



MARKET OUTLOOK

Global markets sustained robust momentum in December, buoyed by the moderation of US inflation data. This development fuelled market expectations for a pause in the rate hike cycle in 2024 and potentially a fresh rate cut as early as March 2024.

The MSCI Asia Pacific Ex-Japan Index (+4.5%) had a strong showing and only slightly underperformed the MSCI World Index (+4.8%) as year-end rallies in India, Singapore and South Korea helped lift the former. India (+7.9%) was the biggest star in December owing to bullish sentiment from economists and analysts as it overtakes HK as the 7th largest stock market in the world. Singapore (+5.4%) also fared very well as its economy grew faster than expected, boosted by rallies in manufacturing and construction. South Korea (+4.7%) on the other hand grew exports by 14.5%, attributed to rising demand from US for its semiconductor products. China (-1.9%) was the weakest link in Asia, albeit not too sharp of a decline as Beijing moved to protect the Yuan by orchestrating buying by state banks. Japan (-0.1%) and HK (0.0%) were fairly unchanged as markets weigh in on the latest macroeconomic data.

On a YTD basis, the MSCI World index demonstrated significantly stronger performance compared to the MSCI Asia Pacific Ex-Japan, with returns of 21.8% and 4.6% respectively. The US Nasdaq remained the top performer with a substantial gain of +43.4% helped significantly by the emergence of the AI theme, leading ahead of Japan (+28.2%), Taiwan (+26.8%), and India (+20.0%). On the flip side, Thailand (-15.2%), Hong Kong (-13.8%), and China (-11.4%) experienced the most significant losses in 2023.

After an elongated period of rapid policy tightening, we view the Fed interest rate policy will begin normalizing in 2024, signifying an inflection point by shifting from a 'higher for longer' view to a moderate pace before settling for a rate cutting cycle, potentially benefitting growth-oriented sectors and those that rely heavily on imports for production inputs. Separately, a weaker dollar eases the burden on deficit-laden governments and could potentially attract foreign inflows returning to emerging markets. On China, we expect more policy interventions and stimulus measures from the government and regulators to avert default in the property sector, including larger deficit spending by the government and potentially further interest rate cuts in 2024. The new growth areas such as AI, EV, Renewables, Data Mining & Machine Learning have the potential to expand further in China, transforming the economic structure over the longer term.

Back home, we believe the local market is supported by continuous execution of the macro blueprints launched in 2023, robust domestic demand (amid normalising tourism and cash aids for B40 & M40) and a potential reversal in the strong US dollar trend. A US soft landing (or ideally a no-landing scenario) and gradual recovery in China could also offer some support to the local market. Furthermore, KLCI is supported by an undemanding valuation accompanied by an all-time low foreign shareholding of 19.5% (as at Dec 2023). Other positive catalysts include a boost in Malaysian tourism due to China reopening, rising FDI momentum, and signs of the tech cycle bottoming out. **We intend to carry out a rebalancing exercise in January 2024, as outlined in Exhibit 2.**

EQUITY

In December, the domestic market closed marginally higher, posting a +0.1% gain and closing at 1,454.66. This helped reduce the YTD losses for 2023 to -2.7%. During the month, the Small Cap Index fared better with a positive return of 1.5%, while the Mid 70 Index gained 3.1%, resulting in YTD gains of +12.3% and +9.6% respectively.

Looking at the trading participants for the month, foreign investors remained net buyers, buying RM256.1m worth of shares. Local insti remained net sellers, selling RM163.9m while retailers sold RM92.2m worth of shares. For year-to-date (YTD), foreign investors and local retailers were the net sellers, selling RM2,339.5m and RM970.7m worth of shares, while the local insti were net buyers, buying RM3,310.2m worth of shares.

Sector-wise, the top performers were Utilities, Healthcare, and Construction, with gains of +7.3%, +6.9%, and +3.3% MoM, respectively. Laggards were Energy, Consumer, and Plantation, declining by -1.4%, -1.3%, and -0.5% MoM, respectively. On a YoY basis, Utilities, Property, and Construction were the top performing sectors, with gains of +51.4%, +34.5%, and +25.8%, respectively. Laggards were Consumer, Industrial, and Telco, declining by -5.6%, -4.8%, and -3.5% respectively.

