

Fund: United ASEAN Discovery Fund

As at 30 June 2022

Performance Update

For the month of June, the Fund registered a return of -6.13%.

In June, global equities were in negative territory as markets reacted towards the US Fed's decision to hike its benchmark interest rates by 75bps. US inflation data for May came in higher than market's expectations at 8.6% yoy as shelter, food and energy prices soared. The above fueled investors' concerns of weaker global growth as central banks address elevated inflation. US Treasury yield closed above the 3% mark while the DXY Index gained 2.9%.

The MSCI All Country ASEAN Index (MXSO) declined by 8.8% to close at 614 points. Philippine equities were the worst performer in the region as concerns about inflation, the adverse effects on economic output and the potential catch up responses needed by the Philippines Central Bank weighed on equities. Foreign investors net sold US\$207m of Philippine equities in June, bring its YTD outflows to US\$775m. Meanwhile, the Philippine peso depreciated by 4.6% against the greenback.

During the month, key contributors of the fund were Indofood CBP, Dufu and AMMB. Indofood CBP expected improvement in margin after ASP hike.

In contrast, key detractors of the fund during the month were Sea Limited, Hibiscus and PT Bank Negara. Hibiscus's share price dropped due to weakness 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, favoring financials and consumer.

Fund Classes

Fund Classes
MYR Class

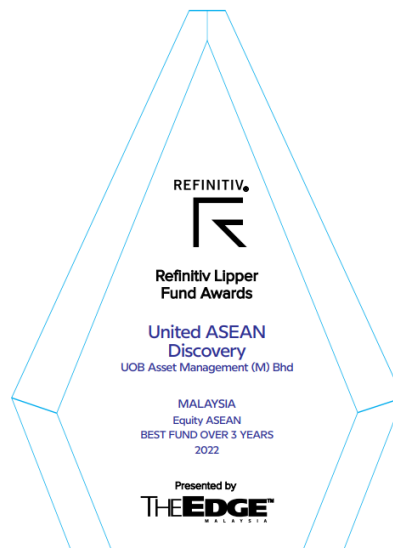
Stock Commentary

Stocks	Country	Sector	Remarks
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.
Berjaya Food	Malaysia	Consumer Products & Services	<ul style="list-style-type: none"> Benefit from reopening and cost cutting measures
SEA Limited	United States	Communication Services	<ul style="list-style-type: none"> Significant long term potential in e-commerce and fintech.
AMMB	Malaysia	Financials	<ul style="list-style-type: none"> Beneficiary of reopening and rising interest rates.
Bank Rakyat	Indonesia	Financials	<ul style="list-style-type: none"> Benefit from economy reopening. We expect ROE to improve supported by loan growth and normalization of credit cost.

Income Distribution

Date	Yield
23 February 2022	2.70%

Award



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