



Phillip Funds Focus

NEWSLETTER EXCLUSIVELY FOR

INVESTMENT PROFESSIONALS
Global Highlights

④ US: Disinflation trends and rising unemployment could prompt Fed to cut rates

US Consumer Price Index (CPI) declined -0.1% m-o-m in June 2024 after remaining unchanged in May 2024. On a y-o-y basis, CPI cooled to +3.0% (May: +3.3%). The core CPI also cooled, gaining +0.1% m-o-m in June (May: +0.2%) and gained +3.3% y-o-y (May: +3.4%). Separately, the Fed's preferred inflation gauge, the core PCE inflation cooled to +0.1% m-o-m in May (Apr: +0.2%), making for a y-o-y increase of +2.6% (Apr: +2.8%) (Note: June's figures are not out yet at the time of writing). Separately, the unemployment rate rose to 4.1% in June (May: 4.0%).

④ EU: Economic indicators showed overall improvement; BOE kept interest rate unchanged

The Eurozone producer price index (PPI) further declined (albeit at a slower pace), reaching -4.2% y-o-y in May (Apr: -5.7%) (13th consecutive months of decline). Meanwhile, the unemployment rate was stable at 6.4% in May (Apr: 6.4%). Eurozone composite purchasing managers' index (PMI) recorded 50.9% in June vs 52.2% in May. The reading pointed to continued growth in the private sector, although the expansion cooled to a three-month low. Separately, the Bank of England (BOE) kept interest rate unchanged at 5.25% in the June's meeting.

④ China: PMI showed mixed signals; deflationary trends remained a concern

The China's manufacturing PMI for June 2024 remained unchanged at 49.5%. Non-manufacturing PMI came in at 50.5% in June, down from 51.1% in May. In contrast, the Caixin/S&P Global manufacturing PMI improved to 51.8% in June from 51.7% in May. To note, the official and Caixin surveys have different samples, with the Caixin PMI focusing on export-oriented enterprises and SMEs in the country's coastal region. Meanwhile, CPI came in at -0.2% m-o-m in June 2024 (May: -0.1%), while on a y-o-y basis, CPI cooled to +0.2% y-o-y in June (May: +0.3%). The producer price index (PPI) dropped -0.8% in June from a year earlier, easing from a slide of -1.4% the previous month.

Malaysia Highlights

④ Malaysia: A larger inflation uptick in May

In May 2024, Malaysia's headline inflation trended higher +2.0% y-o-y (Apr: +1.8%), mainly lifted by costlier non-food items and services. Non-food price inflation jumped to a 15-month high of +2.0% (Apr: +1.7%) while services inflation hit a seven-month high of +2.3% (Apr: +2.1%).

④ Malaysia's export growth stays robust in May

Malaysia's exports continued expanding at a robust pace of +7.3% yoy in May 2024 despite easing from +9.0% in Apr led by strong growth in manufacturing and agriculture exports. Import growth eased to +13.8% in May from Apr's +15.5%, keeping trade surplus steady at RM10.1bn (Apr: RM7.7bn).

④ Malaysia: BNM stays with a neutral tone in Jul

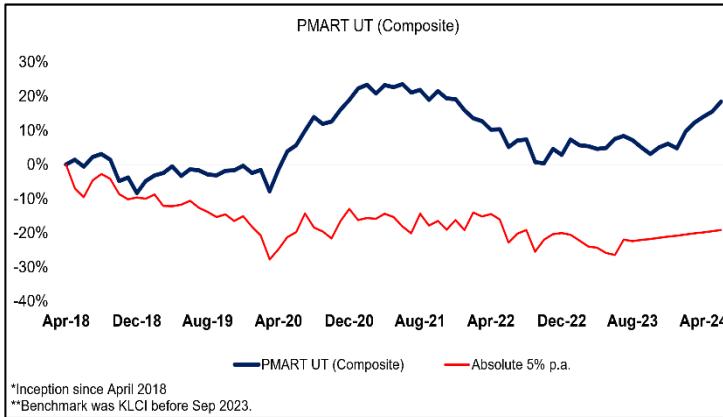
As expected, Bank Negara Malaysia (BNM) stayed the course in keeping the overnight policy rate (OPR) unchanged at 3.00% in the July's meeting.

