

Fund: United Malaysia Fund Class A

As at 31 July 2022

Performance Update

For the month of July, the Fund registered a return of 2.19%

In July, global equities were mostly in positive territory with the exception of mainland China and Hong Kong. Markets rebounded from June lows underpinned by a more dovish US Fed in the July meeting. Meanwhile, the US GDP declined 0.9% in 2Q22, representing two consecutive quarters of contraction. This has fueled some investor expectation for a more dovish monetary policy from the US Fed going forward. The US 10-year Treasury yields retraced to 2.65% from 3.01% in June.

The FBM KLCI Index gained 3.3% mom to close at 1,492 points. The strength in Malaysian equities was led by technology and telecommunication sectors. Technology sector gained 6.2% mom in line with global peers while the telecommunication sector gained 4.2% mom as the sector saw more clarity on the 5G infrastructure partnership.

During the month, the key equity contributors to the Fund performance were Frontken, MR DIY and Sam Engineering. Frontken and Sam Engineering reported technology stocks rebounded as bond yields were declining. In contrast, the key equity detractors to performance during the month were MYEG, Berjaya Food and Hibiscus. Hibiscus detracted due to volatility in oil price.

Strategy Moving Forward

In the near term, the market is expected continue to be influenced by tightening monetary policy, elevated inflation, and slowing economic growth. We have raised some cash earlier on and would redeploy it when there is greater clarity on the global market. We see Malaysia as a relatively defensive market and is benefitting from reopening. We prefer value/reopening over growth.

Stock Commentary

Stocks	Country	Sector	Remarks
MR DIY	Malaysia	Consumer Discretionary	<ul style="list-style-type: none">Strong earnings growth driven by store expansion and consumption growth.
CIMB	Malaysia	Financials	<ul style="list-style-type: none">Beneficiary of reopening and rising interest rates.
Berjaya Food	Malaysia	Consumer Products & Services	<ul style="list-style-type: none">Benefit from reopening and cost cutting measures.
Genting Malaysia	Malaysia	Consumer Products & Services	<ul style="list-style-type: none">Expect visitor numbers to recover with borders reopening.
RHB	Malaysia	Financials	<ul style="list-style-type: none">Beneficiary of reopening and rising interest rates.

Income Distribution

Date	Yield
21 January 2022	2.15%

Fund Classes

Fund Classes
MYR Class

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