

Fund: United Bond & Equity Strategic Trust Fund

As at 30 June 2022

Performance Update

For the month of June, the Fund registered a return of -3.28%

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 ex-Japan Index (MXASJ) declined by 5.1% to close at 653 points dragged by South Korean equities. South Korean equities fell by 13.2% to close at 2,333 points on weakness in semiconductor stocks. Concerns of a technology downturn cycle has been growing, leading to declines in Samsung Electronics and SK Hynix by 15% and 16% respectively. Meanwhile, the South Korean won depreciated 3.5% against the greenback.

During the month, the key equity contributors to the Fund performance were Alibaba, Sands China and Ping An. Alibaba's share price rose on May due to China stimulus measures. Meanwhile, Sands China contributed to the fund performance due to China eased Covid-19 restrictions.

In contrast, the key detractors to the Fund performance were Hibiscus, BDO Unibank and Macquarie. 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. Within Asia, we expect Asean to be a relatively defensive region given most countries are domestic centric. We have recently added exposure to China/Hong Kong market given decent valuation and government's stimulus policy. We prefer value/reopening over growth, favoring financials and consumer.

Stock Commentary

Stocks	Country	Sector	Remarks
Alibaba	Hong Kong	Consumer Discretionary	<ul style="list-style-type: none"> There are signs of Chinese regulator easing crackdown on internet companies. Attractive valuation
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.
Tencent	Hong Kong	Communication Services	<ul style="list-style-type: none"> There are signs of Chinese regulator easing crackdown on internet companies.
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.
City Development	Singapore	Real Estate	<ul style="list-style-type: none"> Benefits from recovery in tourists arrival.

Characteristic of Fixed Income Portfolio

Fixed Income	
Duration	2.3 years
Yield %	4.5
Avg credit rating	AA2

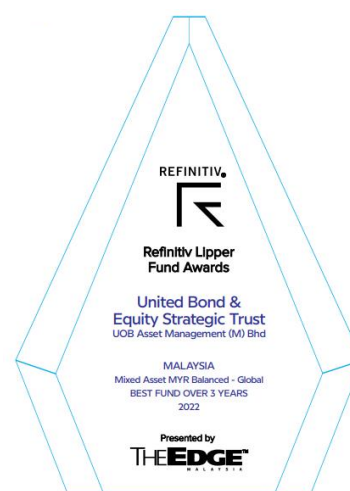
Income Distribution

Date	Yield
21 February 2022	1.00%

Fund Classes

Fund Classes
MYR Class

Award



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