

November 2024

United Sustainable Asia Top-50 Fund



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 (28.15 per cent as of November 2024). With drivers such as improved corporate governance and positive earnings, we believe Japan's equity market will continue to have upside potential over the next few months.
- **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.

November 2024 Portfolio Performance

The United Sustainable Asia Top-50 Fund - Class A SGD Acc	-0.04 per cent ¹
Benchmark: MSCI All Country Asia Index	-0.59 per cent

Source: Morningstar, Performance from 31 October 2024 to 30 November 2024 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 outperformed its benchmark in November 2024 as a result of positive selection and allocation effects.

Positive selection within South Korea and Hong Kong was the main reason for outperformance in November 2024

In terms of sector, Information Technology and Consumer Discretionary were the top contributors to the excess return while Consumer Staples and Financials were the primary laggards.

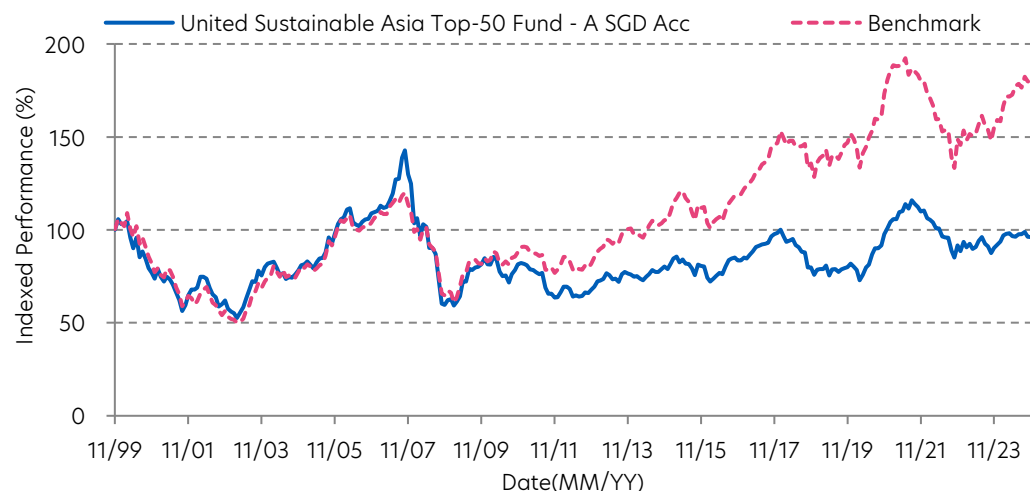
Portfolio Positioning

We remain constructive for Asia equities as we expect continued central banks' easing given benign inflation and China's additional stimulus policy support and its spillover effects on the region could provide some offset against downside risks to growth. Geopolitical uncertainty remains high with highlighted issues surrounding US-China trade tariffs and Trump's policies as he takes office. We adopted a neutral positioning in China's market as the valuation remains attractive. We refined the stock selection as we expected some stabilisation in China's market in the near term as the rollout of new policy measures and existing policies began to make an impact. In Taiwan, we expect net outflow and profit-taking to be alleviated when Trump's policy gets clearer and settles down. We remain conservative about growth in the fourth quarter of 2024 as Artificial intelligence (AI) exports remain strong, but consumer electronics restocking has been postponed to 2025. We continue to adopt a selectively positive stance, especially within the technology sector. We have a preference for India as it is more domestically oriented and less sensitive to US macro conditions, as well as Malaysia, given rising foreign direct investment (FDI) inflows to support the manufacturing and construction boom, whilst consumption is well underpinned by minimum wage rise.

Key risks include a worsening geopolitical risk (US/China tensions, China/Taiwan tensions, Israel-Hamas war).

Performance (Class A SGD Acc)

Fund Performance Since Inception² in Base Currency



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 30 November 2024, SGD basis, with dividends and distributions reinvested, if any.

