



## MARKET OUTLOOK

The FOMC March will be held on the 22<sup>nd</sup> and 23<sup>rd</sup> March and will be in the limelight for this month as investors seek clarity from the dot plot. In the meantime, investors appear to be transitioning to a “wait and see period”, debating between if Fed is nearing the end or needs to get more aggressive again. The debacles worsened when the PCE index and core PCE index jumped 5.4% YoY and 4.7% YoY, crushing market expectations of 5.0% YoY and 4.3%, respectively. Since this is widely considered as the Fed preferred inflation gauge, hotter-than-expected inflation readings have forced investors to think again their expectations about how high the Fed will drive interest rates. Majority of market consensus priced in for a 50bps rate hike (70.5% probability) after Powell’s hawkish remark before his testimony to the Congress. Powell said the Fed will not rule out bigger rate hikes at the upcoming FOMC March to tame stubborn inflation as Powell maintains his objective and unwavering in the pursuit of bringing inflation under control.

Meanwhile, China set this year's growth target at “around 5%” as the National People’s Congress kicked off on 5<sup>th</sup> March, with the keyword “stability” mentioned 38% more times this year than in 2022. This marked it as the most frequent use of the keyword under Xi Jinping, who became president early in 2013, while at the same time, Premier Li Keqiang stressed that China would stabilise prices, employment, and supply chains. The government budget deficit target was set at 3% of GDP, widening from a goal of 2.8% last year as spending was set to rise to 5.6% in 2022, while the consumer inflation target will be kept at 3.0%. Nevertheless, Premier Li is set to step down this month leaving his final work with the phrase “Comrade Xi Jinping at its core” (used it seven times, tied for the most with 2022). This serves as a barometer of Xi’s power, so this high frequency signals that he has solidified his position since the Politburo of the Chinese Communist Party last October. This is not new.

Malaysia Prime Minister and Finance Minister, Anwar Ibrahim presented a bigger spending plan for 2023, taking advantage of higher government revenue after stronger than expected Malaysia’s economic growth last year. The Budget 2023 unveiled a record MYR386.1 billion, with a themed “Membangun Malaysia MADANI” guided by the MADANI policy framework allocated 74.9%, or MYR289.14 billion for operating expenditure and the remaining 24.9%, or MYR96.3 billion for development expenditure for 2023. Although national polls have already passed, Budget 2023 is still seen as an “election budget” because six states are expected to head to the ballot box in July, with about half of Malaysia’s electorate casting their vote. The result of this vote will have a huge impact on the stability of Anwar’s unity government as the current so-called unity government was cobbled together after the election resulted in Malaysia’s first ever hung Parliament.

Hence, for this month, we made no change to our model portfolio allocation for March as we maintain our view of conservative tactical asset allocation while we wait for FOMC March and the new dot plot to be unveiled.

## EQUITY

FBMKLCI fell 2.11% MoM in February to close at 1,454.19 points. Looking at the trading participants for the month, both local institutions and foreign investors were the net sellers, selling MYR259.83 million and MYR168.43 million worth of shares. Local retailers were the net buyers, buying MYR428.23 million worth of shares. For year-to-date (YTD), foreign investors are the net sellers, selling MYR516.66 million worth of shares, while the local institutions and local retail were net buyers, buying MYR494.50 million and MYR22.12 million worth of shares.

For February, Property and Construction rose by 0.02% and 0.87% MoM, respectively. Industrial Product, Technology, Energy, Healthcare, Consumer, Telecom, Transportation, Finance, Plantation and Utilities sectors fell by 6.58%, 5.32%, 4.92%, 4.38%, 2.44%, 2.10%, 1.47%, 1.33%, 0.92%, and 0.75% MoM, respectively.

## BOND

In February, the yield for the Malaysian Government Securities (MGS) for the 3-year, 5-year, 7-year and 10-year increased by 13bps, 12bps, 10bps, and 11bps closing at 3.52%, 3.67%, 3.79%, and 3.91%, respectively.

## COMMODITIES

Nymex (WTI) crude oil price fell by 2.31% MoM in February, closing at USD77.05/barrel. Crude palm oil gained 10.56% MoM to close at MYR4,113.00/MT in February, amid the suspension of an export permit by Indonesia. Gold price decreased by 4.81% MoM to close at USD1,836.70/Oz in February.



