

May 2025

# United Global Durable Equities Fund



## Why Invest?

- **Managed with an absolute return mindset:** The strategy of the United Global Durable Equities Fund – SGD Acc (the “Fund”) is to seek total return by investing in companies with stable and resilient earnings, irrespective of the broader economic environment.
- **Company with excellent management skills:** The Fund also looks into the universe of “unconventional” durable companies, where the investee company’s management teams are able to enhance the probability of long-term success and ultimately shareholder value.
- **Good diversification:** We believe our investment process is likely to generate a diversified portfolio of unconventional and stable companies, that have low overlap characteristics with growth, value, or traditional high-quality equities. Hence provides good diversification relative to more traditional global equity allocations.
- **Long-term value creation:** The largest sector exposures of the Fund were Financials and Industrials and we were least exposed to Materials and Utilities. From a regional perspective, our largest exposure is in North America, and least exposed to Developed Asia Pacific ex-Japan.

## May 2025 Portfolio Performance

The United Global Durable Equities Fund – SGD Acc	+3.21 per cent <sup>1 2</sup>
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Source: Morningstar, Performance from 30 April 2025 to 31 May 2025 in SGD terms

<sup>1</sup> Fund performance is on a Net Asset Value (“NAV”) basis, with dividends and distributions reinvested (if any).

<sup>2</sup>Effective from 27 March 2025, no benchmark is used for the Fund. (<https://www.uobam.com.sg/web-resources/uobam/pdf/uobam/common/united-global-durable-equities-fund-removal-of-benchmark.pdf>)

## Performance Review

The Fund delivered positive returns in May 2025. Financials and Consumer Staples were the top contributing sectors, while Healthcare was the bottom contributing sector.

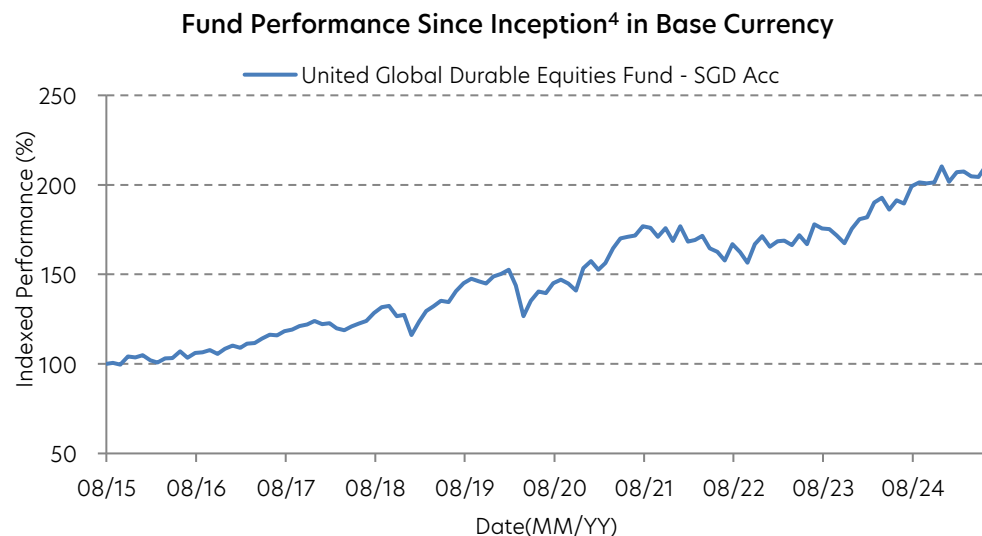
At the issuer level, our top two absolute contributors were **US Foods Holding Corp.** (US Foods) and FinecoBank SpA, while our top two absolute detractors were **ICON Plc** (ICON) and Copart, Inc.

Shares of US Foods, a US-based food distribution company, rose in May 2025 after management reported mixed first-quarter (2025) results. Earnings Per Share (EPS) narrowly missed consensus estimates, and revenue surpassed expectations. The company continued to gain market share among independent restaurants and healthcare customers, despite a challenging macroeconomic environment. Management also authorised a new \$1 billion share repurchase program<sup>3</sup>.

Shares of ICON fell in May 2025. Management reported disappointing first-quarter results driven by biotech funding volatility. Revenue and EPS declined year-on-year (y/y), and bookings came in below expectations due to elevated cancellation levels. Management lowered previously stated 2025 guidance to exclude two large COVID-19 vaccine trials. The guidance also assumes that high cancellation levels will persist through 2025.

<sup>3</sup> US Foods, Press Releases, “US Foods reports first quarter fiscal year 2025 earnings”, 8 May 2025

## Performance (Class SGD Acc)



Past performance is not necessarily indicative of future performance.

