United Global Durable Equities Fund

July 2023

Why Invest?

Managed with an absolute return mindset: The strategy of the United Global Durable Equities Fund (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 provide good diversification relative to more traditional global equity allocations.

Long-term value creation: The largest sector exposures of the Fund were Financials and Industrials and we were least exposed to Utilities and Consumer Discretionary. From a regional perspective, our largest exposure is in North America, and least exposed to Emerging Markets.

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
★★★★★

Fund Size
SGD 269.97 mil

Base Currency
SGD

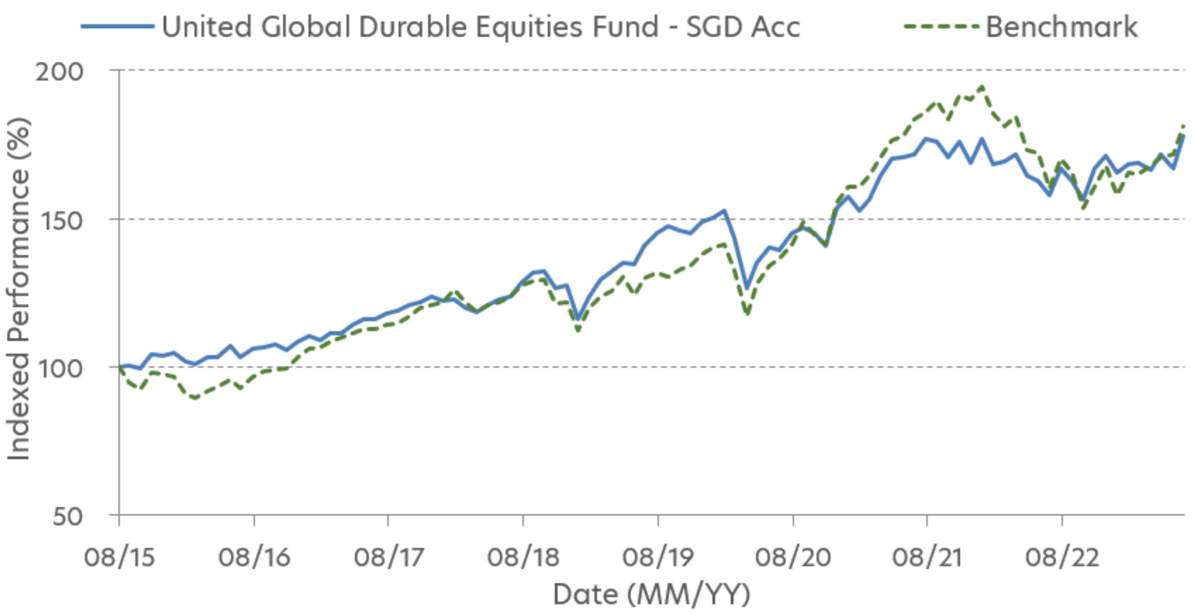
Fund Manager
Wellington

One Month Portfolio Review

The United Global Durable Equities Fund- SGD Acc (the "Fund") returned -1.30 per cent[1] in July 2023. Its benchmark, MSCI All Country (AC) World Index, returned +1.70 per cent[2] in the same month.

Historical Performance

Fund Performance Since Inception[3] in Base Currency



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 31 July 2023, SGD basis, with dividends and distributions reinvested, if any.

[1] Source: Morningstar, Performance from 30 June 2023 to 31 July 2023 in SGD terms, on a Net Asset Value ("NAV") basis, with dividends and distributions reinvested (if any).
[2] Source: Morningstar, Performance from 30 June 2023 to 31 July 2023 in SGD terms.
[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 of 31 July 2023 unless otherwise stated.

The Fund underperformed the benchmark and delivered negative returns in July 2023. Healthcare and industrials were the bottom contributing sectors, while information technology was the top contributing sector.

At the issuer level, our top two absolute contributors were Black Knight Inc (Black Knight) and FinecoBank Banca Fineco SpA (FinecoBank), while our top two absolute detractors were HCA Healthcare Inc (HCA Healthcare), and Intact Financial Corporation (Intact Financial).

Shares of real estate technology company, Black Knight, ended July 2023 higher after Constellation Software announced it had entered into a binding commitment to acquire Black Knight's Optimal Blue pricing engine business for US$700 million. Shortly after, the Federal Trade Commission (FTC) filed a request for more time to review the ongoing acquisition of Black Knight by Intercontinental Exchange given the material divestiture.

Shares of HCA Healthcare traded lower in July 2023 despite reporting solid second-quarter results and raising full-year 2023 guidance. Hospital volumes rose largely due to an uptick in hip and knee replacement surgeries, but the recovery in admissions was not as strong as expected this quarter. The company also disclosed a data breach incident that affected customers' personal data.

Annualised and Cumulative Performance

Performance (Class SGD Acc)

	Cumulative Performance (%)	Annualised Performance (%)			
	1 Month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	-1.30	5.29	6.58	6.46	7.31
Fund (Charges applied^)	-6.23	0.02	4.78	5.37	6.62
Benchmark	1.70	8.41	9.23	7.70	7.97

Source: Morningstar. Performance as at 31 July 2023, 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.

