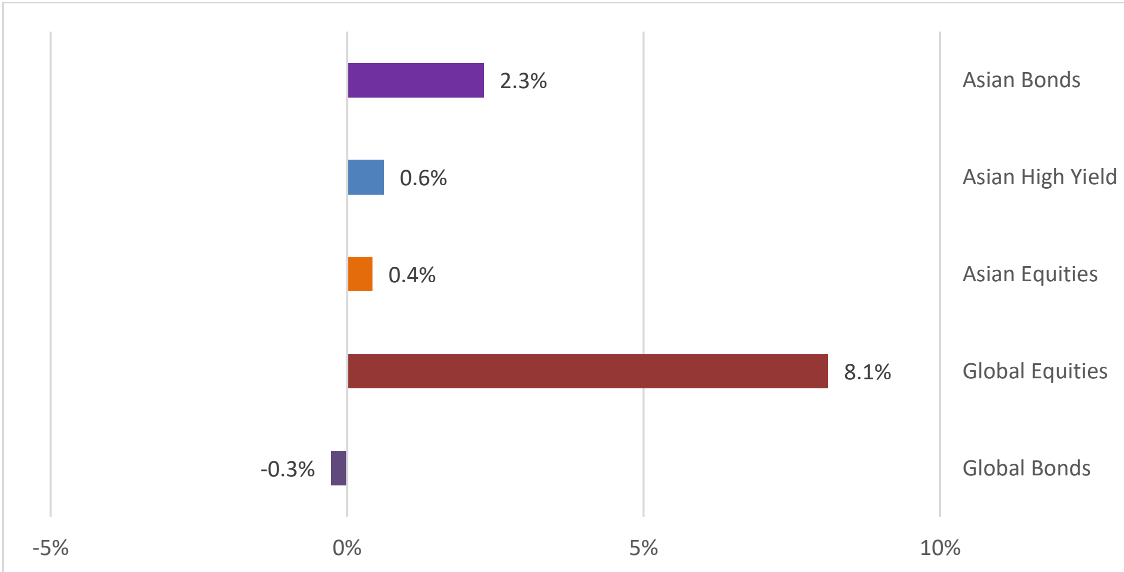
UOB Asset Management

UOBAM Invest Individual

Q2 2023 Market developments

- Global equities rose in the second quarter of the year, as volatility, measured by the VIX Volatility Index, dropped to the lowest level since March 2020
- Global bonds fell slightly in Q2 2023 due to expectations of central banks holding interest rates higher for longer
- Asian equities continued to lag global equities as investors were increasingly concerned over China's economic growth prospects and geopolitical tension

Asset class performance (% in SGD terms) 31 March 2023– 30 June 2023



Source: UOBAM/Bloomberg. Performance as at 30 June 2023.

Indices used as follows:

Asian Bonds	J.P.Morgan Asia Credit (JACI) Investment Grade Index;
Asian High Yield	J.P.Morgan Asia Credit (JACI) Non-Investment Grade Index;
Asian Equities	MSCI AC Asia ex Japan Index;
Global Equities	MSCI All Country World Index (ACWI) on a Net Asset Value basis; and
Global Bonds	Bloomberg Global Aggregate Index.

Please note that there are limitations to the use of such indices as proxies for the past performance in the respective asset classes. The historical performance presented should not be used as a proxy for the future or likely performance.

Equities continued to gain strength in Q2 2023 while global bonds fell slightly. Global equities rose in April 2023 as investors were encouraged by mostly resilient corporate earnings and moderating inflation expectations amid a decline in commodity prices. Despite the failure of a few US banks, markets remained confident in the stability of the banking sector. Global government bond yields were largely unchanged for the month despite major central banks, including the US Federal Reserve and the European Central Bank, being expected to raise interest rates as policymakers remain committed to curbing inflation. Global corporate bonds outperformed duration-equivalent government bonds as credit spreads tightened due to positive economic releases.

