May 2025

United Sustainable Asia Top-50 Fund

UOB Asset Management

Why Invest?

• **Net zero opportunities in Asia:** Asia is fast growing but is also more vulnerable to climate change than other parts of the world. This has prompted Asian governments to speed up their net zero commitments and policy initiatives, fostering growth opportunities for ESG-friendly companies.

• **Ride on Japan's equity market rally:** United Sustainable Asia Top-50 Fund – Class A SGD Acc (the "Fund"). The Fund's biggest country allocation is in Japan (35.71 per cent as of May 2025). With drivers such as improved corporate governance and positive earnings, we believe Japan's equity market will continue to have upside potential.

• **Proprietary investment process:** The Fund adopts a proprietary investment framework for identifying profitable ESG-friendly companies. This framework is anchored by the (Artificial Intelligence) AI-Augmentation@UOBAM investment framework, i.e., a combination of AI and on-the-ground ESG research.

• **Focus on innovation:** The Fund's investment focus is on company innovation. Aligning with megatrends that are prevalent now and expected in the future, the Fund invests in sectors such as renewables, electric vehicles, digital services, semiconductors, and smart consumables.

May 2025 Portfolio Performance

The United Sustainable Asia Top-50 Fund – Class A SGD Acc	+1.70 per cent[1]
Benchmark: MSCI All Country Asia Index	+3.53 per cent

Source: Morningstar, Performance from 30 April 2025 to 31 May 2025 in SGD terms

[1] Fund performance is on a Net Asset Value ("NAV") basis, with dividends and distributions reinvested (if any).

Performance Review

The Fund underperformed its benchmark in May 2025 as a result of negative selection effects.

Negative selection in Japan was the main contributor to the underperformance.

In terms of sector, Industrials and Information Technology were the primary laggards.

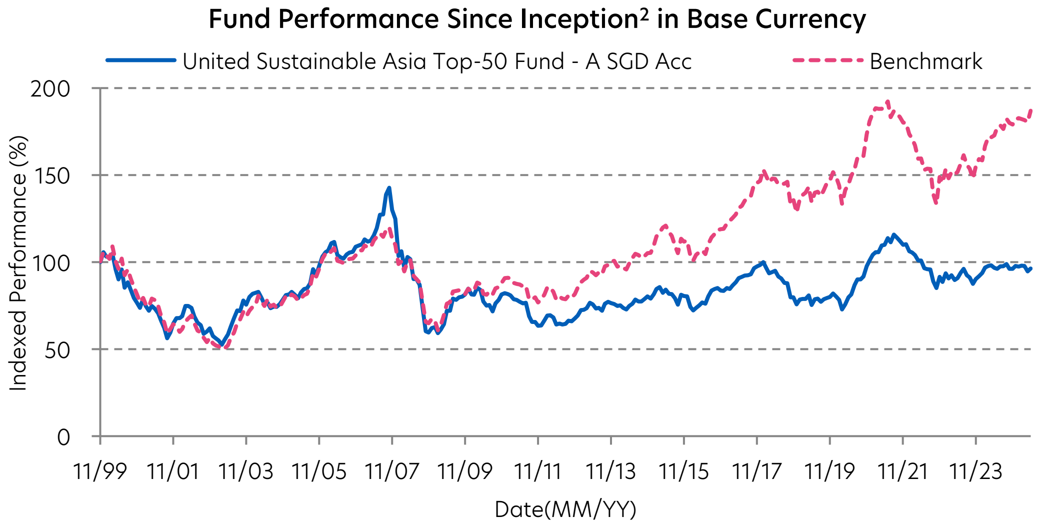
Portfolio Positioning

We adopted a greater overweight positioning in China and Hong Kong as we are shifting to a more positive view of the Chinese market. We think the potential for more stimulus is still present; however, it could be delayed by a few months in order to reassess the full impact of the tariff reset on domestic consumption trends. On the Indian market, we dialled back on our exposure to fund the Taiwan and Hong Kong markets, although we expect activity in India to likely remain resilient. In Taiwan, we continue to adopt a selectively positive stance as uncertainty over US tariffs places challenges for major exporters and opportunity only lies in very few specific segments. Within ASEAN (the Association of Southeast Asian Nations), Malaysia continues to be our preferred market. We expect continued volatile capital flows into emerging markets such as Malaysia, as there is still greater uncertainty surrounding tariff policy and trade deals with major economies.

Our positioning is tilted towards the defensive sectors with less volatility in an uncertain sector, such as Consumer Staples, Real Estate and Financials. We are selective in sectors with less favourable risk-reward profiles, such as the Industrials and Communication Services.

Key risk to our cautious outlook continues to be tariff overhangs/export controls that will be disruptive to exports and investments in the region, as well as geopolitical uncertainties.

Performance (Class A SGD Acc)



Past performance is not necessarily indicative of future performance.

Fund performance is calculated on a NAV to NAV basis.