Market Review

Global equities rose in July 2023 as markets were encouraged by cooling inflation across most global economies, supporting views that major central banks are approaching the end of their rate-hiking cycles. Labour markets remained resilient, although risk sentiment was constrained by tighter monetary policy and broadly weaker manufacturing data. The US Federal Reserve (Fed) and the European Central Bank (ECB) raised interest rates by 25 basis points (bps) in July 2023 amid moderating inflation. The Bank of Japan (BOJ) allowed greater flexibility for government bond yields to fluctuate, a potential step toward phasing out the country's ultra-easy monetary policy. Chinese President Xi Jinping presided over the Communist Party of China's (CPC's) Central Committee meeting, which called for additional policy efforts to support the economy. China's State Council subsequently unveiled 20 measures intended to invigorate consumption after underwhelming second-quarter Gross Domestic Product (GDP) growth highlighted the country's slowing economic momentum. In Germany, second-quarter(2023) GDP growth stagnated, while the manufacturing sector's downturn deepened as goods producers recorded a further deterioration in output, new orders, and prices. Oil prices surged and the Organization of the Petroleum Exporting Countries (OPEC) oil output continued to decline after Saudi Arabia made an additional voluntary production cut as part of the OPEC Plus (OPEC+) group's latest agreement to reduce supplies to support prices.

Outlook and Positioning

Purchases

Our criteria for purchases 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 to the portfolio in July 2023.

RS Group PLC (RS Group) is a leading global distributor of industrial and electronic products and services. The company operates in a large and growing industry that is highly fragmented, with a diverse set of suppliers, countries, products, and customers. No customer is greater than 1 per cent of revenues. The current chief executive officer (CEO) joined in 2015 and transformed RS Group into a high-growth business with consistently improving margins and strong free cash flow conversion through a focus on customers, employees, and suppliers. Market share gains have been driven by strong execution and an advantaged competitive position.

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 shares in any businesses in July 2023.

At the end of July 2023, our largest exposures were Industrials and Financials, and we were least exposed to Utilities and Consumer Discretionary. We had no exposure to Communication Services, Energy, and Materials, among others. From a regional perspective, our largest exposures were North America, Developed Europe & Middle East ex UK and we were least exposed to Emerging Markets.

Important notice and disclaimers

All information in this publication is based upon certain assumptions and analysis of information available as at the date of the publication and reflects prevailing conditions and UOB Asset Management Ltd ("UOBAM")'s views as of such date, all of which are subject to change at any time without notice. Although care has been taken to ensure the accuracy of information contained in this publication, UOBAM makes no representation or warranty of any kind, express, implied or statutory, and shall not be responsible or liable for the accuracy or completeness of the information.

Potential investors should read the prospectus of the fund(s) (the "Fund(s)") which is available and may be obtained from UOBAM or any of its appointed distributors, before deciding whether to subscribe for or purchase units in the Fund(s). Returns on the units are not guaranteed. The value of the units and the income from them, if any, may fall as well as rise, and is likely to have high volatility due to the investment policies and/or portfolio management techniques employed by the Fund(s). Please note that the graphs, charts, formulae or other devices set out or referred to in this document cannot, in and of itself, be used to determine and will not assist any person in deciding which investment product to buy or sell, or when to buy or sell an investment product. An investment in the Fund(s) is subject to investment risks and foreign exchange risks, including the possible loss of the principal amount invested. Investors should consider carefully the risks of investing in the Fund(s) and may wish to seek advice from a financial adviser before making a commitment to invest in the Fund(s). Should you choose not to seek advice from a financial adviser, you should consider carefully whether the Fund(s) is suitable for you. Investors should note that the past performance of any investment product, manager, company, entity or UOBAM mentioned in this publication, and any prediction, projection or forecast on the economy, stock market, bond market or the economic trends of the markets is not necessarily indicative of the future or likely performance of any investment product, manager, company, entity or UOBAM or the economy, stock market, bond market or economic trends of the markets. Nothing in this publication shall constitute a continuing representation or give rise to any implication that there has not been or that there will not be any change affecting the Funds. All subscription for the units in the Fund(s) must be made on the application forms accompanying the prospectus of that fund.

The above information is strictly for general information only and is not an offer, solicitation advice or recommendation to buy or sell any investment product or invest in any company. This publication should not be construed as accounting, legal, regulatory, tax, financial or other advice. Investments in unit trusts are not obligations of, deposits in, or guaranteed or insured by United Overseas Bank Limited, UOBAM, or any of their subsidiary, associate or affiliate or their distributors. The Fund(s) may use or invest in financial derivative instruments and you should be aware of the risks associated with investments in financial derivative instruments which are described in the Fund(s)' prospectus.

In the event of any discrepancy between the English and Mandarin versions of this publication, the English version shall prevail.

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

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