

## United Global Durable Equity Fund

As at 31 July 2022

### Performance Update

For the month of July, the Fund MYRH class registered a return of 6.13%.

On an absolute basis, all sectors contributed over the period. Industrials and information technology were the top contributing sectors.

At the issuer level, our top two absolute contributors were HCA Healthcare and Medical Properties Trust, while our top two absolute detractors were AIA Group and Nomad Foods.

### Strategy Moving Forward

**Purchases**~ Our purchase criteria consist of: 1) potential for stable cash flows that are likely to demonstrate resiliency across the business cycle, 2) 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. Consistent with our very long term investment horizon and residual low turnover, we did not purchase shares in any new businesses during the month.

**Sales**~ We sell stocks if 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. We had no eliminations during the quarter.

At the end of the period, our largest exposures were industrials and financials and we were least exposed to consumer discretionary and real estate. We had no exposure to communication services, energy, and materials, among others. From a regional perspective, our largest exposures were North America and Developed Europe & Middle East ex UK and we were least exposed to United Kingdom. We had no exposure to Emerging Markets.

### Fund Classes

Fund Classes				
MYR Hedged Class	USD Class	AUD Hedged Class	SGD Hedged Class	GBP Hedged Class

### Income Distribution

	Cumulative YTD	25 March 2022	23 May 2022
MYR Hedged Class	1.41%	0.65%	0.76%
USD Class	1.40%	0.64%	0.76%
AUD Hedged Class	1.40%	0.65%	0.75%
SGD Hedged Class	1.40%	0.65%	0.75%
GBP Hedged Class	-	-	-

**Stock Commentary**

Stocks	Country	Sector	Remarks
HCA Healthcare	United States	Health Care Equipment & Services	<ul style="list-style-type: none"> <li>• HCA Healthcare is the largest US-based for-profit operator of health care facilities.</li> <li>• Shares of HCA Healthcare rose during the period.</li> <li>• The company reported better-than-expected 2Q 2022 earnings, delivering strong EBITDA despite a difficult market backdrop. HCA Management also reaffirmed full-year 2022 guidance.</li> <li>• Following a drawdown in the 1st quarter, labor metrics notably improved including lower contract expenses, positive recruitment levels, and lower turnover.</li> <li>• We remain positive on the long-term prospects for this company, where we see positive developments such as capital allocation, compensation metrics, and employee support.</li> <li>• HCA is continuing to expand their offerings and Management reaffirmed full-year 2022 guidance.</li> </ul>
AIA Group	Hong Kong	Insurance	<ul style="list-style-type: none"> <li>• AIA Group is an American-founded Hong Kong multinational insurance and finance corporation.</li> <li>• It is the largest public listed insurance and securities group in Asia-Pacific.</li> <li>• Shares of insurance provider AIA Group fell over the period after policy makers in Hong Kong raised the city's key interest rate to a three-year high, aligning with an expected Federal Reserve rate hike.</li> <li>• Sell-side analysts cut price targets and earnings estimates, citing margin pressure in China, an expected delay in the border reopening, and a projected YoY decline in the value of new business for the first half of 2022.</li> <li>• AIA remains a unique opportunity with strong market positions, a pan-Asian distribution network that is hard to replicate, a conservative balance sheet with surplus capital and little debt, but also terrific structural tailwinds such as rising GDP per capita, lack of social welfare programs, and urbanization.</li> <li>• We continue to believe that AIA Group is well placed to continue to grow its business in China and emerging Asian markets.</li> </ul>

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