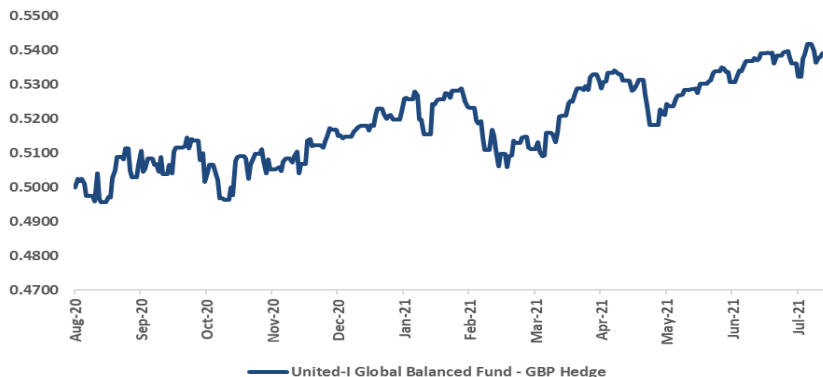




## FUND OBJECTIVE & STRATEGY

The Fund seeks to provide income and capital appreciation over the medium to long term by investing in Shariah-compliant equities and Sukuk globally. The Fund will generally adopt a balanced portfolio between Shariah-compliant equities and Sukuk in the ratio of 50:50.

## NAV MOVEMENT



Source: UOBAM(M)

## FUND DETAILS

LAUNCH DATE	11 March 2019
COMMENCEMENT DATE	21 August 2020
FINANCIAL YEAR END	30 June
CATEGORY/TYPE OF FUND	Balanced (Islamic) / Income & Growth
BASE CURRENCY	USD
CLASS OF UNITS	GBP hedged Class
INITIAL OFFER PRICE	GBP 0.50000
UNITS IN CIRCULATION - GBP HEDGED CLASS	1,707,073.14
NET ASSET VALUE ("NAV")	GBP 920,483.06
NET ASSET VALUE - TOTAL FUND	USD 135,240,065.08
NAV PER UNIT	GBP 0.5392
MINIMUM INITIAL INVESTMENT	GBP 1,000
MINIMUM ADDITIONAL INVESTMENT	GBP 100
TRUSTEE	Deutsche Trustees Malaysia Berhad
SALES CHARGE	Up to 5.00% of NAV per unit of the Class
ANNUAL MANAGEMENT FEE	Up to 1.80% per annum of the NAV of the Class
ANNUAL TRUSTEE FEE	Up to 0.06% per annum of the NAV of the Fund, minimum of RM15,000 p.a. or its equivalent amount in USD
REDEMPTION CHARGE	Nil.
PERFORMANCE BENCHMARK	50% S&P Global BMI Shariah Index 50% Dow Jones Sukuk Index
ASSET ALLOCATION	40% - 60% of the Fund's NAV in Shariah-compliant equities 40% - 60% of the Fund's NAV in Sukuk, Islamic money market instruments or placement of Islamic Deposit with Financial Institutions Up to 20% of the Fund's NAV may be invested in unrated Sukuk
INVESTMENT MANAGER	UOB Islamic Asset Management Sdn Bhd

## TOP 5 HOLDINGS FOR SUKUK

KSA SUKUK LTD 2.969 10/29/29	1.56%
SAUDI ELEC GLB SUKUK 4.723 09/27/28	1.30%
KSA SUKUK LTD 4.303 01/19/29 MTN	1.26%
PERUSAHAAN PENERBIT SBSN 4.150 03/29/27 MTN	1.24%
KSA SUKUK LTD 3.628 04/20/27 MTN	1.22%

## TOP 5 HOLDINGS FOR EQUITIES

MICROSOFT ORD	2.99%
APPLE ORD	2.59%
ALPHABET CL A ORD	2.20%
FACEBOOK CL A ORD	1.43%
TAIWAN SEMICONDUCTOR MNFTG ADR 5 ORD	1.04%

## PORTFOLIO ALLOCATION

Equity	53.90%
Bonds	41.98%
Cash	4.12%
<b>Total</b>	<b>100.00%</b>

## PORTFOLIO HOLDINGS

Equities	173
Sukuk	73

## SECTOR HOLDINGS FOR SUKUK

Infrastructures & Utilities	22.04%
Government	9.61%
Financials	5.74%
Telecommunication	2.08%
Transportation & Logistics	1.44%
Property & Real Estate	0.87%
Basic Materials	0.20%
<b>Total</b>	<b>41.98%</b>

## SECTOR HOLDINGS FOR EQUITIES

Technology	18.71%
Consumer Products	9.43%
Health Care	9.38%
Industrial Products	6.56%
Telecommunication Services	4.60%
Materials	2.61%
Energy	1.10%
Real Estate	0.94%
Financials	0.34%
Utilities	0.23%
<b>Total</b>	<b>53.90%</b>

## GEOGRAPHICAL ALLOCATION FOR EQUITIES & SUKUK

United States	37.44%
Malaysia	12.91%
Saudi Arabia	9.26%
United Arab Emirates	8.88%
Indonesia	7.28%
Others	20.11%
Cash	4.12%
<b>Total</b>	<b>100.00%</b>

Source: UOBAM(M)



