

Tactical Asset Allocation

December 2025

Prepared by the **Investment Team**
Phillip Capital Management Sdn Bhd

Disclaimer - Phillip Capital Management Sdn Bhd ("PCM")

The information contained herein does not constitute an offer, invitation, or solicitation to invest in any product or service offered by Phillip Capital Management Sdn Bhd ("PCM"). No part of this document may be reproduced or circulated without prior written consent from PCM. This is not a unit trust or collective investment scheme and is not an obligation of, deposit in, or guaranteed by PCM. All investments carry risks, including the potential loss of principal.

Performance figures presented may reflect model portfolios and may differ from actual client accounts' performance. Variations in individual clients' portfolios against model portfolios and between one client's portfolio to another can arise due to multiple factors, including (but not limited to) higher relative brokerage costs for smaller portfolios, timing of capital injections or withdrawals, timing of purchases and sales, and mandate change (e.g., Shariah vs. conventional). These differences may impact overall performance.

Past performance is not necessarily indicative of future returns. The value of investments may rise or fall, and returns are not guaranteed. PCM has not considered your investment objectives, financial situation, or particular needs. You are advised to consult a licensed financial adviser before making any investment decisions.

While all reasonable care has been taken to ensure the accuracy and completeness of the information contained herein, no representation or warranty is made, and no liability is accepted for any loss arising directly or indirectly from reliance on this material. This publication has not been reviewed by the Securities Commission Malaysia.

For more information, please refer to www.phillipcapital.com.my

Disclaimer - Phillip Mutual Berhad (“PMB”)

This publication has been prepared by Phillip Mutual Berhad (“PMB”) solely for information and private circulation only. It should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities mentioned herein. Whilst we have taken all reasonable care to ensure that the information contained in this publication is accurate, it does not guarantee the accuracy or completeness of this publication. Accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of any person or group of persons acting on such information and advice. This publication was prepared without regard to your specific investment objectives, financial situation or particular needs. Whilst views and advice given are in good faith, you should not regard the publication as a substitute for the exercise of your own judgement and should seek other professional advice for your specific investment needs or financial situations. Any past performance or predictions or forecasts mentioned in this document are not necessarily indicative of the future or likely performance of the fund manager and/or the portfolio. Investors may wish to seek advice from a financial adviser before making a commitment to invest in the portfolio. Any information, opinions and views contained and/or expressed in this report/presentation are subject to change without notice. The securities mentioned in this presentation (if any) are for illustration purpose only. No guarantee that the portfolio will invest into the securities. Reproduction of this report/presentation without our prior consent are strictly prohibited. PMB, its employees, directors, including its associates may have interest in the securities mentioned herein from time to time. In managing conflict of interest, they are subject to half yearly declaration, prior approval procedures and monitoring by our Compliance team. In the event there is a conflict between the clients' interest and the interest of the Company, its employees, directors, including its associates, the clients' interest shall prevail.

