

# Phillip allocator

## MONTHLY INVESTMENT ALLOCATOR

ISSUE  
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### MARKET OUTLOOK

The MSCI Asia Pacific Ex-Japan Index (+8.0%) skyrocketed in January to kickstart 2026, while the MSCI World Index (+2.2%) was dragged down by underperforming US equities. South Korea (+24.0%) tripled the performance of the regional index, no doubt thanks to attention shifting toward memory players in the latest phase of the AI boom. Taiwan (+10.7%) was no slouch either, as memory manufacturers depended on its cutting-edge wafers. Hong Kong's (+6.9%) GDP grew at its fastest pace since 2021 as exports and capital investments surged, reinvigorating investor sentiment for the new year. On the flipside, Indonesia (-3.7%) experienced a drastic sell-off as MSCI paused index changes related to Indonesian stocks and warned of a downgrade to "Frontier" status if ownership transparency issues were not addressed. India (-3.1%) also fell during the month as the US slapped an additional punitive tariff of 25% on Indian exports due to its purchase of Russian oil.

On the monetary policy front, the Federal Reserve (Fed) held the federal funds rate steady at 3.50%–3.75% at its January 2026 FOMC meeting. The European Central Bank (ECB) kept its deposit rate unchanged at 2.0%, while the Bank of England maintained the Bank Rate at 3.75%. In Asia, the People's Bank of China left its 1-year and 5-year loan prime rates unchanged at 3.0% and 3.5%, respectively. Finally, the Bank of Japan (BOJ) maintained its key short-term interest rate at 0.75%, the highest level in 30 years.

Global equity markets are poised for moderate, selective gains in 2026, as resilient earnings help offset elevated valuations and concentrated leadership. Investors remain attentive to geopolitical risks, the payoff from sustained AI investment, and policy uncertainties, particularly in the U.S. With the Fed well into an easing cycle, liquidity conditions are supportive, while parts of Asia still have room to ease amid high real rates. A barbell strategy balancing high-quality growth with income-oriented assets remains well suited to navigating potential volatility.

After hitting a multi-year high in late January from a three-month low in late November, the KLCI's recent slide appears to be a profit-taking pullback rather than a trend reversal. We view the pullback as temporary, supported by resilient GDP growth, undemanding valuations alongside stronger earnings growth, a firm ringgit, and renewed foreign inflows, aided by narrowing US–Malaysia rate differentials and foreign shareholding near record lows. Private consumption is expected to drive Malaysia's economic growth in 2026, supported by a tight labour market, steady wages, strong household confidence, and growth in high value sectors like AI, data centres, and advanced manufacturing. Key supports include the SSPA Phase 2 rollout, the "Visit Malaysia 2026" campaign, and government programs such as STR and Budi Madani. Finally, the upcoming focus is on 4Q2025 earnings releases.

### EQUITY

The FBMKLCI Index gained 3.6% month-on-month (m-o-m) in January, closing at 1,740.88 points. Meanwhile, the Mid 70 Index rose by 4.2%, while the Small Cap Index increased by 1.5%. Sector-wise in January, the top-performing sectors were Property, Finance, and REITs, which rose by 9.2%, 9.2%, and 5.8% m-o-m, respectively. The worst-performing sectors were Healthcare, Construction, and Energy, which declined by 2.5%, 2.2%, and 1.1% m-o-m, respectively.

After an outflow of RM22.3 billion in 2025, foreign investors returned as net buyers, with net inflows reaching approximately RM1.0 billion in January 2026. Separately, in January, there were five listings on the Ace Market (Semico Capital Bhd, SBS Nexus Bhd, Guan Huat Seng Holdings Bhd, One Gasmaster Holdings Bhd and ISF Group Bhd), and one listing on the LEAP Market (Associated Air-Pak Industries Berhad).

### BOND

For the month of January, the yield for the Malaysian Government Securities (MGS) for the 3-year, 5-year, 7-year and 10-year changed by 0bps, +1bps, +6bps, and +1bps, closing at 3.00%, 3.27%, 3.43% and 3.50% respectively.

### COMMODITIES & CURRENCIES

For the month of January, WTI crude oil rose by 13.5% m-o-m, closing at US\$65.2 per barrel, while Brent crude rose by 16.1% m-o-m to US\$70.7 per barrel. Crude palm oil closed at RM4,160/MT, rising 4% from the previous month, while spot gold rose 8.6%, ending the month at US\$4,713.9/oz. Currency-wise, the Malaysian ringgit appreciated by 2.8% m-o-m against the greenback to RM3.9453/USD. Meanwhile, the Dollar Index fell by 1.4%, ending at 97.0 points.