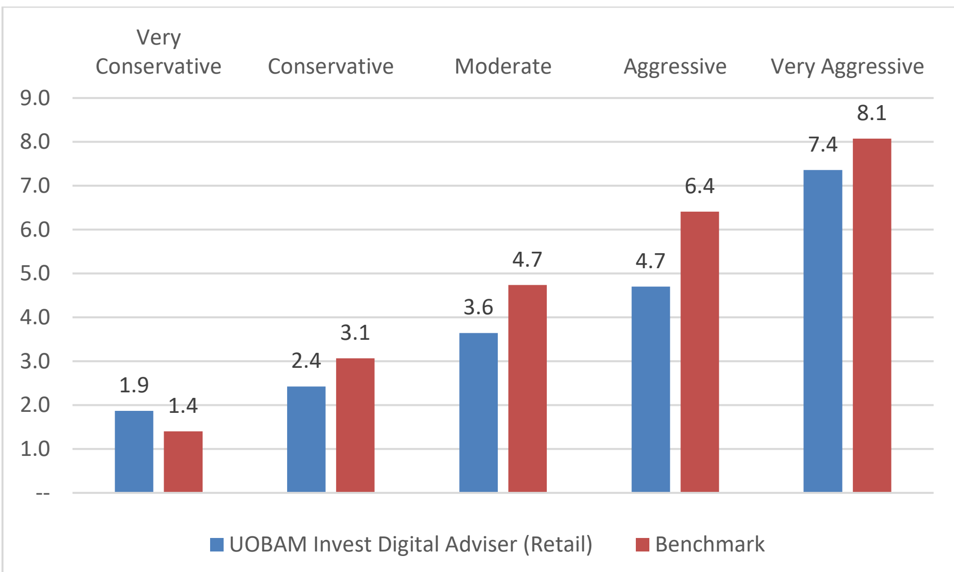
Global equities rose marginally in May 2023 amidst higher volatility, as investor sentiment was dampened by concerns about the looming US debt ceiling. Disappointing Chinese economic data sparked concerns about the durability of the country's post-COVID recovery, increasing pressure on policymakers to provide stimulus. For fixed income, most government bond yields rose, and credit spreads widened, fuelled by continued rate hikes by major central banks and mounting US recession fears.

Global equities made substantial gains in June 2023. Investor optimism was driven by moderating inflation in US, as well as the resolution of the US debt ceiling. Mega-cap technology names such as Apple, Microsoft and Nvidia performed well due to growing appetite for growth stocks. Artificial Intelligence (AI) related stocks soared after Nvidia predicted strong demand for its chips. Asian equities also rose as investors were hopeful for stimulus measures from the Chinese government. However, they fell towards the later part of the month as the stimulus fell short on expectations. Global bonds fell slightly during the month as global central banks signalled further interest rate hikes. Inflation also remained sticky in certain regions such as the UK.

Portfolio performance

- As at 30 June 2023, UOBAM Invest portfolio returns for the second quarter, ranged between 1.9 per cent to 7.4 per cent

Portfolio returns (% in SGD terms) 31 March 2023– 30 June 2023



Source: Factset / UOBAM. Portfolio returns as at 30 June 2023.

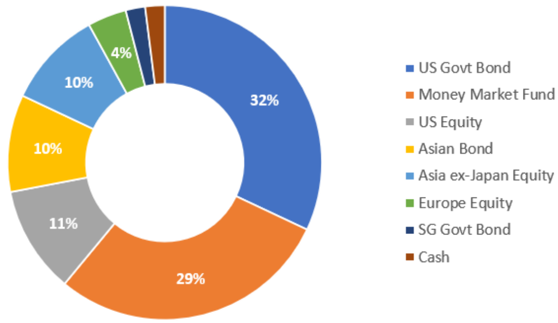
Benchmark composition:

Very Conservative:	20% Global Equities + 80% Global Bonds,
Conservative:	40% Global Equities + 60% Global Bonds,
Moderate:	60% Global Equities + 40% Global Bonds,
Aggressive:	80% Global Equities + 20% Global Bonds,
Very aggressive:	100% Global Equities.

