

## **United Simple Growth Select**

As at 31 October 2022

### **Performance Update**

For the month of October, the United Simple Growth Select rose 0.68% (MYR Hedged Class).

The top performer during the month was the allocation to the United Global Durables Equity Fund after global equities rallied supported by better-than-expected earnings releases and hope that the Fed may slow the pace of interest rate hikes.

The weakest performer during the month was the UBS (Lux) Equity Fund - China Opportunity after Chinese equities declined sharply due to concerns over China's economic outlook and that President Xi's new leadership team could have negative consequences for private companies.

### **United Simple Growth Select Allocation**

At the end of October 2022,

<b>Holdings</b>	<b>Current Weightage (%)</b>
United Global Durable Equities Fund	26.51
Schroder Sustainable Asian Equity Fund	23.60
United Global Quality Growth Fund	20.11
UBS China Opportunity Fund	8.63
Blackrock World Technology Fund	7.41
iShares Global Materials ETF	3.94
Cash	9.80
<b>Total</b>	<b>100.00</b>

### **Market Overview**

Global equities rebounded in October supported by better-than-expected earnings and hope that the US Federal Reserve (Fed) may slow down its hawkish commentary and path of interest rate hikes. Developed market equities registered strong returns, while emerging markets were dragged lower by China. Chinese equities fell sharply as markets grew increasingly anxious about the state of China's economy and the direction of governance and policy following a reshuffling in President Xi Jinping's leadership team. Major central banks continued to increase interest rates as they attempt to combat persistently high inflation, although some scaled back the magnitude of the hikes. The MSCI All Country World returned 6.1% over the period in USD terms. Within the index, eight out of 11 sectors rose over the month. Energy and industrials were the top performing sectors, while communication services and consumer discretionary were the bottom performing sectors for the period.

## Outlook and Positioning

We maintain our cautious outlook for equity markets as we believe that recession would be our base case for 2023 and Inflation and the risk of recession continue to be the key drivers of markets and there remains high uncertainties around the outlook for these issues. Higher interest and mortgage rates in the US may weigh on its economic momentum while Europe continues to be negatively affected by concerns over the Ukraine war and energy prices. China's economic growth has also slowed significantly due to its zero Covid policy and weakness in the property market. However, the outlook on inflation and interest rates are slightly more stable than in prior months. Markets have, to a large extent, adjusted to the Fed's interest rates outlook and is near its peak, subject to any inflation upside surprises. Against this backdrop, we believe that investors would stay "risk-off" in Q4 2022 as markets adjust to the deteriorating economic outlook.

We continue to adopt a cautious approach in our positioning, trimming our allocation to Chinese equities and Materials on concerns that China's zero-covid strategy continues to negatively impact China's economy and investors sentiments while the risk of recession may reduce materials demand. We are looking to increase our exposure to US equities as they remain supported by resilient earnings, and US dividend equities as they then to hold up better in a rising rate environment.

### Asset Allocation

Asset Allocation	Current Weightage (%)
Equities	87.12
Cash	9.80
Others	3.08
Bonds	0.00
<b>Total</b>	<b>100.00</b>

### Geographical Allocation

Geographical Allocation	Current Weightage (%)
North America	41.88
Asia Pacific ex Japan	32.21
Europe ex UK	7.91
UK	1.50
Japan	0.82
Central/South America	0.19
Others	5.68
Cash	9.80
<b>Total</b>	<b>100.00</b>

### Sector Allocation

Sector Allocation	Current Weightage (%)
Financial Services	19.57
Technology	18.55
Healthcare	12.40
Industrials	10.16
Communication Services	6.39
Consumer Cyclical	6.16
Basic Materials	5.85
Consumer Defensive	3.49
Real Estate	2.02
Utilities	1.37
Energy	0.58
Others	3.67
Cash	9.80
<b>Total</b>	<b>100.00</b>

## Fund Classes

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

### **Important Notice and Disclaimers**

This information shall not be copied, or relied upon by any person for whatever purpose. The information herein is given on a general basis without obligation and is strictly for information only.

These documents are for general information only and do not take into account your objectives, financial situations or needs. These slides are not an offer, solicitation, recommendation or advice to buy or sell any investment product, including any collective investment schemes or shares of companies mentioned within. The information contained in these slides, including any data, projections and underlying assumptions are based upon certain assumptions, management forecasts and analysis of information available and reflects prevailing conditions and our views as of the date of the document, all of which are subject to change at any time without notice.

You should be aware that investments carry risks. Please consider the fees and charges involved before investing. UOB Asset Management (Malaysia) Berhad does not guarantee any returns on the investments.

In preparing these slides, UOBAM(M) has relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources or which was otherwise reviewed by UOBAM(M). UOBAM(M) does not warrant the accuracy, adequacy, timeliness or completeness of the information herein for any particular purpose, and expressly disclaims liability for any error, inaccuracy or omission. UOBAM(M) and its employees shall not be held liable for any decision or action taken based on the views expressed or information contained within this publication. Any opinion, projection and other forward looking statement regarding future events or performance of, including but not limited to, countries, markets or companies is not necessarily indicative of, and may differ from actual events or results. Nothing in this publication constitutes accounting, legal, regulatory, tax or other advice. The information herein has no regard to the specific objectives, financial situation and particular needs of any specific person. You may wish to seek advice from a professional or an independent financial adviser about the issues discussed herein or before investing in any investment product. Should you choose not to seek such advice, you should consider carefully whether the investment or product is suitable for you or your organization.

UOB Asset Management (Malaysia) Berhad (Company No. 199101009166 (219478-X))