

## 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 August 2024).
- **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.

## Portfolio Positioning

We expect to see continued volatility as the US Federal Reserve (Fed) and other central banks seek to balance the goals of maintaining financial stability and controlling inflation. We remain focused on our philosophy of investing in quality companies that can sustain elevated levels of financial productivity. A broadening out of index participation will present a better environment for quality investing, and we believe that 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 is likely to deliver outperformance over time.

## August 2024 Portfolio Performance

The United Global Quality Growth Fund - SGD Acc	+0.36 per cent <sup>1</sup>
Benchmark: MSCI All Country World Index	-0.08 per cent

Source: Morningstar, Performance from 31 July 2024 to 31 August 2024 in SGD terms

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

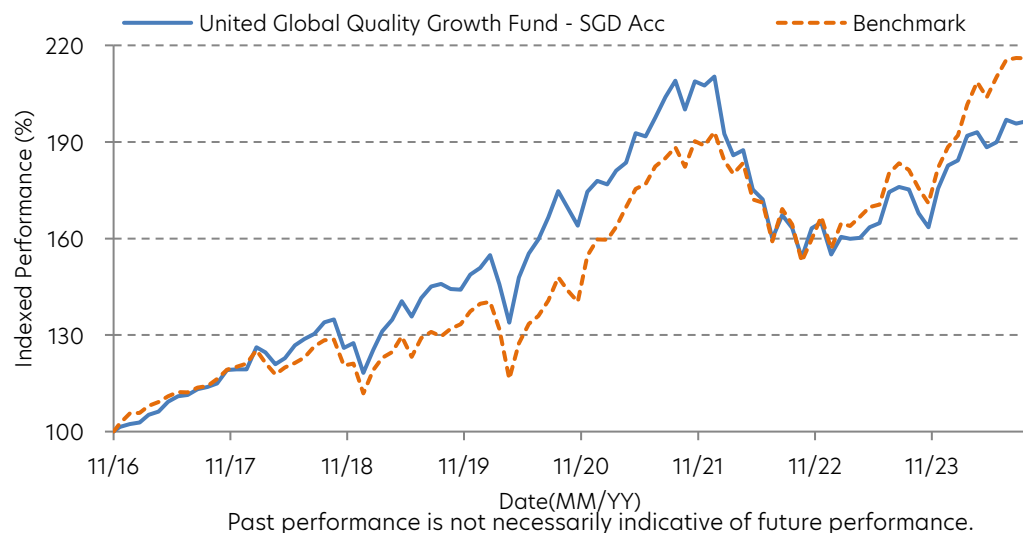
## Performance Review

**Contributors-** Stock selection in the consumer discretionary sector contributed to performance in August 2024. Canadian discount retailer **Dollarama Inc.** (Dollarama) continued to benefit from value-conscious consumer sentiment. With a dominant market position (its next four largest competitors have a combined store count that is only a third of Dollarama’s), proven pricing power, and high-quality, growing, cash-generative operations, we believe Dollarama will be able to continue to compound returns.

**Detractors-** Stock selection in the healthcare sector detracted from performance in August 2024. Healthcare technology company **Danaher Corp** (Danaher) lagged following strong earnings and performance in July 2024, which featured stronger-than-expected revenues driven by respiratory sales. We believe the company is positioned for a return to growth in the fourth quarter of 2024, with acceleration in 2025. We hold Danaher as its management has a history of strong execution against a backdrop of solid end-market conditions, and the company has an exciting pipeline for innovation within biopharmaceuticals and next-generation diagnostics.

### Performance (Class SGD Acc)

#### Fund Performance Since Inception<sup>2</sup> in Base Currency



Fund performance is calculated on a NAV to NAV basis.

Benchmark: MSCI All Country World Index.

Source: Morningstar. Performance as at 31 August 2024, SGD basis, with dividends and distributions reinvested, if any.

