

## **Fund: United ASEAN Discovery Fund**

**As at 30 September 2022**

### **Performance Update**

For the month of September, the Fund registered a return of -4.08%.

It was a negative month for global equities with both DM and EM reporting negative returns. The US Fed raised its benchmark interest rates by 75bps to a range of 3.00-3.25% and lifted its terminal rate forecast for 2022/2023 to 4.40% and 4.60% respectively. The DXY index gained 3.1% while the US 10-year Treasury yield rose to 3.83% from 3.19% in August.

The MSCI All Country ASEAN Index (MXSO) declined 6.6% to close at 597 points dragged by the Philippines. All sectors in the Philippines market posted losses led by industrial and utilities. Meanwhile, the Philippines central bank raised its benchmark policy rate by 50bps to 4.25% in September. The Philippines Peso depreciated 4.2% against the US Dollar.

During the month, key contributors of the fund were Semen Indonesia, Berjaya Food and Indofood CBP. In contrast, key detractors of the fund during the month were Hibiscus, Keppel Pacific Oak Reit and Datasonic. The share price of Hibiscus dropped due to the weakness in oil price. Keppel Pacific Oak Reit detracted due to bond yields are rising and more hawkish Fed rate hike outlook.

### **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 that most countries are domestic centric. We prefer value/reopening over growth.

### **Fund Classes**

<b>Fund Classes</b>
MYR Class

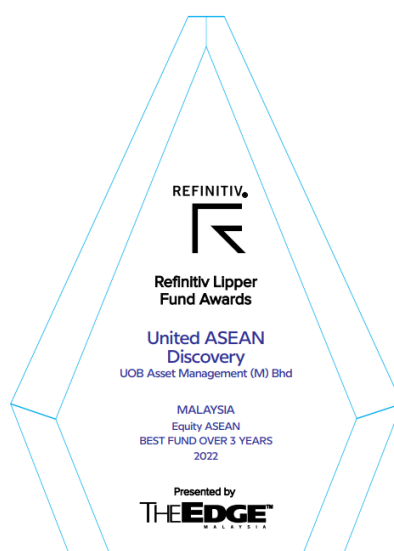
## Stock Commentary

Stocks	Country	Sector	Remarks
Berjaya Food	Malaysia	Consumer Products & Services	<ul style="list-style-type: none"> <li>Benefit from reopening and cost cutting measures.</li> </ul>
Lendlease Reit	Singapore	Real Estate	<ul style="list-style-type: none"> <li>Benefit from reopening.</li> </ul>
Kasikorn Bank	Thailand	Financials	<ul style="list-style-type: none"> <li>Beneficiary of reopening and rising interest rates.</li> </ul>
Yinson	Malaysia	Energy	<ul style="list-style-type: none"> <li>Strong future earnings growth, with potential upside from contract wins.</li> </ul>
AMMB	Malaysia	Financials	<ul style="list-style-type: none"> <li>Beneficiary of reopening and rising interest rates.</li> </ul>

## Income Distribution

Date	Yield
23 February 2022	2.70%

## Award



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