

Fund Fund: United Malaysia Fund Class A

As at 30 September 2022

Performance Update

For the month of September, the Fund registered a return of -2.53%.

It was a negative month for global equities with both DM and EM reporting negative returns in September. The US Fed raised its benchmark interest rates by 75bps to a range of 3.00-3.25% and lifted its terminal rate forecast for 2022/2023 to 4.40% and 4.60% respectively. The DXY index gained 3.1% while the US 10-year Treasury yield rose to 3.83% from 3.19% in August.

Domestically, the FBM KLCI Index declined 7.8% mom to close at 1,395 points. Malaysian equities saw an increase in foreign selling in September as tight monetary policy and expectations of slowing growth weighed on sentiment. Foreign investors net sold RM1.6bn in September as compared to net buying of RM2bn in August.

The top performing sectors for September were construction, transport and REITs whereas the worst performing sectors were energy and plantation. Crude oil and palm oil futures declined by 9% and 18% respectively. The Malaysian Ringgit depreciated against the US Dollar by 3.6% to close at 4.64.

During the month, the key equity contributors to the Fund performance were SFP Tech, Berjaya Food and Cnenergiz. SFP Tech has strong earnings growth from trade diversion into Malaysia. Meanwhile, Cnenergiz has strong machine orders from reopening of ASEAN countries.

In contrast, the key equity detractors to performance during the month were Hibiscus, Datasonic and TM. The share price of Hibiscus dropped due to the weakness 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
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.
TM	Malaysia	Telecommunications & Media	<ul style="list-style-type: none">Expect new subscriber growth, pent-up demand for data centres and cloud services for industry demands (public and enterprise), and development of 4G and 5G network infrastructure.
CIMB	Malaysia	Financials	<ul style="list-style-type: none">Beneficiary of reopening and rising interest rates.
AMMB	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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