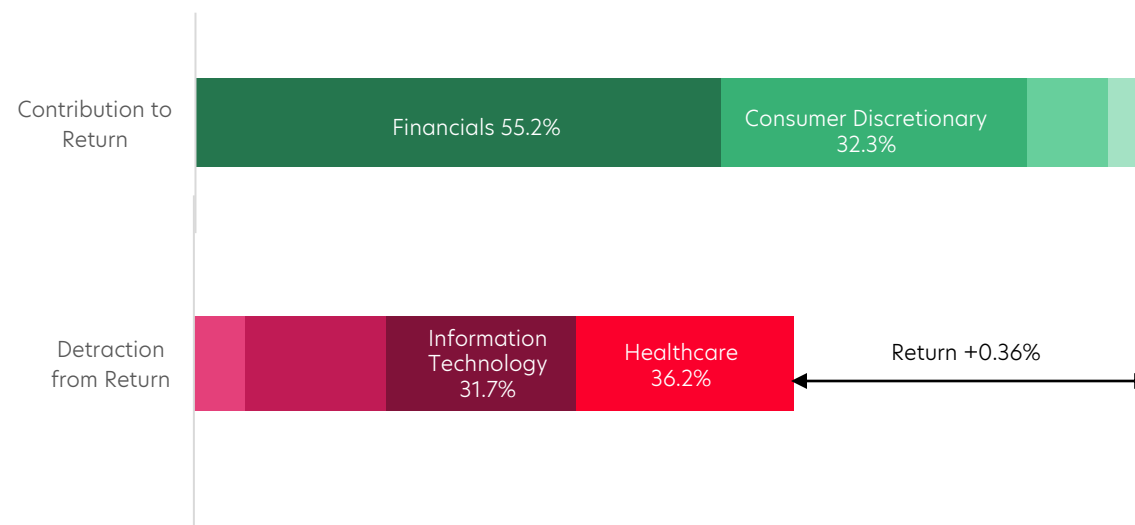
<sup>2</sup> The United Global Quality Growth Fund- SGD Acc (ISIN Code: SG9999014880) was incepted on 11 November 2016.

All statistics quoted in the write-up are sourced from Bloomberg as at 31 August 2024 unless otherwise stated.

	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	0.36	12.07	-2.07	6.12	9.03
Fund (Charges applied <sup>^</sup> )	-4.66	6.47	-3.72	5.03	8.32
Benchmark	-0.08	19.14	4.66	10.75	10.37

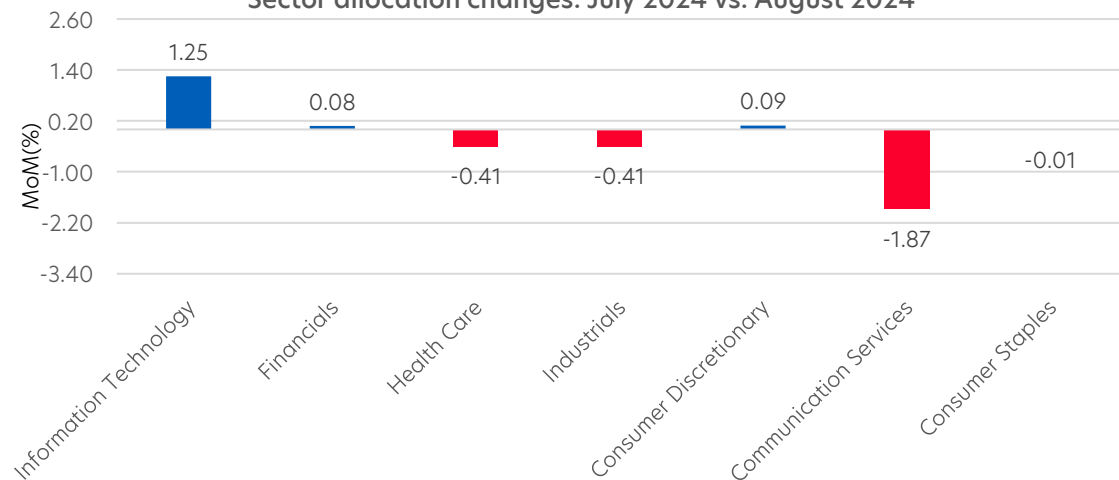
Source: Morningstar. Performance as at 31 August 2024, SGD basis, with dividends and distributions reinvested, if any. Performance figures for 1 month till 1 year show the per cent change, while performance figures above 1 year show the average annual compounded returns. Benchmark: MSCI All Country World Index. Past performance is not necessarily indicative of future performance. <sup>^</sup>Includes the effect of the current subscription fee that is charged, which an investor might or might not pay.

