

United Simple Growth Select

As at 30 September 2022

Performance Update

For the month of September, the United Simple Growth Select declined 9.17% (MYR Hedged Class).

The top performer during the month was the allocation to the United Global Durable Equity Fund, outperforming the MSCI All Country World Index due to positive stock selection. The Fund's focus on companies that display resilient cash flows across business cycles helped to limit the drawdown during market sell offs.

The weakest performer during the month was the UBS China Opportunity Fund after Chinese equities declined. 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 September 2022,

Holdings	Current Weightage (%)
United Global Durable Equities Fund	24.31
Schroder Sustainable Asian Equity Fund	23.91
United Global Quality Growth Fund	18.58
UBS China Opportunity Fund	14.37
Blackrock World Technology Fund	7.36
iShares Global Materials ETF	6.84
Cash	4.64
Total	100.00

Market Overview

Global equities continued their decline in September. Risk-off sentiment was driven by high inflation, rising interest rates, and growing signs of a global economic slowdown. In response to the high inflation environment, global central banks were relentless in raising interest rates, with the European Central Bank and US Federal Reserve both delivering 75 basis point rate hikes in September. China continued to struggle with the economic ramifications of its COVID policies and real estate crisis. The World Bank cut the 2022 GDP growth forecast for China to 2.8%, a sharp contrast to its 5.3% estimate for the rest of the developing East Asia and Pacific region. The MSCI All Country World Index returned -9.5% over the month (in USD terms). All sectors declined during the month with real estate and information technology being the bottom performing sectors, while health care and consumer staples were the top performing sectors.

Outlook and Positioning

We have downgraded our economic growth outlook from a soft-landing to a hard-landing scenario. Unemployment rate is expected to rise above 5%, higher than previously anticipated in a soft-landing scenario. Global central banks are getting increasingly hawkish as they attempt to curb persistently high inflation. As such, the outlook for interest rates have risen, increasing the risk of a sharper decline in economic activity than previously anticipated. Against this backdrop, we believe that investors would stay “risk-off” in Q4 2022 as markets adjust to the deteriorating economic outlook.

Asset Allocation

Asset Allocation	Current Weightage (%)
Equities	92.83
Others	2.51
Cash	4.64
Total	100.00

Geographical Allocation

Geographical Allocation	Current Weightage (%)
Asia Pacific ex Japan	40.91
North America	39.23
Europe ex UK	8.82
UK	2.49
Japan	1.16
Central/South America	0.62
Middle East/Africa	0.16
Others	1.98
Cash	4.64
Total	100.00

Sector Allocation

Sector Allocation	Current Weightage (%)
Financial Services	20.00
Technology	17.65
Healthcare	11.28
Industrials	9.83
Basic Materials	9.21
Communication Services	7.70
Consumer Cyclical	7.67
Consumer Defensive	4.36
Real Estate	3.23
Utilities	1.51
Energy	0.40
Others	2.51
Cash	4.64
Total	100.00

Fund Classes

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

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