February 2024

United Global Durable Equities Fund

UOB Asset Management

Why Invest?

• **Managed with an absolute return mindset:** The strategy of the United Global Durable Equities Fund – SGD Acc (the "Fund") is to seek total return by investing in companies with stable and resilient earnings, irrespective of the broader economic environment.

• **Company with excellent management skills:** The Fund also looks into the universe of "unconventional" durable companies, where the investee company's management teams are able to enhance the probability of long-term success and ultimately shareholder value.

• **Good Diversification:** We believe our investment process is likely to generate a diversified portfolio of unconventional and stable companies, that have low overlap characteristics with growth, value, or traditional high-quality equities. Hence provides good diversification relative to more traditional global equity allocations.

• **Long-term value creation:** The largest sector exposures of the Fund were Industrials and Financials and we were least exposed to Materials and Consumer Discretionary. From a regional perspective, our largest exposure is in North America, and least exposed to Developed Asia Pacific ex-Japan.

• **Highly rated:** The Fund currently holds a Morningstar four-star rating as of 29 February 2024.

February 2024 Portfolio Performance

The United Global Durable Equities Fund – SGD Acc	+4.46 per cent[1]
Benchmark: MSCI AC World Index	+4.94 per cent

Source: Morningstar, Performance from 31 January 2024 to 29 February 2024 in SGD terms

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

Performance Review

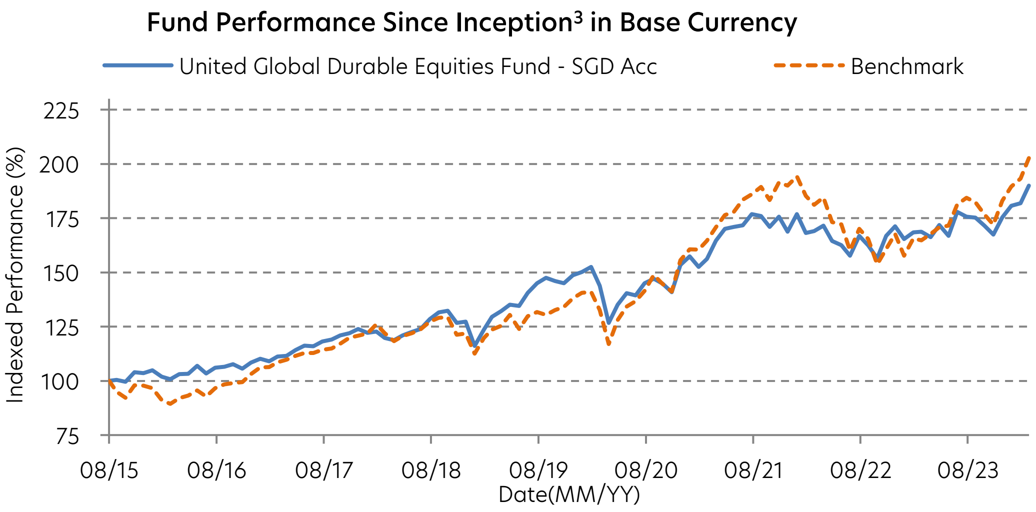
The Fund delivered positive returns in February 2024. Industrials and financials were the top contributing sectors, while materials was the bottom contributing sector. At the issuer level, our top two absolute contributors were BWX Technologies Inc (BWX Technologies) and Intact Financial Corporation (Intact Financial), while our top two absolute detractors were Edenred SE (Edenred) and FinecoBank Banca Fineco SpA (FinecoBank).

Shares of BWX Technologies, a nuclear components manufacturer, increased in February 2024. The company released fourth-quarter (2024) earnings that beat expectations, citing organic revenue growth in their Government and Commercial Operations. BWX Technologies also announced that its Nuclear Fuel Services subsidiary was awarded a $122 million contract extension from the Tennessee Valley Authority for uranium downblending services[2].

Edenred is a France-based company specialising in prepaid corporate services. The share price declined following the release of quarterly results, where net profits fell short of consensus estimates. Additionally, an investigation by Italian regulators has created a cloud of regulatory uncertainty affecting the stock price.

[2] BWX Technologies, Press Release, "BWXT Subsidiary Awarded $122 Million Contract Extension for Uranium Downblending Services", 14 February 2024.

Performance (Class SGD Acc)



Past performance is not necessarily indicative of future performance.

Fund performance is calculated on a NAV to NAV basis.