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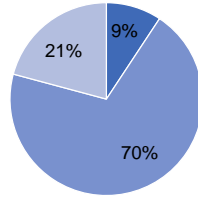
### Commentary

In February, all the model portfolios outperformed the benchmark. Overall, the portfolios have been driven by TA Global Technology MYR and Global Dividend, which rose 4.58% and 3.82%, respectively.

## CONVENTIONAL MODEL PORTFOLIO

### Conservative Portfolio

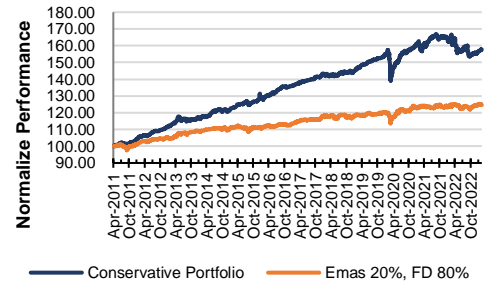
Global Dividend MYR	3.0%
KAF Jade	3.0%
United Golden Opportunity USD	2.0%
Nomura Global Sustainable Equity MYR B	2.0%
AmanahRaya Unit Trust	22.5%
United-i ESG Series-High Quality Sukuk MYR	22.5%
Manulife Investment Bond	20.0%
Maybank Malaysia Income-I A MYR	20.0%
Phillip Master Money Market	5.0%



■ Equity - International ■ Bond ■ Cash

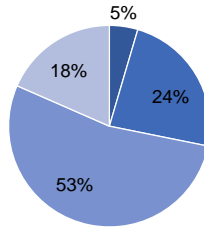
TOTAL 100%

### Performance from 18 Apr 2011 to 28 Feb 2023



### Moderate Conservative Portfolio

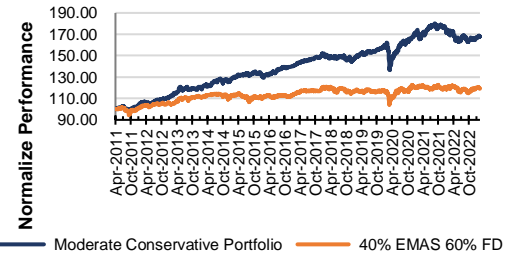
Global Dividend MYR	10.0%
KAF Jade	5.0%
PMB Dana Bestari	5.0%
United Golden Opportunity USD	5.0%
Nomura Global Sustainable Equity MYR B	5.0%
AmanahRaya Unit Trust	17.5%
United-i ESG Series-High Quality Sukuk MYR	17.5%
Manulife Investment Bond	15.0%
Maybank Malaysia Income-I A MYR	15.0%
Phillip Master Money Market	5.0%



■ Equity - Local ■ Equity - International ■ Bond ■ Cash

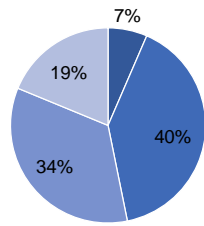
TOTAL 100%

### Performance from 18 Apr 2011 to 28 Feb 2023



### Moderate Portfolio

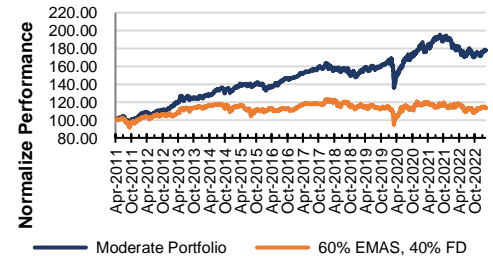
Global Dividend MYR	18.0%
KAF Jade	10.0%
PMB Dana Bestari	7.0%
United Golden Opportunity USD	5.0%
TA Global Technology MYR	5.0%
Nomura Global Sustainable Equity MYR B	5.0%
AmanahRaya Unit Trust	17.5%
United-i ESG Series-High Quality Sukuk MYR	17.5%
Manulife Investment Bond	10.0%
Phillip Master Money Market	5.0%



