May 2025

United Greater China Fund

UOB Asset Management

Why Invest?

• **Integration of analyst research and artificial intelligence machine learning (AIML) techniques:** This is one of the first funds to apply UOB Asset Management's (UOBAM) AI-Augmentation@UOBAM framework. This framework harnesses technology to add value to the analysts' decision-making and uncovers hidden investment opportunities by optimising stock selection and allocation.

• **Offers diversification benefits:** The Fund's inclusion of China, Hong Kong and Taiwan markets provides diversification benefits. While China and Taiwan markets were historically highly interdependent, recent global geopolitical tensions and Taiwan's robust growth in advanced engineering have reduced their correlation.

• **Award winning:** The Fund has recently received the Refinitiv Lipper Fund Awards Singapore 2023 Winner, Best Equity Greater China Fund Over 3 Years[1]. This prestigious accolade recognises the Fund in providing consistently strong risk-adjusted performance relative to its peers based on Lipper's proprietary performance-based methodology.

• **Highly rated:** The Fund currently holds a Morningstar five-star rating as of 31 May 2025.

May 2025 Portfolio Performance

United Greater China Fund A SGD Acc	+4.36 per cent[2]
Benchmark: MSCI Golden Dragon Index	+5.26 per cent

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

[2] 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, largely due to cash drag. Consumer Discretionary, Healthcare and Real Estate were the main return contributors, while Information Technology, Consumer Staples and Financials were the biggest detractors.

In terms of country, China stock selection was the main return contributor, while country allocation was a source of detraction to portfolio return.

Portfolio Positioning

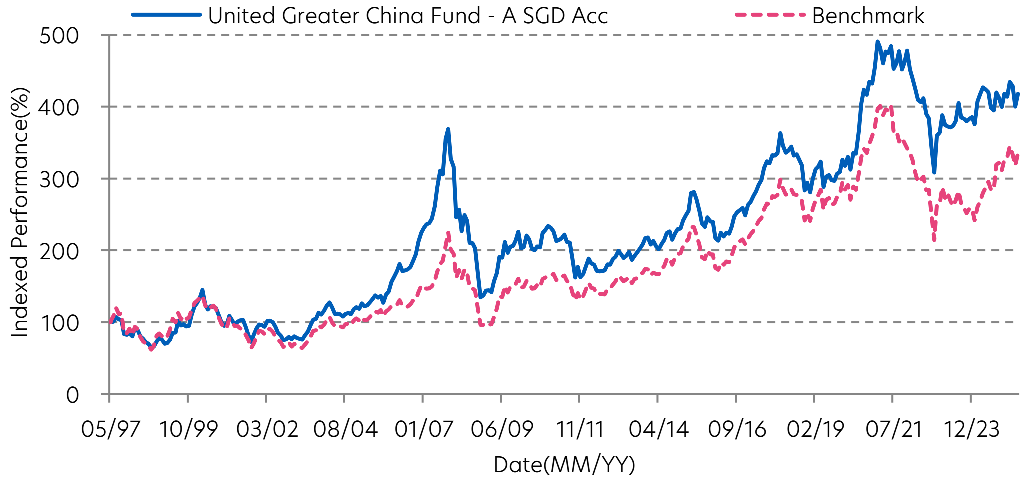
We remain optimistic about the fundamentals and long-term prospects of Greater China markets. We will dynamically adjust the portfolio construction to capture key market themes and use a bottom-up approach to identify alpha opportunities.

Key risks to our outlook include escalating trade war between China and the US, global economic downturn and weaker-than-expected China policy support.

[1] Refer to uobam.com.sg/awards for list of awards by UOBAM.

Performance (Class A SGD Acc)

Fund Performance Since Inception[3] in Base Currency



Past performance is not necessarily indicative of future performance.

Fund performance is calculated on a NAV to NAV basis.

