



Elevating quality to greater heights

United Global Quality Growth Fund

Invest in quality companies that consistently generate strong financial returns over consecutive years.



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Best Asset Management House in Asia (20 Years)



Right By You

About the United Global Quality Growth Fund

The United Global Quality Growth Fund (the "Fund") seeks to provide long-term total return by investing in equity and equity-related securities of companies listed and traded on stock exchanges globally. With this Fund, investors can gain exposure to high-quality stocks with strong growth potential in the global market.



Global equity opportunities in today's markets

The global economy is facing headwinds, with rising inflation, interest rate hikes and ongoing international conflicts. Nonetheless, amidst such uncertainties, there remain areas of potential growth within global equities. **Quality investing is a way to stay invested even during volatile periods as it focuses on companies with strong fundamentals.**

What is quality investing?

This is a strategy that focuses on quality companies



Quality
companies

=



Companies that can demonstrate
high levels of financial productivity

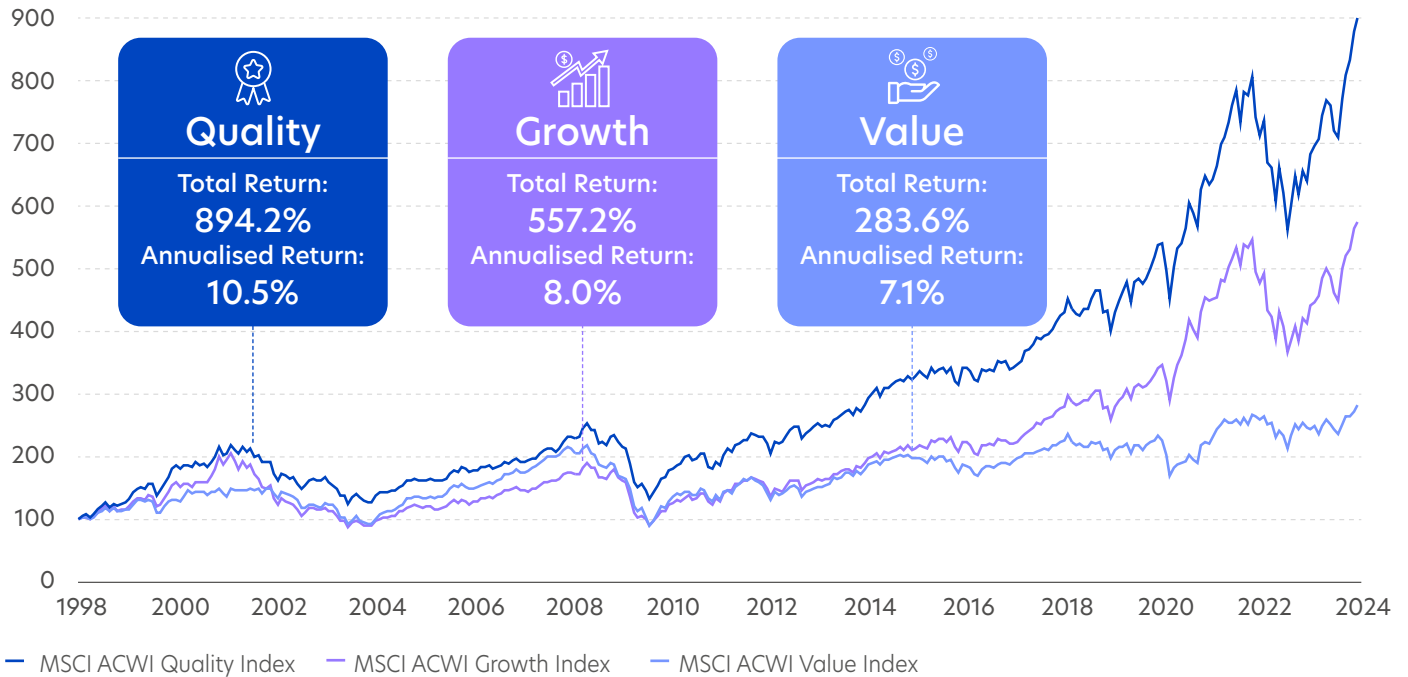
Productivity is often a critical driver of company earnings, and thereby, investment returns. Over time, the stocks of high-quality companies with leading levels of financial productivity can be expected to outperform the broader index.