Past performance of the portfolio or UOBAM and any past performance, prediction, projection or forecast on the economy or markets are not necessarily indicative of the future or likely performance of the portfolio or UOBAM. Portfolio returns on the scheme is calculated on a single pricing basis.

1. Very Conservative portfolio

Period (as at 30 June 2023)	Portfolio Return (%)	Benchmark Return (%)
3 months	1.9	1.4
6 months	5.2	4.8
1 year	2.5	2.3
Since Inception (26 July 2020)	-3.4	-1.0



Source: UOBAM as at 30 June 2023. Benchmark composition: 20% Global Equities + 80% Global Bonds

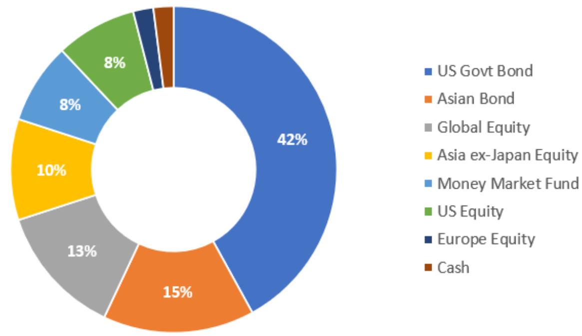
Since inception returns are annualised | The information about asset allocation provided herein are subject to change at the discretion of UOBAM without prior notice. Past performance of the portfolio or UOBAM and any past performance, prediction, projection or forecast on the economy or markets are not necessarily indicative of the future or likely performance of the portfolio or UOBAM. Returns are calculated on a single pricing basis.

For the three-month period ending 30 June 2023, this portfolio gained 1.9%. All asset classes had positive performance. The largest contributors were US equities and money market funds.

Over the one-year period, the portfolio gained 2.5%. The largest contributors were US and European equities while allocation to US government bonds resulted in some detractions.

2. Conservative portfolio

Period (as at 30 June 2023)	Portfolio Return (%)	Benchmark Return (%)
3 months	2.4	3.1
6 months	6.1	7.3
1 year	1.3	5.0
Since Inception (26 July 2020)	0.0	1.4



Source: UOBAM as at 30 June 2023. Benchmark composition: 40% Global Equities + 60% Global Bonds

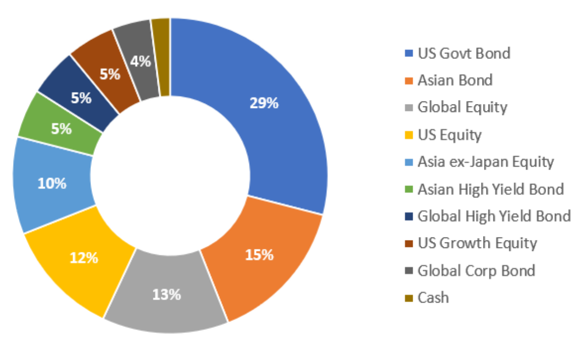
Since inception returns are annualised | The information about asset allocation provided herein are subject to change at the discretion of UOBAM without prior notice. Past performance of the portfolio or UOBAM and any past performance, prediction, projection or forecast on the economy or markets are not necessarily indicative of the future or likely performance of the portfolio or UOBAM. Returns are calculated on a single pricing basis.

For the three-month period ending 30 June 2023, this portfolio gained 2.4%. All asset classes had positive performance. The largest contributors were from global and US equities.

Over the one-year period, the portfolio gained 1.3%. The largest contributors were US and global equities while allocation to US government bonds resulted in some detractions.

