

United Simple Income Select

As at 31 August 2022

Performance Update

For the month of August, the United Simple Income Select declined 0.98% (MYR Hedged terms).

The top performer was the Fidelity Asian Bond Fund which performed better than the other funds after the PBOC announced interest rate cuts during the month to support economy activity and its struggling real estate sector.

The worst performer was the United Global Durable Equity Fund, the weakest performer after global equities sold-off during the month amid comments from the US Fed that interest rates would remain elevated in order to tame inflation.

United Simple Income Select allocation:

At the end of August 2022,

Holdings	Current Weightage (%)
First Sentier Asian Equity Plus Fund	24.66
Jupiter Dynamic Bond Fund	22.01
United Global Durable Equities Fund	19.06
Fidelity Asian Bond Fund	12.51
Fidelity Global Multi Asset Fund	9.92
United Income Focus Trust	9.62
Cash	2.23
Total	100.00

Market Overview

Global equities declined during the month as investors remained concerned about persistently high inflation, rising interest rates, and growing signs of a global economic slowdown. US Fed Chair, Jerome Powell, reiterated that the central bank would continue raising interest rates until it was confident that inflation was under control, acknowledging the unfavourable impact the policy will have on consumers and businesses. In sharp contrast, the People's Bank of China (PBOC) cut interest rates, attempting to revive the country's sputtering economy, after China's strict COVID containment policies and property market disarray weakened consumer, producer, and investment activities.

On the fixed income side, most global sovereign bond yields rose sharply, particularly in Europe, on higher-than-expected inflation and hawkish narratives from major central banks. Global credit slightly outperformed duration-equivalent government bonds as spreads tightened modestly.

Outlook and Positioning

2022 remains a very complicated year for markets and the outlook for the remainder of the year rests on key issues of inflation, central bank policy, and the global economic growth trajectory. On 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. As such, we expect central banks to remain hawkish and maintain their tightening bias. As for economic growth outlook, we expect global economic growth to moderate, but unemployment rates are not expected to rise significantly as many industries continue to seek workers. As such, we believe that markets will remain range-bound over the near-term.

Against this backdrop, we maintain our neutral positioning close to 50% allocated to equities and fixed income investments. Similarly, in terms of geographical allocation, we maintain our neutral position, allocating 61% of the portfolio to global funds and 37% to Asian Funds. We continue to closely monitor the developments in the global economic growth and inflation environment and stand ready to adjust our portfolio accordingly.

Asset Allocation

Asset Allocation	Current Weightage (%)
Equities	48.11
Bonds	41.04
Others	8.63
Cash	2.23
Total	100.00

Geographical Allocation

Geographical Allocation	Current Weightage (%)
Asia Pacific ex Japan	40.49
North America	27.07
Europe ex UK	11.97
UK	6.40
Japan	3.50
Central/South America	0.58
Others	7.79
Cash	2.23
Total	100.00

Sector Allocation

Sector Allocation	Current Weightage (%)
Eq- Financial Services	12.80
Eq- Technology	7.90
Eq- Industrials	7.48
Eq- Healthcare	6.45
Eq- Consumer Defensive	4.65
Eq- Consumer Cyclical	3.96
Eq- Communication Services	1.87
Eq- Real Estate	1.29
Eq- Utilities	0.78
Eq- Basic Materials	0.72
Eq- Energy	0.08
High Yield Bonds	16.40
Investment Grade Bonds	16.00
Government Bonds	11.22
Others	6.15
Cash	2.23
Total	100.00

Fund Classes

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

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