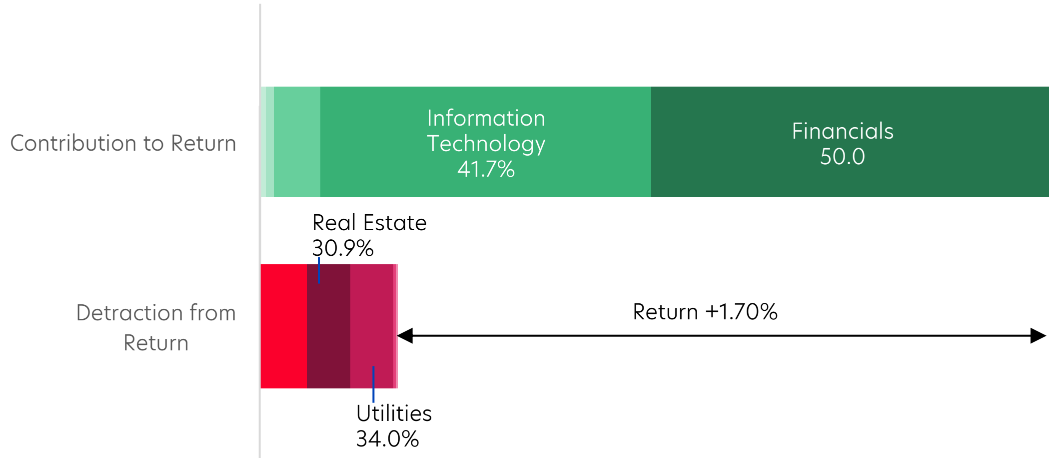
Benchmark: Since Inception – 30 September 2020: MSCI All Country Far East Index; 1 October 2020–Present: MSCI All Country Asia Index

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	1.70	-0.37	-1.53	3.83	-0.15
Fund (Charges applied^)	-3.38	-5.35	-3.20	2.77	-0.37
Benchmark	3.53	8.23	5.41	5.28	2.48

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. Benchmark: Since inception – 30 September 2020: MSCI All Country Far East Index; 1 October 2020-Present: MSCI All Country Asia Index. Past performance is not necessarily indicative of future performance. ^Includes the effect of the current subscription fee that is charged, which an investor might or might not pay.

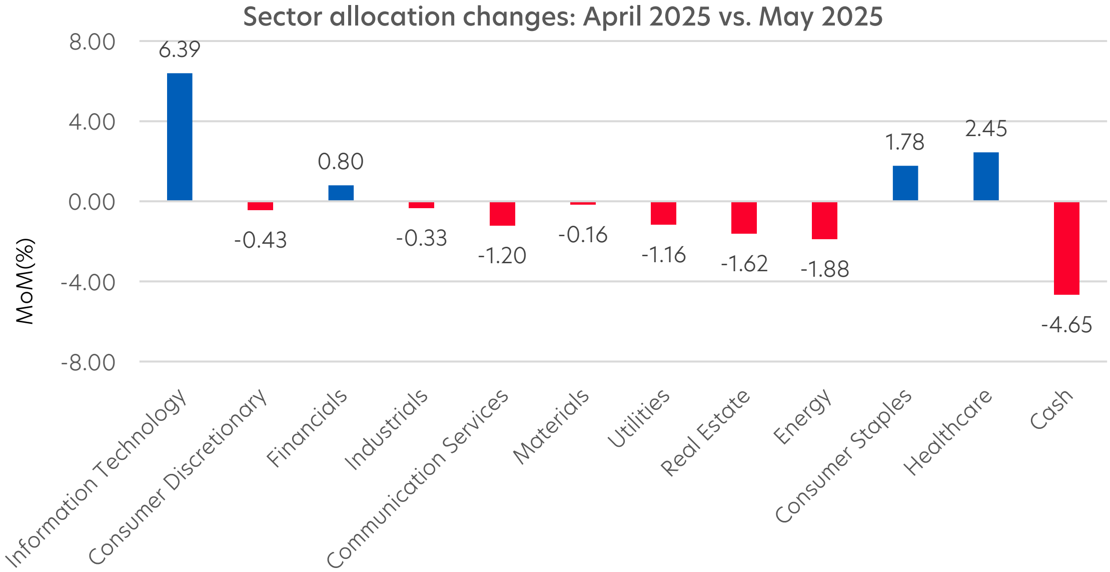
Performance Contributors/Detractors: May 2025

