

Fund: United Bond & Equity Strategic Trust Fund

As at 31 October 2022

Performance Update

For the month of October, the Fund registered a return of 0.09%.

October was a mixed month for global equities. Developed markets posted strong returns led by mean reversion while emerging markets underperformed due to declines seen in mainland China and Taiwan equities. The US 10-year Treasury yield rose to 4.05% in October ahead of the upcoming US FOMC meeting on 2nd November.

The MSCI All Country ex-Japan Index (MXASJ) declined 6.1% mom to close at 524 points. The decline was led by Hong Kong equities where the Hang Seng Index fell 15% mom to close at 14,687 points. The Hong Kong main index declined due to the continuation of zero COVID policy and geopolitical tensions. The worst performing sectors were IT, property and consumer discretionary.

During the month, the key equity contributors to the Fund performance were Bank Mandiri, BDO Unibank and Macquarie. Bank Mandiri's share price increase due to rising in bond yield. On the other hand, the key detractors to the Fund performance were Alibaba, Tencent and Sands China. China stocks slump persists as the market disappointed with China National Party Congress meeting.

Strategy Moving Forward

The market is expected continue to be influenced by tightening monetary policy, elevated inflation, and slowing economic growth. In the near term, we see a bear market rally with several indicators pointing to an oversold market. We have increased the equity exposure tactically to take advantage of the current bear market rally.

Stock Commentary

Stocks	Country	Sector	Remarks
PT Telkom	Indonesia	Telecommunication Services	<ul style="list-style-type: none">• Largest telco in Indonesia.• Positive sector outlook with signs of easing competition and reopening.
Bank Mandiri	Indonesia	Financials	<ul style="list-style-type: none">• Benefit from economy reopening.• We expect ROE to improve supported by higher NIM, loan growth, and normalization of credit cost.
Central Pattana	Thailand	Real Estate	<ul style="list-style-type: none">• To benefit from reopening
Thai Beverage	Singapore	Consumer Staples	<ul style="list-style-type: none">• We see Thai Bev as a laggard play on the reopening in Thailand and Vietnam.• We expect the reopening growth to be more than offset the potential competition from the smaller breweries.
Macquarie	Australia	Financials	<ul style="list-style-type: none">• Beneficiary of reopening

Characteristic of Fixed Income Portfolio

Fixed Income	
Duration	2 years
Yield %	4.5
Avg credit rating	AA2

Income Distribution

Date	Yield
21 February 2022	1.00%

Fund Classes

Fund Classes
MYR Class

Award



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