

**PHILLIP MUTUAL BERHAD**Company No. 200201002746 (570409-K)  
Tel: (603) 2783 0300 | Fax: (603) 2166 6417

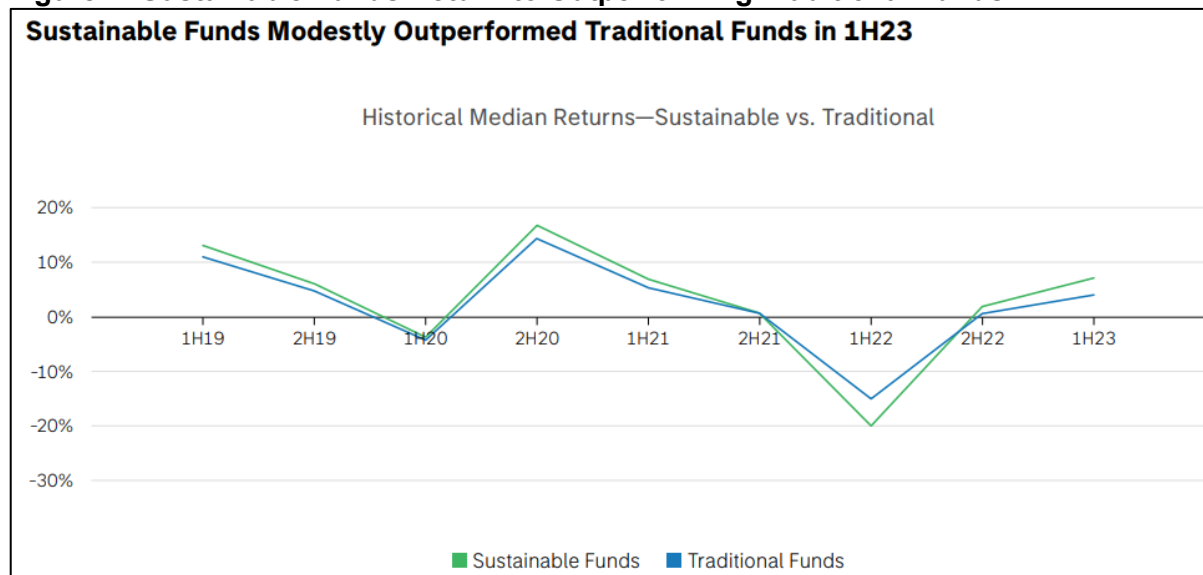
Webpage: www.phillipmutual.com | E-mail: phillipmutual@phillipcapital.com.my



## Sustainable Funds Regain Momentum in 2023

In Morgan Stanley's most recent report "[Sustainable Reality](#)", it is highlighted that during the first half of 2023, sustainable funds returned to their historical trend of surpassing traditional funds in performance after some underperformance in 2022 (see Figure 1). Specifically, sustainable funds recorded a robust growth of 6.9%, while traditional funds lagged behind at 3.8%. The relatively stable market conditions this year, when compared to 2022, worked in favour of sustainable funds, and it appears that sustainable funds are maintaining their stability and serving as a reliable source of patient capital for investors who have their sights set on longer-term investment horizons.

**Figure 1: Sustainable Funds Return to Outperforming Traditional Funds**



Source: Morgan Stanley Institute for Sustainable Investing analysis of Morningstar data

**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 BERHAD

Company No. 200201002746 (570409-K)

