

## **Fund: United Malaysia Fund Class A**

**As at 31 January 2023**

### **Performance Update**

For the month of January, the Fund registered a return of 6.55%.

Global equities started strong this year, with both Developed and Emerging Markets posting positive returns in January 2023. The DXY index dropped from 103.52 in December to 102.10 in January, while the US 10-year Treasury yield decreased from 3.87% in December to 3.51% as at end January.

The FBM KLCI fell 0.7% MoM in January. Following Bank Negara's unexpected decision to pause the OPR in its 19 January meeting, the FBM KLCI index gained. By the end of the month, the FBM KLCI index went into the red most likely due to profit taking activities especially foreign investors, who were net sellers for the month. The best performing sectors were energy, transport and technology while the worst performing sectors were healthcare, plantation and finance.

During the month, the key equity contributors to the Fund performance were SFP Tech, Malaysia Smelting and Nationgate. SFP Tech and Nationgate did well due to lower bond yields. Shares of Malaysia Smelting rose in January due to higher tin prices.

In contrast, the key equity detractors to performance during the month were RGB International, TM and IHH. Overhang on broadband price adjustment caused shares of TM fell in January.

### **Strategy Moving Forward**

After a tough 2022, some light is emerging in 2023 as policy tightening could end by mid-2023 although slowing global growth remains a headwind. In the near term, we see a bear market rally and have increased the equity exposure to take advantage of the current market rally.

## Stock Commentary

| Stocks       | Country  | Sector                         | Remarks  |
|--------------|----------|--------------------------------|--|
| Berjaya Food | Malaysia | Consumer Products & Services   | <ul style="list-style-type: none"> <li>Benefit from reopening and cost cutting measures.</li> </ul>  |
| Frontken     | Malaysia | Technology                     | <ul style="list-style-type: none"> <li>We like its unique exposure to leading-edge semiconductor frontend supply chain.</li> </ul>   |
| Nationgate   | Malaysia | Industrial Products & Services | <ul style="list-style-type: none"> <li>EMS company that benefits from relocation of orders due to US-China trade war. And growing exposure in OSAT segment.</li> </ul>   |
| Infomina     | Malaysia | Technology                     | <ul style="list-style-type: none"> <li>Infomina is an IT solutions provider specializing in mainframe technology.</li> <li>We expect strong earnings growth driven by new clients and geographical expansion.</li> </ul> |
| SFP Tech     | Malaysia | Technology                     | <ul style="list-style-type: none"> <li>Structural demand growth of mechanical assembly and sheet metal fabrication works for semiconductor industry, driven by US-China trade diversion</li> </ul>                       |

## Fund Classes

| Fund Classes |
|--------------|
| MYR Class    |

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