

## United Simple Income Select

As at 31 May 2022

### Performance Update

For the month of May, the United Simple Income Select declined 0.26% (MYR Hedged Class) in May 2022, underperforming the blended benchmark (30% MSCI All Country World Index, 20% MSCI Asian ex Japan Index, 30% Bloomberg Global Aggregate, 20% JP Morgan Asia Credit Index) which returned 0.1%.

The top performer was United Income Focus Trust Fund which saw positive contribution from its equity holdings benefited from the sharp rally at the end of May and from the decrease in credit spreads for US corporate bonds. The worst performer was Jupiter Dynamic Bond Fund which was negatively impacted by the increase in credit spreads for high yield and emerging market corporate bonds.

### United Simple Income Select allocation:

At the end of May 2022,

Holdings	Current Weightage (%)
First Sentier Asian Equity Plus Fund	22.69
United Global Durable Equities Fund	20.41
Jupiter Dynamic Bond Fund	20.21
United Income Focus Trust	9.04
Fidelity Global Multi Asset Fund	9.01
Fidelity Asian Bond Fund	8.98
United Global Quality Growth Fund	0.64
Cash	9.00
<b>Total</b>	<b>100.00</b>

### 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. Most global sovereign yields rose, as expectations for more aggressive policy tightening by major central banks increased, particularly in Europe, following record high inflation prints. The US was the notable exception, as the prospect of a less aggressive Federal Reserve interest rate hiking path led to a decline in front-end yields. Global credit bonds outperformed similar duration government bonds. Within emerging markets (EM), local currency debt outperformed the US Dollar equivalent.

## 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.

Against this backdrop, we maintain a cautious positioning in our asset allocation and are close to 50% allocated to equities and fixed income investments. In terms of geographical allocation, we currently allocate 59% of the portfolio to global funds and 32% to Asian Funds. We continue to closely monitor the developments in the global economic growth environment and stand ready to adjust our portfolio in accordance with global developments.

### Asset Allocation

Asset Allocation	Current Weightage (%)
Equities	48.82
Bonds	36.52
Others	5.63
Cash	9.00
<b>Total</b>	<b>100.00</b>

### Geographical Allocation

Geographical Allocation	Current Weightage (%)
Asia Pacific ex Japan	35.53
North America	26.87
Europe ex United Kingdom	12.71
United Kingdom	5.76
Japan	2.90
Central/South America	0.82
Others	6.38
Cash	9.00
<b>Total</b>	<b>100.00</b>

### Sector Allocation

Sector Allocation	Current Weightage (%)
Eq- Financial Services	12.05
Eq- Technology	8.41
Eq- Industrials	7.40
Eq- Healthcare	6.98
Eq- Consumer Defensive	4.44
Eq- Consumer Cyclical	3.76
Eq- Communication Services	2.02
Eq- Real Estate	1.48
Eq- Utilities	0.82
Eq- Basic Materials	0.73
Eq- Energy	0.17
High Yield Bonds	16.42
Investment Grade Bonds	12.31
Government Bonds	9.70
Others	4.29
Cash	9.00
<b>Total</b>	<b>100.00</b>

### Fund Classes

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

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