

March 2025

United Global Quality Growth Fund



Why Invest?

- **High exposure to “compounders”:** The United Global Quality Growth Fund (the “Fund”) invests in “compounders”, which are quality companies that generate sustainably high returns on capital with the ability to reinvest at similarly high returns to drive future growth. We believe quality companies are likely to outperform in a high-rate world.
- **Invest in quality companies that “beat the fade”:** Quality companies can generate high returns on capital over time and avoid the tendency for excess returns to be competed down to a just-adequate level. Hence, higher likelihood of outperformance.
- **Strategically diversified:** To ensure high quality, the Fund holds 40 to 50 names that are well-diversified across sectors. The size of any single holding ranges between 2 per cent to 5 per cent to minimise concentration risk. It is also well diversified with Information Technology, Financials and Industrials being the three largest allocations (as of March 2025).
- **Experienced investment capabilities:** Lazard’s team sub-managed the Fund, which is comprised of experienced professionals with over two decades of sector expertise, and focusing on high-quality companies with a sustainable competitive advantage.

March 2025 Portfolio Performance

The United Global Quality Growth Fund – SGD Acc	-4.73 per cent ¹
Benchmark: MSCI All Country World Index	-4.29 per cent

Source: Morningstar, Performance from 28 February 2025 to 31 March 2025 in SGD terms

¹ Fund performance is on a Net Asset Value (“NAV”) basis, with dividends and distributions reinvested (if any).

Performance Review

Contributor-**RELX PLC (RELX)**, a UK-based specialist information services company, rose in March 2025. Shares benefited from the company’s defensive business model, which boasts highly recurring revenue amid macroeconomic uncertainty. We continue to see upside as RELX is positioned to benefit from growth in artificial intelligence (AI) while it maintains its defensive qualities with recurring revenues, strong pricing power, and high levels of financial productivity.

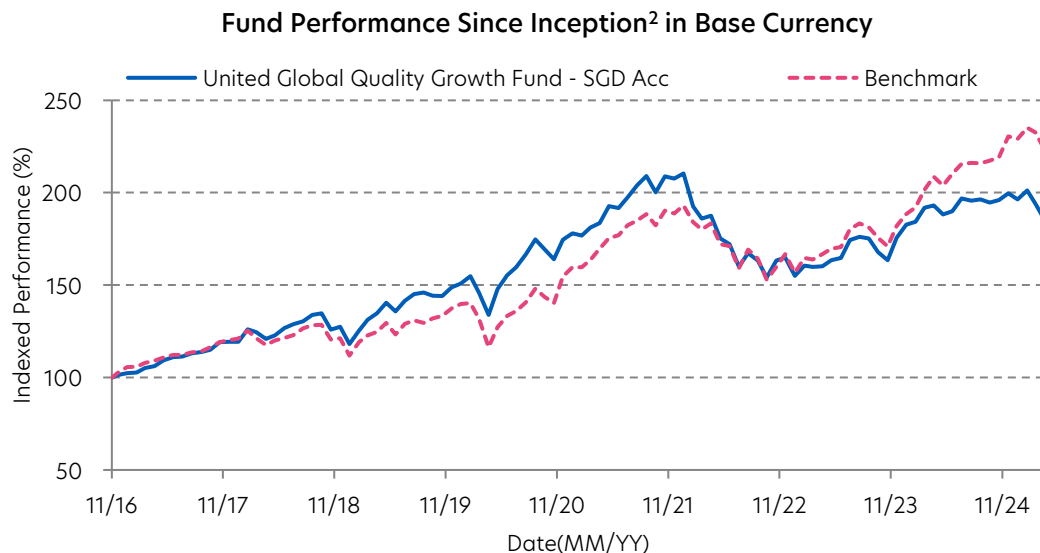
Detractors- Semiconductor manufacturer **Taiwan Semiconductor Manufacturing Company (TSMC)** declined in March 2025 as the market braced for tariffs set by the US government. While there is a risk that tariffs may lead to demand destruction from some of TSMC’s key customers, we believe the company’s strong competitive positioning with a dominant share in leading-edge technology will enable it to pass on any higher tariff-driven costs to its customers.

Portfolio Positioning

We are analysing a range of scenarios for each company related to the tariff news. We cannot predict the long-term implications of these developments, as they will depend on (a) how long the tariffs are in place, (b) whether new trade policy announcements will come, and (c) the outcomes of bilateral trade negotiations. We are focused on taking advantage of the turmoil to position the strategy for long-term capital appreciation in the years to come.

