



## United Global Durable Equity Fund – USD Class

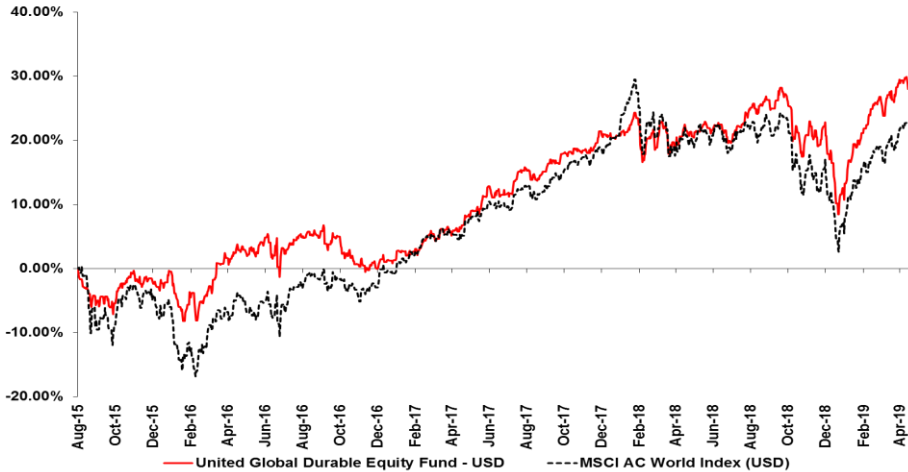
May 2019

All data expressed as at 30 April 2019 unless otherwise stated

### FUND OBJECTIVE & STRATEGY

The Fund seeks to provide income and capital appreciation by investing in the United Global Durable Equities Fund ("Target Fund") which invests in equity and equity-related securities of companies listed and traded on stock exchanges globally. The Fund will be investing a minimum of 90% of the Fund's Net Asset Value ("NAV") in the Target Fund at all times.

### PERFORMANCE CHART SINCE LAUNCH



Source: UOBAM(M)

### FUND PERFORMANCE DATA (NAV-NAV PRICES)

	1 Month	3 Months	6 Months	1 Year	Since Launch (Annualised)	YTD
United Global Durable Equity Fund – USD Class	1.53%	7.53%	8.05%	7.96%	7.32%	15.71%
Benchmark	3.20%	6.85%	8.31%	2.97%	5.81%	15.18%

Note: Benchmark - MSCI AC World Index (USD)

Source: UOBAM(M)

### CALENDAR YEAR RETURNS

	2016	2017	2018
United Global Durable Equity Fund – USD Class	1.79%	19.11%	-6.75%

### HISTORICAL INCOME DISTRIBUTION

Date	Distribution (sen per unit)	Yield
7 March 2019	0.83	1.25%

Source: UOBAM(M)

Note: The yield of the distributions are calculated based on the total dividend payout / the day before distribution NAV.

### TOP 10 HOLDINGS OF THE TARGET FUND

AMERICAN TOWER CORP	5.68%
INTACT FIN SUB RCPT	4.46%
BALL CORP	4.06%
MOTOROLA SOLUTIONS INC	3.76%
VINCI SA	3.67%
WASTE CONNECTIONS INC	3.55%
AIA GROUP LTD	3.43%
CANADIAN NATIONAL RAILWAY CO	3.36%
NOVARTIS AG	3.21%
CINTAS CORP	3.00%

Source: UOBAM

### PORTFOLIO ALLOCATION

Collective Investment Scheme	93.32%
Cash	6.68%
<b>Total</b>	<b>100.00%</b>

Source: UOBAM(M)

### PORTFOLIO ALLOCATION OF THE TARGET FUND

Equity	97.13%
Cash	2.87%
<b>Total</b>	<b>100.00%</b>

Source: UOBAM

### SECTOR ALLOCATION OF THE TARGET FUND

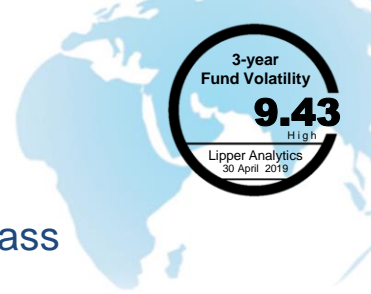
Industrials	27.14%
Financials	20.13%
Health Care	13.31%
Information Technology	8.96%
Utilities	8.66%
Materials	6.49%
Real Estate	5.68%
Consumer Discretionary	4.34%
Consumer Staples	2.41%
Cash	2.87%
<b>Total</b>	<b>100.00%</b>

Source: UOBAM

### GEOGRAPHICAL ALLOCATION OF THE TARGET FUND

United States	52.34%
Canada	14.04%
France	7.39%
Japan	5.55%
Hong Kong	5.16%
Switzerland	3.67%
Ireland	2.90%
Bermuda	1.92%
Germany	1.90%
Spain	1.26%
Luxembourg	0.99%
Cash	2.87%
<b>Total</b>	<b>100.00%</b>

