

FUND DETAILS

Fund Objective	The Fund aims to provide capital growth and steady and attractive income in the medium to long term by investing in a portfolio of equities that are paying or have the potential to pay attractive dividends and that comply with Shariah requirements.
Investment Manager	Phillip Capital Management Sdn Bhd
Trustee	CIMB Islamic Trustee Berhad
Fund Category/Type	Equity (Islamic) / Income & Growth
Income Distribution	Once a year, if any
Launch Date	26 July 2007
Unit NAV	RM0.4136
Fund Size	RM3.236 million

FEES, CHARGES & TRANSACTION DETAILS

Sales Charge	Up to 5.00%	Minimum Initial Investment	RM500
Redemption Charge	Nil	Minimum Additional Investment	RM100
Management Fee	Up to 1.50% p.a.	Minimum Regular Investment	RM100
Trustee Fee	Up to 0.06% p.a. or a minimum of RM8,400 p.a.		

INCOME DISTRIBUTION

Distribution Date	Distribution/Unit (Net)	NAV/Unit before Distribution (RM)	NAV/Unit after Distribution (RM)
29/07/2022	1.00 sen	0.4340	0.4240

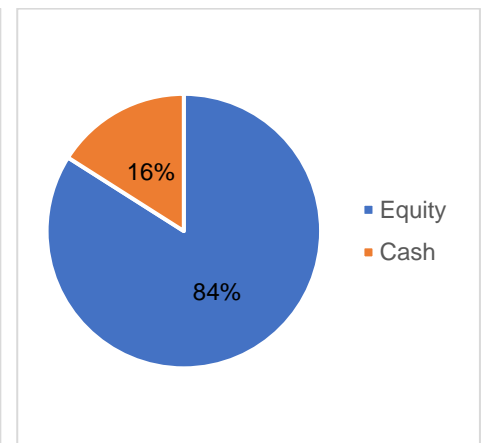
TOP 5 HOLDINGS*

Microsoft Corporation (US)	4.73%
Tenaga Nasional Berhad	4.43%
Geely Automobile Holdings Limited (HK)	3.97%
Apple Inc. (US)	3.83%
Taliworks Corporation Berhad	3.54%

TOP 5 EQUITIES SECTOR ALLOCATION*

Foreign Investments	26.48%
Industrial Products & Services	13.33%
Consumer Products & Services	10.92%
Utilities	7.98%
Technology	7.55%

ASSET ALLOCATION*



*As percentage of NAV

INCOME DISTRIBUTION (PAST 10 YEARS)

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Gross distribution (sen)	3.00	3.00	1.50	-	-	-	-	-	1.00	1.00
Distribution yield (%)	5.59	5.27	2.88	-	-	-	-	-	2.11	2.30

