

Fund: United-i Global Balanced Fund

As at 31 August 2022

Performance Review

For the month of August, the Fund MYRH class registered a return of -2.38%.

Equity

Weak selection in consumer staples, materials and consumer discretionary was partially offset by selection in information technology, health care and energy. On a regional basis, strong stock selection in Japan and United Kingdom was partially offset by selection in Emerging Markets.

Within information technology and energy, our top relative contributors were an underweight to NVIDIA and an overweight to ConocoPhillips, respectively. Within consumer discretionary and materials, our top relative detractors were not owning Alibaba and an overweight to Ball, respectively.

Shares of NVIDIA fell during the period after the chipmaker announced a fiscal second-quarter revenue forecast that was far lower than an earlier estimate due to a weaker outlook in the gaming industry. The company expects revenue of \$6.7 billion compared to an earlier outlook of \$8.1 billion. Shares of Alibaba rose after the company reported first-quarter revenue above expectations despite it declining for the first time on record amid COVID-related lockdowns and slowing economic growth. Later in the period, reports emerged the US and China were close to a deal to enable US regulators to inspect the audit records of Chinese companies to avoid US delisting.

Sukuk

Sukuk sleeves continue to outperform the benchmark and continue to contribute positively to UiGBF fund overall. Superior stocks and sector selection drove the outperformance. Government agency and Government Regional outperformed the relative benchmark by close to 11bps versus the benchmark. The outperformance, however were offset by Utilities and Government National sector selection.

Our credit exposure, GCC region accounted by 44.83%, included by Saudi Arabia (SA) (20.09%), United Arab Emirates (UAE) (20.72%), Qatar (4.03%) and Kuwait (1.22%). Our exposure in Malaysia and Indonesia are remains on 38.5% and 15.08% 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, maintaining a shorter duration for the fund. 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
Palo Alto Networks	United States	Information Technology	<ul style="list-style-type: none"> • Palo Alto networks provides network security solutions to enterprises, service providers, and government entities. • Palo Alto created and termed the Next-Generation Firewall market. • The company takes a Layer 7 platform-based approach that traditional firewalls struggle to handle in today's world of new and sophisticated threats. • Additionally, TAM growth within the network security space continues to accelerate. • We continue to like Palo Alto Networks in the information technology space.
Ball	United States	Materials	<ul style="list-style-type: none"> • Ball Corporation supplies metal packaging products to the beverage, food, personal care, and household products industries. • It operates in five segments: Beverage Packaging, North and Central America; Beverage Packaging, South America; Beverage Packaging, Europe; Food and Aerosol Packaging; and Aerospace. • We were encouraged by their internal structure and resources, as they are actively engaging with government affairs to drive better circularity outcomes. • In the US, they are thus taking a more active role around state level conversations than we observe in their peer group. • Ball is engaged and incentivized to support infrastructure and policy to improve collection and recycling of aluminium cans. • Likewise, customers are motivated to make the shift away from plastic PET bottles to cans, and Ball can benefit long term by supplying the filling capacity to facilitate the shift consumers and beverage manufacturers are demanding.

Sukuk	Country	Sector	Remarks
Tnb Global Venture	Malaysia	Utility	<ul style="list-style-type: none"> Tenaga Nasional Berhad, also known as Tenaga Nasional, is the Malaysian multinational electricity company and is the only electric utility company in Peninsular Malaysia and also the largest publicly-listed power company in Southeast Asia with MYR 182.60 billion worth of assets.
Malaysia (Govt Of)	Malaysia	Government Bonds	<ul style="list-style-type: none"> Malaysia Government Bonds

Asset Allocation as at 31 August 2022

Asset Class	% Wgt
Equity	48.93
Sukuk	44.30
Cash	6.78

Top 5 Holdings as at 31 August 2022

Equity		Sukuk	
Top 5 Holdings	%	Top 5 Holdings	%
MICROSOFT ORD	3.06	GII MURABAHAH 1/2022 4.193% 07.10.2032	1.66
APPLE ORD	2.91	GII MURABAHAH 1/2020 3.422% 30.09.2027	1.61
AMAZON COM ORD	2.38	GII MURABAHAH 2/2020 3.465% 15.10.2030	1.57
ALPHABET CL A ORD	1.31	KSA SUKUK 2.969% 29.10.2029	1.39
ELI LILLY ORD	0.74	SAUDI ELECTRICITY GLOBAL SUKUK 4.723% 27.09.2028	1.16

Characteristic of Sukuk Portfolio as at 31 August 2022

Sukuk (YTD)	
Duration	3.79
Yield %	3.90
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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