3. Moderate portfolio

Period (as at 30 June 2023)	Portfolio Return (%)	Benchmark Return (%)
3 months	3.6	4.7
6 months	7.7	9.8
1 year	3.9	7.7
Since Inception (26 July 2020)	2.0	3.9



Source: UOBAM as of 30 June 2023. Benchmark composition: 60% Global Equities + 40% Global Bonds

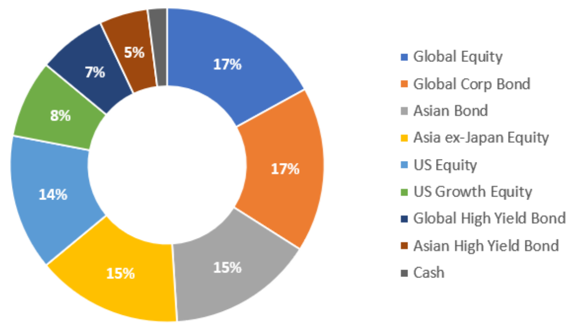
Since inception returns are annualised | The information about asset allocation provided herein are subject to change at the discretion of UOBAM without prior notice. Past performance of the portfolio or UOBAM and any past performance, prediction, projection or forecast on the economy or markets are not necessarily indicative of the future or likely performance of the portfolio or UOBAM. Returns are calculated on a single pricing basis.

For the three-month period ending 30 June 2023, this portfolio gained 3.6%. All asset classes had positive performance. The largest contributors were from global and US equities.

Over the one-year period, the portfolio gained 3.9%. The largest contributors were US and global equities while allocation to global investment grade bonds resulted in some detractions.

4. Aggressive portfolio

Period (as at 30 June 2023)	Portfolio Return (%)	Benchmark Return (%)
3 months	4.7	6.4
6 months	9.9	12.4
1 year	7.0	10.5
Since Inception (26 July 2020)	4.7	6.4



Source: UOBAM as of 30 June 2023. Benchmark composition: 80% Global Equities + 20% Global Bonds

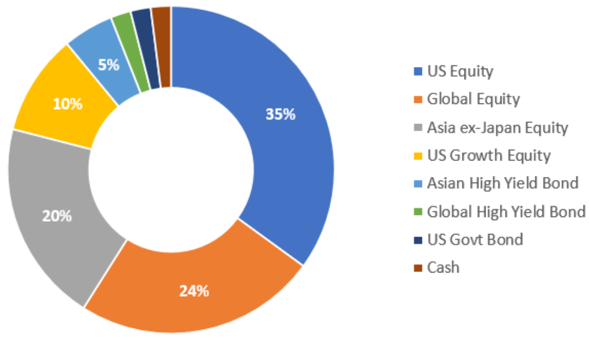
Since inception returns are annualised | The information about asset allocation provided herein are subject to change at the discretion of UOBAM without prior notice. Past performance of the portfolio or UOBAM and any past performance, prediction, projection or forecast on the economy or markets are not necessarily indicative of the future or likely performance of the portfolio or UOBAM. Returns are calculated on a single pricing basis.

For the three-month period ending 30 June 2023, this portfolio was up 4.7%. All asset classes had positive performance. The largest contributors were global and US equities.

Over the one-year period, the portfolio gained 7.0%. The largest contributors were from US equities and US growth equities while allocation to Asia equities resulted in some detractions.

5. Very Aggressive portfolio

Period (as at 30 June 2023)	Portfolio Return (%)	Benchmark Return (%)
3 months	7.4	8.1
6 months	13.5	15.0
1 year	8.4	13.3
Since Inception (26 July 2020)	5.4	8.8



Source: UOBAM as of 30 June 2023. Benchmark composition: 100% Global Equities

Since inception returns are annualised | The information about asset allocation provided herein are subject to change at the discretion of UOBAM without prior notice. Past performance of the portfolio or UOBAM and any past performance, prediction, projection or forecast on the economy or markets are not necessarily indicative of the future or likely performance of the portfolio or UOBAM. Returns are calculated on a single pricing basis.

For the three-month period ending 30 June 2023, this portfolio gained 7.4%. All asset classes had positive performance. The largest contributors were US equities and US growth equities.

Over the one-year period, the portfolio gained 8.4%. The largest contributors were from US equities and US growth equities while allocation to Asia equities resulted in some detractions.