For more information, please refer to www.phillipcapital.com.my

Market Review – December 2025

MSCI Asia Pacific Ex-Japan outperformed MSCI World; Korea, Taiwan, Malaysia led

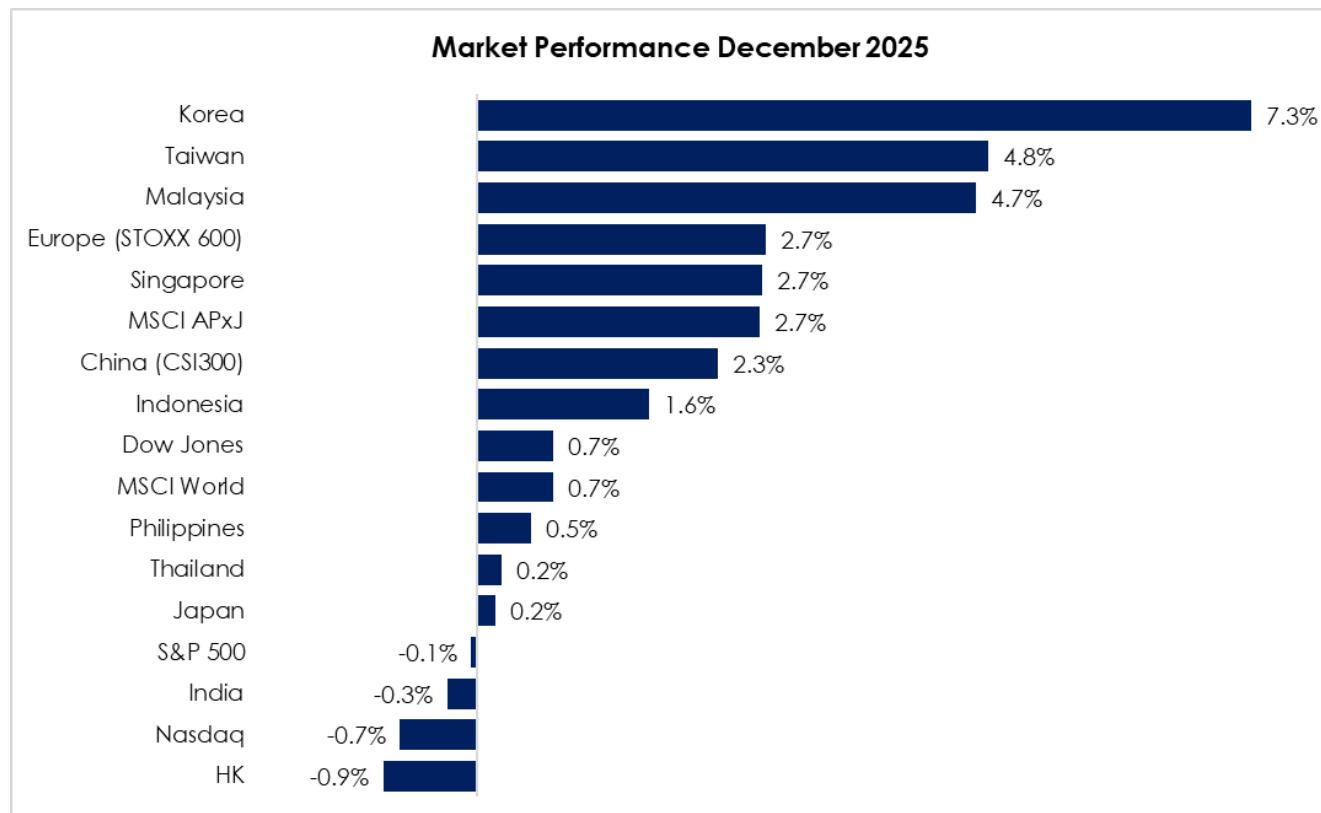
The **MSCI Asia Pacific Ex-Japan Index (+2.7%)** dashed past the **MSCI World Index (+0.7%)** for a decisive lead to close off 2025, as the Asia Pacific markets gained an impressive 26.8% for the year, outperforming the global index by 7.3%.

South Korea (+7.3%) was the runaway star for the month and year (+75.6%) as the AI theme boosted DRAM names due to a supply squeeze. **Taiwan (+4.8%)** followed suit, as demand for advanced packaging also surged in tandem with HBM/DRAM demand. **Malaysia (+4.7%)** trailed closely behind, as year-end window dressing helped lift big cap names. Fortunately, even the worst performer in December closed somewhat flattish, with **Hong Kong** dropping only **0.9% mom** as investors flocked towards crowded AI stocks.

On the monetary policy front, the Federal Reserve (Fed) cut its interest rate by 25 bps to 3.50%-3.75% in the December FOMC meeting. The European Central Bank (ECB) held its deposit rate unchanged at 2.0%. The Bank of England cut the Bank Rate by 25 bps to 3.75%. In Asia, the People's Bank of China (PBoC) maintained the one-year LPR at 3.0% and the five-year LPR at 3.5%. Finally, the Bank of Japan (BOJ) hiked interest rates by 25 bps to 0.75%, the highest in 30 years.

Market Review – December 2025

Korea, Taiwan, Malaysia led; HK, U.S and India lagged



Source: Bloomberg, 31 December 2025

Market Review – YTD December 2025

Korea, Taiwan, Malaysia led; HK, U.S and India lagged



Source: Bloomberg, 31 December 2025

Strategy

What to look ahead?

MALAYSIA

Following robust gains in December, we do not rule out the possibility of profit-taking, as investors continue to digest heightened geopolitical risks. These include the reported capture of Venezuelan President Maduro by the US, the potential for US intervention in Iran should civil unrest escalate, and ongoing tensions between China and Japan. That said, Malaysia's fundamentals remain supportive, underpinned by solid GDP growth (2025/26: 4.7%/4.3%), undemanding valuations (2026F P/E: 14.5x vs 5-year mean of 17.2x), a strengthening ringgit (+9.3% vs end-2024), and healthy core earnings growth of 6-8% in CY26. Private consumption is set to remain the main growth driver in 2026, supported by a tight labour market, steady wage growth, and strong household confidence, with high-value sectors like AI, data centres, and advanced manufacturing further boosting growth.

Strategy

What to look ahead?