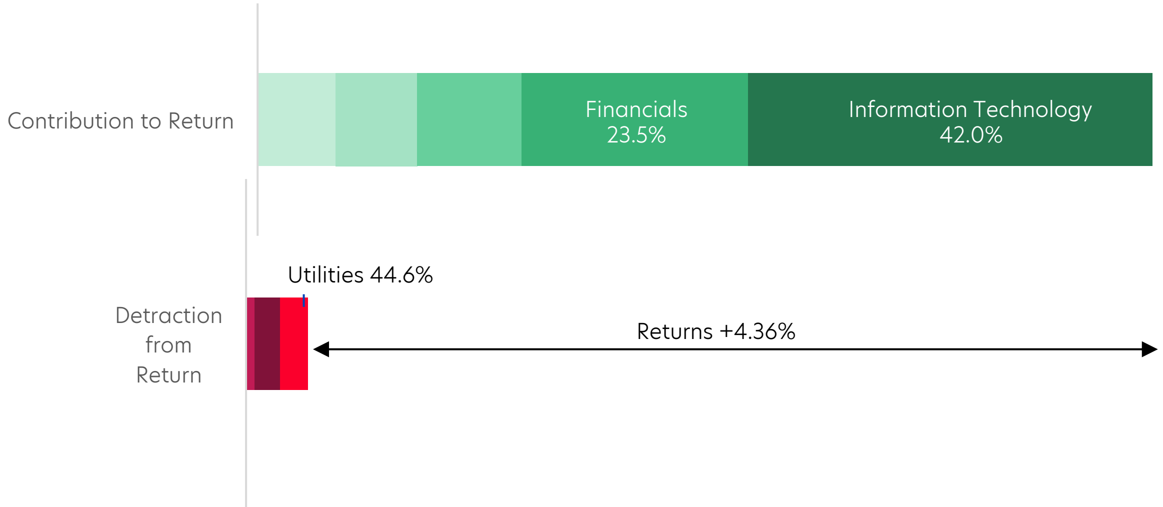
Benchmark: MSCI Golden Dragon Index

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	4.36	-1.45	0.92	4.53	5.24
Fund (Charges applied^)	-0.86	-6.38	-0.79	3.46	5.09
Benchmark	5.26	16.75	3.86	3.34	4.41

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 annualized. Benchmark: MSCI Golden Dragon 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.

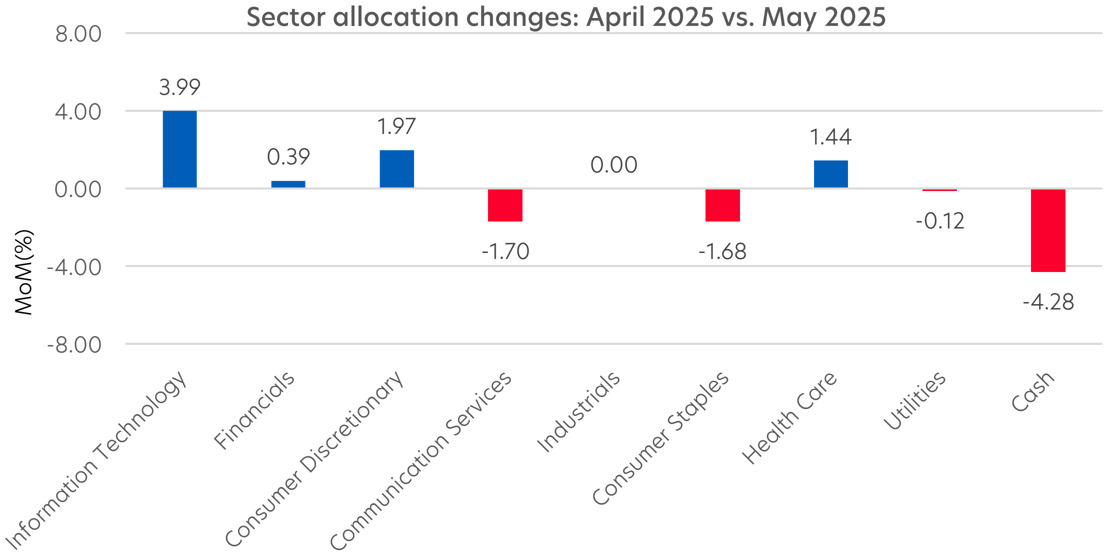
Performance Contributors/Detractors: May 2025