Although the recent environment has been difficult, we continue to adhere to our investment philosophy and process, and believe the empirical work done by co-lead portfolio manager/analyst Louis Florentin-Lee in Relative Value Investing and its update, Quality Investing, shows that our philosophy should deliver outperformance over time.

Performance (Class SGD Acc)



Past performance is not necessarily indicative of future performance.

Fund performance is calculated on a NAV to NAV basis.

Benchmark: MSCI All Country World Index.

Source: Morningstar. Performance as at 31 March 2025, SGD basis, with dividends and distributions reinvested, if any.

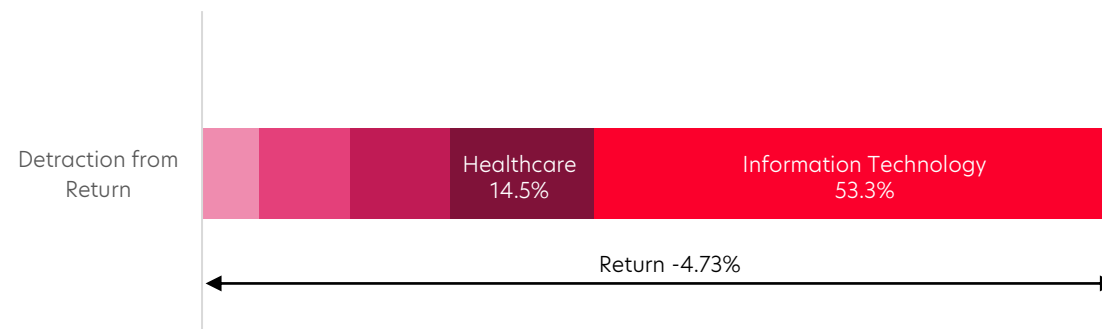
² The United Global Quality Growth Fund- SGD Acc (ISIN Code: SG9999014880) was inceptioned on 11 November 2016.

All statistics quoted in the write-up are sourced from Bloomberg as at 31 March 2025 unless otherwise stated.

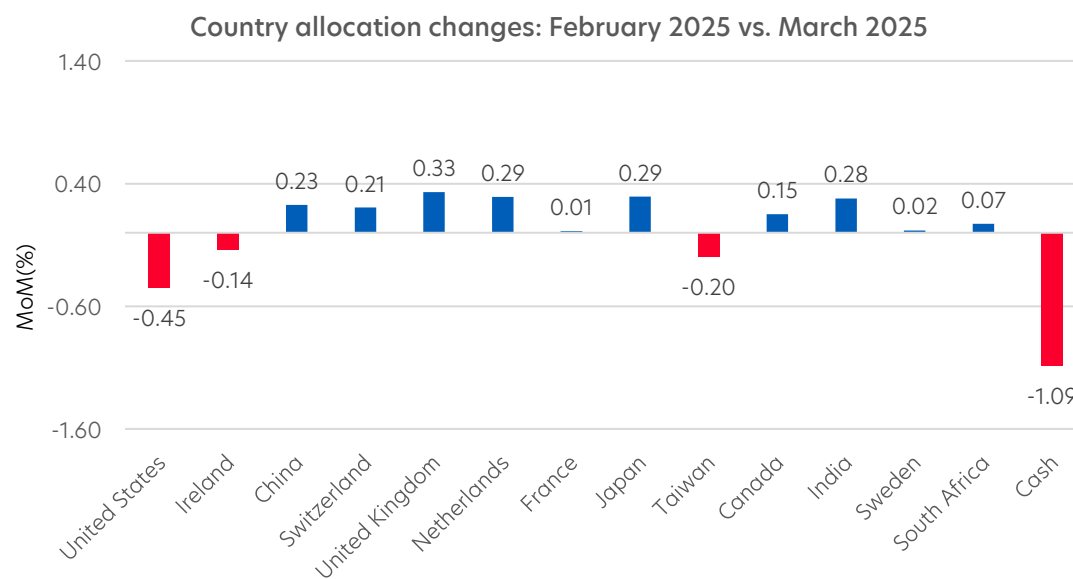
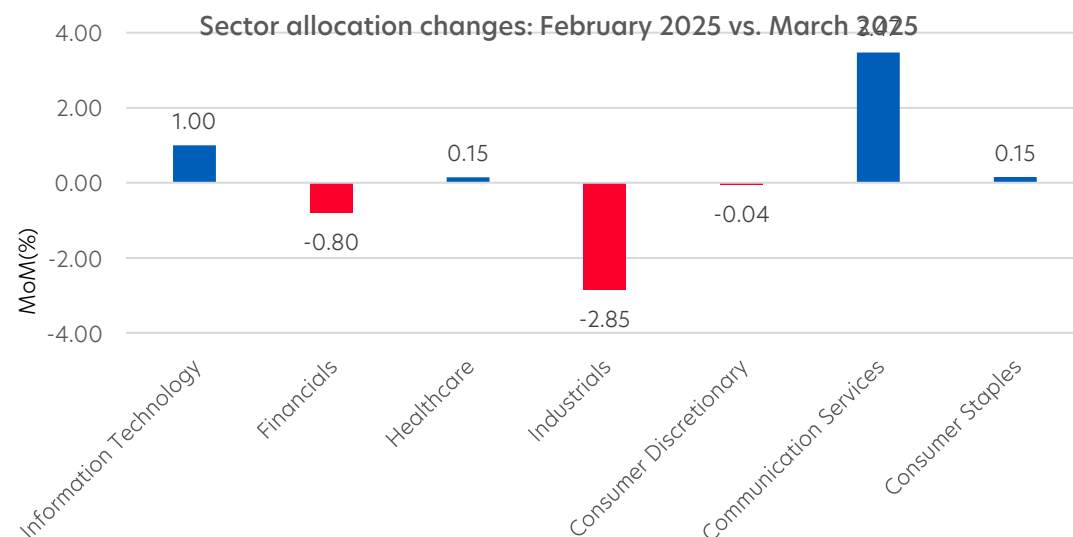
	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	-4.73	-4.25	-0.48	6.67	7.60
Fund (Charges applied [^])	-9.50	-9.04	-2.16	5.58	6.95
Benchmark	-4.29	6.71	6.67	13.86	10.02

