

## **United Simple Growth Select**

**As at 31 August 2022**

### **Performance Update**

For the month of August, the United Simple Growth Select declined 1.93% (MYR Hedged Class).

The top performer during the month was the allocation to the Schroder Sustainable Asian Equity Fund, which the best performing Fund after Asian equities outperformed their global peers, reversing July's underperformance. During the month, positive performance from India, Thailand and Indonesia offset declines in Hong Kong and South Korea.

The weakest performer during the month was the iShares Global Materials ETF as concerns over high inflation and the large interest rate hikes required to tackle it would lead to a sharp slowdown in global economic growth, weighing on demand for industrial commodities.

### **United Simple Growth Select Allocation**

At the end of August 2022,

<b>Holdings</b>	<b>Current Weightage (%)</b>
Schroder Sustainable Asian Equity Fund	24.10
United Global Durable Equities Fund	23.40
United Global Quality Growth Fund	18.26
UBS China Opportunity Fund	14.78
Blackrock World Technology Fund	7.52
iShares Global Materials ETF	6.69
Cash	5.24
<b>Total</b>	<b>100.00</b>

### **Market Overview**

Global equities declined during the month as investors remained concerned about persistently high inflation, rising interest rates, and growing signs of a global economic slowdown. US Fed Chair, Jerome Powell, reiterated that the central bank would continue raising interest rates until it was confident that inflation was under control, acknowledging the unfavourable impact the policy will have on consumers and businesses. In sharp contrast, the People's Bank of China (PBOC) cut interest rates, attempting to revive the country's sputtering economy, after China's strict COVID containment policies and property market disarray weakened consumer, producer, and investment activities. The MSCI All Country World returned -3.6% for the month. Within the index, 10 out of 11 sectors declined for the period. Healthcare and information technology were the worst performing sectors, while energy and utilities were the top performing sectors over the month.

### **Outlook and Positioning**

2022 remains a very complicated year for markets and the outlook for the remainder of the year rests on key issues of inflation, central bank policy, and the global economic growth trajectory. On inflation, we do expect modest improvements as businesses and supply chains normalize following the recovery from COVID disruption. That said,

structural concerns such as deglobalization and demographic changes imply that inflation trends could remain stickier than expected. As such, we expect central banks to remain hawkish and maintain their tightening bias. As for economic growth outlook, we expect global economic growth to moderate, but unemployment rates are not expected to rise significantly as many industries continue to seek workers. As such, we believe that markets would remain range-bound in the near-term.

We are currently neutrally positioned, with 56% of the portfolio invested in global funds and 39% invested in Asian funds. Within our positioning, we are investing in areas of the market that have been oversold. We continue to invest in technology as the longer-term growth trend in the digitization of the way we live and work remains intact. We maintain our position in Chinese equities given that they continue to trade at a significant discount to US/Global equities and against its own history. In addition, the Chinese government has recently announced a series of stimulus measures to help stabilize the property market and to stimulate growth via fiscal spending. This is in contrast with the US and Europe who are tightening monetary policy to combat inflation. We continue to monitor closely our positions and stand ready to adjust the portfolio according to market developments.

### Asset Allocation

Asset Allocation	Current Weightage (%)
Equities	91.63
Others	3.07
Cash	5.24
<b>Total</b>	<b>100.00</b>

### Geographical Allocation

Geographical Allocation	Current Weightage (%)
Asia Pacific ex Japan	40.16
North America	39.25
Europe ex UK	7.35
UK	2.49
Middle East/Africa	1.39
Japan	0.98
Central/South America	0.31
Others	2.85
Cash	5.24
<b>Total</b>	<b>100.00</b>

### Sector Allocation

Sector Allocation	Current Weightage (%)
Financial Services	19.21
Technology	18.49
Healthcare	10.10
Industrials	9.50
Basic Materials	9.23
Communication Services	7.96
Consumer Cyclical	7.70
Consumer Defensive	4.43
Real Estate	3.09
Utilities	1.47
Energy	0.45
Others	3.07
Cash	5.24
<b>Total</b>	<b>100.00</b>

### Fund Classes

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

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