UOB Asset Management

Fund Updates

Opportunities in United Global Quality Growth Fund (The "Fund")

Why Now?

- When markets fluctuate during challenging times, opportunity awaits those who seek the way forward. In this environment, we have been taking advantage of volatility to upgrade the quality of the portfolio.

- Amidst this uncertainty, we are able to identify compelling investment ideas. The phenomena of social distancing should continue to drive Information Technology (IT) spend as a percentage of Gross Domestic Product (GDP) significantly higher over time. Secular growth themes include ecommerce, over-the-top content streaming services, the dominance of digital advertising and cloud collaboration tools which support sustainable work-from-home capabilities.

- Despite challenging markets, the Global Quality Growth Fund has outperformed the benchmark year-to-date[1] (YTD).

  [1]*As of 13 April 2020, the Fund outperformed the benchmark by 5.47% in SGD terms (YTD). Performance as at 31 March 2020, SGD basis, with dividends and distributions reinvested, if any.* Source: Morningstar.

Why United Global Quality Growth Fund?

1. Participate in the potential recovery of global markets

- There are reasons to be optimistic across the broader economy. Lower interest rates and energy prices will benefit consumers, and governments and local communities are beginning to take actions to help mitigate against the spread of COVID-19. In addition, many governments and central banks are discussing expansionary fiscal and monetary packages which can have a powerful impact in supporting the economy.

- When the economy recovers and expands, growth and valuation factors are more highly desired. The Fund is designed to benefit from both positive and negative trending market environments to take advantage of changing market conditions.

  Thematic weightings in accordance to changing markets conditions:

	Periods of market volatility	**Periods of market growth**
Focus on	Companies with consistent revenue growth and return of capital to shareholders	Companies with strong growth at an attractive valuation
Benefit	They are expected to provide stability during market volatility	They are expected to provide significant upside in periods of global recovery

As of April 2020

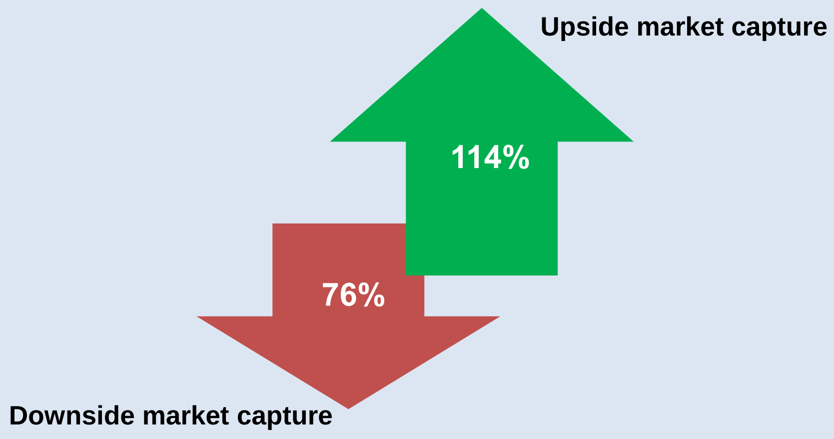
2. Ride on the Champions of Tomorrow

- The Fund's investment philosophy and process is based on a tested and proven formula, which aims to generate attractive returns relative to the global equity market by focusing on high-quality, growth-oriented global companies that return excess capital to shareholders and trade at a discount to the market.

- Investing across a global diverse set of portfolio can help one navigate uncharted territory; adding international equity is expected to reduce the total volatility of a portfolio across markets. The strategy allows for investors to diversify their equity portfolios by investing outside their home market.

3. Favourable upside capture and downside protection characteristic[2]

Attractive downside and upside market capture: For the period June 2011 to 31 December 2019, the Wellington Global Quality Growth Fund[2] has, on average, captured 114% of market gains when markets were up and endured only 76% of market losses when markets were down.