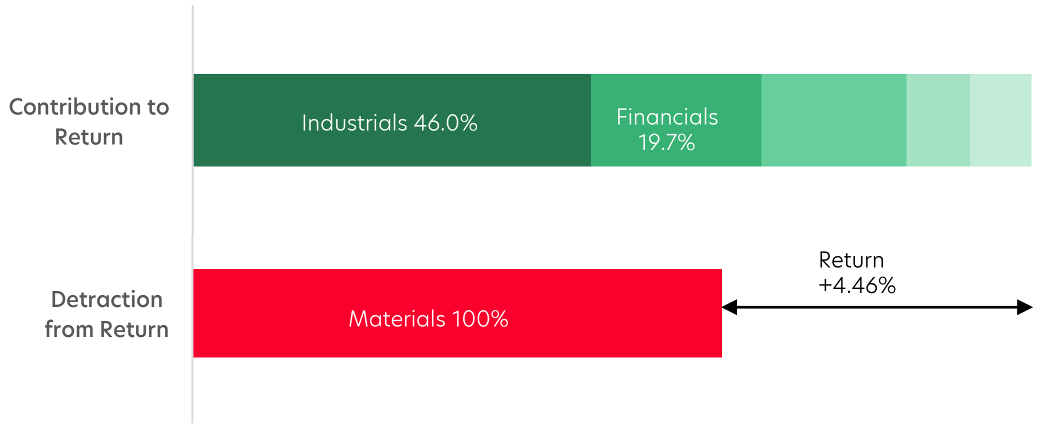
Benchmark: MSCI AC World Index.

Source: Morningstar. Performance as at 29 February 2024, SGD basis, with dividends and distributions reinvested, if any.

	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	4.46	12.58	6.74	7.97	7.78
Fund (Charges applied^)	-0.76	6.95	4.93	6.86	7.14
Benchmark	4.94	23.01	7.19	10.40	8.60

Source: Morningstar. Performance as at 29 February 2024, 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 AC 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.

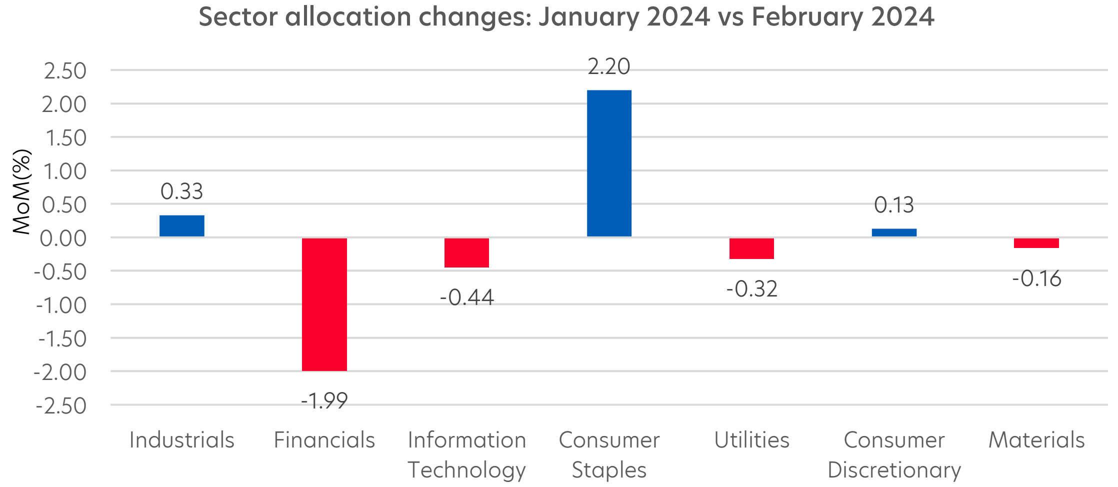
Performance Contributors/Detractors: February 2024