BOND

In December, the yield for the Malaysian Government Securities (MGS) for the 3-year increased by 2bps, while 5-year, 7-year and 10-year declined by 3bps, 11bps, and 7bps, closing at 3.49%, 3.58%, 3.71% and 3.74% respectively.

COMMODITIES & CURRENCIES

WTI crude oil and Brent oil declined -5.7% and -7.0% respectively to close at \$71.7/barrel and \$77.0/barrel. Crude palm oil closed at RM3,662MT, registering a loss of 2.5%; while spot gold gained 1.7%, ending the month at \$2,071.8/oz. Currency-wise, the Malaysian Ringgit appreciated 1.5% against the greenback to RM4.59/USD. Meanwhile, Dollar Index lost 2.1% to 101.3.

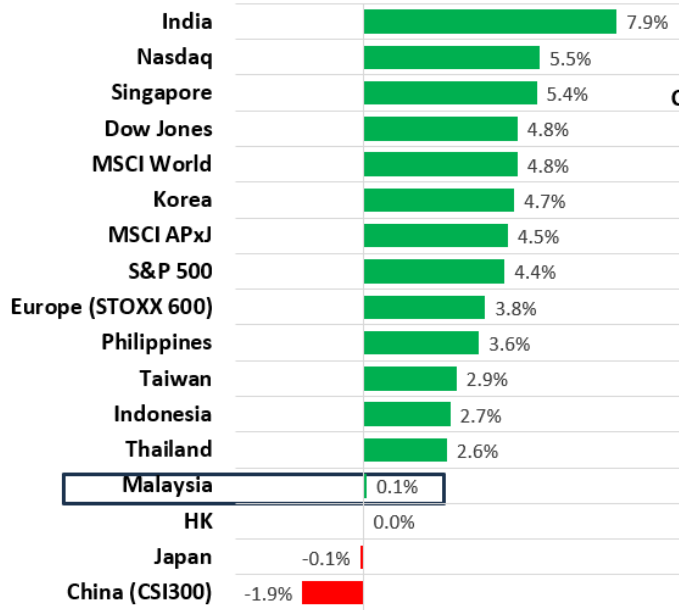


PhillipMutual
It's a Matter of Trust

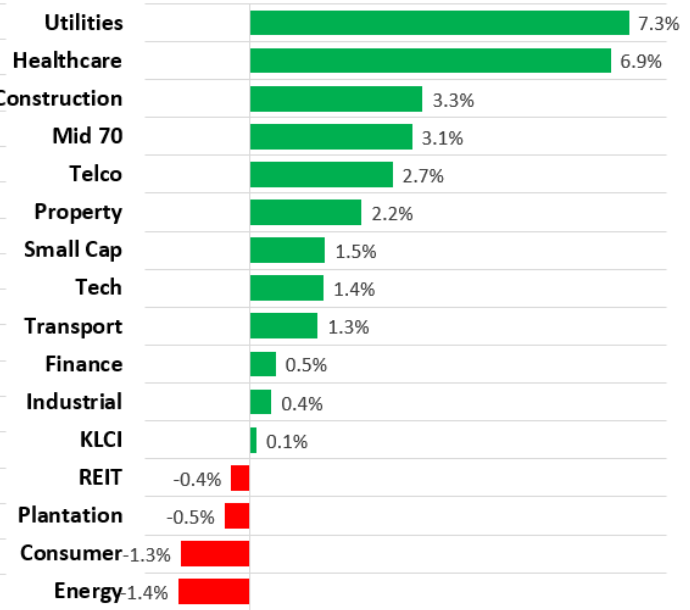
Exhibit 1: Market Review (December 2023)