Looking ahead

- We think inflation will slowly improve by the end of the year, and we think the higher interest rates will lead to a downturn and technical recession will be shallow in nature
- We think this justifies a cautious but not overly bearish investment positioning
- We think we are near the end of interest rate hikes and expect to see the peak Fed Funds rate at about 5.0% to 5.25% by the middle of 2023

Inflation and growth concerns remain key drivers of market performance. We believe that inflationary pressures would continue to improve gradually, whilst the high interest rate environment could dampen economic growth in the longer term. Over recent months, key fundamental indicators of economic growth, inflation, and interest rates have trended in favourable directions, and we see the likelihood of a soft landing increasing.

However, periods of market volatility may be triggered by concerns over tightening liquidity conditions, banking system stresses and continued geopolitical concerns. Despite the market volatility and possible earnings deterioration even in a soft landing scenario, investors can be very quick to look past the downturn and equity markets can recover quickly as they have done in June.

Over in Asia, we have turned more cautious despite more attractive equity valuations than developed markets, as economic growth has not been as robust as expected.

For the bond market, the moderation in inflation data suggests that inflation has passed its peak and the Fed is approaching its terminal rate. Higher quality bonds appear attractive and there is the opportunity to lock-in attractive yields after the sell-off in the investment grade segment in 2022.

Even though we had a positive quarter, market has been volatile and share price can rally suddenly as seen in June 2023. With such volatility, we recommend investors to build their wealth by remaining invested for the long term and dollar cost average, instead of trying to time the market.

We encourage you to take this opportunity to review your investment objective and portfolio.

Should you require any assistance, please do not hesitate to contact us at UOBAMSupport@uobgroup.com.

Important Notice & Disclaimers

This document is for your general information only. It does not constitute investment advice, recommendation or an offer or solicitation to deal in Exchange Traded Funds ("ETFs") or in units in any Unit Trusts ("Unit Trusts", ETFs and Unit Trusts shall together be referred to as "Fund(s)") nor does it constitute any offer to take part in any particular trading or investment strategy. This document was prepared without regard to the specific objectives, financial situation or needs of any particular person who may receive it. The information is based on certain assumptions, information and conditions available as at the date of this document and may be subject to change at any time without notice. If any information herein becomes inaccurate or out of date, we are not obliged to update it. No representation or promise as to the performance of the Fund or the return on your investment is made.

Past performance of any Fund or UOB Asset Management Ltd ("UOBAM") and any past performance, prediction, projection or forecast of the economic trends or securities market are not necessarily indicative of the future or likely performance of the Fund or UOBAM. The value of any Fund and the income from them, if any, may fall as well as rise, and may have high volatility due to the investment policies and/or portfolio management techniques employed by the Fund. Investments in any Fund involve risks, including the possible loss of the principal amount invested, and are not obligations of, deposits in, or guaranteed or insured by United Overseas Bank Limited ("UOB"), UOBAM, or any of their subsidiary, associate or affiliate ("UOB Group") or distributors of the Fund. Market conditions may limit the ability of the platform to trade and investments in non-Singapore markets may be subject to exchange rate fluctuations. The Fund may use or invest in financial derivative instruments and you should be aware of the risks associated with investments in financial derivative instruments which are described in the respective Fund's prospectus. The UOB Group may have interests in the Funds and may also perform or seek to perform brokering and other investment or securities-related services for the Fund. Investors should read the Fund's prospectus, which is available and may be obtained from UOBAM or any of its appointed agents or distributors, before investing. **You may wish to seek advice from a financial adviser before making a commitment to invest in any Funds, and in the event that you choose not to do so, you should consider carefully whether the Fund is suitable for you.** Any reference to any specific country, financial product or asset class is used for illustration or information purposes only and you should not rely on it for any purpose. We will not be responsible for any loss or damage arising directly or indirectly in connection with, or as a result of, any person acting on any information provided in this document. Services offered by UOBAM Invest are subject to the UOBAM Invest Terms and Conditions.

UOB Asset Management Ltd Co. Reg. No. 198600120Z