United Global Income Focus Fund – MYR hedged Class

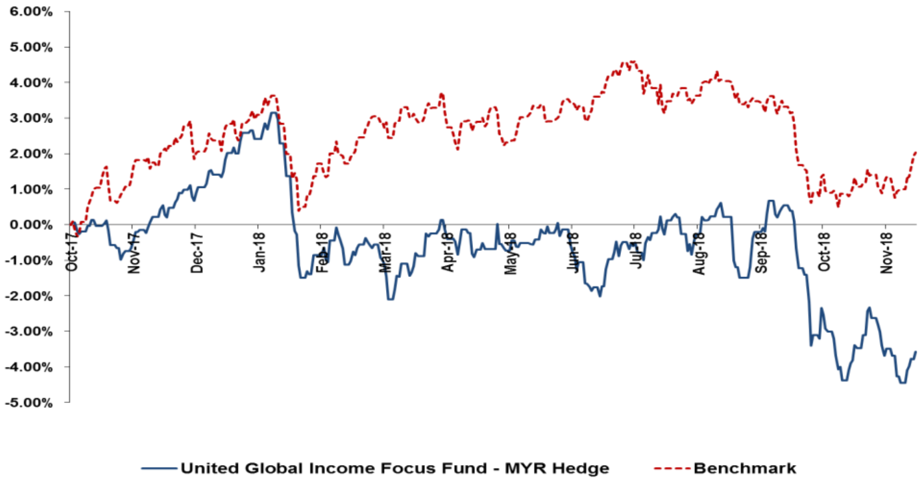
December 2018

All data expressed as at 30 November 2018 unless otherwise stated

FUND OBJECTIVE & STRATEGY

The Fund seeks to provide regular income with a secondary focus on capital appreciation over the medium to long term by investing in the United Income Focus Trust ("Target Fund") which invests globally in a diverse set of traditional and alternative asset classes.

PERFORMANCE CHART SINCE LAUNCH



Source: UOBAM(M)

FUND PERFORMANCE DATA (NAV-NAV PRICES)

	1 Month	3 Months	6 Months	1 Year	Since Launch (Annualised)	YTD
United Global Income Focus Fund – MYR hedged Class	0.26%	-3.78%	-3.03%	-3.78%	-3.23%	-4.91%
Benchmark	0.98%	-1.94%	-1.27%	0.28%	1.83%	-0.33%

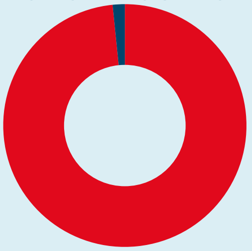
Note: Benchmark - 25% MSCI AC World Index and 75% Citi World Government Bond Index 10+Years (Hedged) Index
Source: UOBAM(M)

TOP 10 HOLDINGS OF THE TARGET FUND

ENTERGY CORP	1.34%
INTERNATIONAL BUSINESS MAC	1.28%
PFIZER INC	1.26%
WESTERN UNION CO/THE	1.25%
NISSAN MOTOR CO LTD	1.20%
JOHNSON + JOHNSON	1.18%
VODAFONE GROUP PLC	1.16%
MICROSOFT CORP	1.13%
ANNALY CAPITAL MANAGEMENT	1.01%
KIMCO REALTY CORP	0.87%

Source: UOBAM

PORTFOLIO ALLOCATION



Collective Investment Scheme	98.39%
Cash	1.61%
Total	**100.00%**

Source: UOBAM(M)

SECTOR ALLOCATION OF THE TARGET FUND

Financials	19.50%
Communication Services	12.39%
Information Technology	8.89%
Consumer Discretionary	8.57%
Health Care	8.37%
Real Estate	6.40%
Energy	6.38%
Utilities	6.19%
Industrials	5.31%
Government	4.11%
Materials	3.32%
Consumer Staples	3.19%
Cash	7.38%
Total	**100.00%**

Source: UOBAM

GEOGRAPHICAL ALLOCATION OF THE TARGET FUND

United States	56.96%
United Kingdom	6.37%
Japan	3.44%
Spain	3.00%
France	2.89%
Hong Kong	2.59%
Netherlands	1.75%
Mexico	1.56%
China	1.27%
Brazil	1.19%
Other countries	11.59%
Cash	7.38%
Total	**100.00%**

Source: UOBAM

UOB Asset Management

United Global Income Focus Fund – MYR hedged Class

FUND DETAILS

LAUNCH DATE	2 October 2017
FINANCIAL YEAR END	31 August
CATEGORY/TYPE OF FUND	Mixed assets (Feeder Fund) / Income & Growth
CLASS OF UNITS	MYR hedged Class
INITIAL OFFER PRICE	RM 1.0000
UNITS IN CIRCULATION - MYR HEDGED CLASS	49,279,022.68
NET ASSET VALUE ("NAV")	RM 47,517,817.75
NET ASSET VALUE - TOTAL FUND	USD 15,328,905.05
NAV PER UNIT	RM 0.9643
MINIMUM INITIAL INVESTMENT	RM 1,000
MINIMUM ADDITIONAL INVESTMENT	RM 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% p.a. of the NAV of the Class, minimum of RM15,000 p.a. or its equivalent amount in USD.
EXIT PENALTY	Up to 1.00% of the NAV per Unit of the Fund if redemption request is made within six (6) months from the launch date of the Fund.
PERFORMANCE BENCHMARK	25% MSCI AC World Index and 75% Citi World Government Bond Index 10+Years (Hedged) Index
ASSET ALLOCATION	A minimum of 90% of the Fund's NAV in the Target Fund. Up to 10% of the Fund's NAV in cash and / or liquid assets.
INVESTMENT MANAGER OF THE TARGET FUND	UOB Asset Management Ltd, Singapore
SUB-MANAGER OF THE TARGET FUND	Wellington Management Singapore Pte Ltd