PERFORMANCE TABLE

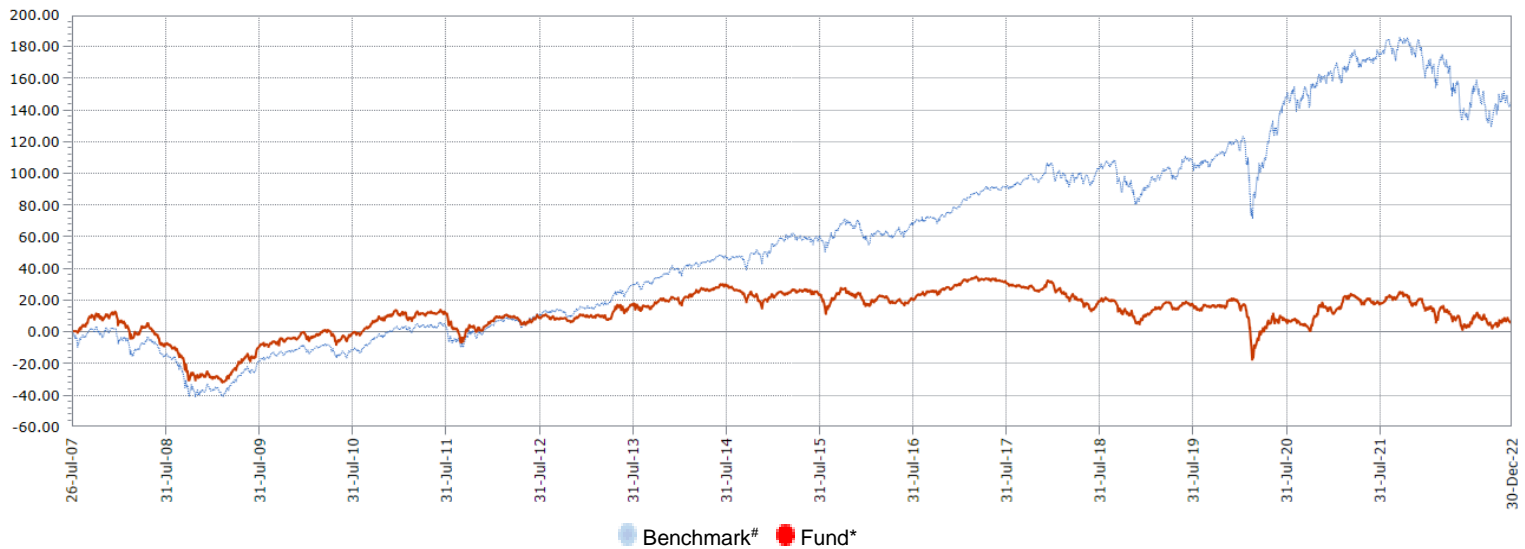
	1 Mth	3 Mths	6 Mths	1 Yr	3 Yrs	5 Yrs	10 Yrs	YTD	Since Launch
Fund*	-2.48	1.35	2.19	-12.04	-11.76	-18.36	-3.97	-12.04	5.35
Benchmark#	-2.02	5.91	3.35	-13.80	12.71	22.37	114.08	-13.80	143.34

*Source: Lipper for Investment Management, 31 Dec 2022. Fund sector: Equity Global Income

#Composite benchmark: 50% FTSE Bursa Malaysia EMAS Shariah Index (FBMS) & 50% Dow Jones Islamic Market World Index (DJIM), source:

Bloomberg, 31 Dec 2022. Return of benchmark, which are indices that track foreign markets, have been adjusted by the movement of the Malaysian Ringgit (MYR) against the foreign currencies.

FUND PERFORMANCE



FUND MANAGER'S COMMENTARY

The local bourse started the month low due to concerns over further rate hikes, slowing global growth and policy changes by the newly-elected government. However, it recovered towards the last few trading days and ended the month in positive territory due to window-dressing activities. Market sentiments may have also improved after Prime Minister Dato' Seri Anwar bin Ibrahim won a motion of confidence in Parliament on 19 December 2022. Foreign investors remained net sellers while local institutional investors were the largest net buyer for the month. The top three best-performing sectors in December 2022 were plantation, transport and healthcare while the top three worst-performing sectors were property, construction and telecom.

On the global front, US Standard & Poor's 500 fell sharply, -5.9% month-on-month (m-o-m) in December 2022, closing out the year at almost -20%; as market participants fret over potential recession. Uncertainty over 4th quarter 2022 corporate earnings as well as the sudden change of tone by the US Federal Reserve (US Fed) exacerbated recession fear. To recap, in the middle of December 2022, the US Fed raised benchmark interest rate by 50 basis points (bps). Though lower than its previous three-quarter-point hikes, the latest move will further heighten the costs of many consumers and, business loans and increase the risk of a recession. The policymakers also forecast that their key short-term rate will reach a range of 5% to 5.25% by the end of 2023, suggesting that the US Fed is prepared to raise its benchmark rate by an additional three-quarters of a point despite signs of cooling inflation.

The MSCI Europe Index was similarly pressured, as it fell 3.6% m-o-m as signs of reopening in China and ongoing geopolitical tension saw increase in commodities prices for the month, spooking investors. The European Central Bank stressed that significant tightening remained ahead. In China, the Hang Seng Index jumped by 6.4% m-o-m, after Beijing continue to loosen its pandemic restrictions that have constrained China's economic growth since early 2020. However, the share price rally didn't continue in Taiwan in December 2022; with ongoing geopolitical tensions, higher US interest rates and lower demand for electronic goods (one of Taiwan's biggest exports) weakening investor sentiments. Similarly, share prices in South Korea declined in December 2022 due to weaker export data and cooler demand from China.