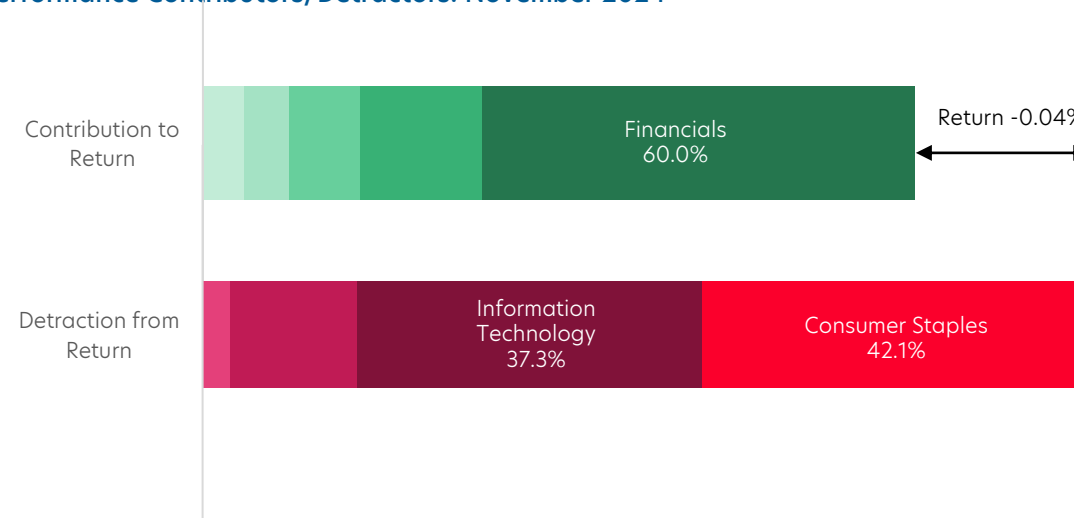
² The United Sustainable Asia Top-50 Fund - Class A SGD (Acc) (ISIN Code: SG9999001226) was inceptioned on 26 November 1999, and converted to an ESG (Environmental, Social, and Governance) fund on 1 October 2020.

All statistics quoted in the write-up are sourced from Bloomberg as at 30 November 2024 unless otherwise stated.

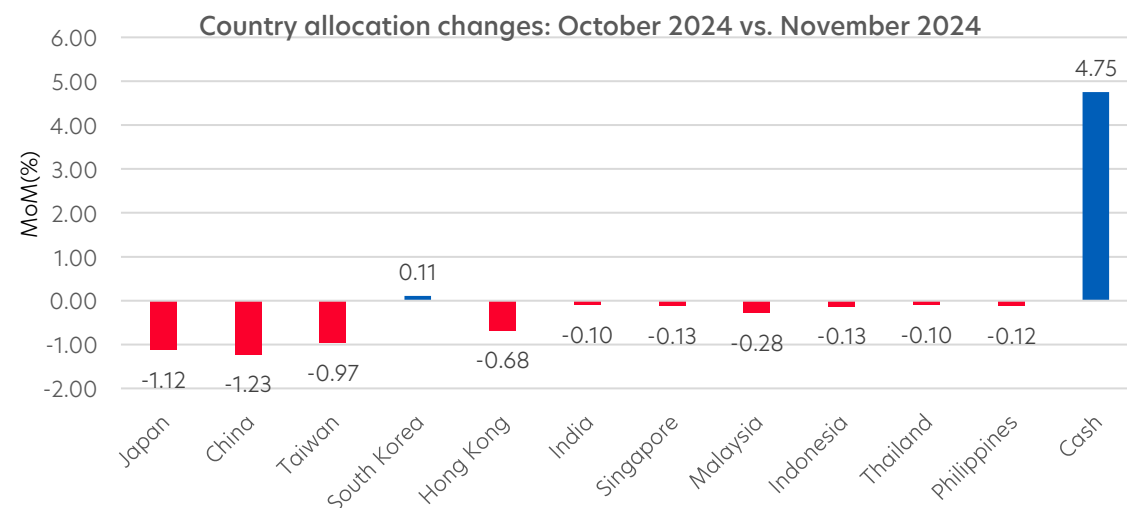
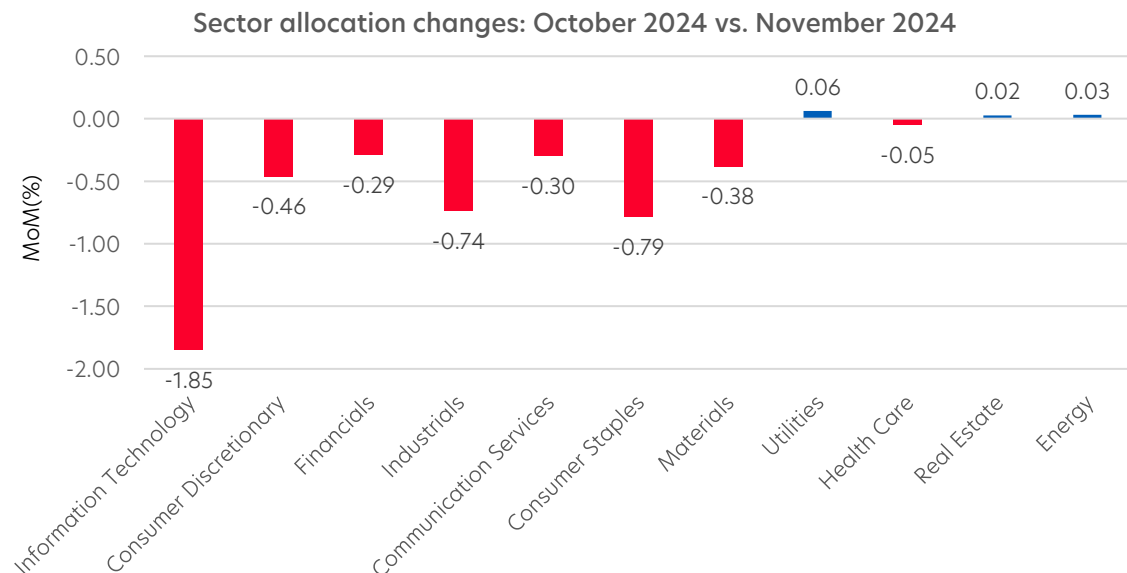
	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	-0.04	6.48	-4.35	3.75	-0.16
Fund (Charges applied [^])	-5.04	1.16	-5.97	2.69	-0.38
Benchmark	-0.59	15.42	-0.22	4.02	2.35

