

Fund: United Global Technology Fund

As at 30 June 2022

Performance Update

For the month of June, the Fund MYRH class registered a return of -7.83%.

Our stock choices in software and, secondarily, our significant overweight position in the subsector contributed to relative returns the most. MongoDB is an open-source document-oriented database solutions firm that has emerged as a market leader in NoSQL databases, which leverage non-relational structures to store large amounts of data. Shares performed well as solid results from the company's most recent quarter despite inflationary headwinds encouraged investors regarding the company's outlook. We believe the company has a long runway for consistent and durable growth due to its clear market dominance and tailwinds including growing product demand and growing comfort with NoSQL databases.

In semiconductors, our underweight allocation aided relative gains as the subsector declined and underperformed the broader index during the month. Not owning Advanced Micro Devices benefited relative performance as high-growth companies in the cyclical semiconductor space were pressured by fears of a possible recession. We believe there are more favorable risk/reward profiles within the attractive semiconductor industry. Besides, our security choices in media and entertainment, Roblox boosted relative results.

Alternatively, the portfolio's overweight allocation to internet detracted from relative returns as the subsector declined during the period and underperformed the broader index. The portfolio's lack of exposure to hardware also weighed on relative returns as the sector outperformed the broader index. In particular, not owning Apple, the personal computing and software giant that accounted for a large portion of the total subsector weighting, detracted from relative results. While shares of the stock declined, they fared better than many subsector peers during the month. Our decision to not own Apple reflects, in our opinion, its demanding valuation and our preference for businesses that we believe can sustain higher levels of growth in the coming years.

Strategy Moving Forward

As with many other areas of the market, demand distortions stemming from COVID-19 and recent supply chain issues have impacted our investment universe and challenged even some of the most seasoned management teams in our portfolio. However, many of the top holdings in the portfolio today have secular growth drivers that we think are durable, including digital transformation, which we are participating through the public cloud providers, next generation database companies, and infrastructure software companies.

During the month, we continued to refine our position in software. Within the space, we invest in companies that benefit from strong secular growth drivers, sustaining demand in the face of macro uncertainty, and have limited supply chain exposure. Many of the software companies that we favor develop innovative solutions that are valued by their customers precisely for their ability to create greater efficiencies. We believe these efficiencies should lead to higher productivity and lower costs. We trimmed certain internet names that are facing increased regulatory risk, competition, or inflationary pressures. We also continued to reduce our position in electric vehicle makers. Conversely, we added to our position in semiconductors. While we continue to have concerns over the inventory cycle, we are becoming more constructive on certain holdings within the space given the recent increase in data center spending.

Stock Commentary

Stocks	Country	Sector	Remarks
Atlassian	United States	Collaboration and Productivity Software	<ul style="list-style-type: none"> Atlassian is a holding company that designs, develops, licenses and maintains software and provisions software hosting services. The Company's products include Jira Software, Jira Align, Jira Service Management, Confluence, Trello and Bitbucket. Atlassian benefited relative performance during the period. Continued demand for the company's products, which have many end-market uses, and its clients' ongoing cloud migrations have continued apace despite worsening economic conditions. We believe the company is on the right side of change where its end-market uses, collaboration potential, and demand are concerned.
Roblox	United States	Video Gaming	<ul style="list-style-type: none"> Roblox Corporation is a technology company which operates a human co-experience platform where users interact with each other to explore and develop, user-generated and 3D experiences. Its platform is powered by user-generated content that draws inspiration from gaming, entertainment, social media and even toys. Roblox reported May subscriber numbers that showed in-line bookings and a decline in daily active users, shares appreciated as these metrics were better than investors and analysts feared. We are attracted to the powerful social network effects Roblox utilizes in drawing in new active users and creators. We believe this sets up a positive feedback loop and helps the platform widen its moat, expand its addressable market, and potentially deliver durable earnings.

Fund Classes

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

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