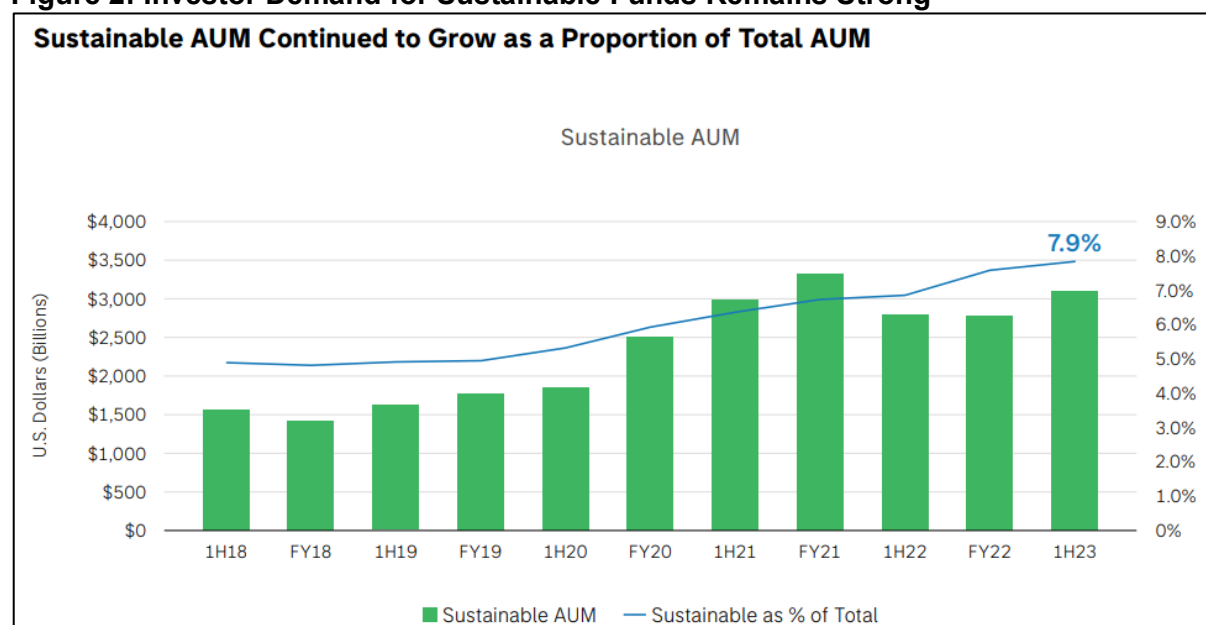
Tel: (603) 2783 0300 | Fax: (603) 2166 6417

Webpage: www.phillipmutual.com | E-mail: phillipmutual@phillipcapital.com.my



Another noteworthy takeaway is that the assets under management (AUM) of sustainable funds continued to expand, reaching over \$3.1 trillion globally as of June 2023, compared to \$2.8 trillion at the end of 2022 and represents approximately 8% of the total AUM (see Figure 2). However, Asia is still in the early stages of its sustainability journey. Europe remains the leading region in terms of sustainable assets under management (AUM) and the number of sustainable funds, outperforming other global regions. Europe accounts for a substantial 89% of the total sustainable AUM, whereas North America contributes 10%, and all other regions combined make up less than 2%. In terms of fund count, Europe houses more than three-quarters of the world's sustainable funds, followed by North America at 12%, and Asia at 7% (see Figure 3).

**Figure 2: Investor Demand for Sustainable Funds Remains Strong**



Source: Morgan Stanley Institute for Sustainable Investing analysis of Morningstar data

