United Global Quality Growth Fund

September 2023

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.

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 minimize concentration risk. It is also well diversified with Information Technology, Industrials and Financials being the three largest allocations.

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.

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

Fund Size
SGD 1041.73 mil

Base Currency
SGD

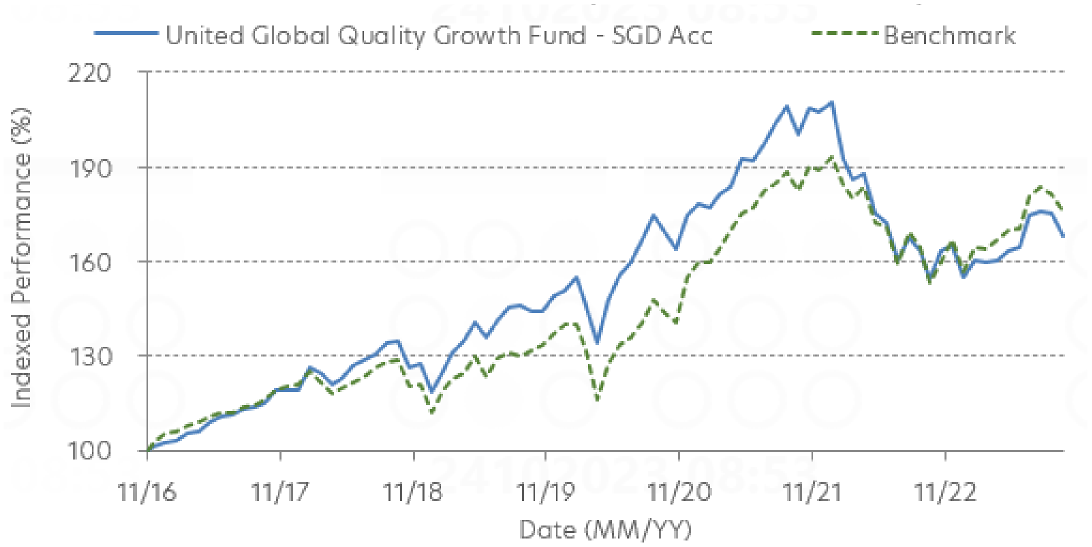
Fund Manager
Lazard Asset Management

One Month Portfolio Review

The United Global Quality Growth Fund - SGD Acc (the "Fund") returned -4.20 per cent[1] in September 2023. Its benchmark, the MSCI All Country World Index, returned -3.11 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 All Country World Index

Source: Morningstar. Performance as at 30 September 2023, SGD basis, with dividends and distributions reinvested, if any.

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

Stock selection in the consumer discretionary sector contributed to performance in September 2023. Shares of Canadian discount retailer, Dollarama Inc. (Dollarama) outperformed. The company reported better-than-expected earnings with strong same-store sales momentum. With such 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.

Stock selection in the industrials sector also contributed to performance in September 2023. Shares of ASSA ABLOY AB (Assa Abloy), a global leader in supplying security locks and entrance systems, rose. We exited the position to fund better opportunities.

In contrast, stock selection in the financial sector detracted from performance in September 2023. Shares of HDFC Bank Limited (HDFC), the largest private-sector lender in India, fell as management reported that larger-than-expected liquidity, as a result of the recent merger, will impact near-term margins. However, we believe margins will gradually recover in the coming quarters. Structurally, the bank remains well placed for strong earnings given its expansion into interior India (which will help sustain market share gains) and improved profitability (improving net interest margin, reduced risk weights, and high pricing power).

Stock selection in the healthcare sector also detracted from performance in September 2023. Shares of Iqvia Holdings Inc. (IQVIA), a provider of outsourced research support to the pharma, biotech, and medical device industries, fell. While concerns for the contract research organization (CRO) have yet to disappear, IQVIA's results continue to show better performance relative to peers, in terms of organic revenue growth, net bookings, and backlog growth, which is driven by market share gains that we believe to continue. We believe IQVIA remains well-positioned to drive differential growth and share gains relative to peers.

Annualised and Cumulative Performance

Performance (Class A (SGD) Acc)

	Cumulative Performance (%)	Annualised Performance (%)			
	1 Month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	-4.20	8.95	-0.32	4.48	7.82
Fund (Charges applied^)	-8.99	3.51	-2.01	3.41	7.02
Benchmark	-3.11	14.91	6.89	6.44	8.53

Source: Morningstar. Performance as at 30 September 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 All Country 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

Equity markets retreated in the third quarter of 2023, as investors reset expectations for the global interest rate outlook.

The period was marked by a sharp rise in bond yields that pressured stocks amid expectations that key central banks were prepared to keep interest rates elevated longer-term. After a string of stronger-than-expected reports on the US economy suggested that inflationary pressure remained, the US Federal Reserve (Fed) signaled that it may lift rates once more in 2023 and that it was adopting a "higher for longer" stance, disappointing investors.

Similarly, after raising interest rates to multi-decade highs in August 2023, both the European Central Bank and Bank of England paused raising rates in September 2023 but indicated that they needed to remain elevated for a sustained period. In September 2023, inflation in both the UK and the eurozone showed signs of slowing, suggesting that the central banks' actions were helping ease price pressures.

Equities in both developed and developing markets declined in the third quarter of 2023. In the US and Europe, equities fell, as investors were concerned that interest rates would remain elevated well into 2024 and may weigh on growth. However, Japanese equities gained, as the combination of a weakened Japanese yen, hopes that economic growth will strengthen, and expectations of governance reforms boosted local stocks. Meanwhile, Chinese equities also declined on economic concerns, especially in real estate.

Outlook and Positioning

We believe the market to remain volatile as the US Fed and other central banks seek to balance the goals of maintaining financial stability and controlling inflation. While artificial intelligence (AI) has the potential to transform the way companies operate over the long term, we are cautious that the exuberance surrounding the technology has the potential to drive valuations in certain stocks to unsustainable levels in the short term. We continue to focus on quality companies, which in our view is likely to generate strong returns due to a range of characteristics-including brand recognition, network benefits, and long competitive advantage periods. As active stock pickers, we believe we will be presented with opportunities to add capital to companies that we believe are high-quality and whose long-term potential is underappreciated. We continue to focus on company fundamentals and making sure we own companies that we believe are prepared for a range of economic scenarios.

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