Market Outlook

- The US market has been reaching new highs since May 2024, driven by renewed hopes for early rate cuts following the latest inflation report. The market is now expecting the first rate cut in September, a view we agree with. China market remains attractive, buoyed by the government commitment to supporting the property sector. There is also potential for a mean revaluation trade, given China's ultra-depressed valuations. The recent correction presents a trading opportunity. Investors are closely monitoring the latest developments in the Hamas-Israeli conflict, Iran-Israel tension, the Russia-Ukraine conflict, global inflation trends, US 10-year bond yields, global growth projections, worldwide interest rate trajectories, as well as major elections (in France, UK, US, etc). We remain cautiously optimistic on global equities, favoring Hong Kong/China for valuations and the US for strong earnings quality.
- Back home, in celebration of the 50th anniversary of Malaysia-China diplomatic relations, there is excitement surrounding the 11 MOUs valued at RM13.2 billion and mutual visa exemptions, which further bolsters business collaboration and tourism ties between the two countries. Additionally, investment themes expected to continue in 2H include the tech upcycle, accelerated private consumption, improving foreign tourist arrivals (and spending), and the initiation of a new investment cycle with announcements of new data centers and project awards. All in, building upon the robust market performance in 1H24, we anticipate further upside in 2H24. This outlook is supported by robust domestic factors such as earnings recovery, business policies, and political stability, along with external factors including China's economic recovery and the upswing in the semiconductor industry.

PMART-UT Monthly Report

CUMULATIVE PERFORMANCE (as at 30 June 2024)



COUNTRY COMPOSITION (as at 30 June 2024)

Country	Conventional Mandate (%)	
	Conservative	Aggressive
US	2%	2%
Euro	0%	0%
China/HK	15%	17%
India	3%	4%
Japan	1%	1%
Malaysia	31%	27%
Rest of the world	17%	21%
Bond	15%	8%
Cash	16%	20%
Total	100	100

Country	Shariah Mandate (%)	
	Conservative	Aggressive
US	2%	2%
Euro	2%	3%
China/HK	7%	7%
India	6%	7%
Japan	1%	1%
Malaysia	33%	31%
Rest of the world	20%	23%
Bond	15%	8%
Cash	14%	18%
Total	100	100

Source: Lipper, PCM, figures may not add up due to rounding error

*Performance based on typical account portfolio from 1 April 2018 till 30 June 2019. Thereafter, performance is based on time-weighted composite return. Please refer to the fund fact sheets for the performance details of each respective mandate (Conventional/Shariah; Conservative/Aggressive).

**Effective 1 September 2023, the benchmark of FBM KLCI is changed to Target Return of 5.0% p.a.

Source: Bloomberg, PCM

CONVENTIONAL FUNDS (as at 30 June 2024)

Fund Name	Allocation (%)		Return (%)		
	Con	Agg	Jun-24	YTD	1Yr
AHAM Select APAC ex-Japan Dividend MYR Fund	13	15	6.8	17.4	16.1
AHAM Aiiman Growth Fund	3	3	2.6	17.8	24.6
Eastspring Investments Equity Income Fund	4	4	0.4	13.1	20.6
Eastspring Investments Growth Fund	5	5	0.2	12.5	22.0
KAF Core Income Fund	3	3	4.3	29.0	49.0
KAF Jade Fund	3	5	0.5	6.7	3.0
Kenanga Growth Series 2 MYR Fund	4	4	3.9	27.9	45.2
Kenanga Shariah Growth Opportunities Fund	4	4	3.4	23.3	30.2
Manulife Investment Shariah Asia-Pacific ex Japan Fund	9	12	5.8	8.5	10.0
Principal Asia Titans Fund	7	7	6.2	20.2	18.6
Principal Greater China Equity MYR Fund	9	10	-0.5	5.5	-3.0
RHB Shariah China Focus MYR Fund	0	0	0.4	5.4	-7.4
RHB Thematic Growth Fund	3	3	3.6	25.7	34.0
AHAM Select Balanced Fund	15	7	1.6	17.1	21.6
AmDynamic Bond Fund	10	5	0.4	2.7	6.0
Phillip Master Islamic Cash Fund	8	13	0.3	1.7	3.4
Total	100	100			