Source: Morningstar. Performance as at 30 November 2024, 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: November 2024



Portfolio Changes



Source: UOBAM

Portfolio Review

Analyst Insights

As we witnessed the rollout of new measures and existing policies began to make an impact, we increased our exposure to the China and Hong Kong markets to maintain a neutral position. As we are still cautious about the potential growth concerning its structural challenges, we decided not to over-expose in China and Hong Kong.

In navigating the Association of Southeast Asian Nations (ASEAN) and Indian markets, we continue to adopt a relatively neutral and defensive stance. We saw persistent pressure within the Indian market as it suffered from foreign funds repositioning into China and heavy profit-taking, we maintain a selective preference for companies that stand to benefit from supportive government policies fostering a strong capital expenditure cycle. We continue to overweight Malaysia due to the market's defensive nature and attractive valuations. Accelerating growth in corporate earnings and attractive valuations underpin our preference for the Malaysian market, particularly in the financial sector.

As shown on the left charts, the biggest increase in the sector allocation changes for November 2024 (relative to October 2024) was in Utilities (+0.06 per cent). On the contrary, the largest decrease was in Information Technology (-1.85 per cent). In terms of country allocation changes, the Fund had the highest increase in South Korea (+0.11 per cent) and the highest decline in China (-1.23 per cent) for November 2024.

Market Review

Global equities gained 5.1 per cent (MSCI All Country World Index, in SGD terms) in November 2024, while Asia ex-Japan fell 2 per cent for the month. Among the Asia ex-Japan markets, mixed performance was seen in markets, with Singapore rallying while the Philippines and Indonesia were the laggards.

In **Hong Kong**, the equity market fell -2.3 per cent in November 2024, where weakness in private consumption demand was particularly pronounced. Retail sales in Hong Kong have been declining since March 2024, largely attributed to the change in consumption patterns, while inbound tourism recovery has been slow. Government spending held up but was not sufficient to mitigate the significant drag from the lack of private consumption. Furthermore, we anticipate a risk of a technical recession (two consecutive quarter-on-quarter (q/q) contractions) in the fourth quarter of 2024. We turned less positive on Hong Kong's full-year growth, assuming Hong Kong turns into modest growth in the fourth quarter of 2024.

Taiwan's equity market fell 3.4 per cent, with headwinds expected from the moderation in private consumption growth. However, the export orders for October 2024 beat estimates amid strong demand for semiconductors and servers. Investments and inventory replenishment are expected to stay supportive in the fourth quarter of 2024.

India's equity market gained 0.9 per cent in November 2024, and the market is expected to remain volatile due to a slower pace of rate cuts in the US. The weaker gross domestic product growth (GDP) for the third quarter of 2024 and weaker-than-expected Purchasing Managers' Index (PMI) reading led to an increased likelihood for the Reserve Bank of India (RBI) to ease policy in early December 2024.

Singapore's equity market gained 9.4 per cent in November 2024. The core inflation slowed to 2.1 per cent year-on-year (y/y) in October 2024, down from 2.8 per cent in September 2024. The Monetary Authority of Singapore has forecast core inflation would be around 2 per cent in the fourth quarter of 2024.

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

Morningstar Rating	Base Currency	Fund Size	Fund Manager
★★★	SGD	SGD 27.51 mil	Victor Wong



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