United Global Income Focus Fund – MYR hedged Class

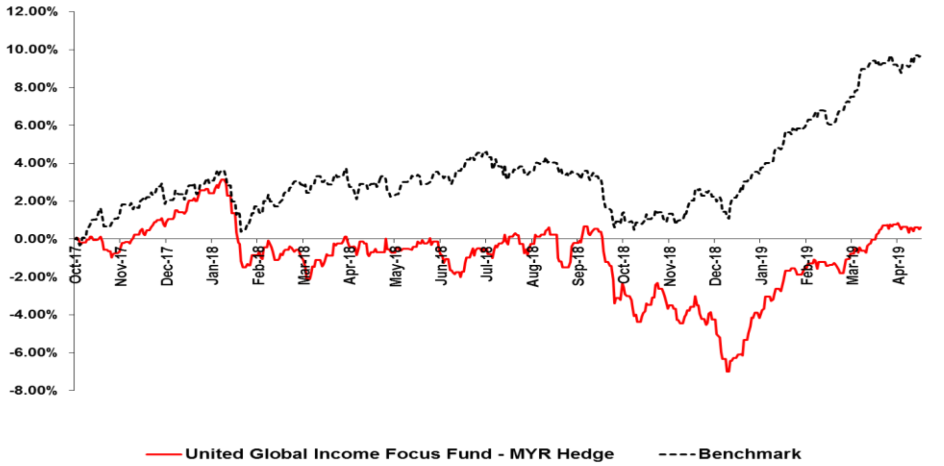
May 2019

All data expressed as at 30 April 2019 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	0.65%	2.33%	4.62%	0.85%	0.41%	7.17%
Benchmark	0.27%	3.81%	8.58%	6.58%	6.28%	7.10%

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

CALENDAR YEAR RETURNS

	2018
United Global Income Focus Fund – MYR hedged Class	-7.42%

TOP 10 HOLDINGS OF THE TARGET FUND

VMWARE INC	1.40%
INTERNATIONAL BUSINESS MAC	1.33%
WESTERN UNION CO/THE	1.33%
IMPERIAL BRANDS PLC	1.24%
ANNALY CAPITAL MANAGEMENT	1.19%
PFIZER INC	1.13%
NISSAN MOTOR CO LTD	1.12%
AXA SA	1.07%
JOHNSON & JOHNSON	1.00%
KIMCO REALTY CORP	0.95%

Source: UOBAM

PORTFOLIO ALLOCATION

Collective Investment Scheme	97.67%
Cash	2.33%
Total	**100.00%**

Source: UOBAM(M)

PORTFOLIO ALLOCATION OF THE TARGET FUND

Equity	49.53%
Bond	43.30%
Cash	7.17%
Total	**100.00%**

Source: UOBAM

SECTOR ALLOCATION OF THE TARGET FUND

Financials	21.15%
Communication Services	11.33%
Information Technology	9.69%
Consumer Discretionary	9.04%
Health Care	7.44%
Real Estate	7.14%
Industrials	5.68%
Utilities	4.75%
Energy	4.66%
Materials	4.48%
Consumer Staples	4.32%
Government	3.15%
Cash	7.17%
Total	**100.00%**

Source: UOBAM

GEOGRAPHICAL ALLOCATION OF THE TARGET FUND

United States	59.49%
United Kingdom	6.35%
Japan	3.57%
France	2.86%
Spain	2.43%
Hong Kong	2.31%
Netherlands	1.78%
Australia	1.60%
China	1.50%
Brazil	1.32%
Other countries	9.62%
Cash	7.17%
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	50,306,803.76
NET ASSET VALUE ("NAV")	RM 50,618,944.76
NET ASSET VALUE - TOTAL FUND	USD 16,805,790.81
NAV PER UNIT	RM 1.0062
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	24/12/2018	0.9300

Source: UOBAM(M)

PERFORMANCE ATTRIBUTION OF TARGET FUND

Global equities rose for the fourth consecutive month in April. Markets reacted positively to stronger economic data, accommodative central bank policies, improving growth prospects in China, and progress in US-China trade negotiations. A series of better-than-expected Chinese economic indicators helped to dampen fears of a global economic slowdown and provided further evidence that China's recovery is gaining momentum. In Europe, weakness in the manufacturing sector and Brexit uncertainty remained key areas of concern. The UK avoided an abrupt no-deal departure from the European Union (EU) on April 12, after EU leaders granted the UK a flexible extension until October 31. Most global sovereign yields rose modestly over the period. Global corporate credit markets also outperformed duration-equivalent government bonds as credit spreads tightened.

