



# Stability with steadfast practices

## United Global Durable Equities Fund

Invest in durable businesses that aim to sustain and outperform amid volatile market conditions.



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Best Asset Management House in Asia



Right By You

## Why invest in durable businesses now?

Equity investors tend to consider high returns and downside mitigation to be mutually exclusive. The pursuit of high returns often drives investors towards growth or value disciplines, both of which can be volatile. The quest for downside mitigation often leads investors to blue chips, which have historically had less volatility but also less upside optionality in strong economic or market environments.

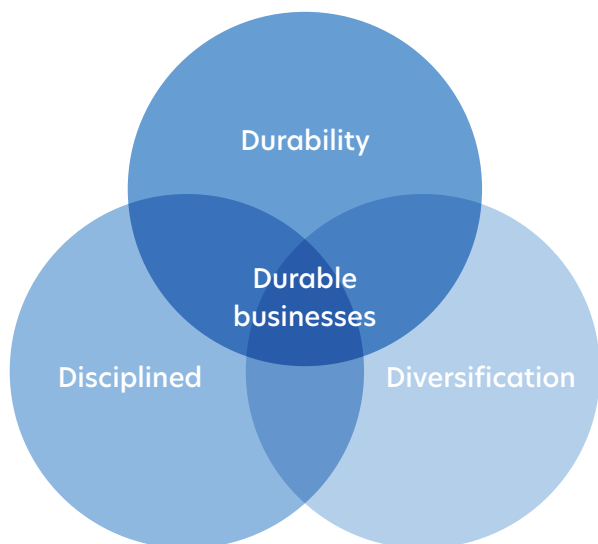
We believe that we are in an environment of higher structural inflation, higher interest rates, shorter cycles, increasing geopolitical risk, and elevated uncertainty and hence higher volatility. These factors may lead to greater volatility in the earnings streams of companies, due to the unpredictability of input prices and more variability in economic and business cycles.

With this as the backdrop, it is reasonable to conclude that investors will develop a greater appreciation for stability and consistency in earnings over the coming years – in particular, earnings that prove to be resilient, irrespective of the broader economic environment. We see investors gravitating to less “exciting” businesses that are well run and businesses that can compound their earnings consistently through prudent capital allocation.

Our research indicates that attractive long-term risk-adjusted returns are possible if management allocates capital wisely and valuation multiples do not compress. Given the comparatively low level of business risk facing many stable companies, we believe these stocks offer a compelling risk/return profile.

The low overlap of characteristics with growth, value, or traditional high-quality equities also means that a portfolio of unconventional stable companies may provide diversification relative to more traditional allocations.

## What are durable businesses?



- 1) **Durability:** The Fund is focused on companies that have proven to be resilient in the face of uncertainty.
- 2) **Disciplined:** The Fund’s buy/sell discipline aims to ensure that we are well-positioned to achieve the potential desired outcome through a market cycle.
- 3) **Diversification:** The investment process leads to a portfolio of durable companies that may potentially provide meaningful diversification relative to more traditional global equity allocations.


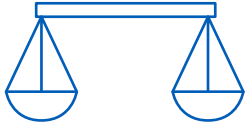

## About the United Global Durable Equities Fund

The United Global Durable Equities Fund (the "Fund"), sub-managed by Wellington Management, aims to seek total return consisting of capital appreciation and income over the long term by investing primarily in equity and equity related securities of companies listed and traded on stock exchanges globally.

The Fund selects companies with stable businesses and good management practices such as cost control and skilled execution. The Fund offers good diversification benefits and risk-adjusted returns because it has a low overlap with a traditional quality-oriented portfolio. At the same time, the Fund focuses on stability for downside protection and on valuation for upside returns to navigate the challenging times ahead.

### Invest in durable businesses that aim to outperform the market over time

The Fund is focused on owning a set of businesses that possess three key characteristics:

 <p>Stable and resilient earnings that provide a foundation for long-term compounding</p>	 <p>A moderate valuation</p>	 <p>Businesses with excellent management skills that have the capacity to enhance the probability of long-term success and ultimately shareholder value</p>
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When purchased at a reasonable valuation, stable companies offer both long-term compounding and downside protection, and aim to deliver attractive returns in up and down markets.