How can quality investing improve your global equities portfolio?

How much has quality outperformed?

Quality stocks may not get nearly the same attention as value stocks (cheap companies) or growth stocks (fast-growing companies). Yet, quality stocks have outperformed both value and growth in global markets for decades.

Quality vs value and growth indices, 1 January 1997 – 31 August 2024



Source: MSCI, Morningstar, as of 31 August 2024.

The following factors contribute to quality stocks' outperformance:

1 Quality stocks deliver higher returns at lower risk

Quality stocks tend to deliver superior risk-adjusted returns – higher returns and lower volatility – than growth and value stocks. This suggests that quality stocks are an attractive choice for investors seeking a balance between performance and stability.

Return and volatility, 1 January 2001 – 31 August 2024

	Quality	Growth	Value	World
Return (Annualised)	8.9%	7.3%	5.6%	6.6%
Volatility (Annualised)	14.7%	16.5%	16.1%	15.8%
Risk-adjusted return	0.6%	0.4%	0.3%	0.4%

Source: Morningstar, as of 31 August 2024. Risk (Annualised) refers to the standard deviation. Risk-adjusted return is calculated by return/risk. Quality refers to MSCI ACWI Quality Index, Growth refers to MSCI ACWI Growth Index, Value refers to MSCI ACWI Value Index, and World refers to MSCI ACWI Index.

2 Quality stocks are more resilient

Quality stocks have a lower downside capture ratio as compared to growth and value stocks, which indicates its tendency to experience smaller losses during market downturns.

Downside capture ratio across different markets, 1 January 2001 - 31 August 2024

	Quality	Growth	Value
Downside capture	84.7%	99.8%	100.6%

Source: Lazard, MSCI, as of 31 August 2024. Downside capture is relative to the MSCI ACWI Index. Quality refers to MSCI ACWI Quality Index, Growth refers to MSCI ACWI Growth Index and Value refers to MSCI ACWI Value Index.

A downside capture of less than 100% indicates that a fund has lost less than its benchmark in periods of negative returns for the benchmark.

Why invest in the United Global Quality Growth Fund?

1 Consistent outperformance against benchmark

Over a 10-year period, the underlying manager, Lazard Asset Management, has delivered an annualised absolute return of 11.2%, outperforming its broad global benchmark by 2.4%.


Outperformance
2.4%


Return
11.2%

Performance vs benchmark (annualised)

	10 years	Since inception (1 Feb 2011)
Lazard Global Quality Growth	11.2%	11.2%
Global Equities	8.8%	9.0%
Outperformance	+2.4%	+2.2%

Source: Lazard, as of 31 August 2024. USD terms. Performance is presented in a gross fee basis. Past performance is not an indicator of future results. Global equities refer to MSCI ACWI Index.

The underlying strategy, Lazard Global Quality Growth, has outperformed its benchmark in up markets, while also protecting capital in down markets. Since inception, it performed an average 4% better than its benchmark during months when market returns were positive, and 8% better during months when the market declined.

