



## MARKET OUTLOOK

The MSCI World Index (+5.7%) pulled ahead of the MSCI Asia Pacific Ex-Japan Index (+4.8%) after three months of underperformance on the back of strong US market gains as it retraced April's tariff-fuelled selloff. Indonesia (+6.0%) clinched Asia Pacific's no. 1 spot for the 2nd month in a row, likely on news of easing tariff policies and a government economic stimulus package in June. South Korea (+5.5%) rallied strongly thanks to a policy rate cut amidst the tariff terror retrace, and only a week prior to their presidential election on 3 June. Taiwan (+5.5%) also performed exceptionally well, again as export curbs fizzled. In contrast, Thailand (-4.0%) declined even further to -17.9% year-to-date, solidifying them as the APAC's hardest-hit nation from China's capacity overflow. Malaysia (-2.1%) could not escape the "Sell in May, go away" adage, in part due to a string of weak corporate earnings and uncertainty over the replacement policy for Biden's AI diffusion rule.

On the monetary policy front, in May, the Federal Reserve (Fed) held interest rates steady at the 4.25% to 4.5% range during its meeting, as widely expected. Separately, the Bank of England (BoE) lowered interest rates by 25 basis points to 4.25%. In Asia, the People's Bank of China (PBoC) cut the one-year LPR by 10 basis points to 3.0% and the five-year LPR by 10 basis points to 3.5%. Similarly, the Bank of Korea (BoK) cut interest rates by 25 basis points to 2.50%. Finally, the Bank Negara Malaysia (BNM) kept the overnight policy rate (OPR) unchanged at 3%.

As we enter June, equities may face headwinds in the near term due to rising geopolitical tensions, persistent inflationary pressures, and a slowdown in global economic growth. Trade negotiations are ongoing; however, a meaningful breakthrough appears unlikely before the 90-day tariff suspension expires on July 8 – a key milestone that could trigger new policy shifts. In the interim, markets may experience economic distortions stemming from pre-tariff stockpiling, supply chain disruptions, and decelerating growth, all of which could amplify earnings volatility. While several central banks have begun easing monetary policy, the US Fed has yet to follow suit. Investors are anticipating a potential Fed rate cut later this year, particularly in light of the US economy contracting by 0.3% in the first quarter of 2025 – its first decline since early 2022, and a high US debt (\$36tn). Although rate cuts could help underpin equity valuations, lingering trade uncertainties and uneven regional growth may continue to dampen investor sentiment. Against this backdrop, we emphasize the importance of diversification and a focus on quality amid volatility.

Locally, following a subdued May results season, we expect the market to adopt a wait-and-see approach amid continued foreign net outflows and political uncertainty under the Madani government ahead of the Sabah state election by end-2025. Furthermore, sentiment remains cautious due to concerns over a tariff-driven global slowdown, legal uncertainties tied to Trump's trade policies, and potential domestic cost pressures from higher SST, RON95 fuel prices, and electricity tariffs in 2H25. Despite these headwinds, strong domestic liquidity, a gradually strengthening ringgit (+4.8% YTD vs USD), and government initiatives such as NETR, JS-SEZ, and NIMP 2030 could help cushion downside risks and support selective buying opportunities in the near term.

## EQUITY

The FBMKLCI lost 2.1% mom in May, closing at 1,508.35. In contrast, the Small Cap Index rose by 0.7%, while the Mid 70 Index increased by 1.6%.

Sector-wise in May, the top-performing sectors were Construction, Property, and Technology, up 9.0%, 3.8%, and 3.2%, respectively. The worst-performing sectors were Healthcare, Consumer, and Telecommunications, which saw declines of 5.2%, 4.2%, and 2.4%, respectively.

Foreign investors turned net buyers in May, recording RM1.0bn in inflows after seven consecutive months of net selling. However, foreign funds became net sellers again towards end of May. Separately, in May, there were two listings on the Main Market (Reach Ten Holdings Bhd and Eco-Shop Marketing Bhd), four listings on the ACE Market (West River Bhd, Fibromat (M) Bhd, Peoplelogy Bhd, and Oasis Home Holding Bhd), and one listing on the LEAP Market (TSIC Bhd).

## BOND

For the month of May, the yield for the Malaysian Government Securities (MGS) for the 3-year, 5-year, 7-year and 10-year declined by 10bps, 13bps, 16bps, and 14bps, closing at 3.16%, 3.21%, 3.39% and 3.52% respectively.

