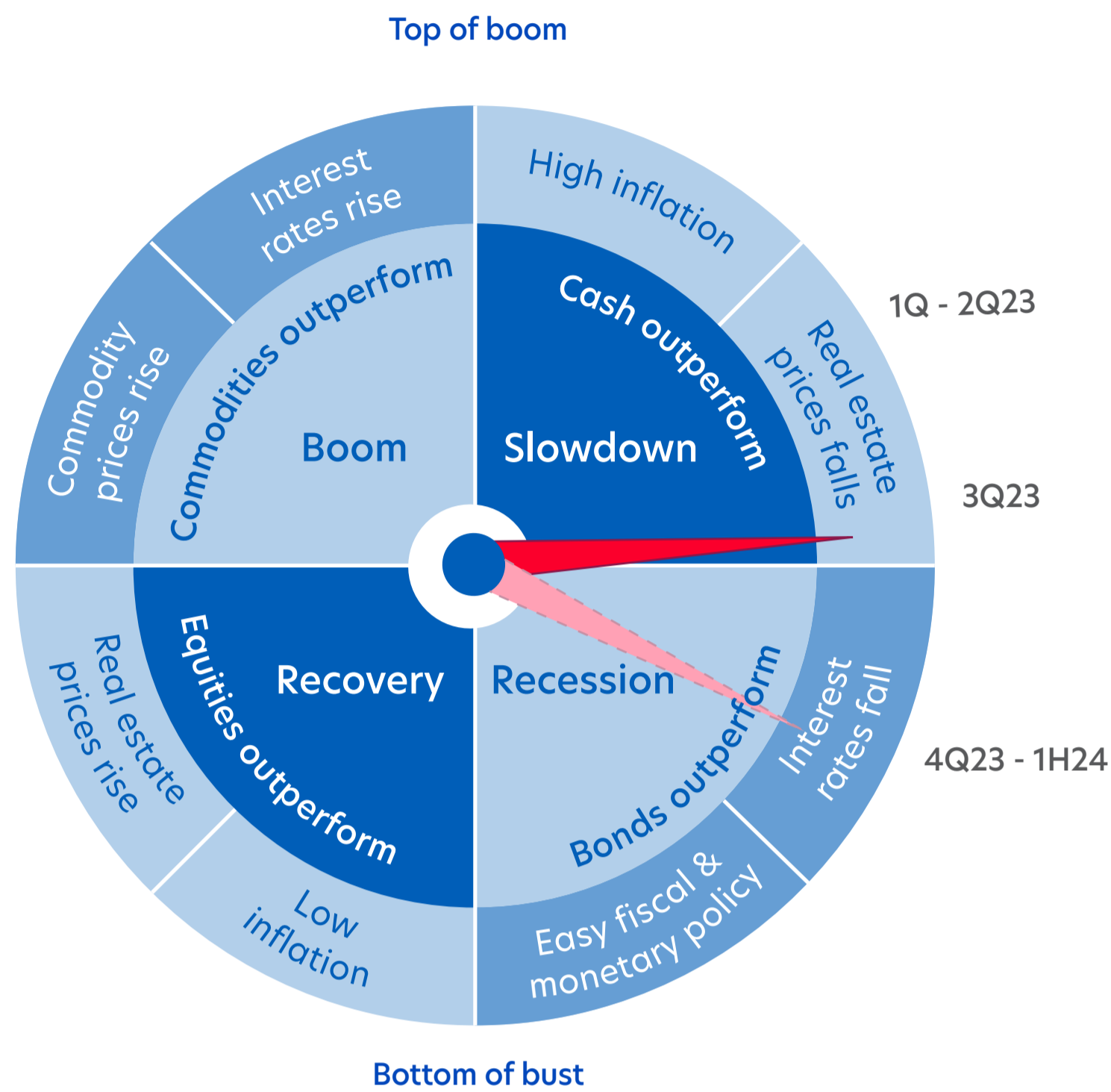


Upside risks outweigh downside risks

1. Uneven economic trends, but a hard landing increasingly unlikely

UOBAM Investment Clock



2. Mixed datapoints point to a “rolling recession”

Recession in goods and housing sectors

- Deep contraction in manufacturing Purchasing Managers’ Index (PMIs).
- Sharp contraction in housing starts.
- Weak and negative earnings in many retail industries.

Continued expansion in many service sectors

- Travel, leisure, and entertainment sectors seeing high demand and strong employment.
- Service sector PMIs much more resilient for over a year.

3. Positive on high grade fixed income, neutral on equities

Global asset allocation	--	-	N	+	++
Equities	○	○	●	○	○
- US equities	○	○	●	○	○
- European equities	○	○	●	○	○
- Japan equities	○	▶	●	○	○
- Asian ex Japan equities	○	○	●	◀	○
Government bonds	○	○	○	●	○
Investment grade credits	○	○	○	●	○
High yield credits	○	●	○	○	○
Real estate investment trusts	○	○	●	○	○
Commodities	○	○	●	○	○
Alternatives (hedged strategies)	○	○	●	○	○
Alternatives (private equity)	○	○	●	○	○
Cash	○	●	○	○	○

++ Strong overweight + Overweight N Neutral - Underweight - Strong underweight