Upside capture	104%
Downside capture	92%

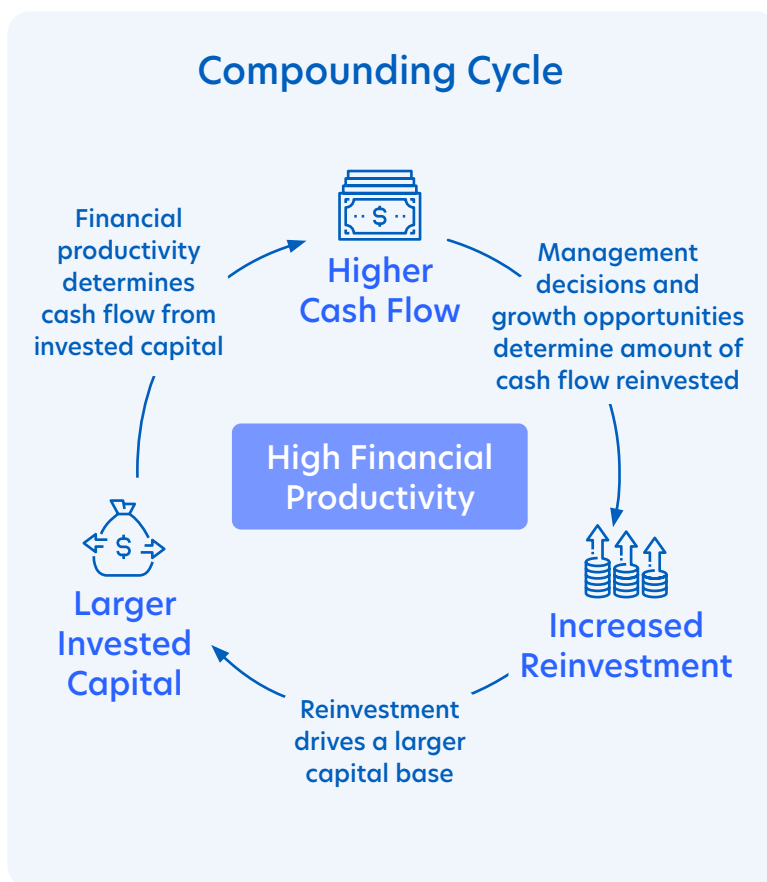
Source: UOBAM, Lazard, as of 31 August 2024.

2 Invests in quality compounders to enhance returns

Great businesses can make great investments. The strategy defines quality companies as companies that have competitive advantages that allow them to generate sustainably high returns on capital and reinvest at similarly high returns to drive future growth. Companies with these specific characteristics are called “**Compounders**”.

Compounding is the process of reinvesting any interest or profits earned. This can have a dramatic impact over time, because it accelerates the return on an investor’s capital.

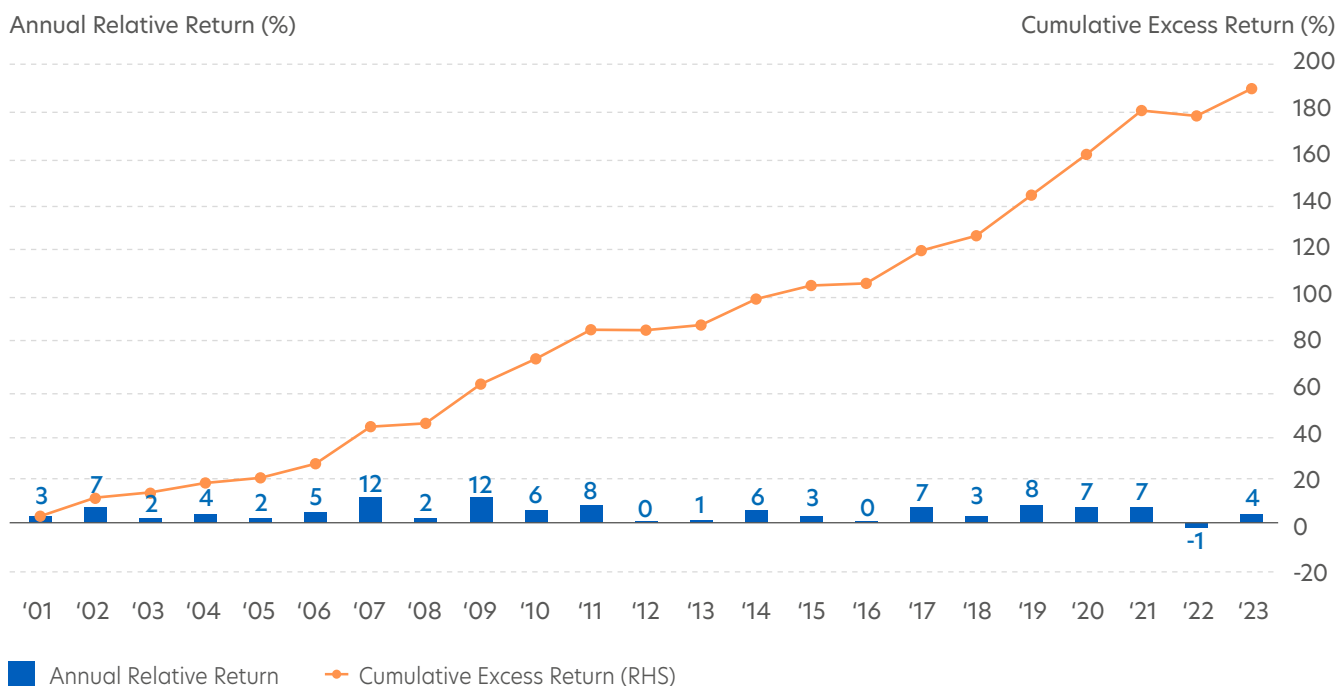
Quality companies can apply the same principle by reinvesting cash back into the business at similarly high levels of financial productivity. This allows them to generate high cash flows, which then enables further reinvestment, and so on. This is called the “**Compounding Cycle**”.



