressive Portfolio

Aberdeen Standard Islamic World Equity A MYR	10.0%
RHB Islamic Global Developed Markets MYR	10.0%
KAF Australia Islamic Property A MYR	9.0%
RHB Shariah China Focus MYR	10.0%
Principal Islamic Asia Pacific Dynamic Equity	10.0%
RHB Islamic ASEAN Megatrend MYR	9.0%
AmanahRaya Syariah Trust	6.0%
Manulife Shariah Global REIT MYR	9.0%
ICD Global Sustainable	9.0%
Principal Islamic Lifetime Balanced	8.0%
Phillip Master Islamic Cash Fund	10.0%
TOTAL	100%



Performance from 1 Sept 2017 to 29 July 2022



	1 Mth	6Mths	YTD	1 Yr	Since Inception		1 Mth	6Mths	YTD	1 Yr	Since Inception
Conservative Portfolio	1.5%	0.1%	-1.7%	-1.6%	20.3%	Moderate Portfolio	3.4%	-2.4%	-8.2%	-8.0%	19.1%
Benchmark	0.6%	-0.8%	-1.7%	-0.9%	6.7%	Benchmark	1.4%	-4.1%	-7.1%	-5.9%	-4.9%
Moderate Conservative Portfolio	2.5%	-1.1%	-4.9%	-4.8%	21.4%	Aggressive Portfolio	4.3%	-3.6%	-11.3%	-10.9%	15.9%
Benchmark	1.0%	-2.5%	-4.4%	-3.4%	0.8%	Benchmark	2.2%	-7.2%	-12.5%	-10.9%	-15.8%

Source: Lipper

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