#### Performance Contributors/Detractors: August 2024

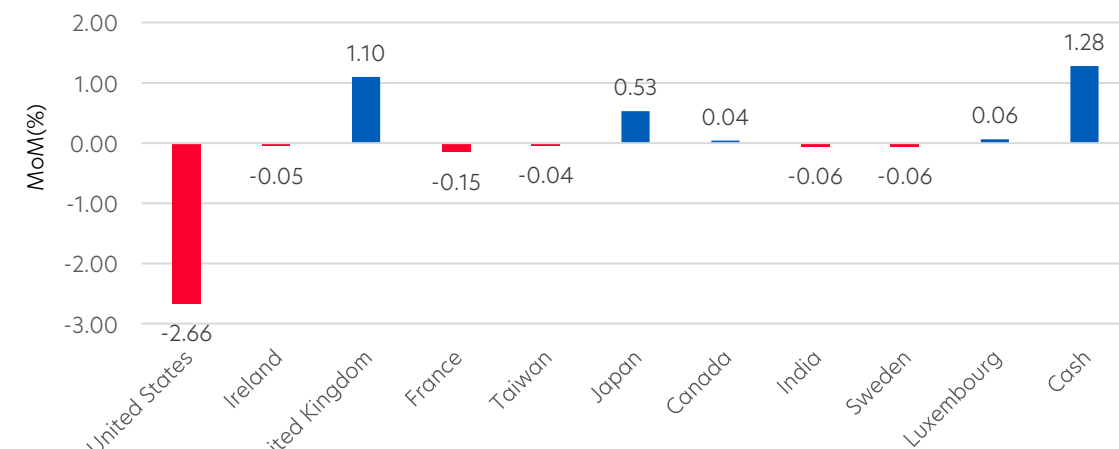


### Portfolio Changes

Sector allocation changes: July 2024 vs. August 2024



Country allocation changes: July 2024 vs. August 2024



### Portfolio Review

#### Analyst Insights

As shown on the left charts, the biggest increase in the sector allocation changes for August 2024 was in Information Technology (+1.25 per cent). On the contrary, the largest decrease was in Communication Services (-1.87 per cent). In terms of country allocation changes, the Fund had the highest increase in the United Kingdom (+1.10 per cent) and the most decline in the United States (-2.66 per cent) for August 2024.

## Market Review

**Global equities** recorded their fourth consecutive month of gains in August 2024, in a period that was marked by significant volatility.

A weaker-than-expected report on monthly hiring by US employers made some investors question whether the US Federal Reserve (Fed) had kept interest rates too high for too long in its campaign to quell inflation. In addition, markets sold off globally in early August 2024 as rising interest rates in Japan led some investors to abandon a popular Japanese yen carry trade and move capital out of equities in other regions. However, global equities rebounded in subsequent weeks with the release of encouraging data on retail sales and inflation in the US, which reassured investors that the economy remained on strong footing. Markets received an additional boost when Fed Chair Jerome Powell stated that the time had come for the central bank to cut its main interest rates from its current 23-year high.

Central banks in Europe also made news in August 2024. In the United Kingdom, where domestic inflation had been hovering near the Bank of England’s 2 per cent target for several months, the British central bank lowered interest rates from a 16-year high, though it warned that it would adopt a cautious approach to any future rate cuts. In Sweden, the country’s central bank lowered interest rates for the second time in 2024 and stated that as many as three more cuts were possible provided inflation remained subdued. Meanwhile, in the eurozone, data suggesting that inflation in the common currency bloc had fallen to its lowest level since June 2021 raised hopes that the European Central Bank will cut interest rates in September 2024.

Against this backdrop, equity markets in the developed and developing worlds advanced in August 2024, with the former outperforming the latter. In the US, stocks rose roughly in line with global markets on optimism that interest rate cuts were imminent. Across the Atlantic, European equities outperformed on expectations that major central banks will loosen monetary policy soon amid signs that the Continent’s economic growth and labour markets were improving. In Japan, equities managed a modest gain but lagged the broader global market index. Meanwhile, in emerging markets, stocks in China rose but underperformed, with concerns over the country’s ongoing slow economic recovery.

## 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

Morningstar Medalist Rating	Base Currency	Fund Size	Sub-Manager
Bronze	SGD	SGD 958.41 mil	Lazard Asset Management

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