The Fund focuses on identifying and investing in “**Compounders**” i.e. quality companies that are best able to leverage this powerful Compounding Cycle.

Compounders that sustain high financial productivity have historically outperformed the market, as their high financial productivity has allowed them to reinvest for growth.

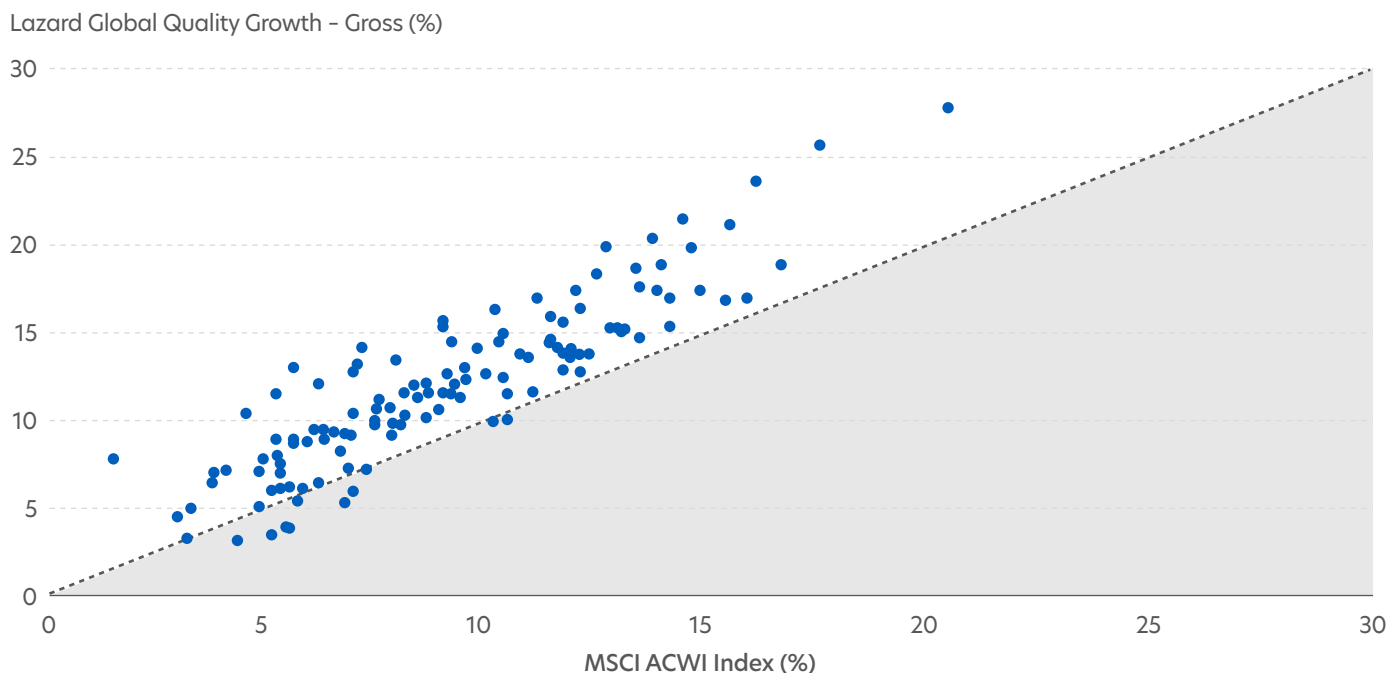
Relative returns from quality growth



Source: Bloomberg, Credit Suisse, Lazard, MSCI, as of 31 December 2023. Relative returns represent the equally weighted MSCI ACWI companies that were in the top decile for financial productivity (Cashflow Return on Investment (CFROI)) relative to companies in the MSCI Industry Group, and maintained that decile ranking for the following year.