Review

- **Performance Overview** – Our portfolio gained 2.5%, outperforming the benchmark monthly return rate of 0.4%. Meanwhile, most funds within our portfolio recorded positive returns for the month of June 2024.
- **Top Performer** – AHAM Select APAC ex-Japan Dividend MYR Fund – The fund's outperformance was attributed to a strong recovery in Taiwan, Korea and India.
- **Worst Performer** – Principal Greater China Equity MYR Fund – The fund's underperformance was due to profit-taking in the China/HK market.
- **Allocation** – In June, we removed RHB Shariah China Focus Fund MYR from the portfolio as the fund is not approved by the provident fund. We will continue to monitor the performance of the funds and rebalance the portfolio, when necessary, in line with the market condition.

Con = Conservative Agg = Aggressive

Source: Lipper, PCM

Note:

Red: Decrease

Green: Increase

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SHARIAH FUNDS (as at 30 June 2024)

Fund Name	Allocation (%)		Return (%)		
	Con	Agg	Jun-24	YTD	1Yr
AHAM Aiiman Growth Fund	5	5	2.6	17.8	24.6
Eastspring Investments Dana al-Ilham	4	4	2.3	16.4	22.4
KAF Islamic Dividend Income Fund	4	4	2.7	20.4	31.4
Kenanga Shariah Growth Opportunities Fund	4	4	3.4	23.3	30.2
Manulife Investment Al-Fauzan Fund	6	7	0.4	16.7	24.1
Manulife Investment Shariah Asia-Pacific ex Japan Fund	18	22	5.8	8.5	10.0
PMB Shariah Equity Fund	6	6	6.7	26.0	29.7
Principal Islamic Asia Pacific Dynamic Equity Fund	17	19	7.3	10.7	14.0
RHB Shariah China Focus MYR Fund	0	0	0.4	5.4	-7.4
Dana Makmur Pheim	15	7	-0.3	3.3	4.2
Principal Islamic Lifetime Balanced Fund	5	5	3.8	11.3	15.5
Kenanga ASnitaBOND Fund	10	5	0.4	2.2	4.8
Phillip Master Islamic Cash Fund	6	12	0.3	1.7	3.4
Total	100	100			

Review

- **Performance Overview** – Most funds within our portfolio recorded positive returns for the month of June 2024.
- **Top Performer** – Principal Islamic Asia Pacific Dynamic Equity Fund – The fund's outperformance was attributed to a strong recovery in Taiwan, Korea and India.
- **Worst Performer** – Dana Makmur Pheim – Share prices were negatively impacted by their holdings in a Malaysia-based cloud EDM company, a Malaysia-based MLM company and a HK-based pharmaceutical company.
- **Allocation** – In June, we removed RHB Shariah China Focus Fund MYR from the portfolio as the fund is not approved by the provident fund. We will continue to monitor the performance of the funds and rebalance the portfolio, when necessary, in line with the market condition.