Market review- December 2023

Dec 2023 Global Market Performance



Dec 2023 Malaysia Market Performance

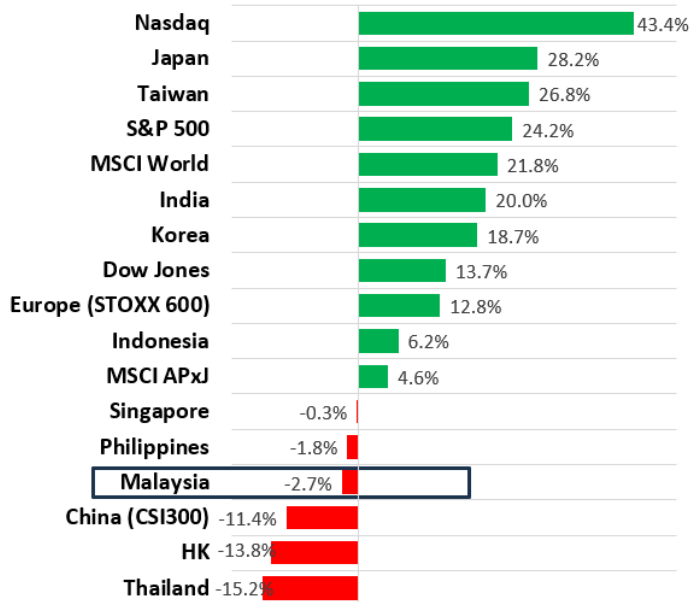


Source: Bloomberg, compiled by PCM

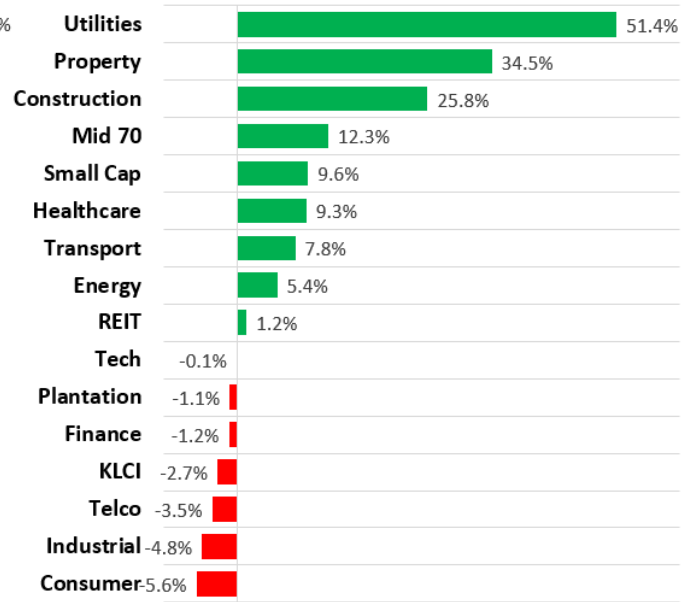


Market review- YTD

YTD Dec 2023 Global Market Performance



YTD 2023 Malaysia Market Performance



Source: Bloomberg, compiled by PCM, YTD denotes return up to end-Dec 2023





Commentary

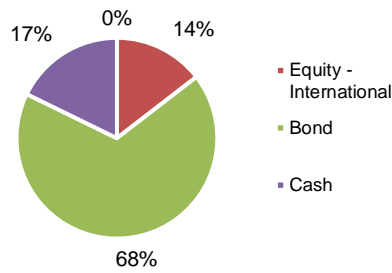
In Dec & YTD, all ports outperformed the benchmark. TA Global Technology MYR (+3.40%) & Global Dividend MYR (+2.25%) were the performing funds, while the laggards were Principal Greater China Equity MYR (-3.15%) & RHB Shariah China Focus MYR (-2.20%).

CONVENTIONAL MODEL PORTFOLIO

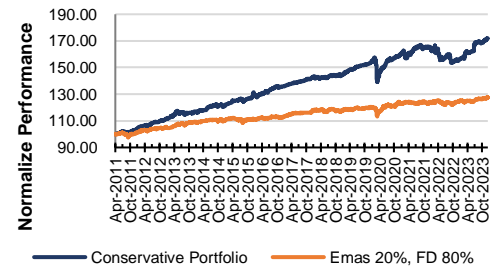
Conservative Portfolio

AmanahRaya Unit Trust	20.0%
United-i ESG Series-High Quality Sukuk MYR	20.0%
AmDynamic Bond	20.0%
Kenanga ASnitaBOND	20.0%
Global Dividend MYR	3.0%
Nomura Global Sustainable Equity MYR B	2.0%
KAF Jade	3.0%
Principal Greater China Equity Fund – MYR	2.5%
RHB Shariah China Focus MYR	2.5%
United Golden Opportunity USD	2.0%
Phillip Master Money Market	5.0%