United Global Income Focus Fund – MYR hedged Class

HISTORICAL NAV (RM)

Highest	**26/1/2018**	**1.0315**
Lowest	**23/11/2018**	**0.9555**

Source: UOBAM(M)

PERFORMANCE ATTRIBUTION OF TARGET FUND

In November, global equities rebounded from October's pullback and re-entered positive territory for the year. Geopolitical events dominated headlines. A meeting between President Xi and President Trump at the G20 Summit provided hope that trade tensions between the US and China could ease. Brexit negotiations progressed after the European Union (EU) and Britain reached a deal that set the terms of Britain's exit from the bloc and established parameters for their future relationship. Prime Minister Theresa May now faces a difficult task to gain Parliament's approval of the deal. Crude oil reached a 13-month low on a large build up in inventory levels and as the US granted Iranian crude waivers to several countries. Additionally, OPEC trimmed demand forecasts and raised supply estimates. On monetary policy, Fed Chair Powell stated rates are "just below" the neutral level and there was "no pre-set policy path", setting expectations that the pace of Fed tightening may slow. All other major central banks left their policy rates unchanged. Most global sovereign yields fell over the period, while global credit spreads widened in particular high yield credit owing to lack of progress on key political issues in Europe and further selloff in energy prices.

In November, global equities was the key contributor (+65bps) in particular US equities following dovish comments from the Fed and as markets anticipated that Trump and Xi would agree to a trade truce during the G20 summit. This was partly offset by losses within Europe and Japan. From a sector perspective, security selection in information technology (+32bps), healthcare (+31bps) and communication services (+19bps) were top contributors to performance. Within fixed income (-26bps), investment grade credit detracted as global credit spreads widened amid political gridlock and pivotal idiosyncratic events. While IG credit detracted, it had outperformed high yield credit during the month. The duration component within the fixed income exposures also contributed to positive gains, as sovereign yields fell over the period amid Brexit concerns, collapsing oil prices and weaker economic results in Europe.

OUTLOOK AND STRATEGY OF TARGET FUND

As of end November, the volatility target of the Fund is 6.5%. The global equity allocation within the portfolio (including REITS and listed infrastructure) has been reduced from 61.5% at the beginning of October to 46% as of end November. In reaction to the increased levels of volatility seen in early October, our volatility targeting process began to engage within the portfolio. As you know, the portfolio management team does have discretion over the implementation of the model outputs. As such, it was the team's view that there was no fundamental weakness evident in the immediate sell-off and so chose to stage the implementation of risk reducing trades (i.e. selling equity futures). In addition, the drawdown filter within the portfolio has also begun to engage. This process has been responsible for roughly 1/3 of the equity position reduction seen since the beginning of October. The primary driver, therefore, has been due to the volatility targeting process described above (~2/3 of the reduction). We remain tactical in managing the portfolio's duration, which has gradually decreased from 5.4 years as of end October to 4.9 years as of end November mainly using US 10 year duration hedges. Over the medium term, our outlook on fundamentals remains broadly unchanged. However, we remain cautious as the global market transitions from a goldilocks phase to late cycle and expect the pick-up in market volatility year to date to remain. It is therefore important to position the fund to withstand what could be a bumpier ride ahead. This contrasts with the low-volatility environment experienced over the last couple of years. Overall, it remains crucial to maintain a diversified exposure to markets with an eye towards downside protection. During this period, we remain focused on identifying any potential signs that recent weakness extends further and utilised our risk management techniques to help mitigate any significant market weakness. The pace of global growth has slowed and inflation has risen – trends that are likely to continue and are consistent with late-cycle dynamics. We continue to believe that the current backdrop is marginally more favourable for stocks compared to government bonds. Our view is that equity markets should generate low to mid-single digit returns as modest growth/inflation modestly outweighs tighter financial conditions and the overhang of trade uncertainty – volatility persists but a policy mistake does not catalyse a near-term recession. We think that Trump ultimately needs a trade deal but has time for additional brinksmanship prior to the next election. Yields are likely to drift only modestly higher but we expect US tightening to decelerate and tightening abroad to remain on hold. We believe that duration can play an increasingly important role should there be continued risk-off periods in markets. Longer-dated investment grade credit also continues to look attractive from a valuations standpoint, in our view. During this period of transition, we believe we have the tools at our disposal to help navigate markets (volatility targeting, drawdown filters, and opportunistic hedging).

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