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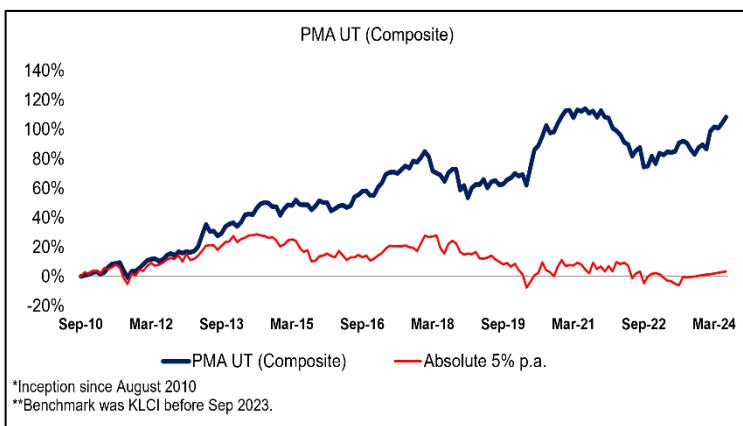
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PMA-UT Monthly Report

CUMULATIVE PERFORMANCE (as at 30 June 2024)



COUNTRY COMPOSITION (as at 30 June 2024)

Country	Conventional Mandate (%)	
	Conservative	Aggressive
US	20%	18%
Euro	3%	3%
China/HK	17%	29%
India	3%	3%
Japan	1%	1%
Malaysia	18%	15%
Rest of the world	10%	11%
Bond	19%	11%
Cash	9%	9%
Total	100	100

Portfolio	1M	6M	YTD	1Y	Since inception*
Composite Return	2.0%	9.9%	9.9%	9.3%	108.4%
Benchmark **	0.4%	2.5%	2.5%	9.8%	3.3%

*Performance is based on time-weighted composite return.

**Effective 1 September 2023, the benchmark of FBM KLCI is changed to Target Return of 5.0% p.a.

Source: Bloomberg, PCM

Country	Shariah Mandate (%)	
	Conservative	Aggressive
US	17%	20%
Euro	6%	6%
China/HK	21%	26%
India	5%	5%
Japan	1%	2%
Malaysia	9%	7%
Rest of the world	13%	14%
Bond	16%	9%
Cash	12%	11%
Total	100	100

Source: Lipper, PCM, figures may not add up due to rounding error

CONVENTIONAL FUNDS (as at 30 June 2024)

Fund Name	Allocation (%)		Return (%)		
	Con	Agg	Jun-24	YTD	1Yr
abrdn Islamic World Equity A MYR Fund	5	5	2.7	10.3	13.8
Eastspring Investments Small-cap Fund	4	4	2.1	17.6	23.2
Kenanga Growth Series 2 MYR Fund	5	9	3.9	27.9	45.2
Kenanga Malaysian Inc Fund	6	3	3.2	22.0	39.6
Maybank Asiapac Ex-Japan Equity-I Fund	3	3	5.4	13.9	20.6
Manulife Investment U.S. Equity MYR Fund	10	8	3.2	13.9	23.2
Principal Asia Pacific Dynamic Income MYR Fund	13	12	5.3	14.8	15.8
Principal Greater China Equity MYR Fund	9	14	-0.5	5.5	-3.0
RHB Islamic Global Developed Markets MYR Fund	8	8	5.1	23.2	29.8
RHB Shariah China Focus MYR Fund	7	16	0.4	5.4	-7.4
AHAM Select Balanced Fund	13	6	1.6	17.1	21.6
AHAM Bond Fund	10	5	0.4	2.1	4.9
RHB Islamic Bond	4	4	0.4	2.7	-18.0
Phillip Master Islamic Cash Fund	3	3	0.3	1.7	3.4
Total	100	100			

Con=Conservative Agg=Aggressive
Source: Lipper, PCM

Review

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- **Top Performer** – Maybank Asiapac Ex-Japan Equity-I Fund – The fund's outperformance was attributed to a strong recovery in Taiwan, Korea and India.
- **Worst Performer** – Principal Greater China Equity MYR Fund – The fund's underperformance was due to profit-taking in the China/HK market.
- **Allocation** – We made no changes to the portfolio for the month of June. We will continue to monitor the performance of the funds and rebalance the portfolio, when necessary, in line with the market condition.