## HISTORICAL NAV (GBPH)

Highest	23/7/2021	0.5420
Lowest	4/9/2020	0.4957

Source: UOBAM(M)

## PERFORMANCE ATTRIBUTION OF THE FUND

**Equity** - Global equities advanced for the sixth consecutive month. The global proliferation of the Delta variant of COVID-19 fueled anxiety about the pace of the global economic recovery and forced governments to reinstate targeted lockdowns in many countries, particularly in Asia. Developed markets significantly outperformed emerging markets, which were dragged down by a sharp drop in Chinese equities. China's regulatory crackdown on private education businesses and companies that handle large quantities of data pummeled the shares of Chinese technology stocks, sparking fears of more regulations on private companies. On the monetary front, the European Central Bank unveiled a new policy framework that aims to keep inflation at 2% over the medium term but allows some room for a temporary overshoot. OPEC+ reached a deal to phase out production cuts by September 2022, as stronger economic growth drove oil prices to a multiyear high. The S&P Global BMI Shariah returned 1.8% for the month. Within the index, nine out of 11 sectors rose over the month. Financials and materials were the top performing sectors, while energy and consumer discretionary were the bottom performing sectors for the period.

**Sukuk** - Market flipped between risk-on and risk-off throughout the month as investor trying to grasp the whole situation of the positive sentiment on economic growth while Delta variance is seen as a possible threat to the growth outlook. Adding to the movement of UST direction in the short-term is the news on FOMC's increasing signals on tapering the QE and rate hike possibilities in 2022, instead of the widely expected 2023, remain a risk to the market. Therefore, the US Treasuries ("UST") curve continued to flatten with 2-year UST yield inched up by 1 basis points (bps) at 0.17% while the 10-yr UST yield further tighten by 29bps to 1.18% as at End-May. Aside, the Dow Jones Sukuk Index ("DJSI") adding another 0.30% return in the month of July, tallying accumulated return of 0.99% on year-to-date basis (June: +0.44%). Looking into fixed income performance by countries, the USD Barclays Aggregate Qatar Index topped the chart with 0.78%, which mostly supported by sovereign sukuk given its relatively stronger fundamentals amid woes of the Delta variance. Similarly, the USD Barclays Aggregate Malaysia and Indonesia Indices have also recorded encouraging return with 0.68% and 0.56% respectively, underpinned by promising vaccination rate that support reopening of economy. Meanwhile, oil price remained above USD70 per barrel despite some expectations that the OPEC+ might reduce supply cut in the next ministerial meeting.

## OUTLOOK OF THE FUND

**Equity** - Strong selection in industrials, consumer discretionary and consumer staples was partially offset by selection in information technology and health care. On a regional basis, weak stock selection in Emerging Markets and Japan was partially offset by selection in North America and Developed EU & Middle East ex UK. Within consumer discretionary and industrials, our top relative contributors were not owning Meituan and an overweight to Wolters Kluwer, respectively. Within information technology and health care, our top relative detractors were an overweight to SK Hynix and not owning Moderna, respectively. Shares of Chinese food delivery and service platform, Meituan, fell during the period after China issued regulations to tighten oversight of the country's massive food delivery sector. The new measures aim to improve standards for food delivery workers by ensuring riders make at least the local minimum wage and to reduce the intensity of the workload. This fueled investor concerns over rising employment costs. Shares of SK Hynix fell during the period, despite the company reporting second-quarter earnings that exceeded expectations. Net profit for the world's second largest chip manufacturer rose 57% year-over-year. While demand for semiconductors remained strong amidst a global chip shortage, the industry faces headwinds surrounding supply concerns. Expanding supply and waning demand could lead to lower chip prices in the future.

**Sukuk** - Our Sukuk position continued to favour corporate segment as compared to sovereign segment on the back of higher yield pick-up. As such, we remained underweight on supranational paper, USD Malaysia sovereign sukuk, USD Qatar Sovereign Sukuk and lower rated UAE such as USD Sharjah Sovereign Sukuk. Our exposure on MYR-denominated sukuk is around 26%, low holding of Rupiah-denominated sovereign Sukuk and the rest in USD-denominated Sukuk. Against benchmark, the largest return contribution in the month is Rupiah-denominated sovereign Sukuk 2025, Axiata SPV 2030, USD Malaysia sovereign sukuk 2025 and Saudi Telco Sukuk 2029. However, the largest detractor was our exposure in MYR-denominated Sukuk, namely; transportation Malaysia Rail Sukuk 2030 and water utility Pengurusan Air 2025.

## STRATEGY OF THE FUND

**Fund** - Despite the challenges in the global recovery, riskier asset continued to strive better than fixed income assets in recent months. As such, we maintained our tactical asset allocation ratio of 53:47, overweight on Equity while underweight Sukuk. The group believes the recovery is still on track to deliver strong above trend growth in 2021 that will be supportive of growth assets and will lead to a stronger year for equities over fixed income.

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

**Sukuk** - Within the sukuk space, we are of the view that the corporates sukuk will outperformed sovereign sukuk underpinned by improving global economic growth outlook that has shifted market appetite towards riskier assets. Hence, reiterate our view to underweight sovereign names while broadening our selection from defensive sectors to include recovery sector. Within the sovereign names, we are selective on the duration position.

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