

United Global Quality Equity Fund

As at 30 November 2022

Performance Update

For the month of November, the Fund MYRH class registered a return of 3.52%.

Security selection was the primary driver of relative underperformance. Weak selection in financials, information technology and communication services was modestly offset by selection in utilities and materials. Sector allocation, a result of our bottom-up stock selection process, also detracted from returns. Allocation effect was driven by our underweight to materials and overweight to health care and information technology, but partially offset by our underweight to energy and overweight to financials.

At the issuer level, our top two relative contributors were overweights to ENN Energy and Anglo American, while our top two relative detractors were overweights to ZoomInfo Technologies and Banco Bradesco.

Strategy Moving Forward

Markets ended the month higher in response to easing price pressures and expectations of more accommodative monetary policy. That said, market volatility remains elevated amidst a steady slate of macro cross currents. We continue to anticipate weakness in sectors with high interest rate sensitivity as well as lingering effects of China COVID lockdowns and the war in Ukraine. However, we expect a pickup in Chinese activity supported by fiscal and monetary stimulus as lockdown measures ease.

We anticipate that Wellington's Global Cycle Index will find a bottom in the near-term driven by the consumer impact from energy price increases on real income, food inflation, and higher interest rates. However, excess savings and wage growth amidst a strong labor market should continue to support consumer confidence. As inflation comes down, we expect Central Bank tightening to become less negative on the margin, paving the way for a reacceleration. Given this macroeconomic backdrop, we favor a more balanced positioning within the portfolio and remain equal weight across the four factors.

At the end of the period, our largest overweights were information technology and financials. We were most underweight to consumer discretionary and had no exposure to consumer staples. From a regional perspective, our largest overweight was North America and we were most underweight to Emerging Markets and had no exposure to Japan.

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Stock Commentary

Stocks	Country	Sector	Remarks
ENN Energy	China	Utility	<ul style="list-style-type: none"> • ENN energy is one of China's largest gas distribution utilities. • Shares of ENN Energy ended the month higher along with other Chinese energy companies after China's Covid Zero policy restrictions loosened and support for the nation's property market raised the outlook for gas demand. • We continue to like the stock as we could see growth driven by coal-to-gas switch and growth from Integrated Energy and value-added. • ENN has excellent execution, strategically placed in the gas value chain, and leading energy efficiency improvement in China via Integrated Energy. We believe it may be a winner in China's long-term energy transition. • The company ranks attractively in our process for growth
ZoomInfo Technologies	United States	Media & Entertainment	<ul style="list-style-type: none"> • ZoomInfo Technologies is a US based software and data company providing an information database for sales and marketing professionals. • Shares of ZoomInfo fell after the sales and marketing software company reported third quarter earnings and revenue figures topped expectations but cut its free-cash flow outlook for the full year. Management also provided a weaker-than-expected outlook for 2023. • This aside, the company ranks attractively in our process for quality, growth, and valuation upside. • ZoomInfo is led by a strong management team and we believe the company is well positioned to evolve into a sales and marketing powerhouse over time.

Income Distribution

	Cumulative YTD	25 March 2022	20 June 2022
MYR Hedged Class	0.89%	0.41%	0.48%
USD Class	0.96%	0.48%	0.48%
SGD Hedged Class	0.84%	0.36%	0.48%
AUD Hedged Class	0.49%	-	0.49%

*Bonus / Special Income Distribution

Source: UOBAM(M) Fund Factsheet

Fund Classes

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

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