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SHARIAH FUNDS (as at 30 June 2024)

Fund Name	Allocation (%)		Return (%)		
	Con	Agg	Jun-24	YTD	1Yr
abrdn Islamic World Equity A MYR Fund	5	5	2.7	10.3	13.8
Eastspring Investments Dinasti Equity Fund	11	16	2.7	8.7	4.9
Kenanga Global Islamic Fund	10	12	5.7	19.1	25.6
Kenanga Shariah Growth Opportunities Fund	3	3	3.4	23.3	30.2
Maybank Asiapac Ex-Japan Equity-I Fund	3	3	5.4	13.9	20.6
Principal Islamic Asia Pacific Dynamic Equity Fund	15	17	7.3	10.7	14.0
RHB Islamic Global Developed Markets MYR Fund	10	12	5.1	23.2	29.8
RHB Shariah China Focus MYR Fund	12	15	0.4	5.4	-7.4
Dana Makmur Pheim	14	5	-0.3	3.3	4.2
Kenanga ASnitaBOND Fund	10	5	0.4	2.2	4.8
RHB Islamic Bond	4	4	0.4	2.7	-18.0
Phillip Master Islamic Cash Fund	3	3	0.3	1.7	3.4
Total	100	100			

Review

- **Performance Overview** – Most funds within our portfolio recorded positive returns for the month of June 2024.
- **Top Performer** – Principal Islamic Asia Pacific Dynamic Equity Fund – The fund's outperformance was attributed to a strong recovery in Taiwan, Korea and India.
- **Worst Performer** – Dana Makmur Pheim – Share prices were negatively impacted by their holdings in a Malaysia-based cloud EDM company, a Malaysia-based MLM company and a HK-based pharmaceutical company.
- **Allocation** – We made no changes to the portfolio for the month of June. We will continue to monitor the performance of the funds and rebalance the portfolio, when necessary, in line with the market condition.

Con=Conservative Agg=Aggressive

Source: Lipper, PCM

Note:

Red: Decrease

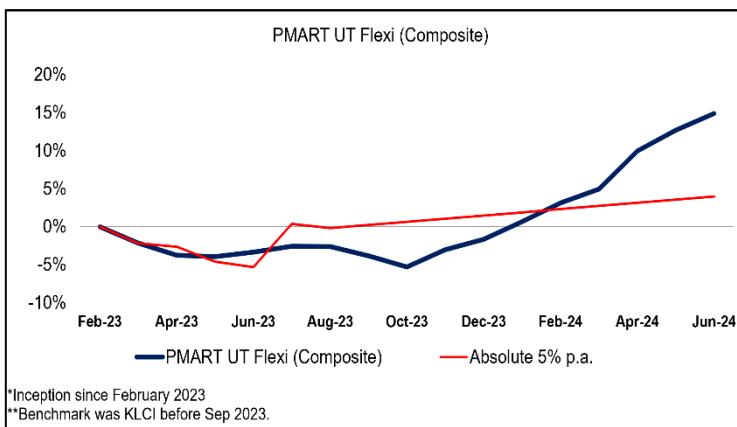
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PMART-UT Flexi Monthly Report

CUMULATIVE PERFORMANCE (as at 30 June 2024)



COUNTRY COMPOSITION (as at 30 June 2024)

Country	Conventional Mandate (%)	
	Conservative	Aggressive
US	5%	17%
Euro	3%	1%
China/HK	0%	4%
India	0%	2%
Japan	1%	1%
Malaysia	39%	45%
Rest of the world	0%	6%
Bond	42%	13%
Cash	10%	11%
Total	100	100

Portfolio	1M	6M	YTD	1Y	Since inception*
Composite Return	2.0%	16.8%	16.8%	18.9%	14.9%
FBM KLCI **	0.4%	2.5%	2.5%	9.8%	4.0%

*Performance is based on time-weighted composite return since the inception date of 13 Feb 2023. Please refer to the fund fact sheets for the performance details of each respective mandate (Conventional/Shariah; Conservative/Aggressive).