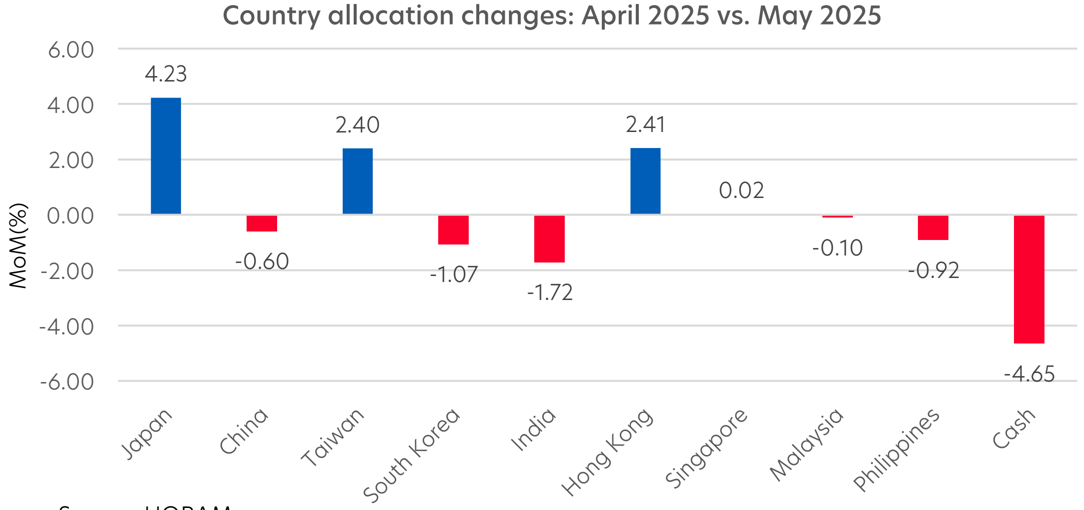


[2] The United Sustainable Asia Top-50 Fund – Class A SGD (Acc) (ISIN Code: SG9999001226) was incepted on 26 November 1999, and converted to an ESG (Environmental, Social, and Governance) fund on 1 October 2020.

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

Portfolio Changes





Source: UOBAM

Portfolio Review

Analyst Insights

In May 2025, we saw a rebound in the Asia equity market, and we remain constructive in markets that are structurally resilient. We continued to have a preference in Malaysia and shifted to a more positive view of the China and Hong Kong markets. We continue to adopt an overweight positioning in Malaysia and increased exposure to the China and Hong Kong markets during the recent rebalancing.

As shown on the left charts, the biggest increase in the sector allocation changes for May 2025 was in Information Technology (+6.39 per cent). On the contrary, the largest decrease was in Energy (-1.88 per cent). In terms of country allocation changes, the Fund had the highest increase in Japan (+4.23 per cent) and the highest decline in India (-1.72 per cent) for May 2025.

Market Review

Global equities gained 4.6 per cent (MSCI All Country World Index, in SGD terms) in May 2025, while Asia ex-Japan equities gained 4.1 per cent for the month. Among the Asia ex-Japan markets, mixed performance was observed, with Taiwan and Hong Kong being the greatest gainers, while Thailand and Malaysia were among the laggards. Equity markets were seen mostly recovering in May 2025 as the region sustained numerous tariff and US political developments.

In **Hong Kong**, the market gained 8.1 per cent after top Chinese and US officials held substantial trade talks, fuelling hopes the two sides will dial down a tariff standoff that has rattled global markets and fuelled recession fears. Among the catalysts, China's industrial output in April 2025 was better than expected, but growth in retail sales fell, and there was another decline in house prices. In response, banks cut their one-year and five-year Loan Prime Rates (LPRs) while several state-owned banks trimmed deposit rates.

The **Taiwan** equity market rebounded to gain 11.5 per cent in May 2025 after substantial gains in its technology stocks, including Apple supplier, Hon Hai Precision Industry Co. Limited. However, Taiwan saw a decline in new orders and output, with new export orders contracting at the fastest pace in 17 months. Manufacturers remained pessimistic amid reports of client hesitancy to commit to new work. Purchasing Managers Index (PMI) was at 48.6 for May 2025 from 47.8 in April 2025.

India's equity market was flat, ending the month at 0.2 per cent. India was an exception in showing further growth amid uncertainties, but the pace of expansion slowed. India's Gross Domestic Product (GDP) strengthened in the fourth quarter of Fiscal Year 2025 (4QFY25) to 7.4 per cent year-on-year (y/y) (third quarter: +6.4 per cent), above the Bloomberg consensus of 6.8 per cent.

Singapore market gained 5.1 per cent, with a projection of limited first-order impact of US tariffs on loan portfolios within the banking system, coupled with a boost in investor sentiment following a temporary trade truce between the US and China. Additionally, food and gateway services providers registered notable gains. Core inflation is projected to average +0.5-1.5 per cent in 2025, staying pat from prior forecasts, amid expectations for imported inflation to remain moderate. While concerns were raised over trade conflicts, which could be inflationary for some economies, it was anticipated that the impact on Singapore's import prices could be more than offset by weaker global demand.

Investment Objective

To achieve long-term capital appreciation by investing, directly or indirectly, in Authorised Investments issued by not more than 50 in total of the top corporations or any other entities either unincorporated or incorporated in, or whose principal operations are in, Asia, as may from time to time be determined by us. These companies can be listed in any of the stock exchanges of the world. Investments will be selected following the Fund's investment focus and approach, which includes the consideration of Sustainability and Environmental, Social and Governance (ESG) factors.

Fund Information

Base Currency	Fund Size	Fund Manager
SGD	SGD 27.38 mil	Victor Wong

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