## COMMODITIES & CURRENCIES

For the month of May, WTI crude oil rose by 4.4%, closing at US\$60.8 per barrel, while Brent oil gained 1.2%, finishing at US\$63.9 per barrel. Crude palm oil closed at RM3,888/MT, registering a loss of 2.1%, while spot gold lost 0.9%, ending the month at US\$3,288.9/oz. Currency-wise, the Malaysian ringgit appreciated by 1.4% against the greenback to RM4.2530/USD. Meanwhile, the Dollar Index declined by 0.1% to 99.3.



## Commentary

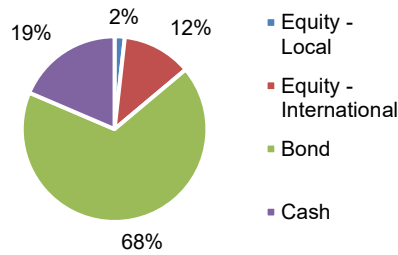
In May, all ports outperformed the benchmark. RHB Islamic Global Developed Markets MYR (+8.29%) and Maybank Asiapac Ex-Japan Equity-I (+4.13%) were the top performers, while KAF Core Income (-2.03%) lagged.

### CONVENTIONAL MODEL PORTFOLIO

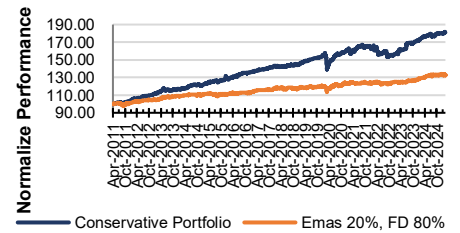
#### Conservative Portfolio

AmanahRaya Unit Trust	20.0%
United-i ESG Series-High Quality Sukuk MYR	20.0%
AmDynamic Bond	20.0%
Kenanga ASnitaBOND	20.0%
Principal Global Titans MYR	2.5%
Aberdeen Standard Islamic World Equity A MYR	2.5%
Maybank Asiapac Ex-Japan Equity-I	1.5%
Manulife Investment Shariah Asia-Pacific ex Japan	1.5%
Principal Greater China Equity Fund – MYR	2.5%
RHB Shariah China Focus MYR	2.5%
KAF Core Income	2.0%
Phillip Master Money Market	5.0%

**TOTAL 100%**



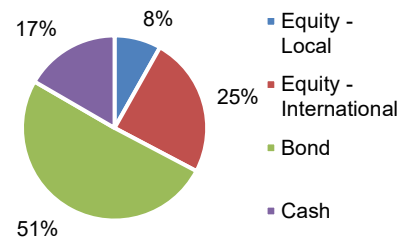
Performance from 18 Apr 11 to 31 May 25



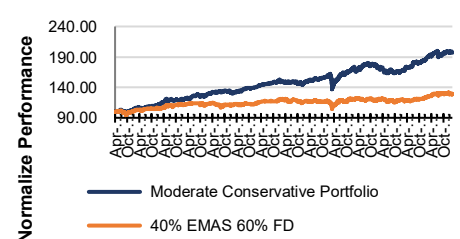
#### Moderate Conservative Portfolio

AmanahRaya Unit Trust	15.0%
United-i ESG Series-High Quality Sukuk MYR	15.0%
AmDynamic Bond	15.0%
Kenanga ASnitaBOND	15.0%
Principal Global Titans MYR	5.0%
Aberdeen Standard Islamic World Equity A MYR	5.0%
RHB Islamic Global Developed Markets MYR	5.0%
Maybank Asiapac Ex-Japan Equity-I	2.5%
Manulife Investment Shariah Asia-Pacific ex Japan	2.5%
Principal Greater China Equity Fund – MYR	2.5%
RHB Shariah China Focus MYR	2.5%
KAF Core Income	5.0%
Kenanga Growth Series 2 MYR	5.0%
Phillip Master Money Market	5.0%