TOTAL	100%
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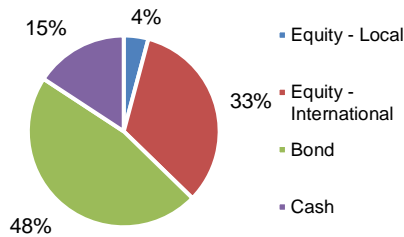
Performance from 18 Apr 2011 to 31 Dec 2023



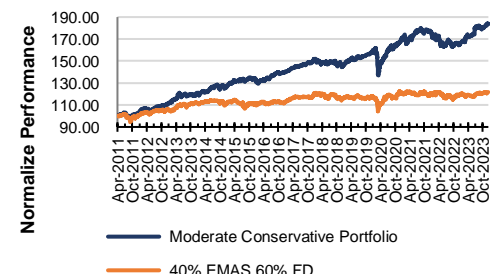
Moderate Conservative Portfolio

AmanahRaya Unit Trust	15.0%
United-i ESG Series-High Quality Sukuk MYR	15.0%
AmDynamic Bond	15.0%
Kenanga ASnitaBOND	15.0%
Global Dividend MYR	10.0%
Nomura Global Sustainable Equity MYR B	5.0%
KAF Jade	5.0%
Principal Greater China Equity Fund – MYR	2.5%
RHB Shariah China Focus MYR	2.5%
United Golden Opportunity USD	5.0%
PMB Dana Bestari	5.0%
Phillip Master Money Market	5.0%

TOTAL	100%
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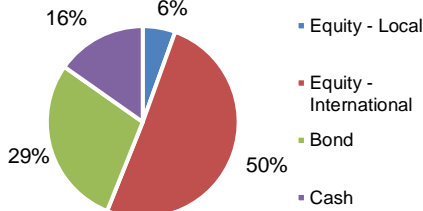
Performance from 18 Apr 2011 to 31 Dec 2023



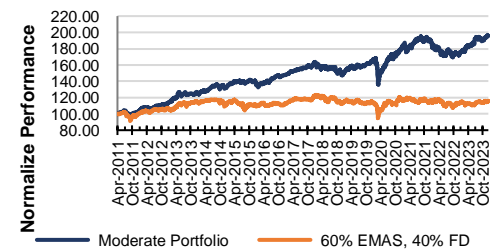
Moderate Portfolio

AmanahRaya Unit Trust	12.5%
United-i ESG Series-High Quality Sukuk MYR	12.5%
AmDynamic Bond	10.0%
Global Dividend MYR	20.0%
Nomura Global Sustainable Equity MYR B	5.0%
TA Global Technology MYR	5.0%
KAF Jade	10.0%
Principal Greater China Equity Fund – MYR	5.0%
RHB Shariah China Focus MYR	5.0%
United Golden Opportunity USD	5.0%
PMB Dana Bestari	5.0%
Phillip Master Money Market	5.0%

TOTAL	100%
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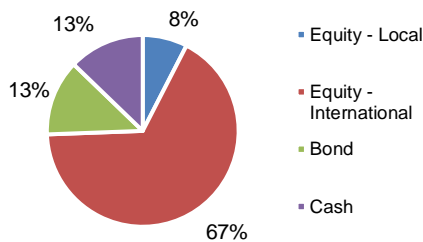
Performance from 18 Apr 2011 to 31 Dec 2023