The United Income Focus Trust (UIFT) delivered +0.8% (gross, in USD) in April, bringing YTD performance to +8.4% and since inception annualized performance to +7.6%. Global equities (+0.4%) were the key driver of performance during the month. At a regional level, US and European equities were the top contributors. In US, market sentiment was bolstered by better-than-expected US corporate earnings, solid economic data, rising expectations for a US-China trade deal, and favourable monetary policy. In Europe, equities continued their strong start to the year on the back of risk-on sentiment. At a sector level, financials delivered strong performance led by the banks, which benefited from several strong earnings reports. The information technology and consumer discretionary sectors were also key contributors to performance. The bond proxy sectors, including consumer staples, detracted from performance. Within fixed income (+0.3%), investment grade credit (+0.3%) and high yield (+0.1%) added to performance as credit spreads tightened. Nominal government bonds (-0.2%) detracted as yields rose. This was partly offset by gains from the duration hedges in the portfolio (+0.1%). Within Alternatives (-0.1%), gains from European financials were offset by losses from listed real estate equities.

OUTLOOK AND STRATEGY OF TARGET FUND

Looking ahead, we believe the global economy will slow throughout 2019. Having said that, in our base case, we do not expect a recession to take place over the next 6-12 months. In the US, we expect the economy to continue outpacing its developed market peers but to slow as fiscal stimulus fades. US consumers remain in solid shape, but we think the pace of consumption will moderate as consumer confidence has come down from recent highs. Capital expenditures seem unlikely to fulfill the hopes for a large stimulus-fueled bump but may still add to growth in coming quarters. In Europe, economic growth continues to disappoint, and while some leading indicators show signs of bottoming, overall they point to further sluggishness in coming quarters. Politics, especially Brexit, will likely impact business and market sentiment, but we are hopeful that fiscal largesse could provide some cushion against the slowdown or even help turn the cycle around. In Japan, we think the economy could slow further throughout 2019, especially after the planned value-added tax increase in the fall. In Emerging markets, we have been sympathetic to the idea that China's economy may reaccelerate as a result of lower interest rates, a resolution to the trade conflict, and more economic stimulus. It will be key to monitor the progress on the US-China trade developments.

In terms of positioning in UIFT, we have been more conservatively positioned since February with a volatility target of 6.1% as of end-April. While we have reduced the overall volatility target, we are still favouring equities over bonds on aggregate. With easier monetary policy across the world, our base case is that this environment will be more supportive of global equities against a backdrop of politics-driven volatility (e.g. trade war, Brexit etc.). Such volatility should not be long lived but may persist for months. The recent developments on the US-China trade negotiations is in line with such expectations. We are closely monitoring if there will be a resolution to the trade negotiations or an escalation of trade wars into a backdrop when the improvement in the Chinese cycle is still only tentative, the US economy is robust but slowing, and European growth is sluggish. The situation remains highly fluid at this point. We will likely look to reduce the exposure to risk assets if volatility increases and persists, and will look for opportunities to add when we see these events cooling. We believe that tactical management will be key to identify any mispricing, and look to focus on relative value opportunities.

The combination of slowing global growth, shifts in central bank policy, and rising geopolitical risk will result in increasing volatility in growth, inflation and the pricing of market risk. Global markets will likely continue to be choppy, and we believe this market environment requires that income orientated strategies concentrate less of their holdings in the lowest quality, least liquid securities that will be most exposed to increasing investor uncertainty. Instead, income investors will be best served through a highly diversified portfolio of multi-asset income producing assets that can be dynamically adjusted as market conditions evolve.

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