**TOTAL 100%**



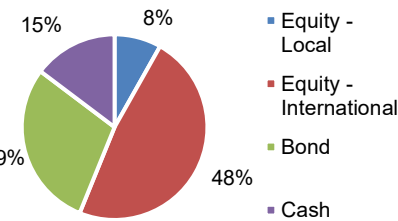
Performance from 18 Apr 11 to 31 May 25



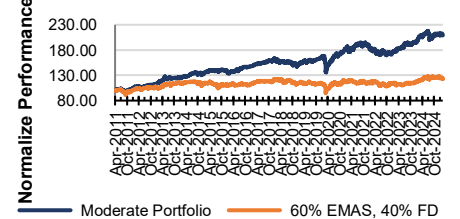
#### Moderate Portfolio

AmanahRaya Unit Trust	10.0%
United-i ESG Series-High Quality Sukuk MYR	10.0%
AmDynamic Bond	7.5%
Kenanga ASnitaBOND	7.5%
Principal Global Titans MYR	7.5%
Aberdeen Standard Islamic World Equity A MYR	7.5%
RHB Islamic Global Developed Markets MYR	7.5%
BIMB-Arabesque i Global Dividend 1 MYR	7.5%
Maybank Asiapac Ex-Japan Equity-I	5.0%
Manulife Investment Shariah Asia-Pacific ex Japan	5.0%
Principal Greater China Equity Fund – MYR	5.0%
RHB Shariah China Focus MYR	5.0%
KAF Core Income	5.0%
Kenanga Growth Series 2 MYR	5.0%
Phillip Master Money Market	5.0%

**TOTAL 100%**



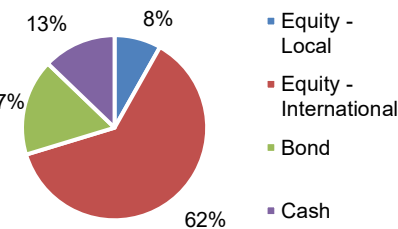
Performance from 18 Apr 11 to 31 May 25



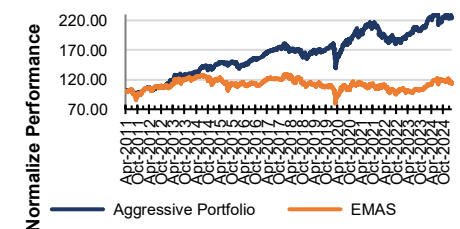
#### Aggressive Portfolio

AmanahRaya Unit Trust	5.0%
United-i ESG Series-High Quality Sukuk MYR	5.0%
AmDynamic Bond	5.0%
Kenanga ASnitaBOND	5.0%
Principal Global Titans MYR	10.0%
Aberdeen Standard Islamic World Equity A MYR	10.0%
RHB Islamic Global Developed Markets MYR	10.0%
BIMB-Arabesque i Global Dividend 1 MYR	10.0%
Maybank Asiapac Ex-Japan Equity-I	7.5%
Manulife Investment Shariah Asia-Pacific ex Japan	7.5%
Principal Greater China Equity Fund – MYR	5.0%
RHB Shariah China Focus MYR	5.0%
KAF Core Income	5.0%
Kenanga Growth Series 2 MYR	5.0%
Phillip Master Money Market	5.0%

**TOTAL 100%**



Performance from 18 Apr 11 to 31 May 25



	1 Mth	6Mths	YTD	1 Yr	Since Inception		1 Mth	6Mths	YTD	1 Yr	Since Inception
Conservative Portfolio	0.9%	1.4%	1.2%	2.7%	82.1%	Moderate Portfolio	2.2%	-2.1%	-2.3%	-2.1%	106.0%
Benchmark	0.0%	-0.4%	-1.3%	0.7%	32.4%	Benchmark	-0.5%	-3.6%	-5.8%	-3.1%	20.7%
Moderate Conservative Portfolio	1.5%	-0.5%	-0.9%	0.6%	96.0%	Aggressive Portfolio	2.7%	-2.9%	-2.9%	-3.5%	119.0%
Benchmark	-0.2%	-2.0%	-3.5%	-1.2%	26.8%	Benchmark	-0.9%	-6.9%	-10.2%	-7.1%	9.2%

Source: Lipper

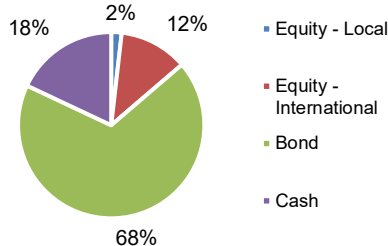
## Commentary

In May, all ports outperformed the benchmark. RHB Islamic Global Developed Markets MYR (+8.29%) and Maybank Asiapac Ex-Japan Equity-I (+4.13%) were the top performers. None of the funds posted negative returns.