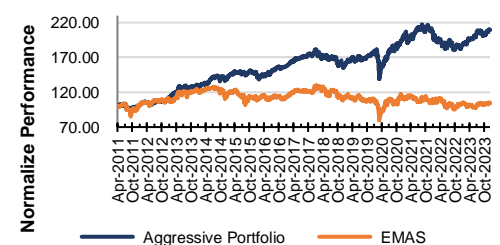
Aggressive Portfolio

AmanahRaya Unit Trust	10.0%
United-i ESG Series-High Quality Sukuk MYR	10.0%
Global Dividend MYR	25.0%
Nomura Global Sustainable Equity MYR B	5.0%
TA Global Technology MYR	5.0%
Principal Global Titans	5.0%
KAF Jade	15.0%
Principal Greater China Equity Fund – MYR	5.0%
RHB Shariah China Focus MYR	5.0%
United Golden Opportunity USD	5.0%
PMB Dana Bestari	5.0%
Phillip Master Money Market	5.0%

TOTAL	100%
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Performance from 18 Apr 2011 to 31 Dec 2023



	1 Mth	6Mths	YTD	1 Yr	Since Inception		1 Mth	6Mths	YTD	1 Yr	Since Inception
Conservative Portfolio	0.8%	6.0%	10.8%	10.8%	72.1%	Moderate Portfolio	0.9%	5.0%	14.1%	14.1%	96.1%
Benchmark	0.3%	2.4%	2.3%	2.3%	27.5%	Benchmark	0.6%	4.6%	1.7%	1.7%	15.7%
Moderate Conservative Portfolio	0.8%	5.3%	11.7%	11.7%	84.0%	Aggressive Portfolio	1.1%	4.3%	14.9%	14.9%	109.6%
Benchmark	0.5%	3.5%	2.0%	2.0%	21.8%	Benchmark	0.9%	6.7%	1.1%	1.1%	4.6%

Source: Lipper



Commentary

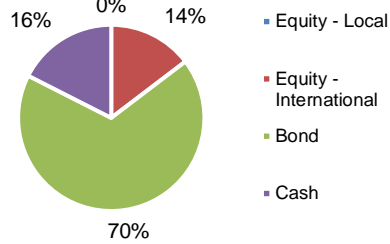
In Dec & YTD, all ports outperformed the benchmark. abrdn Islamic World Equity A MYR (+2.98%) & RHB Islamic Global Developed Markets MYR (+3.18%) were the performing funds, while the laggards were Principal Greater China Equity MYR (-3.15%) & RHB Shariah China Focus MYR (-2.20%).

SHARIAH MODEL PORTFOLIO

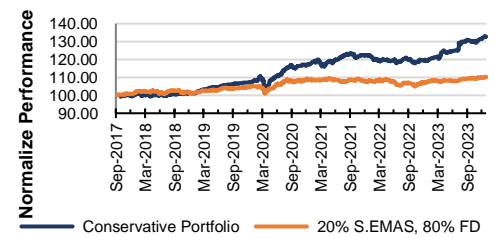
Conservative Portfolio

AmanahRaya Syariah Trust	20.0%
Principal Islamic Lifetime Sukuk	20.0%
United-i ESG Series-High Quality Sukuk MYR	20.0%
Kenanga ASnitaBOND	20.0%
Aberdeen Standard Islamic World Equity A MYR	3.0%
ICD Global Sustainable	2.0%
Principal Islamic Asia Pacific Dynamic Equity	3.0%
RHB Shariah China Focus MYR	5.0%
Manulife Shariah Global REIT MYR	2.0%
Phillip Master Islamic Money Market	5.0%

TOTAL 100%



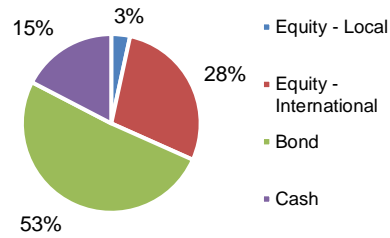
Performance from 1 Sept 2017 to 31 Dec 2023