The MSCI ASEAN was flattish m-o-m, with Thailand being the best performing market, up by 2% m-o-m, aided by the reopening theme in China as Thailand benefits the most from China tourists. Indonesia, Vietnam, Singapore and Philippines ended the month lower.

While fading reopening tailwinds and rate hikes will weigh on the growth in 2023, outlook is nonetheless anticipated to improve on the back of accelerating recovery at laggard sectors as reopening by China will boost trade, tourism and commodities demand as well as prices. We believe the government is unlikely to implement any negative policy changes relating to subsidies and taxes as it focuses on cost-of-living issues. Overall, we also believe in focusing on sufficient liquidity to take advantage of market weakness with medium-term investment objectives.

Globally, we view that growth names should start to pique investor' interest as the US Fed is approaching the tail end of its rate hike cycle. We shall continue to monitor employment data and inflation number coming from US, as cooling inflation data and softening employment figures will be major impediments for aggressive rate hikes. However, we do not discount the possibility of a rebound in inflation numbers as China reopens its economies, which will boost demand for commodities, but at the same time mitigating years of long supply chain disruptions. Over in Asia, to recap, after more than 3 years of strict lockdowns which fuelled social and political unrests, China's recent U-turn on its zero-Covid policy took the market by surprise; while its sudden and earlier than expected relaxation on border control was something unforeseen, as most economists expect China to reopen its border soonest between 2nd quarter 2023 and 1st quarter 2024.

We believe China is indeed embracing itself for 'come what may' with the full reopening, and its economy should also start its recovery path, in line with the raft of supportive policy measures announced by the government. While we opined that recession fear may continue to deter the equity markets, we view that slowing rate hike cycle, if and when it happens, may inject much needed boost to overall sentiment.

DISCLAIMER

VOLATILITY FACTOR

Based on the Fund's portfolio returns as at 31st Dec 2022, the Volatility Factor (VF) for this Fund is 17.03 classified as "High" (Source: Lipper). "High" includes funds with VF that are above 15.38 but not more than 18.83 (Source: Lipper). The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every 6 months. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC.

DISCLAIMER

Important information: This factsheet has been prepared by Phillip Mutual Berhad on the basis of publicly available information, internally developed data and other sources believed to be reliable. Whilst all reasonable care has been taken to ensure that the facts stated are accurate and the opinions are fair and reasonable, neither Phillip Mutual Berhad, nor any director or employee, shall in any way be responsible for any reliance placed on its contents. Past performance is not necessarily an indication to future performance. The price of the units and income distributions, if any, may go down as well as up. Returns may vary from year to year and is not guaranteed. Where a distribution is declared, investors are advised that following the distribution, the NAV per unit will be reduced from cum-distribution NAV to ex-distribution NAV.

THIS DOCUMENT IS NOT AN OFFER TO PURCHASE UNITS OF THE MASTER FUNDS. The Phillip Master Prospectus (Master Prospectus) of the Fund dated 19th December 2020 has been registered with the Securities Commission and it can be obtained from any of our sales offices and institutional sales agents as listed in the Master Prospectus. Any issues of securities/units to which the prospectus relates will be only made on receipt of a form of application referred to in and accompanying a copy of the Master Prospectus. Under all circumstances, investors are advised to read and understand the contents of the Master Prospectus and consider the fees and charges involved before investing in the unit trust fund.

The Manager wishes to highlight the specific risks of the Fund are Market Risk, Stock-Specific Risk, Liquidity Risk, Interest Risk, Credit Risk and Risk of Investing in Futures for the purpose of hedging. These risks and other general risks are elaborated in the Master Prospectus. A Product Highlights Sheet is available and that investors have the right to request for a Product Highlights Sheet. The Product Highlights Sheet and any other product disclosure document should be read and understood before making any investment decision.