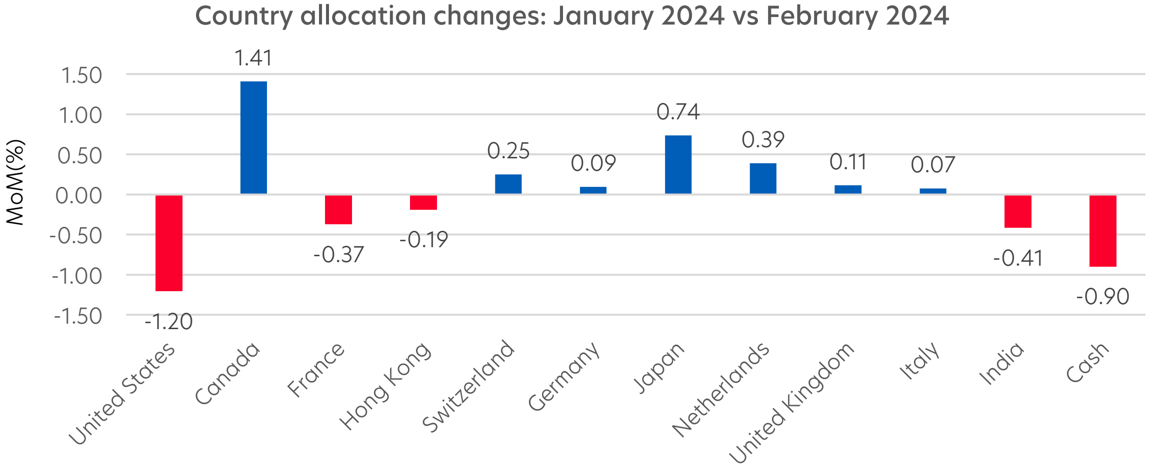


³ The United Global Durable Equities Fund- SGD Acc (ISIN Code: SG9999014005) was incepted on 5 August 2015.

All statistics quoted in the write-up are sourced from Bloomberg as at 29 February 2024 unless otherwise stated.

Portfolio Changes





Source: UOBAM

Portfolio Review

Analyst Insights

Purchases - Our purchase criteria include, amongst others, considerations such as 1) the potential for stable cash flows that are likely to demonstrate resiliency across the business cycle, 2) the potential for value creation primarily through the sensible use of free cash flow, and 3) moderate valuation that may allow for attractive risk-adjusted returns over time. We had one addition in February 2024. Intermediate Capital Group (ICG) is a European alternative asset manager with $86 Billion in assets under management across 20 strategies and ~650 clients. Key drivers of business resilience include an industry with higher barriers to entry, with 70 per cent of credit fundraising held by the top 5 managers, lower credit default rates in Europe, driven by more stringent underwriting standards, and countercyclical opportunities around fundraising/capital deployment when banks curtail issuance during downturns. Positive attributes from a management perspective include incentive alignment, with all investment professionals allocated balance sheet carried interest as a component of variable compensation, proven ability around product development and geographic expansion, and a focus on capital return, with a 90 per cent dividend payout ratio.

Sales - Our considerations for selling stocks, amongst others, are when 1) cash flows are less stable than we predicted, 2) stock valuation rises such that risk-adjusted returns no longer fall within our target range, or 3) some combination of lower stability and higher valuation. Consistent with our long-term investment horizon and residual low turnover, we did not sell any business from the portfolio in February 2024.

At the end of February 2024, our largest exposures were Industrials and Financials, and we were least exposed to Materials and Consumer Discretionary. We had no exposure to Communication Services, Energy, and Real Estate. From a regional perspective, our largest exposures were North America, Developed Europe & the Middle East excluding the UK and we were least exposed to Developed Asia Pacific ex-Japan.

Market Review

Global equities maintained strong upward momentum in February 2024, marking the fourth consecutive month of gains. The MSCI All Country World Index surged to record highs as robust earnings from mega-cap technology companies and swelling enthusiasm for Artificial Intelligence (AI) propelled shares sharply higher. Major global central banks kept interest rates and policy guidance unchanged amid diverging rates of economic growth and inflation across countries and regions. Softening inflation provided greater scope for global central banks to lower interest rates, although tight labour markets and persistent services inflation concerned policymakers at the US Federal Reserve (Fed) and the European Central Bank (ECB), led financial markets to anticipate a delay in the timing of rate cuts. A draft communique from a meeting of Group of 20 (G20) finance leaders revealed a higher likelihood of a soft landing for the global economy but also highlighted several downside risks, including escalating conflicts, geoeconomics fragmentation, rising protectionism, and further disruptions in trade routes. Persistent weakness in manufacturing continued to hinder Germany's economy, while Japan's economy unexpectedly slid into recession at the end of 2023, after shrinking for a second consecutive quarter due to lacklustre demand. Chinese stocks surged after authorities unveiled new policy measures to support financial markets, including plans to expand the government's holdings of mainland exchange-traded funds (ETFs) and a cut in the five-year Loan Prime Rate (LPR) to a new low of 3.95 per cent.

Investment Objective

The investment objective of the United Global Durable Equities Fund is 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 Information

Morningstar Rating	Base Currency	Fund Size	Sub-Manager
★★★★	SGD	SGD 244.47 mil	Wellington

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