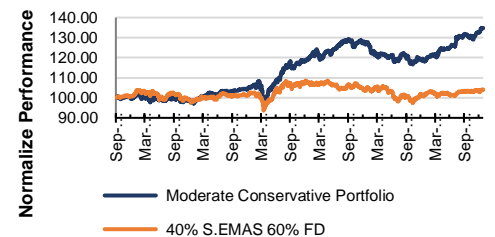
Moderate Conservative Portfolio

AmanahRaya Syariah Trust	15.0%
Principal Islamic Lifetime Sukuk	15.0%
United-i ESG Series-High Quality Sukuk MYR	15.0%
Kenanga ASnitaBOND	15.0%
Aberdeen Standard Islamic World Equity A MYR	10.0%
ICD Global Sustainable	5.0%
Principal Islamic Asia Pacific Dynamic Equity	5.0%
RHB Shariah China Focus MYR	5.0%
Manulife Shariah Global REIT MYR	5.0%
PMB Dana Bestari	5.0%
Phillip Master Islamic Money Market	5.0%

TOTAL 100%



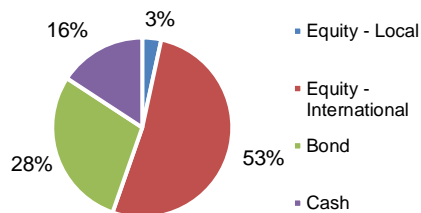
Performance from 1 Sept 2017 to 31 Dec 2023



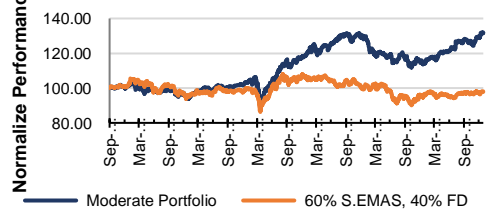
Moderate Portfolio

AmanahRaya Syariah Trust	12.5%
Principal Islamic Lifetime Sukuk	10.0%
United-i ESG Series-High Quality Sukuk MYR	12.5%
Aberdeen Standard Islamic World Equity A MYR	20.0%
RHB Islamic Global Developed Markets MYR	5.0%
ICD Global Sustainable	5.0%
Principal Islamic Asia Pacific Dynamic Equity	10.0%
RHB Shariah China Focus MYR	10.0%
Manulife Shariah Global REIT MYR	5.0%
PMB Dana Bestari	5.0%
Phillip Master Islamic Money Market	5.0%

TOTAL 100%



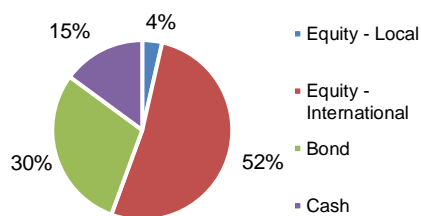
Performance from 1 Sept 2017 to 31 Dec 2023



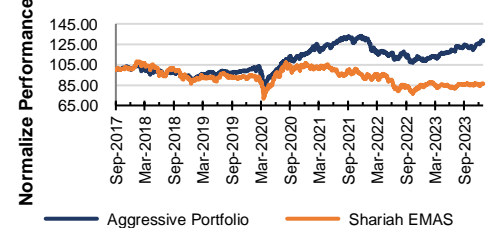
Aggressive Portfolio

AmanahRaya Syariah Trust	10.0%
Principal Islamic Lifetime Sukuk	10.0%
Aberdeen Standard Islamic World Equity A MYR	25.0%
RHB Islamic Global Developed Markets MYR	10.0%
ICD Global Sustainable	5.0%
Principal Islamic Asia Pacific Dynamic Equity	15.0%
RHB Shariah China Focus MYR	10.0%
Manulife Shariah Global REIT MYR	5.0%
PMB Dana Bestari	5.0%
Phillip Master Islamic Money Market	5.0%

TOTAL 100%



Performance from 1 Sept 2017 to 31 Dec 2023



	1 Mth	6Mths	YTD	1 Yr	Since Inception		1 Mth	6Mths	YTD	1 Yr	Since Inception
Conservative Portfolio	1.0%	6.2%	11.2%	11.2%	32.9%	Moderate Portfolio	1.8%	7.0%	15.5%	15.5%	31.7%
Benchmark	0.3%	2.2%	2.1%	2.1%	10.2%	Benchmark	0.4%	3.8%	1.3%	1.3%	-2.1%
Moderate Conservative Portfolio	1.5%	6.7%	13.8%	13.8%	34.7%	Aggressive Portfolio	2.2%	7.5%	18.0%	18.0%	28.3%
Benchmark	0.3%	3.0%	1.8%	1.8%	3.9%	Benchmark	0.5%	5.5%	0.5%	0.5%	-13.8%