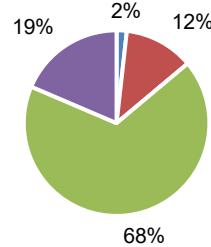
## Commentary

In Jan, all ports underperformed the benchmark due to lower Malaysia exposure. Manulife Investment Shariah Asia-Pacific ex Japan Fund (+7.9%) outperformed during the month, while RHB Islamic Global Developed Markets MYR (-1.3%) underperformed.

### CONVENTIONAL MODEL PORTFOLIO

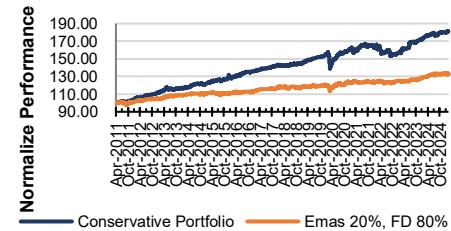
#### Conservative Portfolio

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%
Philip Master Money Market	5.0%
<b>TOTAL</b>	<b>100%</b>



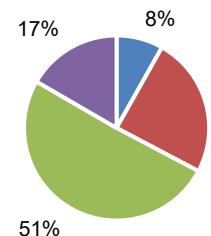
- Equity - Local
- Equity - International
- Bond
- Cash

#### Performance from 18 Apr 11 to 31 Jan 26



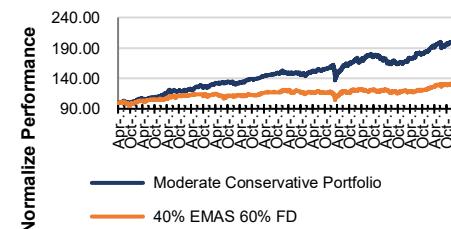
#### Moderate Conservative Portfolio

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%
Philip Master Money Market	5.0%
<b>TOTAL</b>	<b>100%</b>



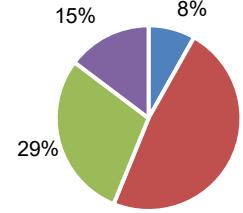
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#### Performance from 18 Apr 11 to 31 Jan 26



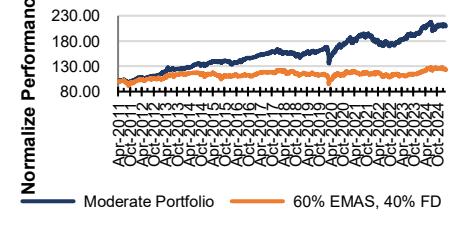
#### Moderate Portfolio

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%
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Kenanga Growth Series 2 MYR	5.0%
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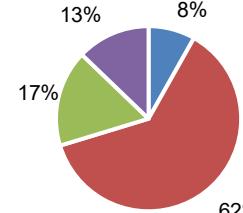
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#### Performance from 18 Apr 11 to 31 Jan 26



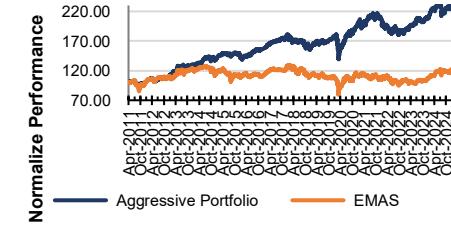
#### Aggressive Portfolio

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%
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KAF Core Income	5.0%
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Philip Master Money Market	5.0%
<b>TOTAL</b>	<b>100%</b>



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

#### Performance from 18 Apr 11 to 31 Jan 26



	1 Mth	6Mths	YTD	1 Yr	Since Inception		1 Mth	6Mths	YTD	1 Yr	Since Inception
Conservative Portfolio	0.7%	3.1%	0.7%	5.8%	90.8%	Moderate Portfolio	1.4%	5.9%	1.4%	7.7%	126.9%
Benchmark	0.9%	3.3%	0.9%	3.5%	37.5%	Benchmark	2.2%	7.5%	2.2%	5.5%	30.7%
Moderate Conservative Portfolio	0.9%	3.6%	0.9%	5.5%	108.3%	Aggressive Portfolio	1.8%	7.0%	1.8%	8.9%	145.8%
Benchmark	1.6%	5.4%	1.6%	4.5%	34.5%	Benchmark	3.6%	11.8%	3.6%	7.3%	23.2%

Source: Lipper



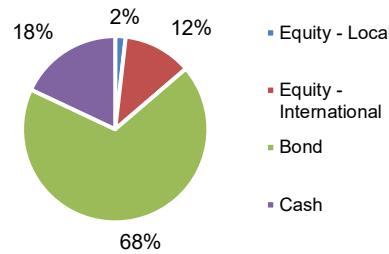
## Commentary

In Jan, all ports underperformed the benchmark due to lower Malaysia exposure. Manulife Investment Shariah Asia-Pacific ex Japan Fund (+7.9%) outperformed during the month, while RHB Islamic Global Developed Markets MYR (-1.3%) underperformed.

