

United Simple Growth Select

As at 31 July 2022

Performance Update

For the month of July, the United Simple Growth Select rose 3.04% (MYR Hedged Class) in July 2022.

The top performer during the month was the allocation to the Blackrock World Technology Fund, the strongest performing underlying fund as optimism regarding a moderation in inflation and lower interest rates caused Information Technology companies to outperform the broader global equity market.

The worst performer during the month was the UBS China Opportunity Fund after Chinese equities declined, as concerns over slowing economic growth, the lack of fiscal stimulus and a cash-crunch in the real estate sector hurt investor sentiment

United Simple Growth Select Allocation

At the end of July 2022,

Holdings	Current Weightage (%)
United Global Durable Equities Fund	25.70
Schroder Sustainable Asian Equity	23.68
United Global Quality Growth Fund	20.00
UBS China Opportunities Fund	11.75
Blackrock World Technology	8.15
iShares Global Materials ETF	7.38
Cash	3.34
Total	100.00

Market Overview

Global equities rebounded in July despite persistently high inflation and rising interest rates. Investor sentiment was buoyed by resilient corporate earnings and moderating inflation expectations amid a decline in commodity prices and slowing global economic growth. Meanwhile the US Federal Reserve (Fed) hiked its target interest rate by 75 basis points (bps) for the second straight meeting to rein in decades-high inflation. Asian equities lagged the global market as China's fragile economic recovery was strained by troubles in the housing market, supply-chain disruptions from the country's zero-COVID policy and sporadic virus outbreaks. The MSCI All Country World returned 7.0% over the month (in USD terms). All sectors rose during the month, with information technology and consumer discretionary being the top performing sectors, while communication services and health care were the worst performing sectors.

Outlook and Positioning

Soft landing continues to be our base case. We expect global economic growth to moderate, but unemployment rates are not expected to rise significantly as many industries continue to seek workers. As for inflation, we do expect modest improvements as businesses and supply chains normalize following the recovery from COVID disruption. That said, structural concerns such as deglobalization and demographic changes imply that inflation

trends could remain stickier than expected. Global equities have rallied towards end-July on hopes that inflation has rolled-over while the US Fed may start cutting interest rates. We do not believe the case for a Fed “pivot”, i.e. to start cutting interest rates, very strong, and hence there is limited upside to equities from current levels as global economic growth moderates and inflation risks remain.

Against this backdrop, we believe that global equities are expected to trend side-ways amid concerns regarding economic growth and inflation. We are investing in areas of the market that have been oversold. These includes our position in technology via the Blackrock World Technology Fund which have benefitted from the rally but continue to be supported by secular growth trend in digitization of our economies. In addition, we maintained our allocation in China via the UBS China Opportunity Fund despite challenging recent performance as we believe the structural trends of a strong consumption base and innovation within the Chinese companies remains intact. Furthermore, we do expect continued policy support from the Chinese government to stabilize the economy soon for the long run.

Asset Allocation

Asset Allocation	Current Weightage (%)
Equities	93.59
Others	3.09
Cash	3.34
Total	100.00

Geographical Allocation

Geographical Allocation	Current Weightage (%)
North America	41.51
Asia Pacific ex Japan	37.91
Europe ex UK	8.55
UK	2.38
Japan	1.09
Central/South America	0.02
Others	5.20
Cash	3.34
Total	100.00

Sector Allocation

Sector Allocation	Current Weightage (%)
Technology	20.03
Financial Services	18.93
Healthcare	11.40
Industrials	9.94
Basic Materials	9.92
Communication Services	7.62
Consumer Cyclical	6.45
Consumer Defensive	4.23
Real Estate	3.25
Utilities	1.17
Energy	0.00
Others	3.74
Cash	3.34
Total	100.00

Fund Classes

Fund Classes			
MYR Hedged Class	AUD Hedged Class	SGD Hedged Class	USD Class

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