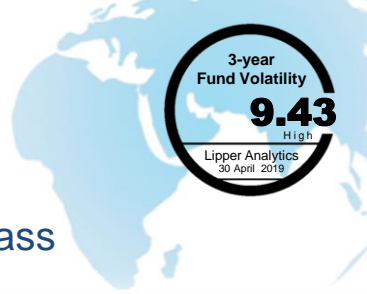
Source: UOBAM



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### FUND DETAILS

LAUNCH DATE	15 July 2015
FINANCIAL YEAR END	31 January
CATEGORY/TYPE OF FUND	Wholesale (Feeder Fund) / Income & Growth
CLASS OF UNITS	USD Class
INITIAL OFFER PRICE	USD0.5000
UNITS IN CIRCULATION – USD CLASS	3,635,171.34
NET ASSET VALUE (“NAV”)	USD 2,335,326.82
NET ASSET VALUE – TOTAL FUND	RM 103,978,774.79
NAV PER UNIT	USD 0.6424
MINIMUM INITIAL INVESTMENT	USD 10,000
MINIMUM ADDITIONAL INVESTMENT	USD 1,000
TRUSTEE	Deutsche Trustees Malaysia Berhad
SALES CHARGE	Up to 5.00% of NAV per Unit
ANNUAL MANAGEMENT FEE	Up to 1.80% per annum of the NAV of the Fund
ANNUAL TRUSTEE FEE	Up to 0.06% p.a. of the NAV of the Fund, minimum of RM15,000 p.a.
PERFORMANCE BENCHMARK	MSCI AC World Index (USD)
ASSET ALLOCATION	A minimum of 90% of the Fund’s NAV in the Target Fund. Up to 10% of the Fund’s NAV in liquid assets.
INVESTMENT MANAGER OF THE TARGET FUND	UOB Asset Management Ltd, Singapore
SUB-MANAGER OF THE TARGET FUND	Wellington Management Singapore Pte Ltd



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### HISTORICAL NAV (USD)

Highest	30/4/2019	0.6424
Lowest	22/1/2016	0.4592

Source: UOBAM(M)

### PERFORMANCE ATTRIBUTION OF TARGET FUND

- The portfolio returned 1.53% during April in USD terms.
- The top detractors from performance were Intact Financial, American Tower, Novartis, HCA Healthcare, and not holding Microsoft.
- The portfolio's positions in Copart, Cintas, Sony Financial Holdings, Torchmark, and Vinci contributed most.

### INVESTMENT PHILOSOPHY OF TARGET FUND

We believe:

Durable companies exhibit stability and outperform the market over time. Stability is particularly undervalued in:

- small and mid-caps, volatile sectors and disfavored geographies
- companies that do not meet the specific criteria of growth, quality or value investors

Stable companies at low valuations provide attractive returns in up and down markets.

### OUTLOOK AND STRATEGY OF TARGET FUND

We believe the primary determinants of portfolio performance over the long-term will continue to be company specific:

- 1) stability of cash flows across the business cycle
- 2) prudent capital allocation decisions by management
- 3) moderate valuations that imply achievable expectations for organic cash flow growth

Absolute and relative portfolio performance may be negatively impacted by: 1) cash flows exhibiting less stability than we expect or 2) capital allocation decisions that destroy rather than create shareholder value. Our fundamental research is focused on these areas and we aim to avoid such outcomes. In addition to these company specific factors impacting absolute returns, we would expect relative returns versus a broad market index to be challenged during periods of significant acceleration in global economic growth and/or a sharp rebound in commodity prices.

Determining whether management will allocate capital effectively is a critical part of our investment process. Decisions to invest in growth (organic or acquisitions) or return capital to shareholders (dividends or share repurchase) are likely to be a significant driver of the value creation of the businesses held in this portfolio over time.

**Management Characteristics:** Even with the benefit of historical data, it can be difficult to predict effective capital allocation ex-ante. Therefore, we look for three personality traits when evaluating management teams – humility, flexibility and precision. We define humility as a focus on shareholder value over growth for its own sake. We define flexibility as choosing opportunistically between growth (organic or acquisitions) and capital return (dividends or share repurchase) rather than a predisposition toward one specific path. We define precision as a narrowly defined range of outcomes for all investment decisions. We believe management teams that are humble, flexible and precise are more likely to make prudent capital allocation decisions over the long-term.

**Evaluating acquisitions:** Acquisitions are likely to be an important source of value creation for many of the businesses held in this portfolio. Yet, various academic studies show that, in aggregate, acquisitions do not add value for one or a combination of the following reasons: 1) deals are done when profitability is high and margins tend to mean revert, 2) future growth is often overestimated, 3) integration is hard work and synergies are thus overestimated, 4) the price paid is too high. We agree with these conclusions; consistently good acquirers are the exception not the norm. We believe companies can protect against these broad pitfalls by purchasing businesses that possess one or a combination of the following factors: 1) businesses with limited economic sensitivity and stable profit margins, 2) low growth expectations required to achieve targeted returns and 3) adjacent lines of business with clear operating synergies. In addition, the best acquirers are typically opportunistic and buy when prices are low and competitors are unable or unwilling to bid.

### IMPORTANT NOTICE AND DISCLAIMERS

Based on the fund's portfolio returns as at 30 April 2019, the Volatility Factor (VF) for this fund is 9.43 and is classified as "High" (source: Lipper). "High" includes funds with VF that are above 8.795 but not more than 11.415. The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC.

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