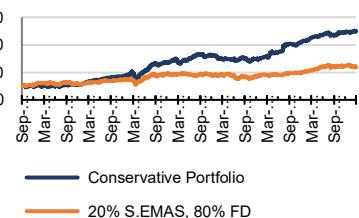
### SHARIAH MODEL PORTFOLIO

#### Conservative Portfolio

AmanahRaya Syariah Trust	20.0%
Principal Islamic Lifetime Sukuk	20.0%
United-i ESG Series-High Quality Sukuk MYR	20.0%
Kenanga ASNิตาBOND	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>

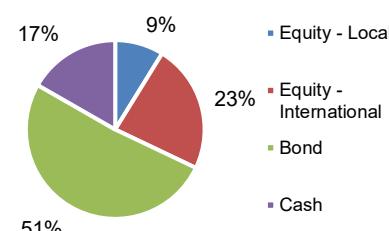


#### Performance from 1 Sep 17 to 31 Jan 26

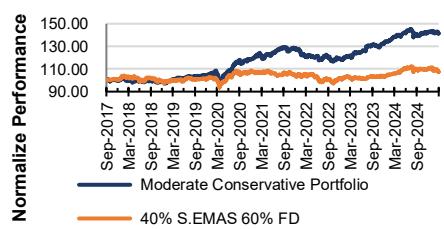


#### Moderate Conservative Portfolio

AmanahRaya Syariah Trust	15.0%
Principal Islamic Lifetime Sukuk	15.0%
United-i ESG Series-High Quality Sukuk MYR	15.0%
Kenanga ASNิตาBOND	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>

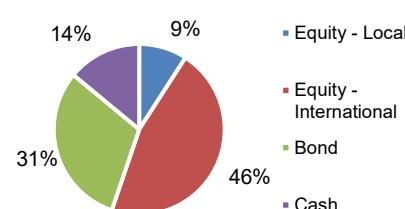


#### Performance from 1 Sep 17 to 31 Jan 26

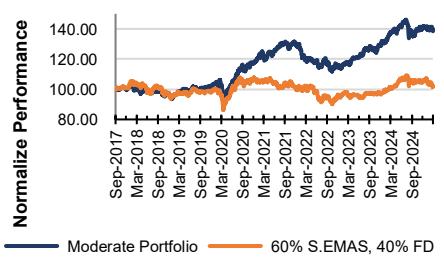


#### Moderate Portfolio

AmanahRaya Syariah Trust	10.0%
Principal Islamic Lifetime Sukuk	10.0%
United-i ESG Series-High Quality Sukuk MYR	7.5%
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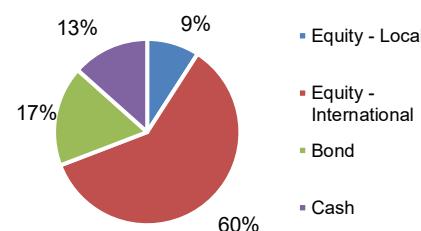


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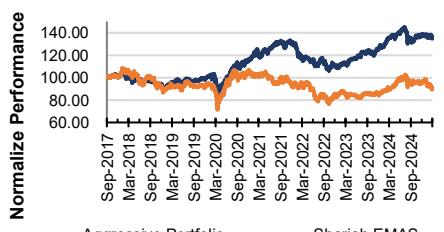


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BIMB-Arabesque i Global Dividend 1 MYR	10.0%
Maybank Global Sustainable Equity-I - MYR	10.0%
Maybank Asiapac Ex-Japan Equity-I	7.5%
Manulife Investment Shariah Asia-Pacific ex Japan	7.5%
Eastspring Investments Dinasti Equity	5.0%
RHB Shariah China 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 Jan 26



	1 Mth	6Mths	YTD	1 Yr	Since Inception		1 Mth	6Mths	YTD	1 Yr	Since Inception
Conservative Portfolio	0.5%	2.7%	0.5%	5.2%	46.6%	Moderate Portfolio	0.4%	6.8%	5.5%	5.5%	48.0%
Benchmark	0.5%	2.4%	0.5%	3.0%	17.6%	Benchmark	1.3%	4.0%	-1.2%	-1.2%	6.1%
Moderate Conservative Portfolio	0.6%	3.2%	0.6%	4.9%	49.1%	Aggressive Portfolio	0.3%	7.9%	6.2%	6.2%	45.4%
Benchmark	0.7%	3.6%	0.7%	3.5%	12.4%	Benchmark	2.1%	5.8%	-3.9%	-3.9%	-5.1%

Source: Lipper

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