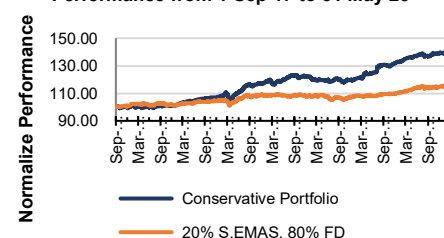
## SHARIAH MODEL PORTFOLIO

### 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	2.5%
RHB Islamic Global Developed Markets MYR	2.5%
Maybank Asiapac Ex-Japan Equity-I	1.5%
Manulife Investment Shariah Asia-Pacific ex Japan	1.5%
Eastspring Investments Dinasti Equity	2.5%
RHB Shariah China Focus MYR	2.5%
KAF Dana Adib	2.0%
Phillip Master Islamic Money Market	5.0%
<b>TOTAL</b>	<b>100%</b>

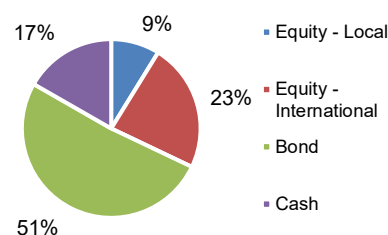


### Performance from 1 Sep 17 to 31 May 25

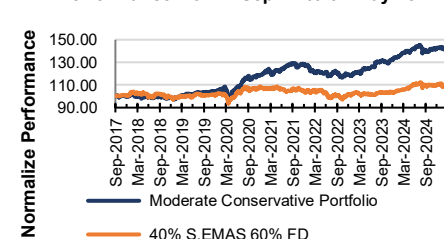


### Moderate Conservative Portfolio

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	5.0%
RHB Islamic Global Developed Markets MYR	5.0%
BIMB-Arabesque i Global Dividend 1 MYR	5.0%
Maybank Asiapac Ex-Japan Equity-I	2.5%
Manulife Investment Shariah Asia-Pacific ex Japan	2.5%
Eastspring Investments Dinasti Equity	2.5%
RHB Shariah China Focus MYR	2.5%
KAF Dana Adib	5.0%
PMB Dana Bestari	5.0%
Phillip Master Islamic Money Market	5.0%
<b>TOTAL</b>	<b>100%</b>

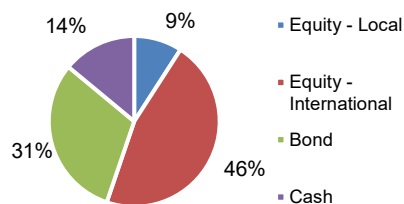


### Performance from 1 Sep 17 to 31 May 25

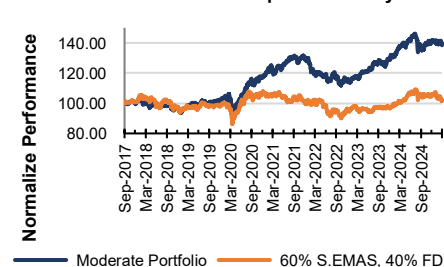


### Moderate Portfolio

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

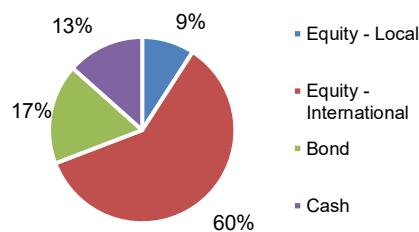


### Performance from 1 Sep 17 to 31 May 25

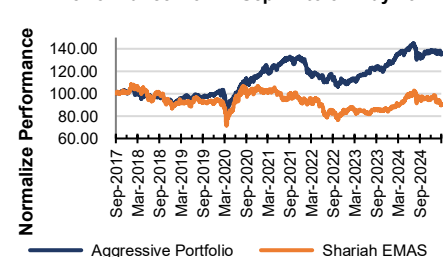


### Aggressive Portfolio

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



### Performance from 1 Sep 17 to 31 May 25



	1 Mth	6Mths	YTD	1 Yr	Since Inception		1 Mth	6Mths	YTD	1 Yr	Since Inception
Conservative Portfolio	1.0%	1.1%	0.8%	2.4%	40.3%	Moderate Portfolio	2.3%	-2.7%	-3.1%	-3.5%	36.0%
Benchmark	0.1%	-0.3%	-1.3%	0.2%	14.0%	Benchmark	0.0%	-3.3%	-6.0%	-4.4%	1.0%
Moderate Conservative Portfolio	1.5%	-0.9%	-1.4%	-0.7%	40.6%	Aggressive Portfolio	2.9%	-3.8%	-3.9%	-5.1%	31.5%
Benchmark	0.1%	-1.8%	-3.7%	-2.1%	7.5%	Benchmark	-0.2%	-6.5%	-10.6%	-9.2%	-11.7%

Source: Lipper

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