Source: Morningstar. Performance as at 31 March 2025, SGD basis, with dividends and distributions reinvested, if any. Performance figures for 1 month till 1 year show the per cent change, while performance figures above 1 year show the average annual compounded returns. Benchmark: MSCI All Country World Index. Past performance is not necessarily indicative of future performance. [^]Includes the effect of the current subscription fee that is charged, which an investor might or might not pay.

Performance Contributors/Detractors: March 2025



Portfolio Changes



Portfolio Review

Analyst Insights

In March 2025, we did not add or sell any positions from the portfolio.

As shown on the left charts, the biggest increase in the sector allocation changes for March 2025 was in Communication Services (+3.47 per cent). On the contrary, the largest decrease was in Industrials (-2.85 per cent). In terms of country allocation changes, the Fund had the highest increase in the United Kingdom (+0.33 per cent) and the most decline in the United States (-0.45 per cent) for March 2025.

Market Review

In a turbulent month, equity markets worldwide retreated in March 2025 amid mounting uncertainty about the global economic outlook. All eyes were on the US, with initial investor enthusiasm for the Trump administration’s anticipated business-friendly policies tempered by numerous statements and administration actions that had investors debating their ramifications. With surveys indicating lower business and household confidence leading up to the US tariff deadline on 2 April 2025, investors were wary that the uncertainty might lead to a pull-back in corporate and consumer spending, lowering economic growth.

Concerns about a global trade war and its potential impact on the world economy were a significant risk factor considered by major central banks in their monetary policy decisions. With price pressures persisting, the US Federal Reserve (Fed) held interest rates steady in anticipation of higher inflation and slower growth. The European Central Bank (ECB) reduced interest rates by 25 basis points at its policy meeting in March 2025 and noted that the “disinflation process remained on track” in the eurozone. The central banks in England, Sweden, and Switzerland each held interest rates steady.

Meanwhile, in Asia, the Bank of Japan (BOJ) held interest rates steady, citing concerns about the potential impact global trade tensions would have on Japan’s export-reliant economy. Against this backdrop, equity markets in the developed world fell in March 2025 while those in the developing world gained. In the US, stocks declined, as concerns about tariff risks and a sell-off of companies leveraged to AI weighed on the market. European stocks outperformed, driven by a combination of rate cuts and the enthusiasm for defence contractor stocks. In emerging markets, stocks in China advanced. Conversely, stocks in Taiwan fell on concerns over the technology industry trade.

Investment Objective

The investment objective of the United Global Quality Growth Fund is seeking to provide long-term total return by investing in equity and equity related securities of companies listed and traded on stock exchanges globally.

Fund Information

Base Currency	Fund Size	Sub-Manager
SGD	SGD 773.90 mil	Lazard Asset Management

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