Compounders that sustain high financial productivity have historically outperformed the market. The chart below shows the underlying strategy's performance since its inception.

Rolling 3-year returns since inception



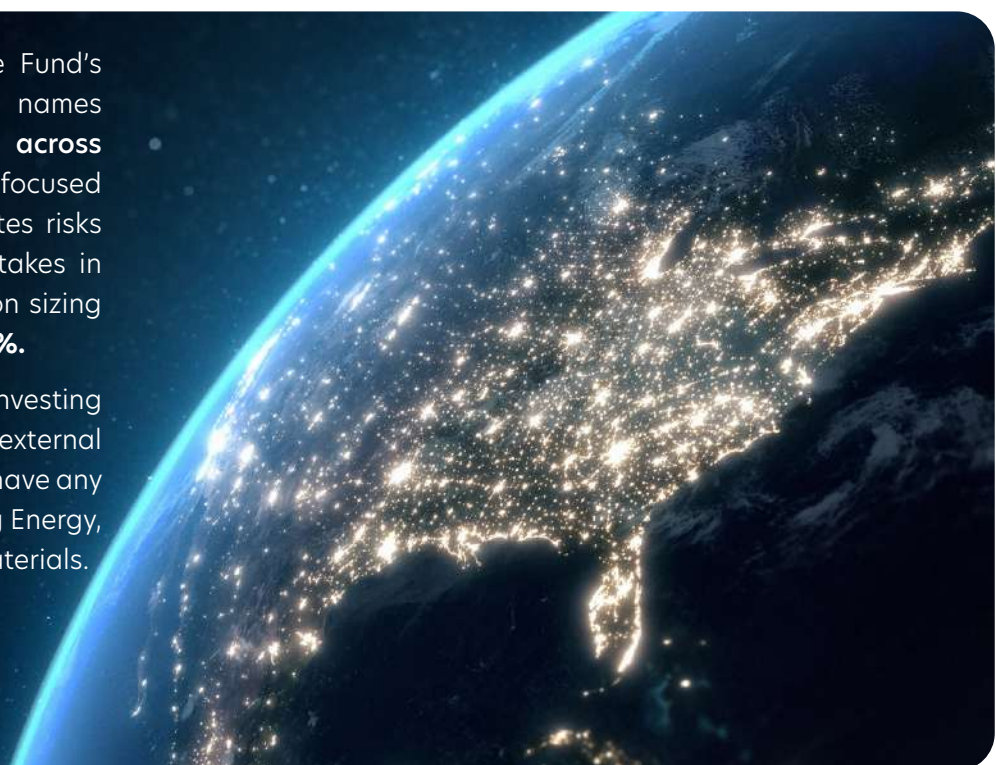
Source: Lazard, MSCI, as of 31 August 2024. USD terms. Rolling 3-year returns since inception: Calculated using monthly returns. Performance is presented on a gross of fees basis. The preliminary performance quoted represents past performance. Past performance is not an indicator of future results.