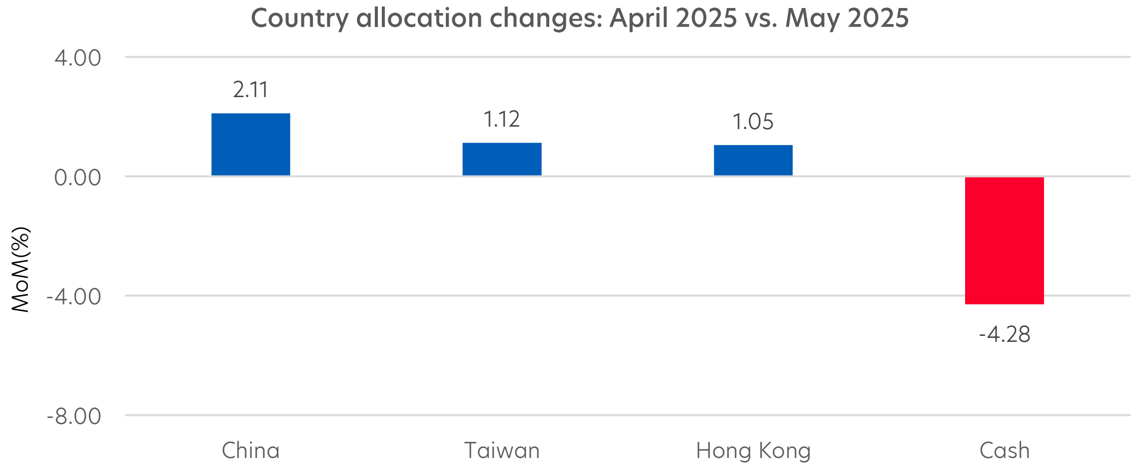


[3] The United Greater China Fund Class A SGD Acc (ISIN Code: SG9999001093) was incepted on 29 May 1997.

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 & AI Insights

In May 2025, we increased **China** allocation while limiting our country bets amidst heightened uncertainty in the market environment.

Despite being in the eye of the global economic storm, China has come out surprisingly well, as recent macro data surprised in a major way to the upside. China has also been the best-performing market in Asia year-to-date, contrary to what many would expect.

On the other hand, **Taiwan** remains underweight. Taiwan is amongst the most open economies in Asia and has been most impacted by the recent tariff war. The Taiwan market has also seen the worst downward revisions in Asia in April 2025. We see opportunities in very specific industries where earnings are still holding up, and we remain vigilant in stock picking in these markets.

Market Review

In the first half of May 2025, the equity market rebounded on easing tariff tensions and supportive signals from the "Stabilising the Market and Expectations" press conference (held by the State Council Information Office). However, in the second half of May 2025, equity indices moved sideways amid a lack of macroeconomic drivers. Sector rotation remained swift throughout May 2025. Among the major broad-based equity indices, the China Securities Index (CSI) 300 rose 1.85 per cent, the Shanghai Composite gained 2.09 per cent, and the ChiNext Index advanced 2.32 per cent.

During the May Day holiday, positive signals emerged from US-China trade negotiations. The Ministry of Foreign Affairs announced that Vice-Premier He Lifeng would meet US Trade Representative Scott Bessent in Switzerland for preliminary talks, boosting sentiment around tariff expectations. On 7 May 2025, three major Chinese ministries held a press conference aimed at stabilising market sentiment. Key outcomes included monetary and regulatory support measures, such as targeted interest rate and reserve requirement ratio cuts. The China Securities Regulatory Commission (CSRC) also released new rules for public mutual funds, which temporarily lifted risk appetite in the market. Subsequently, on 12 May 2025, the US and China issued a joint statement announcing the suspension of all additional reciprocal tariffs imposed since April 2025, retaining only a 10 per cent baseline tariff. With most of the positive news largely priced in, the market shifted to high-level consolidation and accelerated sector rotation. Meanwhile, the new mutual fund regulations sparked concerns that active equity funds may adjust holdings to better match performance benchmarks. In addition, broader economic concerns persisted. The Manufacturing Purchasing Managers' Index (PMI) for April 2025 declined more than expected, beyond seasonal norms, and the drag from earlier tariffs had yet to fully materialise. These factors weighed on expectations for a fundamental recovery. At month-end, a US International Trade Court ruling declared the Trump-era tariffs overreaching, though the Federal Appeals Court temporarily halted implementation. The renewed uncertainty around US tariff policy once again pressured market risk appetite.

In terms of sector Performance in May 2025, Environmental Protection gained +6.83 per cent, Pharmaceuticals & Biotech rose +6.42 per cent, and Defence & Military advanced +6.34 per cent. These sectors led the market, buoyed by domestic demand resilience following the tariff shock. Technology and real estate underperformed. The environmental sector benefited from policy upgrades by the Ministry of Ecology and Environment, alongside China's push toward green development. Defensive assets such as Utilities and Waste-to-energy operations attracted long-term capital due to their stable cash flows and growth prospects. In pharmaceuticals, innovative drug companies stood out with strong research and development pipelines and exclusive products under a centralised procurement policy, highlighting market preference for innovation-driven, policy-resilient plays. The defence sector was bolstered by the better-than-expected performance of Chinese military equipment during border tensions between India and Pakistan. Overall, May 2025 marked a shift from an offensive to a defensive posture. Capital flowed into low-volatility assets, driven by policy support, risk aversion, and event-based factors.

Investment Objective

The investment objective of the Greater China Fund is to achieve long-term capital growth primarily through investment in companies with assets or revenues being in or derived from the People's Republic of China, Hong Kong SAR and Taiwan.

Fund Information

Morningstar Rating	Base Currency	Fund Size	Fund Manager
★★★★★	SGD	SGD 59.91 mil	Colin Ng

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