

## NBI U.S. Equity Fund

## NBI U.S. High Conviction Equity Private Portfolio

## NBI Global Equity Fund

PineStone Asset Management

### Portfolio changes

Given the recent developments with UnitedHealth Group Inc., which is held in the NBI U.S. Equity Fund, NBI U.S. High Conviction Private Portfolio and the NBI Global Equity Fund, PineStone has issued an update regarding their position and current situation.

*"As reported earlier this week, Andrew Witty (CEO since 2021) is stepping down and will serve as a senior advisor to Stephen Hemsley, current Chairman of the Board. Hemsley joined UNH in 1997 as COO, was CEO 2006-2017, and is the largest shareholder of UNH. The company is suspending guidance citing higher than expected medical expenditures due to greater than expected impact from the health status of new members, accelerated utilization within Medicare Advantage, and broadening of this trend to other areas.*

*Additionally, on May 14th after the market closed, the Wall Street Journal reported that the U.S. Justice Department is investigating UNH for possible criminal Medicare fraud. The exact nature is unclear, but there is speculation that the investigation is focused on the company's Medicare Advantage business practices.*

*The news is negative for the company, and PineStone is closely monitoring and analyzing the developments. This comes through meeting with management, industry experts, tracking fundamentals/new data, and other areas. The portfolio management team believes this update implies another cut in earnings vs. previous guidance, and they are updating their model accordingly. The portfolio management team's full assessment and final conclusion on UNH as a long-term position is not complete, however. The stock now trades in the low double-digits EV-NOPAT (next 12-months) with upside-downside skewed positively, however given the uncertainty, heightened reputation/regulatory risk and the portfolio management team's decrease in conviction, they have decided to significantly trim the position in these strategies."*



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