REGIONAL

As we move through 2026, global equities are expected to post moderate gains, supported by solid earnings growth, though valuation concerns persist. For investors, geopolitical developments, AI-related capital expenditure monetization, and concentration risks are key factors. The current Fed rate-cut cycle should support equities, with Asian markets potentially able to ease further given elevated real rates. In this environment, we recommend a barbell strategy focused on quality growth and income to navigate potential volatility.

Strategy

We remain constructive on Asia Pacific ex-Japan equities, particularly in North Asia, supported by a weaker US dollar and a more dovish Federal Reserve

TAA SUMMARY	Bearish	Neutral	Bullish
A. Equity - Global			
B. Cash / Fixed Income			
C. Equity - Malaysia (Large Cap)			
D. Equity - Malaysia (Small Cap)			
E. Country call (Most bullish only)			
F. Sector call (Msia only)			
Asia Pacific ex Japan			
	Bull	Property	Tech
	Bear	Auto	Telco

Strategy

We remain neutral on equities for the next six months

We remain **neutral on global equities**, mainly the US, as elevated valuations and heavy concentration in a few mega-cap technology names limit broad market upside despite still-robust earnings growth. However, we remain **constructive** on **Asia Pacific ex-Japan equities**, particularly in North Asia, supported by a weaker US dollar and a more dovish Federal Reserve. Further easing by the Fed would give Asian central banks greater flexibility to lower interest rates, which in turn could further support regional market sentiment.

In Malaysia, we are maintaining our **bullish** view on **large-cap** equities and remain neutral on **small-cap** equities. Sector-wise, we overweight **Property** and **Technology** sectors, supported by resilient domestic demand, strong earnings visibility, and structural growth trends, which position these sectors to benefit from both cyclical recovery and long-term market opportunities. Meanwhile, we remain underweight on the **Auto** and **Telco** sectors.

The underweight stance reflects continued margin pressure in the **Auto** sector, driven by weak consumer demand, lower total industry volumes (TIV), and elevated inventory levels. Limited pricing flexibility, higher input costs, and increased promotional activity to clear excess stock are weighing on profitability, while visibility on a near-term demand recovery remains low.

In the **Telco** sector, the underweight position is driven by sustained pressure from elevated capital expenditure requirements related to network expansion and spectrum investments. At the same time, intense competition and regulatory constraints are limiting pricing power, resulting in muted revenue growth and constrained free cash flow generation in the near term.

Source: PCM, the stocks/sectors listed here are not to be interpreted as recommendations

Appendices

PMART Performance

	FBM KLCI	EPF	EPF Opp		EPF Blue Chip	EPF Dividend		EPF	EPF UT FLEXI		EPF ETF*	EPF ESG
			Adv	Conv		Conv	Sya		UT	Conv*	Sya*	
2023	-2.7	6.3	5.5	4.7	1.2	7.2	14.1	3.1	N/A	N/A	12.3	9.7
2024	12.9	10.5	1.5	9.2	11.2	11.3	15.3	4.2	12.1	9.2	4.4	11.0
2025	2.3	-4.5	-4.9	-5.5	-5.9	11.7	-2.6	3.3	-7.2	2.2	4.1	-6.5
Jan-25	-5.20	-4.45	-6.23	-5.35	-4.96	-0.91	-3.00	-2.22	-2.60	-2.64	-1.36	-3.01
Feb-25	1.14	-2.53	-5.62	-4.85	-3.17	1.03	-2.72	-1.16	-3.82	-1.55	0.39	-4.39
Mar-25	-3.88	-1.59	-1.23	-0.78	-0.95	-0.79	-0.94	-0.72	-2.10	-2.11	-1.31	-0.63
Apr-25	1.76	-0.49	-3.19	-2.49	-2.05	1.46	-0.82	-1.95	-3.53	-0.99	-2.82	0.16
May-25	-2.07	-0.63	2.65	2.14	-1.02	-0.17	-0.89	1.14	1.32	2.40	4.58	0.49
Jun-25	1.63	0.39	0.69	0.52	-0.66	1.43	-3.27	2.20	1.17	1.63	-0.96	-0.02
Jul-25	-1.29	0.43	0.65	0.00	-1.26	1.24	0.48	1.71	1.46	1.65	3.41	1.41
Aug-25	4.09	0.40	1.73	1.53	2.19	1.55	4.55	1.29	0.81	0.54	1.15	2.17
Sep-25	2.33	3.12	3.00	3.24	4.10	2.98	2.95	3.24	2.40	2.50	2.85	2.39
Oct-25	-0.17	1.28	1.78	2.89	-0.28	1.07	0.11	2.44	0.94	2.90	0.48	0.38
Nov-25	-0.29	-1.86	-1.61	-2.68	0.37	1.08	0.79	-2.89	-2.98	-2.12	-0.72	-3.68
Dec-25	4.71	1.60	1.81	0.70	1.89	1.18	0.44	0.35	-0.26	0.13	-1.41	-1.72
YTD	2.30	-4.47	-4.85	-5.48	-5.94	11.67	-2.58	3.25	-7.22	2.15	4.10	-6.52

Note: Composite returns on all accounts, including new injections, as provided by IT Dept

Bold - Out-performed KLCI * Typical Account

Source: PCM, 31 December 2025

@PhillipCapital 2025. All Rights Reserved.

