

Fund: United ASEAN Discovery Fund

As at 31 July 2022

Performance Update

For the month of July, the Fund registered a return of 0.66%.

In July, global equities were mostly in positive territory with the exception of mainland China and Hong Kong. Markets rebounded from June lows underpinned by a more dovish US Fed in the July meeting. Meanwhile, the US GDP declined 0.9% in 2Q22, representing two consecutive quarters of contraction. This has fueled some investor expectation for a more dovish monetary policy from the US Fed going forward. The US 10-year Treasury yields retraced to 2.65% from 3.01% in June.

The MSCI All Country ASEAN Index (MXSO) gained 2.8% to close at 631 points. Singapore's Straits Times Index was up 3.5% driven by consumer discretionary, communication services, industrial and information technology. Besides that, the country also reported better than expected retail sales for the month of May while unemployment rate improved to 2.1% in June. The Singapore Dollar appreciated 0.6% against the US Dollar in July.

During the month, key contributors of the fund were Sea Limited, Frontken and MR DIY. Sea Limited and Frontken reported technology stocks rebounded as bond yields were declining.

In contrast, key detractors of the fund during the month were XL Axiata, Hibiscus and Indofood CBP. XL Axiata detracted due to rights issue overhang. Hibiscus reported volatility in oil price.

Strategy Moving Forward

In the near term, the market is expected continue to be influenced by tightening monetary policy, elevated inflation, and slowing economic growth. We have raised some cash earlier on and would redeploy it when there is greater clarity on the global market. We expect Asean markets to be relatively defensive given most countries are domestic centric. We prefer value/reopening over growth.

Fund Classes

Fund Classes
MYR Class

Stock Commentary

Stocks	Country	Sector	Remarks
SEA Limited	United States	Communication Services	<ul style="list-style-type: none"> Significant long term potential in e-commerce and fintech.
MR DIY	Malaysia	Consumer Products & Services	<ul style="list-style-type: none"> MR DIY is the largest home improvement retailer in Malaysia. Future growth will be underpinned by store expansion.
AMMB	Malaysia	Financials	<ul style="list-style-type: none"> Beneficiary of reopening and rising interest rates.
Berjaya Food	Malaysia	Consumer Products & Services	<ul style="list-style-type: none"> Benefit from reopening and cost cutting measures.
Lendlease Reit	Singapore	Real Estate	<ul style="list-style-type: none"> Benefit from reopening.

Income Distribution

Date	Yield
23 February 2022	2.70%

Award



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