Source: Lipper

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Exhibit 2: New Allocation Effective Jan 2024

Conventional			
Conservative Portfolio		Moderate Conservative Portfolio	
<u>Fixed Income</u>		<u>Fixed Income</u>	
AmanahRaya Unit Trust	20.0%	AmanahRaya Unit Trust	15.0%
United-i ESG Series-High Quality Sukuk MYR	20.0%	United-i ESG Series-High Quality Sukuk MYR	15.0%
AmDynamic Bond	20.0%	AmDynamic Bond	15.0%
Kenanga ASnitaBOND	20.0%	Kenanga ASnitaBOND	15.0%
<u>Global Equities</u>		<u>Global Equities</u>	
Principal Global Titans MYR	2.5%	Principal Global Titans MYR	5.0%
Aberdeen Standard Islamic World Equity A MYR	2.5%	Aberdeen Standard Islamic World Equity A MYR	5.0%
		RHB Islamic Global Developed Markets MYR	5.0%
<u>Asia Equities</u>		<u>Asia Equities</u>	
Maybank Asiapac Ex-Japan Equity-I	1.5%	Maybank Asiapac Ex-Japan Equity-I	2.5%
Manulife Investment Shariah Asia-Pacific ex Japa	1.5%	Manulife Investment Shariah Asia-Pacific ex Japa	2.5%
Principal Greater China Equity Fund – MYR	2.5%	Principal Greater China Equity Fund – MYR	2.5%
RHB Shariah China Focus MYR	2.5%	RHB Shariah China Focus MYR	2.5%
<u>Malaysia Equities</u>		<u>Malaysia Equities</u>	
KAF Core Income	2.0%	KAF Core Income	5.0%
		Kenanga Growth Series 2 MYR	5.0%
<u>Money Market</u>		<u>Money Market</u>	
Phillip Master Money Market	5.0%	Phillip Master Money Market	5.0%
Total	100%	Total	100%
Conventional			
Moderate Portfolio		Aggressive Portfolio	
<u>Fixed Income</u>		<u>Fixed Income</u>	
AmanahRaya Unit Trust	10.0%	AmanahRaya Unit Trust	5.0%
United-i ESG Series-High Quality Sukuk MYR	10.0%	United-i ESG Series-High Quality Sukuk MYR	5.0%
AmDynamic Bond	7.5%	AmDynamic Bond	5.0%
Kenanga ASnitaBOND	7.5%	Kenanga ASnitaBOND	5.0%
<u>Global Equities</u>		<u>Global Equities</u>	
Principal Global Titans MYR	7.5%	Principal Global Titans MYR	10.0%
Aberdeen Standard Islamic World Equity A MYR	7.5%	Aberdeen Standard Islamic World Equity A MYR	10.0%
RHB Islamic Global Developed Markets MYR	7.5%	RHB Islamic Global Developed Markets MYR	10.0%
BIMB-Arabesque i Global Dividend 1 MYR	7.5%	BIMB-Arabesque i Global Dividend 1 MYR	10.0%
<u>Asia Equities</u>		<u>Asia Equities</u>	
Maybank Asiapac Ex-Japan Equity-I	5.0%	Maybank Asiapac Ex-Japan Equity-I	7.5%
Manulife Investment Shariah Asia-Pacific ex Japa	5.0%	Manulife Investment Shariah Asia-Pacific ex Japa	7.5%
Principal Greater China Equity Fund – MYR	5.0%	Principal Greater China Equity Fund – MYR	5.0%
RHB Shariah China Focus MYR	5.0%	RHB Shariah China Focus MYR	5.0%
<u>Malaysia Equities</u>		<u>Malaysia Equities</u>	
KAF Core Income	5.0%	KAF Core Income	5.0%
Kenanga Growth Series 2 MYR	5.0%	Kenanga Growth Series 2 MYR	5.0%
<u>Money Market</u>		<u>Money Market</u>	
Phillip Master Money Market	5.0%	Phillip Master Money Market	5.0%
Total	100%	Total	100%