[2]Source: Wellington Management, investment returns in USD terms, since the inception of the Wellington Global Quality Growth Fund (31 May 2011) until 31 December 2019.The Wellington Global Quality Growth Fund is an open-ended fund incorporated in Luxembourg and Wellington Management will be using the strategy for the Wellington Global Quality Growth Fund to manage the Fund. Past performance of the Fund or UOB Asset Management Ltd ("UOBAM") or the Wellington Management Group of Companies and any past performance, prediction, projection or forecast of the economic trends or securities market are not necessarily indicative of the future or likely performance of the Fund or UOBAM or the Wellington Management Group of companies. The value of Units and the income from them, if any, may fall as well as rise. Investments in Units involve risks, including the possible loss of the principal amount invested.

Current Outlook & Positioning

The spread of the COVID-19 virus globally has halted economic growth as governments slow activity in attempts to contain the virus. Markets are reacting to concerns over the magnitude and duration of reduced economic activity, the energy market collapse, and deterioration in European and US credit markets.

- Wellington's macroeconomics team is guiding to a near-term economic recession, so we shifted to an overweight in Quality and Capital Return factors and an underweight Growth and Valuation factors.

- We believe the global economic recovery will depend upon the stimulus measures enacted by governments and the speed with which the spread of the virus is contained.

- We have bought higher quality, growth compounders with minimal debt and strong balance sheets that are well-positioned for future growth but were too expensive prior to the market downturn.

As of April 2020

- We have initiated positions in consumer-focused companies well-positioned for future growth. We have sold financial companies exposed to a lower interest rate environment and consumer-oriented companies at risk of negative earnings estimate revisions in the face of sustained periods of shuttering their businesses

- From a regional perspective, we remain overweight in the US and China, where the latter is ahead of the curve in terms of virus containment. We are neutral in our exposure to Europe, where we hold high-quality companies that we view as global leaders that are attractively valued compared to multinationals located in other regions. We continue to adhere to our stated investment philosophy, believing higher quality business models with significant free cash flow generation and strong balance sheets will provide stability to the portfolio and offering good downside protection.

- Many of the names held in the portfolio are high-quality companies that we view as global leaders. If your clients are seeking opportunity in such dire times, look no further than the United Global Quality Growth Fund, which can offer attractive returns relative to global equity markets. This is evident during the coronavirus-driven market sell-off[3] that started in late February 2020:

United Global Quality Growth SGD Acc						Singapore Dollar
Performance						
	27 Feb 20 to 13 Apr 20[3]	1 Jan 20 to 13 Apr 20 (YTD)	2019	2018	2017	Since Inception (till 31 Mar 20)
Fund	-8.73	-7.21	27.60	-0.93	16.63	8.99
Benchmark	-12.17	-12.68	24.89	-7.61	14.68	4.58
Excess	***3.44***	***5.47***	***2.71***	***6.68***	***1.95***	***4.41***

Benchmark	*MSCI All Country World Index*
Inception Date	*11-Nov-16*

Source: Morningstar. Performance as at 31 March 2020, SGD basis, with dividends and distributions reinvested, if any. Performance figures for 1 month till 1 year show the % change, while performance figures above 1 year show the average annual compounded returns. Since inception performance is annualised.

[3]The coronavirus-driven market sell-off started on 27 February 2020.

United Global Quality Growth Fund Details

Fund Objective	: To provide a long-term total return by investing in equity and equity related securities of companies listed and traded on stock exchanges globally.
Inception Date	: Class USD Dist: October 2016 Class SGD Acc, Class SGD Dist, Class USD Acc: November 2016 Class B SGD Acc: January 2018 Class SGD Acc (Hedged): March 2018 | Class SGD Dist (Hedged): June 2018 Class C SGD Acc (Hedged): November 2018
Benchmark	: MSCI AC World Index
Base Currency	: Singapore Dollar
Management Fee	: 1.5% p.a. | Class C SGD: 1.0% p.a.
Subscription Mode	: Cash for SGD and USD, CPF-OA for Class C SGD and SRS for SGD

As of April 2020

Important Notice and Disclaimers