The information provided in this presentation is for general informational use and should not be considered as financial advice or a recommendation for any specific investment. It does not take into account your individual objectives, financial situation, or needs. Investments involve risks including the potential loss of the principal amount invested. Before making any investment decisions, consider seeking advice from a financial adviser. The views expressed are personal and PhillipCapital accepts no liability for any losses or damages arising from the use of this information. The information contained in this document is intended only for use during the presentation. PhillipCapital accepts no liability whatsoever with respect to the use of this document or its contents. This advertisement has not been reviewed by the Securities Commission.

PMA Performance

	FBM KLCI	PMA	Mini PMA	PMA Dividend		PMA 4%	PMA 8%	PMA IPO	PMA Sya	Mgt UT www	PMEGF
				Conv	Sya						
2023	-2.7	7.3	2.7	6.1	13.9	12.5	11.8	6.0	7.6	7.4	1.3
2024	12.9	8.6	5.2	11.1	17.9	7.0	17.2	12.5	14.5	5.4	13.6
2025	2.3	-9.7	-8.4	10.6	-1.9	-5.2	-17.0	-20.5	-16.6	4.5	-12.4
Jan-25	-5.20	-4.68	-4.57	-1.16	-3.07	-2.18	-4.93	-6.04	-7.65	-1.10	-8.96
Feb-25	1.14	-2.86	-3.99	0.94	-2.81	-3.61	-3.47	-4.37	-7.33	0.07	-4.90
Mar-25	-3.88	-2.23	-4.36	-0.85	-0.91	-1.89	-4.94	-4.60	-1.39	-2.05	-1.66
Apr-25	1.76	-1.28	-2.89	1.96	-0.90	-0.87	-1.29	-3.55	-2.40	-3.26	-3.04
May-25	-2.07	-0.03	-1.46	-0.17	-0.84	-0.90	-2.90	-1.00	1.93	2.48	0.81
Jun-25	1.63	-1.38	-1.57	1.66	-2.89	-0.93	-2.20	-3.31	0.12	1.29	0.58
Jul-25	-1.29	0.67	-0.01	0.06	0.08	-0.19	0.11	1.96	1.34	2.84	1.37
Aug-25	4.09	1.93	6.26	1.65	4.78	1.17	2.77	3.27	0.01	2.47	2.17
Sep-25	2.33	4.38	4.51	2.85	3.16	3.75	6.15	5.74	4.02	2.94	3.46
Oct-25	-0.17	-1.55	-0.25	0.77	0.09	0.26	-2.44	-3.56	1.91	0.90	-0.55
Nov-25	-0.29	-2.03	-1.05	0.76	0.62	-0.15	-4.02	-4.60	-4.77	-1.84	-3.37
Dec-25	4.71	-0.80	1.27	1.68	1.08	0.38	-0.69	-1.91	-2.99	-0.05	1.69
YTD	2.30	-9.70	-8.38	10.55	-1.90	-5.22	-16.95	-20.48	-16.57	4.54	-12.36

Note: Composite returns on all accounts, including new injections, as provided by IT Dept

Bold - Out-performed KLCI * Typical Account, Moderate Risk # Less than one year

Source: PCM, 31 December 2025

@PhillipCapital 2025. All Rights Reserved.

The information provided in this presentation is for general informational use and should not be considered as financial advice or a recommendation for any specific investment. It does not take into account your individual objectives, financial situation, or needs. Investments involve risks including the potential loss of the principal amount invested. Before making any investment decisions, consider seeking advice from a financial adviser. The views expressed are personal and PhillipCapital accepts no liability for any losses or damages arising from the use of this information. The information contained in this document is intended only for use during the presentation. PhillipCapital accepts no liability whatsoever with respect to the use of this document or its contents. This advertisement has not been reviewed by the Securities Commission.