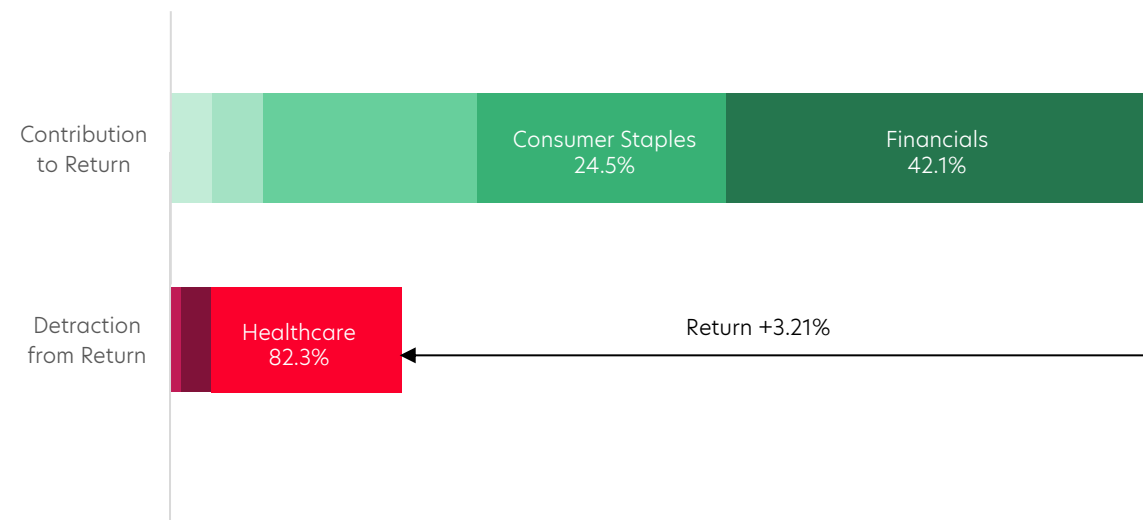
Fund performance is calculated on a NAV to NAV basis.

Source: Morningstar. Performance as at 31 May 2025, SGD basis, with dividends and distributions reinvested, if any.

	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	3.21	10.19	9.05	8.46	7.89
Fund (Charges applied <sup>^</sup> )	-1.95	4.68	7.20	7.36	7.33

Source: Morningstar. Performance as at 31 May 2025, SGD basis, with dividends and distributions reinvested, if any. Performance figures for 1 month till 1 year show the per cent change, while performance figures above 1 year show the average annual compounded returns. Since inception performance under 1 year is not annualised. Past performance is not necessarily indicative of future performance. <sup>^</sup>Includes the effect of the current subscription fee that is charged, which an investor might or might not pay.

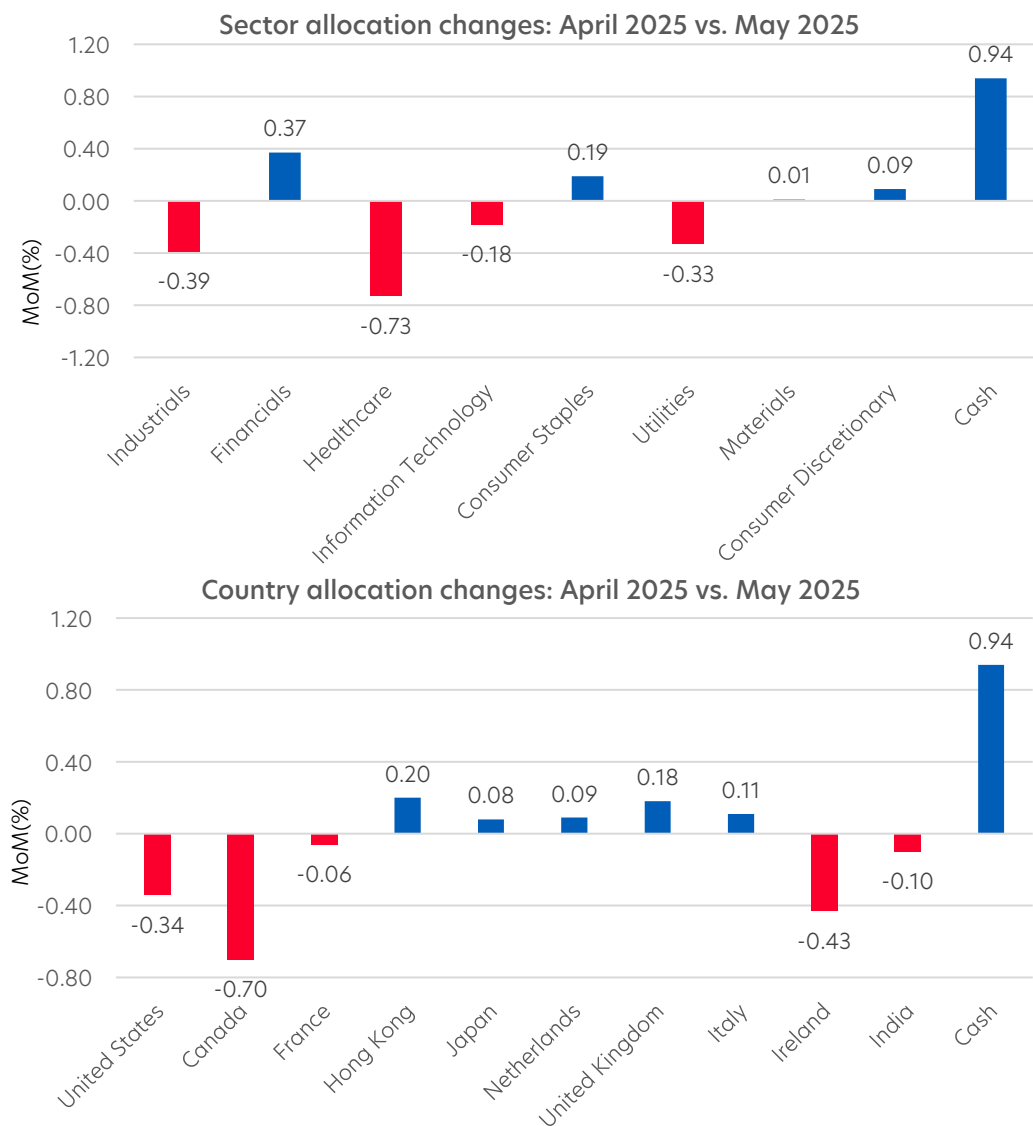
## Performance Contributors/Detractors: May 2025



