

Fund: United ASEAN Discovery Fund

As at 31 August 2022

Performance Update

For the month of August, the Fund registered a return of 0.64%.

It was a mixed month for global equities with declines skewed to the United States and mainland China. US equities declined in August after Jerome Powell's hawkish comments at the Jackson Hole conference. Meanwhile, mainland China's south-western metropolis of Chengdu placed 21m people under lockdown as the country continues its stringent zero-COVID policy. In August, the US 10-year Treasury yield rose to 3.19% from 2.65% in July.

The MSCI All Country ASEAN Index (MXSO) gained 1.3% to close at 639 points led by Philippines and Thailand equities. The Philippines Stock Exchange posted a decent performance, gaining 4.2% mom driven by consumer discretionary and financials. The weak 2Q22 Philippines GDP also partially diminished pressure to raise rates and supported market sentiment. As for Thai equities, foreign investors bought USD1.6bn in August, the strongest monthly inflow since February. Both the Philippine Peso and Thai Baht depreciated against the US Dollar by 1.9% and 0.7% respectively.

During the month, key contributors of the fund were Hibiscus, Hengyuan and Amata. Hibiscus's share price increase due to high oil price. Besides, the crude oil refiner attributed the remarkable achievement to its improved refining margin, contributed by better cracks for motor gasoline (mogas), gasoil and jet fuel, as well as stockholding gains fuelled by market sentiments over the oil supply and demand imbalance. On the heel of this, quarterly earnings per share of Heng Yuen shot up to 222.49 sen versus a loss per share of 19.79 sen last year, the group's bourse filing showed.

In contrast, key detractors of the fund during the month were SEA Limited, AME Elite and Hartalega. SEA Limited reported an expectation of slower growth. AME Elite detracted due to the listing of AME REIT. Meanwhile, Hartalega reported a declining ASP.

News Article

<https://www.theedgemarkets.com/article/hengyuan-refining-posts-record-net-profit-2q-declares-10-sen-dividend>

Strategy Moving Forward

In the near term, the market is expected continue to be influenced by tightening monetary policy, elevated inflation, and slowing economic growth. We have raised some cash earlier on and would redeploy it when there is greater clarity on the global market. We expect Asean markets to be relatively defensive given that most countries are domestic centric. We prefer value/reopening over growth.

Fund Classes

Fund Classes
MYR Class

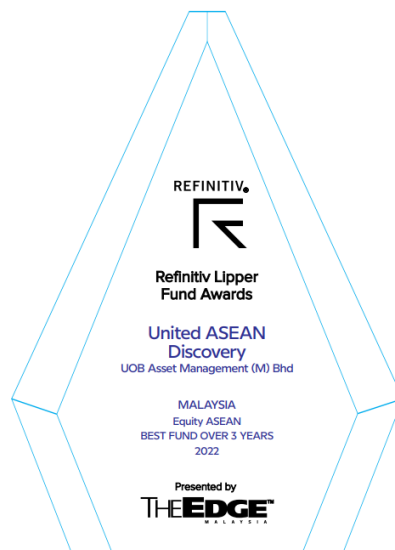
Stock Commentary

Stocks	Country	Sector	Remarks
AMMB	Malaysia	Financials	<ul style="list-style-type: none"> Beneficiary of reopening and rising interest rates.
Lendlease Reit	Singapore	Real Estate	<ul style="list-style-type: none"> Benefit from reopening.
Berjaya Food	Malaysia	Consumer Products & Services	<ul style="list-style-type: none"> Benefit from reopening and cost cutting measures.
Kasikorn Bank	Thailand	Financials	<ul style="list-style-type: none"> Beneficiary of reopening and rising interest rates.
Yinson	Malaysia	Energy	<ul style="list-style-type: none"> Strong future earnings growth, with potential upside from contract wins.

Income Distribution

Date	Yield
23 February 2022	2.70%

Award



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