■ Equity - Local ■ Equity - International ■ Bond ■ Cash

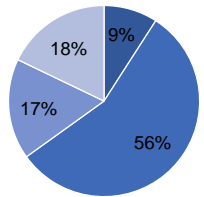
TOTAL 100%

### Performance from 18 Apr 2011 to 28 Feb 2023



### Aggressive Portfolio

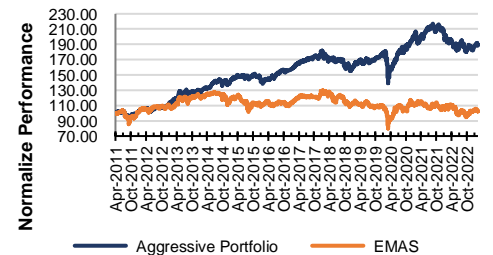
Global Dividend MYR	25.0%
KAF Jade	15.0%
PMB Dana Bestari	10.0%
United Golden Opportunity USD	5.0%
TA Global Technology MYR	5.0%
Maybank Singapore REITs MYR	5.0%
Nomura Global Sustainable Equity MYR B	5.0%
AmanahRaya Unit Trust	17.5%
United-i ESG Series-High Quality Sukuk MYR	7.5%
Phillip Master Money Market	5.0%



■ Equity - Local ■ Equity - International ■ Bond ■ Cash

TOTAL 100%

### Performance from 18 Apr 2011 to 28 Feb 2023



	1 Mth	6Mths	YTD	1 Yr	Since Inception		1 Mth	6Mths	YTD	1 Yr	Since Inception
Conservative Portfolio	0.4%	-0.7%	1.5%	-3.4%	57.6%	Moderate Portfolio	0.9%	1.0%	3.4%	-2.2%	77.8%
Benchmark	-0.3%	0.6%	0.1%	0.0%	24.7%	Benchmark	-1.2%	-0.2%	-0.5%	-3.7%	13.1%
Moderate Conservative Portfolio	0.6%	0.7%	2.0%	-2.2%	68.1%	Aggressive Portfolio	1.0%	0.4%	4.2%	-3.1%	90.2%
Benchmark	-0.8%	0.2%	-0.2%	-1.8%	19.1%	Benchmark	-2.2%	-1.1%	-1.1%	-7.4%	2.2%

Source: Lipper

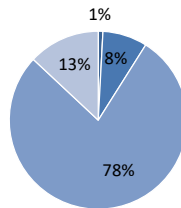
## Commentary

In February, all Shariah model portfolios outperformed the benchmark. Overall, the portfolios were pushed by abrdn Islamic World Equity A MYR and ICD Global Sustainable, which increased by 3.66% and 2.26% MoM, respectively.

## SHARIAH MODEL PORTFOLIO

### Conservative Portfolio

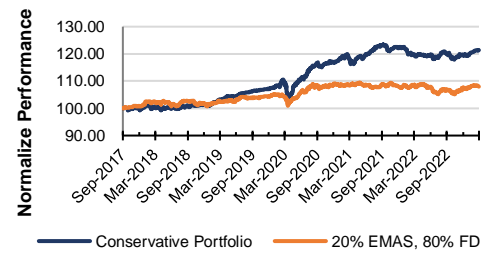
Aberdeen Standard Islamic World Equity A MYR	3.0%
RHB Islamic ASEAN Megatrend MYR	3.0%
Manulife Shariah Global REIT MYR	2.0%
ICD Global Sustainable	2.0%
AmanahRaya Syariah Trust	22.5%
Maybank Malaysia Income-I A MYR	22.5%
United-i ESG Series-High Quality Sukuk MYR	20.0%
Kenanga ASnitaBOND	20.0%
Phillip Master Islamic Money Market	5.0%



■ Equity - Local ■ Equity - International ■ Bond ■ Cash

TOTAL 100%

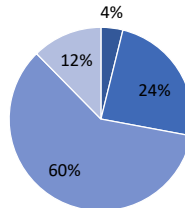
### Performance from 1 Sept 2017 to 28 Feb 2023