<sup>4</sup> The United Global Durable Equities Fund- SGD Acc (ISIN Code: SG9999014005) was incepted on 5 August 2015.

All statistics quoted in the write-up are sourced from Bloomberg as at 31 May 2025 unless otherwise stated.

## Portfolio Changes



## Portfolio Review

### Analyst Insights

**Purchases** - Our purchase criteria include, amongst others, considerations such as 1) the potential for stable cash flows that are likely to demonstrate resiliency across the business cycle, 2) the potential for 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 long-term investment horizon and residual low turnover, we did not purchase shares in any new businesses in May 2025

**Sales** - Our considerations for selling stocks, amongst others, are when 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. Consistent with our long-term investment horizon and residual low turnover, we did not sell any businesses from the portfolio during the month.

At the end of May 2025, our largest exposures were Financials and Industrials, and we were least exposed to Materials and Consumer Discretionary. We had no exposure to Communication Services, Real Estate and Energy. From a regional perspective, our largest exposures were North America and the Developed Europe Union & Middle East, excluding the UK, and we were least exposed to Developed Asia Pacific ex-Japan.

## Market Review

**Global equities** advanced in May 2025. The global trade war entered a new phase of high-stakes negotiations on new trade agreements following sweeping US tariffs. The US government launched bilateral talks with key trading partners, which yielded a temporary 90-day reduction in tariffs between the US and China while the two sides work towards a long-term trade agreement. The US also agreed to a trade deal framework with the UK ahead of new US court rulings questioning the Trump administration’s tariff authority, further perpetuating market uncertainty. The major global trade policy shifts underway have clouded the global economic outlook and heightened pressure on governments and central banks to navigate complex trade-offs between government debt, inflation, slowing economic growth, and fiscal policy.

The US Federal Reserve (Fed) held rates steady for a third consecutive meeting in early May 2025, citing concerns over elevated inflation and trade policy uncertainty. In contrast, the European Central Bank, Bank of England, and Reserve Bank of Australia cut rates by 25 basis points (bps), responding to softening inflation, rising trade barriers, and early signs of an economic slowdown. In Germany, Friedrich Merz was confirmed as the country’s new chancellor. On the geopolitical front, the war in Ukraine dragged on without resolution, straining European unity and defence commitments; the conflict between Israel and Hamas intensified; and renewed cross-border tensions between India and Pakistan raised fresh concerns over South Asian stability.

## Investment Objective

The investment objective of the United Global Durable Equities Fund is to seek total return consisting of capital appreciation and income over the long term by investing primarily in equity and equity related securities of companies listed and traded on stock exchanges globally.

## Fund Information

Morningstar Rating	Base Currency	Fund Size	Sub-Manager
★★★	SGD	SGD 232.53 mil	Wellington

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