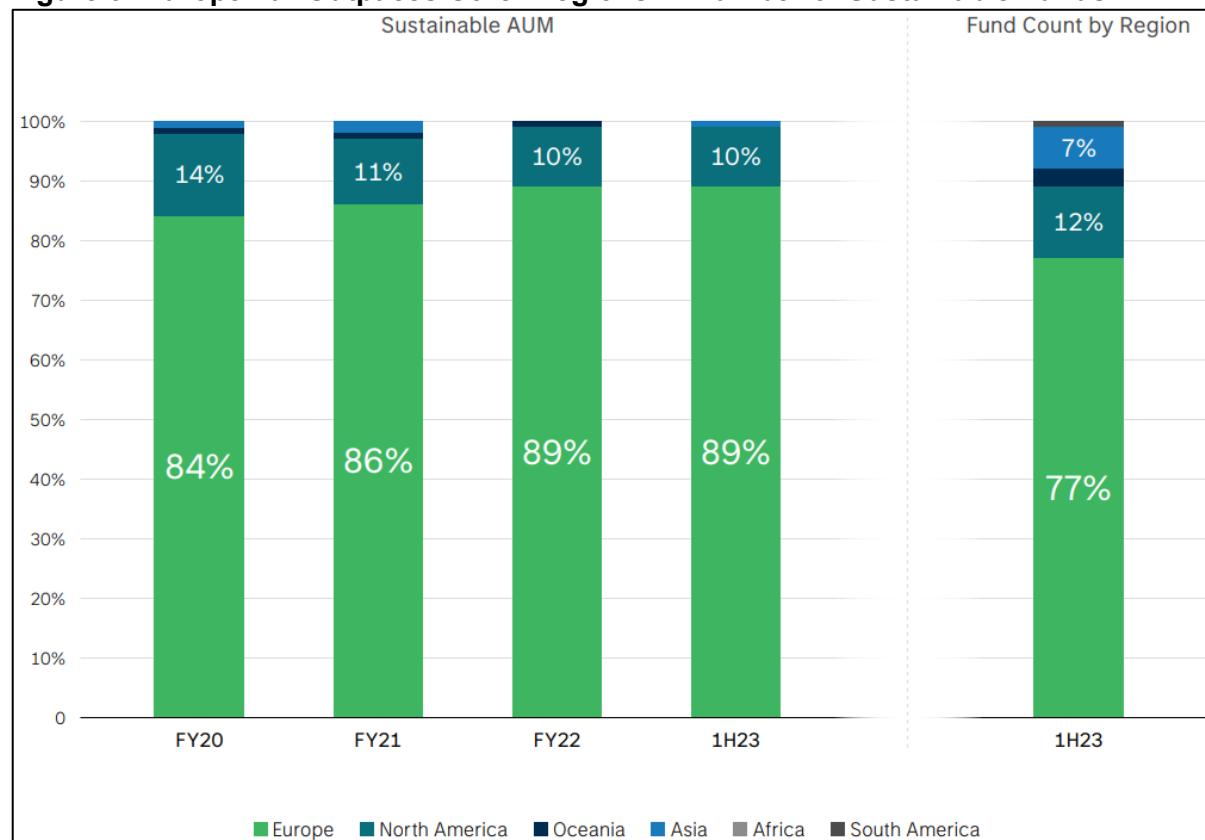
**DISCLAIMER:** This compilation is prepared by Phillip Mutual Berhad ("PMB") in its capacity as an IUTA approved by the Federation of Investment Managers Malaysia ("FIMM") for specific Funds distributed by PMB. The information contained herein is general information only and not intended for public 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 BERHAD

Company No. 200201002746 (570409-K)  
Tel: (603) 2783 0300 | Fax: (603) 2166 6417  
Webpage: www.phillipmutual.com | E-mail: phillipmutual@phillipcapital.com.my



**Figure 3: Europe Far Outpaces Other Regions in Number of Sustainable Funds**



Source: Morgan Stanley Institute for Sustainable Investing analysis of Morningstar data

Back home, as of August 1, 2023, [there are a total of 38 Unit Trust Sustainable and Responsible Investment \(SRI\) Funds and 31 Wholesale SRI Funds](#). Following a substantial wave of new fund launches in 2022, the pace of activity has eased, with only 5 Unit Trust SRI Funds introduced in the current year. Nevertheless, we hold the view that investors (individuals, corporates and institutions) are increasingly expressing interest in sustainable investment which will continue to support the demand for investments with strong credentials and products. To accomplish these objectives, collaboration and support are required from a diverse range of stakeholders, such as government-linked investment firms, asset management entities, corporations, small and medium-sized enterprises (SMEs), as well as regulatory bodies.

Our investment portfolio focuses on quality companies that possess strong fundamentals, including stable earnings and a promising future outlook, and are led by capable management teams. Please click on the [link](#) to learn more or email us at [phillipmutual@phillipcapital.com.my](mailto:phillipmutual@phillipcapital.com.my) if you require any further information.

**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.