— Conservative Portfolio — 20% EMAS, 80% FD

### Moderate Conservative Portfolio

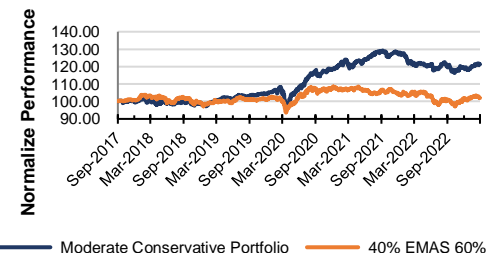
Aberdeen Standard Islamic World Equity A MYR	10.0%
RHB Islamic ASEAN Megatrend MYR	4.0%
RHB Shariah China Focus MYR	3.0%
PMB Dana Bestari	3.0%
Manulife Shariah Global REIT MYR	5.0%
ICD Global Sustainable	5.0%
AmanahRaya Syariah Trust	17.5%
Maybank Malaysia Income-I A MYR	17.5%
United-i ESG Series-High Quality Sukuk MYR	15.0%
Kenanga ASnitaBOND	15.0%
Phillip Master Islamic Money Market	5.0%



■ Equity - Local ■ Equity - International ■ Bond ■ Cash

TOTAL 100%

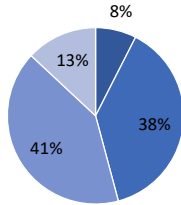
### Performance from 1 Sept 2017 to 28 Feb 2023



— Moderate Conservative Portfolio — 40% EMAS 60% FD

### Moderate Portfolio

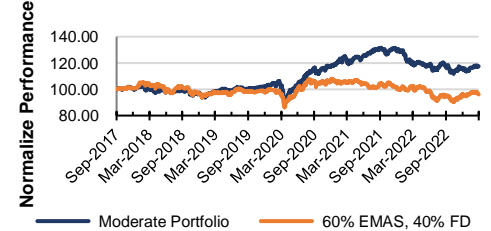
Aberdeen Standard Islamic World Equity A MYR	15.0%
RHB Islamic ASEAN Megatrend MYR	10.0%
RHB Shariah China Focus MYR	5.0%
PMB Dana Bestari	5.0%
Manulife Shariah Global REIT MYR	7.5%
ICD Global Sustainable	7.5%
AmanahRaya Syariah Trust	17.5%
Maybank Malaysia Income-I A MYR	17.5%
United-i ESG Series-High Quality Sukuk MYR	10.0%
Phillip Master Islamic Money Market	5.0%



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TOTAL 100%

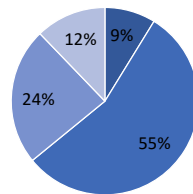
### Performance from 1 Sept 2017 to 28 Feb 2023



— Moderate Portfolio — 60% EMAS, 40% FD

### Aggressive Portfolio

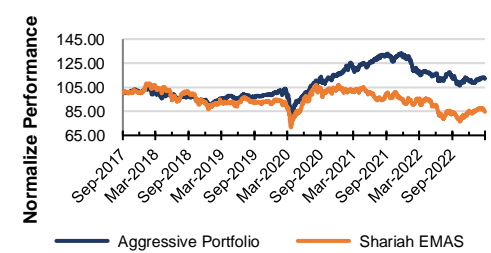
Aberdeen Standard Islamic World Equity A MYR	25.0%
RHB Islamic ASEAN Megatrend MYR	15.0%
RHB Shariah China Focus MYR	5.0%
PMB Dana Bestari	5.0%
Manulife Shariah Global REIT MYR	10.0%
ICD Global Sustainable	10.0%
AmanahRaya Syariah Trust	17.5%
Maybank Malaysia Income-I A MYR	7.5%
Phillip Master Islamic Money Market	5.0%



■ Equity - Local ■ Equity - International ■ Bond ■ Cash

TOTAL 100%

### Performance from 1 Sept 2017 to 28 Feb 2023



— Aggressive Portfolio — Shariah EMAS

	1 Mth	6Mths	YTD	1 Yr	Since Inception		1 Mth	6Mths	YTD	1 Yr	Since Inception
Conservative Portfolio	0.4%	1.1%	1.5%	1.2%	21.4%	Moderate Portfolio	0.6%	0.0%	2.9%	-2.8%	17.3%
Benchmark	-0.3%	0.8%	0.0%	-0.7%	7.9%	Benchmark	-1.4%	0.4%	-0.6%	-5.7%	-4.0%
Moderate Conservative Portfolio	0.6%	0.7%	2.4%	-0.6%	21.2%	Aggressive Portfolio	0.9%	-1.0%	3.4%	-5.0%	12.5%
Benchmark	-0.9%	0.6%	-0.3%	-3.2%	1.9%	Benchmark	-2.5%	-0.1%	-1.3%	-10.9%	-15.3%

Source: Lipper

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