Performance in up and down markets since inception (monthly average basis) <sup>1</sup>		
	Periods of market strength	Periods of market weakness
United Global Durable Equities Fund	+2.7%	-3.2%
MSCI AC World Index (Benchmark)	+3.3%	-3.9%
Upside Capture: <b>63%</b> , Downside Capture: <b>89%</b>		

## About Wellington Management, sub-manager of the Fund

Wellington Management has one of the longest histories in fund management since 1928. It is one of the world's largest sub-advisor of active mutual funds and has global investment capabilities, with total assets under management of USD1.2 trillion as of end December 2023. Wellington Management's most distinctive strength is their commitment to rigorous, proprietary research – the foundation upon which investment approaches are built. Wellington Management's commitment to investment excellence is evidenced by their significant presence and long-term track records in nearly all sectors of the global securities markets. Wellington Management is also a trusted advisor and strategic partner to more than 2,400 clients in over 60 countries.



### Experience

More than 90 years of fund management experience



### Size

One of the world's largest sub-advisor of active mutual funds with over USD1.2 trillion of assets under management



### Clients

Trusted advisor and strategic partner to more than 2,400 clients

Source: Wellington Management, as of 31 December 2023

## Fund details

Fund Name	United Global Durable Equities Fund
Investment Objective	To seek total return consisting of capital appreciation and income over the long term by investing primarily in equity and equity related securities of companies listed and traded on stock exchanges globally.
Fund Manager	UOB Asset Management Ltd
Sub-Manager	Wellington Management
Fund Classes Available <sup>2</sup>	Class A SGD Acc Class A SGD Dist Class A USD Acc Class A USD Dist
Subscription Mode	Cash - Class A SGD & USD SRS - Class A SGD
Minimum Subscription <sup>3</sup>	S\$1,000/US\$1,000 (initial); S\$500/US\$500 (subsequent)
Subscription Fee	Currently up to 5%; maximum 5%
Management Fee	Currently 1.75% p.a.; maximum 2.5% p.a.
Dealing Frequency & Deadline <sup>3</sup>	Generally every business day, on a forward pricing basis up till 3pm (Singapore time).
Distribution Policy	The current distribution policy is to make regular monthly distributions of up to 5.50% p.a.*  *Distributions are not guaranteed. Distributions may be made out of income, capital gains and/or capital. This relates to the disclosed distribution policy as set out in the Fund's prospectus.

- <sup>1</sup> Source: UOBAM. Analysis based on monthly United Global Durable Equities Fund returns from 31 August 2015 to 31 January 2024. Past performance of the Fund or UOBAM or Wellington Management is not necessarily indicative of future or likely performance of the Fund, UOBAM or Wellington Management. Upside/downside capture is a statistical measure of an investment manager's overall performance relative to a broad market benchmark during periods of market strength and weakness. An upside capture over 100% indicates a fund has generally outperformed the benchmark during periods of positive returns for the benchmark. Meanwhile, 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.
- <sup>2</sup> Investors should refer to the Fund's prospectus for more details on the different classes available.
- <sup>3</sup> Please refer to the Fund's prospectus for more details.

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Distributions will be made in respect of the Distribution Classes of the Fund. Distributions are based on the net asset value (NAV) per unit of the relevant Distribution Class as at the last business day of the calendar quarter or month. The making of distributions is at the absolute discretion of UOBAM and that distributions are not guaranteed. The making of any distribution shall not be taken to imply that further distributions will be made. UOBAM reserves the right to vary the frequency and/or amount of distributions. Distributions from a fund may be made out of income and/or capital gains and (if income and/or capital gains are insufficient) out of capital. Investors should also note that the declaration and/or payment of distributions (whether out of income, capital gains, capital or otherwise) may have the effect of lowering the NAV of the relevant fund. Moreover, distributions out of capital may amount to a reduction of part of your original investment and may result in reduced future returns. Please refer to the Fund's prospectus for more information.

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

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

February 2024