Shariah			
Conservative Portfolio		Moderate Conservative Portfolio	
<u>Fixed Income</u>		<u>Fixed Income</u>	
AmanahRaya Syariah Trust	20.0%	AmanahRaya Syariah Trust	15.0%
Principal Islamic Lifetime Sukuk	20.0%	Principal Islamic Lifetime Sukuk	15.0%
United-i ESG Series-High Quality Sukuk MYR	20.0%	United-i ESG Series-High Quality Sukuk MYR	15.0%
Kenanga ASnitaBOND	20.0%	Kenanga ASnitaBOND	15.0%
<u>Global Equities</u>		<u>Global Equities</u>	
Aberdeen Standard Islamic World Equity A MYR	2.5%	Aberdeen Standard Islamic World Equity A MYR	5.0%
RHB Islamic Global Developed Markets MYR	2.5%	RHB Islamic Global Developed Markets MYR	5.0%
		BIMB-Arabesque i Global Dividend 1 MYR	5.0%
<u>Asia Equities</u>		<u>Asia Equities</u>	
Maybank Asiapac Ex-Japan Equity-I	1.5%	Maybank Asiapac Ex-Japan Equity-I	2.5%
Manulife Investment Shariah Asia-Pacific ex Japa	1.5%	Manulife Investment Shariah Asia-Pacific ex Japa	2.5%
Eastspring Investments Dinasti Equity	2.5%	Eastspring Investments Dinasti Equity	2.5%
RHB Shariah China Focus MYR	2.5%	RHB Shariah China Focus MYR	2.5%
<u>Malaysia Equities</u>		<u>Malaysia Equities</u>	
KAF Dana Adib	2.0%	KAF Dana Adib	5.0%
		PMB Dana Bestari	5.0%
<u>Money Market</u>		<u>Money Market</u>	
Phillip Master Islamic Money Market	5.0%	Phillip Master Islamic Money Market	5.0%
Total	100%	Total	100%

Shariah			
Moderate Portfolio		Aggressive Portfolio	
<u>Fixed Income</u>		<u>Fixed Income</u>	
AmanahRaya Syariah Trust	10.0%	AmanahRaya Syariah Trust	5.0%
Principal Islamic Lifetime Sukuk	10.0%	Principal Islamic Lifetime Sukuk	5.0%
United-i ESG Series-High Quality Sukuk MYR	7.5%	United-i ESG Series-High Quality Sukuk MYR	5.0%
Kenanga ASnitaBOND	7.5%	Kenanga ASnitaBOND	5.0%
<u>Global Equities</u>		<u>Global Equities</u>	
Aberdeen Standard Islamic World Equity A MYR	7.5%	Aberdeen Standard Islamic World Equity A MYR	10.0%
RHB Islamic Global Developed Markets MYR	7.5%	RHB Islamic Global Developed Markets MYR	10.0%
BIMB-Arabesque i Global Dividend 1 MYR	7.5%	BIMB-Arabesque i Global Dividend 1 MYR	10.0%
Maybank Global Sustainable Equity-I - MYR	7.5%	Maybank Global Sustainable Equity-I - MYR	10.0%
<u>Asia Equities</u>		<u>Asia Equities</u>	
Maybank Asiapac Ex-Japan Equity-I	5.0%	Maybank Asiapac Ex-Japan Equity-I	7.5%
Manulife Investment Shariah Asia-Pacific ex Japa	5.0%	Manulife Investment Shariah Asia-Pacific ex Japa	7.5%
Eastspring Investments Dinasti Equity	5.0%	Eastspring Investments Dinasti Equity	5.0%
RHB Shariah China Focus MYR	5.0%	RHB Shariah China Focus MYR	5.0%
<u>Malaysia Equities</u>		<u>Malaysia Equities</u>	
KAF Dana Adib	5.0%	KAF Dana Adib	5.0%
PMB Dana Bestari	5.0%	PMB Dana Bestari	5.0%
<u>Money Market</u>		<u>Money Market</u>	
Phillip Master Islamic Money Market	5.0%	Phillip Master Islamic Money Market	5.0%
Total	100%	Total	100%