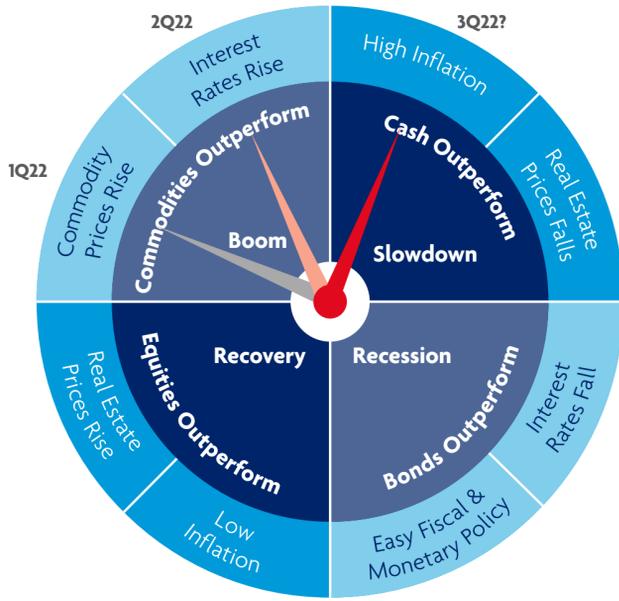


Taming inflation at all costs

Third Quarter Investment Strategy 2022

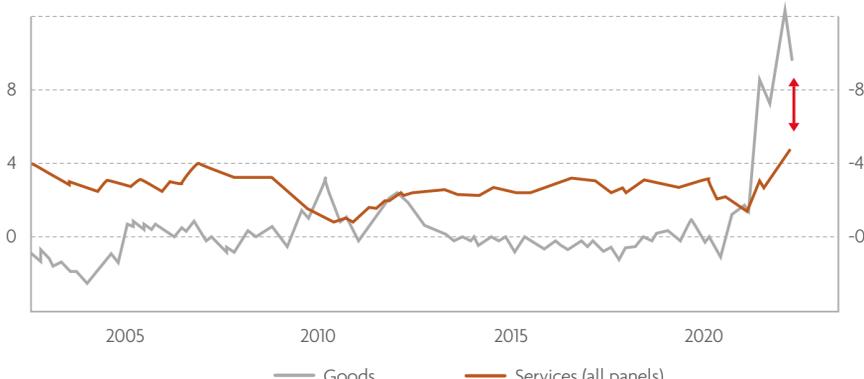
The world appeared to be in the good part of the economic cycle at the start of the year, but has rapidly shifted to a dangerous part of the cycle.

UOBAM Investment Clock

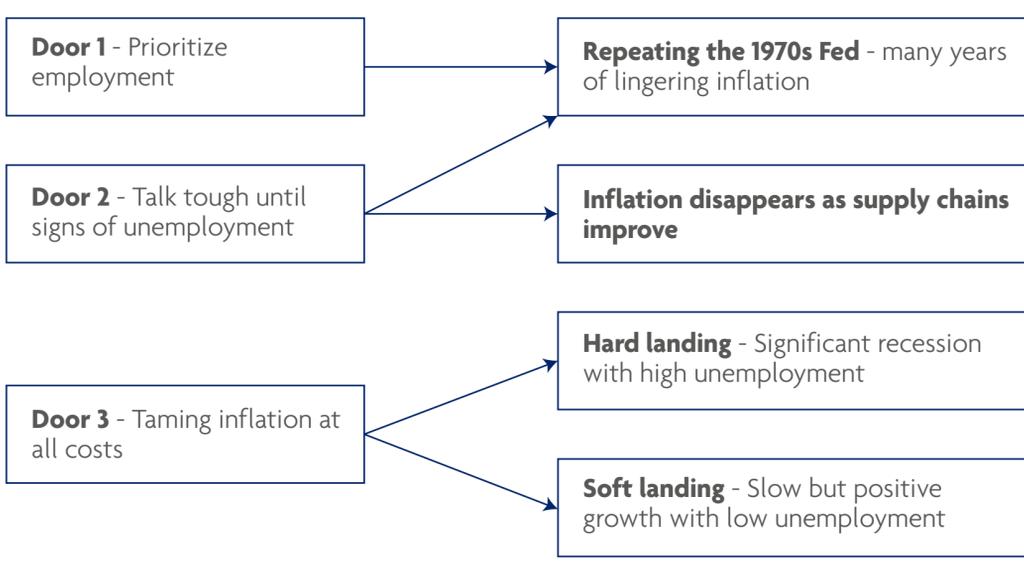


It all started with goods inflation. But services inflation is more persistent and starting to become a problem

U.S. Core CPI Component Inflation (%YoY)

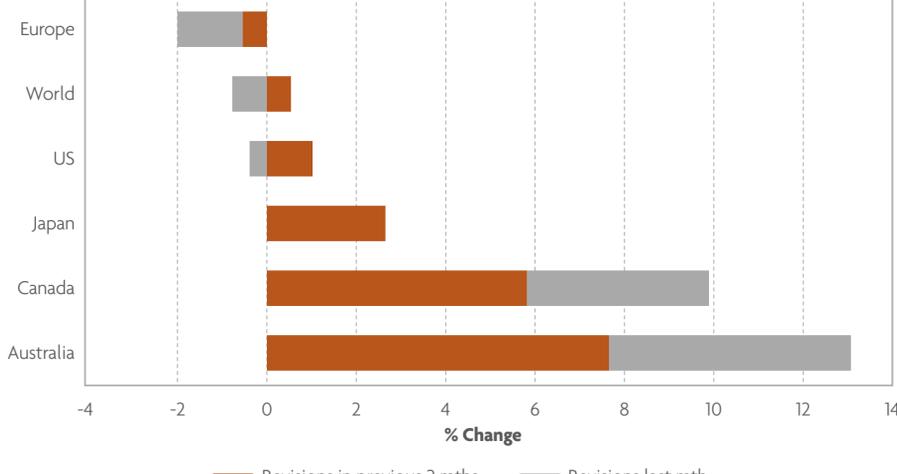


FED Options for tackling inflation



Global GDP and corporate earnings growth expectations are still strong

Earnings revisions in developed markets (% change)



Source: Factset, UOBAM, 17 May 2022

Real GDP Growth Consensus Estimates (%)

	2018	2019	2020	2021F	2022F	2023F
Global	3.6	2.9	-3.1	6.1	3.3	3.3
United States	2.9	2.3	-3.4	5.7	2.7	2.1
Eurozone	1.8	1.6	-6.4	5.4	2.8	2.3
Japan	0.6	-0.2	-4.5	1.8	2.1	1.8
Asia ex. Japan	6.0	5.4	1.3	5.6	5.1	5.1
China	6.7	6.0	2.2	8.1	4.8	5.1

Source: Bloomberg, UOBAM, 17 May 2022

UOBAM House View remains cautious



++ Strong Overweight + Overweight N Neutral - Underweight -- Strong Underweight

3Q22 Summary of Investment Conclusions

- There is a need to stay cautious in a very uncertain environment
- Rising interest rates will continue to slow expansion
- UOBAM leans towards a “soft landing” view
- Long-term expected returns are improving rapidly
- Bond yields are expected to range between 2.5% and 3.25%
- USD expected to be supported by economic growth and rising yields
- UOBAM continues to prefer alternatives like real assets