**Effective 1 September 2023, the benchmark of FBM KLCI is changed to Target Return of 5.0% p.a.

Source: Bloomberg, PCM

Country	Shariah Mandate (%)	
	Conservative	Aggressive
US	5%	15%
Euro	3%	4%
China/HK	2%	2%
India	0%	3%
Japan	0%	1%
Malaysia	44%	39%
Rest of the world	4%	7%
Bond	28%	16%
Cash	14%	13%
Total	100	100

Source: Lipper, PCM, figures may not add up due to rounding error

CONVENTIONAL FUNDS (as at 30 June 2024)

Fund Name	Allocation (%)		Return (%)		
	Con	Agg	Jun-24	YTD	1Yr
KAF Core Income Fund	0	17.5	4.3	29.0	49.0
Manulife Investment U.S. Equity MYR Fund	0	17.5	3.2	13.9	23.2
Phillip Master Equity Growth Fund	15	25	1.4	20.8	27.4
Principal Asia Pacific Dynamic Income MYR Fund	0	15	5.3	14.8	15.8
Principal Global Titans Fund	10	0	1.5	13.8	17.4
AHAM Select Balanced Fund	22	0	1.6	17.1	21.6
Phillip SELECT Balance Fund	25	10	2.6	15.1	21.4
AHAM Bond Fund	10	0	0.4	2.1	4.9
Phillip Dana Murni	15	5	0.3	1.8	4.6
RHB Islamic Bond Fund	0	5	0.4	2.7	-18.0
Phillip Master Islamic Cash Fund	3	5	0.3	1.7	3.4
Total	100	100			

Con=Conservative Agg=Aggressive

Source: Lipper, PCM

Note:

Red: Decrease

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Review

- **Performance Overview** – Our portfolio gained 2.0%, outperforming the benchmark monthly return rate of 0.4%. Meanwhile, all funds within our portfolio recorded positive returns for the month of June 2024.
- **Top Performer** – Principal Asia Pacific Dynamic Income MYR Fund – The fund's outperformance was attributed to a strong recovery in Taiwan, Korea and India.
- **Worst Performer** – Phillip Dana Murni – The underperformance was due to the bond's less aggressive nature.
- **Allocation** – We made no changes to the portfolio for the month of June. We will continue to monitor the performance of the funds and rebalance the portfolio, when necessary, in line with the market condition.

SHARIAH FUNDS (as at 30 June 2024)

Fund Name	Allocation (%)		Return (%)		
	Con	Agg	Jun-24	YTD	1Yr
abrdn Islamic World Equity A MYR Fund	10	0	2.7	10.3	13.8
Phillip Dana Aman	15	25	-1.0	15.8	22.2
PMB Shariah Equity Fund	0	17.5	6.7	26.0	29.7
Principal Islamic Asia Pacific Dynamic Equity Fund	0	15	7.3	10.7	14.0
RHB Islamic Global Developed Markets MYR Fund	0	17.5	5.1	23.2	29.8
AHAM Aiiman Select Income Fund	0	10	2.1	5.6	8.8
Dana Makmur Pheim	22	0	-0.3	3.3	4.2
Manulife Investment-HW Shariah Flexi Fund	25	0	2.8	25.5	35.5
Kenanga ASnitaBOND Fund	15	0	0.4	2.2	4.8
Phillip Dana Murni	10	5	0.3	1.8	4.6
RHB Islamic Bond Fund	0	5	0.4	2.7	-18.0
Phillip Master Islamic Cash Fund	3	5	0.3	1.7	3.4
Total	100	100			

Con=Conservative Agg=Aggressive

Source: Lipper, PCM

Review

- **Performance Overview** – Most funds within our portfolio recorded positive returns for the month of June 2024.
- **Top Performer** – Principal Islamic Asia Pacific Dynamic Equity Fund – The fund's outperformance was attributed to a strong recovery in Taiwan, Korea and India.
- **Worst Performer** – Phillip Dana Aman – The underperformance was due to profit taking in selected counters.
- **Allocation** – We made no changes to the portfolio for the month of June. We will continue to monitor the performance of the funds and rebalance the portfolio, when necessary, in line with the market condition.

Note:

Red: Decrease

Green: Increase

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