

United Simple Growth Select

As at 31 May 2022

Performance Update

For the month of May, the United Simple Growth Select declined 0.41% (MYR Hedged Class) in May 2022, underperforming the blended benchmark (60% MSCI All Country World Index, 40% MSCI Asia ex Japan Index) return of 0.3%.

The top performer during the month was the allocation to UBS China Opportunities Fund which performed strongly as sentiment for Chinese equities rose after news that lockdown measures in various cities, including Shanghai were easing. The worst performer was the Blackrock World Technology Fund as growth-oriented (e.g. technology focused) companies continued to underperform the broader global equity market.

United Simple Growth Select Allocation

At the end of May 2022,

Holdings	Current Weightage (%)
Schroder Sustainable Asian Equity Fund	23.34
United Global Durable Equities Fund	23.19
United Global Quality Growth Fund	18.60
UBS China Opportunity Fund	9.41
United Global Healthcare Fund	9.33
Blackrock World Technology Fund	8.85
Cash	7.29
Total	100.00

Market Overview

Global stock markets remained volatile in May as investors balanced concerns about high inflation, rising interest rates and geopolitical instability, against depressed valuations and resilient economic data. Inflation remained elevated globally and central banks continued to adopt tough policy measures to temper inflation. Despite these headwinds, investors became more optimistic late in the month due to positive economic data and better-than-expected corporate earnings. In China, authorities began to relax COVID-19 restrictions, with leaders announcing that the two-month lockdown of Shanghai would end at the beginning of June. The MSCI All Country World Index returned 0.2% over the period in USD terms. Within the index, six out of 11 sectors declined over the month. Real estate and consumer staples were the bottom performing sectors, while energy and utilities were the top performing sectors for the month.

Outlook and Positioning

Global Market performance since the start of 2022 has been challenging, driven by concerns over strong inflationary pressure, resurgence of Covid-19 cases in China and geopolitical concerns. In recent months, inflation problems have become more entrenched and there are signs of broadening to other core categories such as wages.

Our base case remains that the economic slowdown will more likely take the shape of a soft landing in which there is only a technical recession without a significant rise in unemployment from which economic activity can recovery

rapidly. However, inflation remains a key risk to our outlook. Should it remain stubbornly high, it is likely that the US Fed will need to aggressively combat inflation by rising interest rates faster and higher than market expectation. The current investment environment remains volatile and we continue to monitor closely developments in global growth and inflation data and stand ready to adjust our portfolio as the economic environment evolves.

In terms of our positioning, we are 42% allocated to core global equity strategies and 23% allocated to core Asian strategies and a dedicated allocation to China H-Shares via the UBS China Opportunity Fund. Given the current investment climate we are in, we allocate more towards core global equity strategies and within our tactical allocation, we are invested in Global Healthcare and Global Technology.

Asset Allocation

Asset Allocation	Current Weightage (%)
Equities	90.12
Others	2.59
Cash	7.29
Total	100.00

Geographical Allocation

Geographical Allocation	Current Weightage (%)
North America	43.18
Asia Pacific ex Japan	33.49
Europe ex United Kingdom	8.04
United Kingdom	2.19
Japan	1.03
Others	4.79
Cash	7.29
Total	100.00

Sector Allocation

Sector Allocation	Current Weightage (%)
Technology	20.80
Healthcare	20.35
Financial Services	16.13
Industrials	8.26
Communication Services	7.29
Consumer Cyclical	5.27
Consumer Defensive	3.98
Basic Materials	3.24
Real Estate	2.79
Utilities	0.93
Others	3.67
Cash	7.29
Total	100.00

Fund Classes

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

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