Each dot represents the underlying strategy's 3-year return through the month. The dots are mostly above the line, which means that the underlying strategy has largely outperformed the index over the same 3-year period.

3 Strategic portfolio composition

To ensure high quality, the Fund's portfolio holds 40 to 50 names that are **well-diversified across sectors**. While it has a focused approach, the Fund mitigates risks by avoiding taking large stakes in single holdings, with position sizing ranging between **2% and 5%**.

The Fund also refrains from investing in sectors affected by external factors. As such, it does not have any holdings in sectors including Energy, Real Estate, Utilities and Materials.



4 Managed by global experts

LAZARD

ASSET MANAGEMENT

Lazard Asset Management is a global investment advisory firm established in 1970, with a proven track record of helping institutions, governments, and individuals achieve their financial goals.

As part of the Lazard Group which has 175 years of financial expertise, Lazard Asset Management offers a range of equity, fixed income, and alternative investment solutions. Operating from 24 cities across 18 countries with a global staff of over 900, Lazard Asset Management manages US\$207.0 billion¹ of assets around the world.

Lazard's Global Quality Growth team, comprising of experienced professionals with over two decades of sector expertise, focuses on investing in high-quality companies with sustainable competitive advantages.

Global Quality Growth team²



Louis Florentin-Lee

(Portfolio manager)

Years in industry **27**

Barney Wilson, CFA

(Portfolio manager)

Years in industry **25**



Number of team members **5**

Average years in industry **26**

Average years in Lazard **18**



Supported by

over 300 investment professionals

¹ Lazard Asset Management, as of 31 December 2023. Includes those of Lazard Asset Management LLC (New York) and its affiliates, but do not include those of Lazard Frères Gestion (Paris) or other asset management businesses of Lazard Ltd.

² Lazard Asset Management, as of 31 December 2023.

Fund details

Fund Name	United Global Quality Growth Fund
Investment Objective	To provide long-term total returns by investing in equity and equity-related securities of companies listed and traded on stock exchanges globally.
Sub-Manager	Lazard Asset Management (as of 1 September 2023)
Fund Classes Available³	Class SGD Acc, Class SGD Acc (Hedged); Class USD Acc, Class USD Dist; Class SGD Dist, Class SGD Dist (Hedged); Class B SGD Acc; Class C SGD Acc (Hedged)
Subscription Mode⁴	Class SGD: Cash & SRS Class USD and Class B: Cash Class C: CPF-OA
Minimum Subscription⁴	Class SGD, USD and C: S\$1,000/US\$1,000 (initial); S\$500/US\$500 (subsequent) Class B: S\$500,000 (initial), S\$100,000 (subsequent)
Subscription Fee⁴	Class SGD, Class USD and Class B: Currently up to 5%, maximum 5% Class C: Currently none, maximum none
Management Fee⁴	Class SGD and Class USD: Currently 1.5% p.a., maximum 2.5% p.a. Class B and Class C: Currently 1.0% p.a., maximum 2.5% p.a.
Fund Classification for Retail Investors	Units of the Fund are Excluded Investment Products (EIP).
Dealing Frequency & Deadline⁴	Generally every business day, on a forward pricing basis till 3pm (Singapore time).

³ Investors should refer to the Fund's prospectus for more details on the different classes available. Please check with our distributors on the availability of the Fund classes.

⁴ Please check with the distributor(s) or refer to the Fund's prospectus for more details.

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This publication has not been reviewed by the Monetary Authority of Singapore.

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