PGWA Performance

	FBM KLCI	EPF Quant US		QUANT Asia Pac Conv	QUANT Asia Pac Shariah	QUANT Global Conv	QUANT Global Shariah	*New Frontier	*Asia Focus	*World Leader
		Conv*	Sya*							
2023	-2.7	N/A	N/A	7.5	-6.9	3.3	-15.8	7.3	N/A	14.2
2024	12.9	1.2	-17.8	11.7	11.5	1.9	-4.0	6.4	23.8	9.5
2025	2.3	34.1	26.2	0.4	15.6	-1.0	12.5	-5.6	N/A	17.9
Jan-25	-5.2	2.65	4.39	-2.35	0.68	0.04	0.90	1.85	-2.27	1.39
Feb-25	1.14	-0.38	-4.92	-4.28	-2.26	-2.66	-2.78	-2.46	4.22	-2.07
Mar-25	-3.88	-5.61	-2.46	3.20	2.65	-4.25	-3.17	-8.33	-0.93	-9.29
Apr-25	1.76	-6.84	-6.36	-4.12	-1.96	-3.10	-2.55	-4.11	-2.35	-3.18
May-25	-2.07	2.84	3.45	0.97	2.65	1.79	3.58	4.95	0.09	11.17
Jun-25	1.63	4.28	2.99	-1.18	-0.97	2.54	4.08	0.98	0.13	9.73
Jul-25	-1.29	5.75	2.46	2.53	1.86	-2.73	0.52	1.33	N/A	-1.93
Aug-25	4.09	4.32	3.31	3.36	5.52	2.18	3.04	2.19	N/A	1.99
Sep-25	2.33	18.11	17.67	3.44	6.99	2.75	7.70	4.89	N/A	7.64
Oct-25	-0.17	9.81	8.71	-1.60	1.16	1.68	3.89	-1.30	N/A	1.05
Nov-25	-0.29	1.39	0.23	-2.74	-2.97	0.03	-3.50	-3.15	N/A	0.34
Dec-25	4.71	-4.13	-3.71	3.67	1.75	1.08	0.79	-1.80	N/A	1.16
YTD	2.30	34.10	26.21	0.36	15.61	-1.00	12.5	-5.56	N/A	17.85

Note: Composite returns on all accounts, including new injections, as provided by IT Dept

Bold - Out-performed KLCI * Typical Account, Moderate Risk # Less than one year

Source: PCM, 31 December 2025

@PhillipCapital 2025. All Rights Reserved.

The information provided in this presentation is for general informational use and should not be considered as financial advice or a recommendation for any specific investment. It does not take into account your individual objectives, financial situation, or needs. Investments involve risks including the potential loss of the principal amount invested. Before making any investment decisions, consider seeking advice from a financial adviser. The views expressed are personal and PhillipCapital accepts no liability for any losses or damages arising from the use of this information. The information contained in this document is intended only for use during the presentation. PhillipCapital accepts no liability whatsoever with respect to the use of this document or its contents. This advertisement has not been reviewed by the Securities Commission.

PMB Unit Trust Fund Performance

Fund	Type	Launch Date	Fund Size (in RM'm)	2023 Return (%)	2024 Return (%)	2025 Return (%)
Local						
Phillip Dana Aman *	Equity Malaysia	16/4/1998	31	+4.09	+13.38	-1.71
Phillip Dividend Fund	Equity Malaysia Income	18/11/2003	26	+0.95	+10.93	+1.39
Phillip Master Equity Growth Fund	Equity Malaysia	18/6/2003	50	+1.34	+13.59	-12.36
Phillip Pearl Fund	Equity Malaysia Sm&Mid Cap	6/1/1997	41	+3.72	+20.44	-14.49
Phillip Recovery Fund	Equity Malaysia	15/4/1999	15	+4.03	+16.30	+1.53
Phillip Dana Murni *	Bond MYR	25/3/2003	17	+5.50	+3.43	+3.95
Phillip SELECT Balance Fund	Mixed Asset MYR Bal - Malaysia	11/8/2003	25	+5.17	+14.27	-2.29
Foreign						
Phillip Dana Dividen *	Equity Global Income	26/7/2007	3	+20.30	+6.88	+3.40
Phillip Global Disruptive Innovation Fund	Equity Global	22/4/2019	6	+9.15	+6.54	+12.68
Phillip Global Stars Fund	Equity Global	20/7/2006	5	+26.60	+9.06	+14.68
Phillip AsiaPac Income Fund	Mixed Asset MYR Bal - Global	28/11/2006	7	-0.49	+7.52	+8.27
Phillip Focus China Fund	Equity Greater China	19/5/2009	11	-16.41	+16.67	+16.40

Note: * denotes Shariah funds, Source: Lipper, PCM, 31 December 2025

Thank you!