

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

As at 31 January 2023

### **Performance Review**

For the month of January, the Fund MYRH class registered a return of 4.97%.

### **Equity**

Weak selection in health care was offset by selection in information technology, industrials and communication services. On a regional basis, strong stock selection in Emerging Markets and North America was partially offset by selection in United Kingdom.

Within information technology and industrials, our top relative contributors were an overweight to ON Semiconductor and not owning Northrop Grumman, respectively. Within health care and consumer staples, our top relative detractors were overweights to Pfizer and Unilever, respectively.

### **Sukuk**

Overall, the sukuk sleeves outperformed benchmark at -0.81%, which is driven by government national sector. Tabreed Sukuk 10/25 was the main detractor whereas Malaysia (Govt of) 10/30 were the main contributor.

We will remain defensive in our portfolio strategy to ensure desirable return to the portfolio. We will be steadfast in our credit exposure where GCC region accounted by 46.06%, Saudi Arabia (SA) (20.36%), United Arab Emirates (UAE) (21.16%), Qatar (3.26%) and Kuwait (1.28%). Our exposure in Malaysia and Indonesia are at 38.49% and 15.46% respectively.

### **Strategy Moving Forward**

The fund will continue to be neutral in its asset allocation. Due to market volatility, we will continue to be defensive in our investment. We do not expect any significant changes and will continue to monitor both asset classes for any opportunities that may arise from market volatility.

### **Equity**

From a regional perspective, our largest overweights were North America and United Kingdom. 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
ON Semiconductor	United States	Information Technology	<ul style="list-style-type: none"> <li>Onsemi is a supplier of power management and intelligent sensing chips with a focus on the automotive and industrial end markets.</li> <li>Shares of On Semiconductor rose during the period. The company announced deals with Hyundai Motor, Kia and Volkswagen regarding the use of its silicon carbon (SiC) power modules in electric vehicles.</li> <li>We believe Onsemi should be able to grow revenues at a double-digit % CAGR over the next four years, driven by EV and ADAS (advanced-driver-assistance systems) adoption with a strong CAGR on power and sensing and the analog business growing LSD as ON continues to exit low margin, non-strategic product areas.</li> <li>The valuation remains reasonable, and the company has underappreciated gross margin potential and an accelerating silicon carbide business which underpins our conviction in their durability of growth. The company's silicon carbide business is its crown jewel and the reason growth is likely to continue to surprise to the upside.</li> </ul>
Pfizer	United States	Health Care	<ul style="list-style-type: none"> <li>Pfizer is a large-cap biopharma company based in the United States</li> <li>Shares of Pfizer declined in January. The company reported fourth-quarter profit that topped expectations but revenue and the full-year outlook missed expectations.</li> <li>Revenue for the year is expected to fall, as revenue for the company's COVID mRNA vaccine is expected to drop 64% and for its COVID treatment Paxlovid is expected to fall 58%.</li> <li>We continue believe that Pfizer as the business is evolving towards a more profitable mix of specialty products with higher profit margins, including key assets for treating cancer, rare diseases, and an expanding platform of gene therapy programs.</li> </ul>

Sukuk	Country	Sector	Remarks
Malaysia Government Investment Issue	Malaysia	Sovereign	<ul style="list-style-type: none"> <li>A country in Southeast Asia with federal constitutional monarchy consists of 13 states and three federal territories, separated by the South China Sea into two regions, Peninsular Malaysia and Borneo's East Malaysia.</li> </ul>

Tabreed Sukuk SPC Limited	United Arab Emirates	Utility	<ul style="list-style-type: none"> <li>Tabreed Sukuk SPC Limited operates as a special purpose entity. The Company was formed for the purpose of issuing debt securities to repay existing credit facilities, refinance indebtedness, and for acquisition purposes.</li> </ul>
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### Asset Allocation as at 31 January 2023

Asset Class	% Wgt
Equity	51.37
Sukuk	41.81
Cash	6.82

### Top 5 Holdings as at 31 January 2023

Equity		Sukuk	
Top 5 Holdings	%	Top 5 Holdings	%
MICROSOFT ORD	2.93%	GII MURABAHAH 2/2020 3.465% 15.10.2030	1.70%
APPLE ORD	2.46%	KSA SUKUK 2.969% 29.10.2029	1.37%
AMAZON COM ORD	1.98%	SAUDI ELECTRICITY GLOBAL SUKUK 4.723% 27.09.2028	1.15%
ALPHABET CL A ORD	1.43%	PERUSAHAAN PENERBIT SBSN 4.150% 29.03.2027 MTN	1.11%
UNILEVER ORD	0.86%	KSA SUKUK 4.303% 19.01.2029 MTN	1.11%

### Income Distribution

	Cumulative YTD
MYR Class	-
MYR Hedged Class	-
USD Class	-
AUD Hedged Class	-
SGD Hedged Class	-
GBP Hedged Class	-
RMB Hedged Class	-

**Characteristic of Sukuk Portfolio as at 31 January 2023**

Sukuk (YTD)	
Duration	3.50
Yield %	4.44
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

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