

Fund: United Bond & Equity Strategic Trust Fund

As at 31 July 2022

Performance Update

For the month of July, the Fund registered a return of 0.17%.

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 ex-Japan Index (MXASJ) fell 1.7% to close at 642 points dragged by mainland China equities. Mainland China equities were dampened by uncertainties in the property sector and low visibility over the cross border re-opening of the country. The Chinese Yuan depreciated slightly against the US Dollar by 0.9%.

During the month, the key equity contributors to the Fund performance were PT Telkom, Macquarie and Bank Mandiri. On the other hand, the key detractors to the Fund performance were Alibaba, Tencent and Ping An. All of them detracted due to China equities were dampened by uncertainties in the property sector.

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. Within Asia, we expect Asean to be a relatively defensive region given most countries are domestic centric. We prefer value/reopening over growth, favoring financials and consumer.

Stock Commentary

Stocks	Country	Sector	Remarks
PT Telkom	Indonesia	Telecommunication Services	<ul style="list-style-type: none"> Largest telco in Indonesia. Positive sector outlook with signs of easing competition and reopening.
Alibaba	Hong Kong	Consumer Discretionary	<ul style="list-style-type: none"> There are signs of Chinese regulator easing crackdown on internet companies. Attractive valuation.
Bank Mandiri	Indonesia	Financials	<ul style="list-style-type: none"> Benefit from economy reopening. We expect ROE to improve supported by higher NIM, loan growth, and normalization of credit cost.
Tencent	Hong Kong	Communication Services	<ul style="list-style-type: none"> There are signs of Chinese regulator easing crackdown on internet companies.
Thai Bev	Singapore	Consumer Staples	<ul style="list-style-type: none"> Expect sales to recover as economy activities normalize.

Characteristic of Fixed Income Portfolio

Fixed Income	
Duration	2.2 years
Yield %	4.4
Avg credit rating	AA2

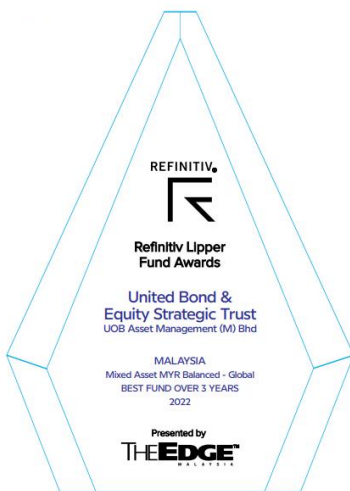
Income Distribution

Date	Yield
21 February 2022	1.00%

Fund Classes

Fund Classes
MYR Class

Award



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