

Fund: United-i Global Balanced Fund

As at 30 September 2022

Performance Review

For the month of September, the Fund MYRH class registered a return of -7.57%.

Equity

Strong selection in health care, materials and consumer discretionary was partially offset by selection in information technology. On a regional basis, strong stock selection in Developed EU & Middle East ex UK and North America was partially offset by selection in Japan and Emerging Markets.

Within health care and materials, our top relative contributors were overweights to Eli Lilly and Vale, respectively. Within information technology and financials, our top relative detractors were overweights to Advanced Micro Devices and S&P Global, respectively.

Eli Lilly shares rose after Eisai and Biogen reported breakthrough trial results for their Alzheimer's drug. The news bodes well for Eli Lilly's drug donanemab, which also targets removing the amyloid beta protein to slow disease progression. Donanemab's readout is slated for 2Q23. The US FDA also approved the company's oral lung cancer drug, Retevmo, for certain adult patients with solid tumors with a specific genetic makeup. Shares of Advanced Micro Devices fell sharply during the month after the August Consumer Price Index data release showed greater-than-expected inflation. The US Federal Reserve consequently raised interest rates by 0.75%. Investors in the semiconductor space remain concerned over the increased cost of borrowing, rising inflation, a potential decrease in demand and the likelihood of a recession.

Sukuk

Overall, the sukuk sleeves registered -3.34% return whilst the benchmark is at -3.58%. The Sukuk sleeves outperformed its benchmark driven by government-related sector, the outperformance were driven by our strong conviction is sector allocation. MGII 10/32 was the main detractor whereas Soq Sukuk 3.241% 18/01/2023 were the main contributor.

We will continue 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 44.11%, Saudi Arabia (SA) (18.78%), United Arab Emirates (UAE) (20.21%), Qatar (3.98%) and Kuwait (1.23%). Our exposure in Malaysia and Indonesia are at 41.40% and 14.49% 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 theses. 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 overweight was North America and we were most underweight to Emerging Markets.

Sukuk

Going forward, we expect local debt market to remain volatile and trade in a cautious mode as the US Fed remains hawkish. Additionally, market would turn its attention to the upcoming Budget 2023, which will be tabled on 7 October. We will remain defensive in our sukuk selection and be vigilant before making any decision to mobilise our cash holdings.

Holdings Commentary

Stocks	Country	Sector	Remarks
Eli Lilly	United States	Health Care	<ul style="list-style-type: none"> Eli Lilly is a diversified large-cap biopharmaceutical company with multiple drivers of growth, including diabetes, autoimmune diseases, and central nervous system (CNS) diseases. Eli Lilly shares rose after Eisai and Biogen reported breakthrough trial results for their Alzheimer's drug. We think the news bodes well for Eli Lilly's drug donanemab, which also targets removing the amyloid beta protein to slow disease progression. Donanemab's readout is slated for 2Q23. The US FDA also approved the company's oral lung cancer drug, Retevmo, for certain adult patients with solid tumors with a specific genetic makeup. We continue to like Eli Lilly in the large-cap pharma space.
Advanced Micro Devices	United States	Information Technology	<ul style="list-style-type: none"> Advanced Micro Devices is a US based semiconductor manufacturer. Shares of Advanced Micro Devices fell sharply during the month after the August Consumer Price Index data release showed greater-than-expected inflation. The US Federal Reserve consequently raised interest rates by 0.75%. Investors in the semiconductor space remain concerned over the increased cost of borrowing, rising inflation, a potential decrease in demand and the likelihood of a recession. Advanced Micro Devices' fundamentals are very strong and the company is benefitting from strong demand for semiconductors. We anticipate future revenue growth will also be driven by accelerated market share gains in the server and PC businesses and continued strength in their gaming consoles business.

Sukuk	Country	Sector	Remarks
SA Global Sukuk Ltd	Saudi Arabia	Sovereign	<ul style="list-style-type: none"> Saudi Aramco is officially known as Saudi Arabian Oil Company and a public petroleum and natural gas company based in Dhahran. It is one of the largest companies in the world by revenue and has both the world's second-largest proven crude oil reserves and largest daily oil production of all oil-producing companies.
Malaysia Government Investment Issue	Malaysia	Sovereign	<ul style="list-style-type: none"> 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.

Asset Allocation as at 30 September 2022

Asset Class	% Wgt
Equity	47.84%
Sukuk	45.53%
Cash	6.63%

Top 5 Holdings as at 30 September 2022

Equity		Sukuk	
Top 5 Holdings	%	Top 5 Holdings	%
MICROSOFT ORD	2.85	GII MURABAHAH 1/2022 4.193% 07.10.2032	1.67
APPLE ORD	2.84	GII MURABAHAH 1/2020 3.422% 30.09.2027	1.62
AMAZON COM ORD	2.29	GII MURABAHAH 2/2020 3.465% 15.10.2030	1.58
ALPHABET CL A ORD	1.13	KSA SUKUK 2.969% 29.10.2029	1.40
ELI LILLY ORD	0.85	SAUDI ELECTRICITY GLOBAL SUKUK 4.723% 27.09.2028	1.15

Characteristic of Sukuk Portfolio as at 30 September 2022
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%

Sukuk (YTD)	
Duration	3.84
Yield %	4.20
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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