

## **Fund: United-i Global Balanced Fund**

**As at 31 July 2022**

### **Performance Review**

For the month of July, the Fund MYRH class registered a return of 4.59%.

### **Equity**

Strong selection in consumer discretionary was partially offset by selection in materials, industrials and health care. On a regional basis, weak stock selection in North America, United Kingdom and Japan was modestly offset by selection in Emerging Markets.

Within consumer discretionary and information technology, our top relative contributors were overweights to Amazon.com and Marvell Technology, respectively. Within industrials and health care, our top relative detractors were overweights to Airtac International and Pfizer, respectively.

Shares of Amazon rose during the period after the e-commerce giant reported better-than-expected second-quarter results and provided an upbeat forecast. Amazon Web Services grew 33% year-over-year, while overall revenues grew by 7% from the same quarter a year ago. Shares of Airtac International declined during the month, as June sales were down year over year and month over month. Order intake continued to be higher than shipments during the month but some shipments were affected by COVID-related controls in some cities in China, and some shipments were postponed, as customers are waiting for more clarity on the stimulus policies from local governments.

### **Sukuk**

The Sukuk sleeves underperformed due to longer duration of sukuk as we are holding shorter duration sukuk. Government National and Industrial were the main detractors. We will re-evaluate our portfolio strategy for better investment opportunity. Our credit exposure, GCC region accounted by 44.83%, included by Saudi Arabia (SA) (19.18%), United Arab Emirates (UAE) (19.67%), Qatar (3.86%) and Kuwait (1.19%). Our exposure in Malaysia and Indonesia are remains on 41.58% and 14.51% respectively.

### **Strategy Moving Forward**

We continue be in a defensive position for now by holding more cash. This will allow the fund to be well position against market volatility.

### **Equity**

From a regional perspective, our largest overweight was North America and we were most underweight to Emerging Markets.

### **Sukuk**

We will continue to be vigilant in our sukuk exposure. As rates expected to rise further, it is best to be defensive and selective in our positioning before mobilising our fund elsewhere.

## Holdings Commentary

Stocks	Country	Sector	Remarks
Amazon.com	United States	Consumer Discretionary	<ul style="list-style-type: none"> <li>• Amazon is a US e-commerce and cloud computing company.</li> <li>• Shares of Amazon rose during the period after the e-commerce giant reported better-than-expected second-quarter results and provided an upbeat forecast.</li> <li>• Amazon Web Services grew 33% year-over-year, while overall revenues grew by 7% from the same quarter a year ago.</li> <li>• Amazon continues to drive growth with their 3 core business - E-commerce (Marketplace), Amazon Web Services, and Amazon Prime.</li> <li>• We favour the management's innovative mindset with a vision and their constant product innovation ideas – e.g. Alexa, Amazon GO, to name a few – leading to strong free cash generations over time.</li> </ul>
Airtac International	Taiwan	Industrials	<ul style="list-style-type: none"> <li>• Airtac is a major pneumatic equipment supplier in China.</li> <li>• Shares of Airtac International declined during the month, as June sales were down year over year and month over month.</li> <li>• Order intake continued to be higher than shipments during the month but some shipments were affected by COVID-related controls in some cities in China, and some shipments were postponed, as customers are waiting for more clarity on the stimulus policies from local governments.</li> <li>• Airtac's customers cut across a wide range of industrial and electronic product manufacturing businesses, as part of their automation and assembly processes.</li> <li>• As secular demand for automation continues in their key market, China, we believe their demand will remain solid.</li> <li>• We remain positive that Airtac will continue its current pace of share expansion in China.</li> </ul>

Sukuk	Country	Sector	Remarks
Sharjah Sukuk Programme Limited	United Arab Emirates	Sovereign	<ul style="list-style-type: none"> <li>Sharjah is the capital of the emirate Sharjah.</li> <li>The emirate shares legal, political, military and economic functions with the other emirates of the UAE within a federal framework, although each emirate has jurisdiction over some functions such as civil law enforcement and provision and upkeep of local facilities.</li> </ul>
Malaysia Rail Link Sdn Bhd	Malaysia	Industrial	<ul style="list-style-type: none"> <li>A company that responsible of the development of ECRL.</li> <li>ECRL is part of the National Mega Project and part of the China Belt Road project.</li> </ul>

### Asset Allocation as at 31 July 2022

Asset Class	% Wgt
Equity	48.82
Sukuk	42.32
Cash	8.86

### Top 5 Holdings as at 31 July 2022

Equity		Sukuk	
Top 5 Holdings	%	Top 5 Holdings	%
MICROSOFT ORD	2.93	GII MURABAHAH 1/2022	1.59
APPLE ORD	2.75	GII MURABAHAH 1/2020	1.54
AMAZON COM ORD	2.39	GII MURABAHAH 2/2020	1.51
ALPHABET CL A ORD	1.60	KSA SUKUK LTD 29/10/2029	1.34
NESTLE N ORD	0.87	SAUDI ELECTRICITY GLOBAL SUKUK 27.09.2028	1.09

### Characteristic of Sukuk Portfolio as at 31 July 2022

Sukuk (YTD)	
Duration	3.98
Yield %	3.27
Avg credit rating	A3

## Fund Classes

Fund Classes									
AUD Hedged Class	GBP Hedged Class	MYR Class	MYR Hedged Class	RMB Hedged Class	SGD Hedged Class	USD Class			

## Income Distribution

	Cumulative YTD	25 May 2022
MYR Hedged Class	2.67%	2.67%
USD Class	1.06%	1.06%
AUD Hedged Class	2.73%	2.73%

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