



### 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<sup>1</sup>. 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 2024.

### May 2024 Portfolio Performance

United Greater China Fund A SGD Acc	-0.69 per cent <sup>2</sup>
Benchmark: MSCI Golden Dragon Index	+2.53 per cent

Source: Morningstar, Performance from 30 April 2024 to 31 May 2024 in SGD terms

<sup>2</sup> 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 2024, primarily due to selection and allocation effects. Stock selection within Information Technology, Industrials, and Financials were the biggest detractors, while Consumer Discretionary and Consumer Staples were the largest outperformers.

In terms of country, selection in China and Taiwan was the primary drag relative to the benchmark in May 2024.

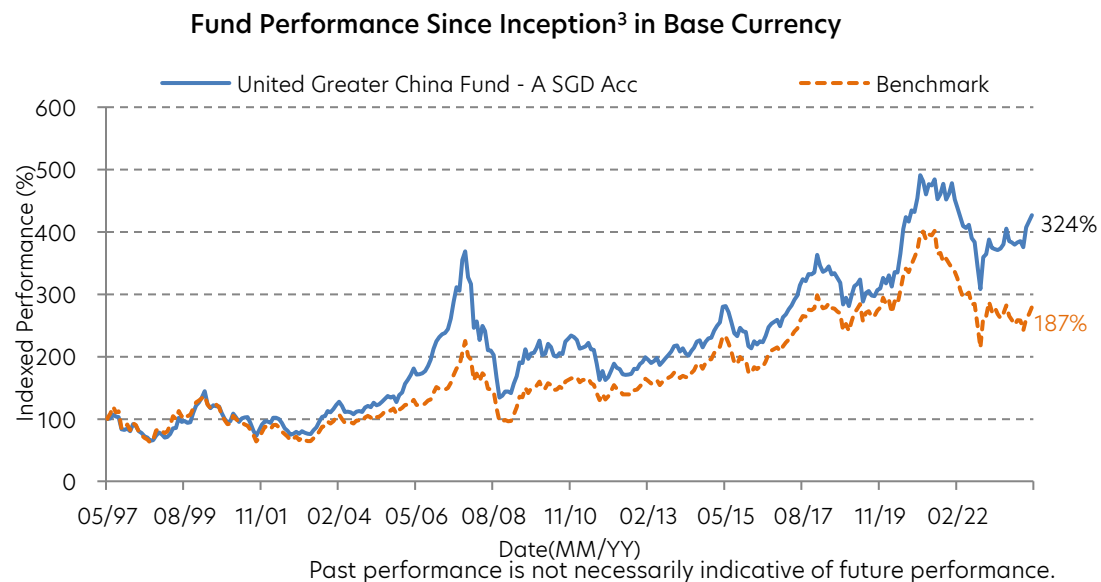
### Portfolio Positioning

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.

We remain cognizant of key risks in the market such as US/China/Taiwan geopolitics in view of upcoming US elections, China’s macroeconomic recovery and the US interest rate trajectory.

<sup>1</sup> Refer to [uobam.com.sg/awards](http://uobam.com.sg/awards) for list of awards by UOBAM.

### Performance (Class A SGD Acc)



Fund performance is calculated on a NAV to NAV basis.

Benchmark: MSCI Golden Dragon Index

Source: Morningstar. Performance as at 31 May 2024, SGD basis, with dividends and distributions reinvested, if any.

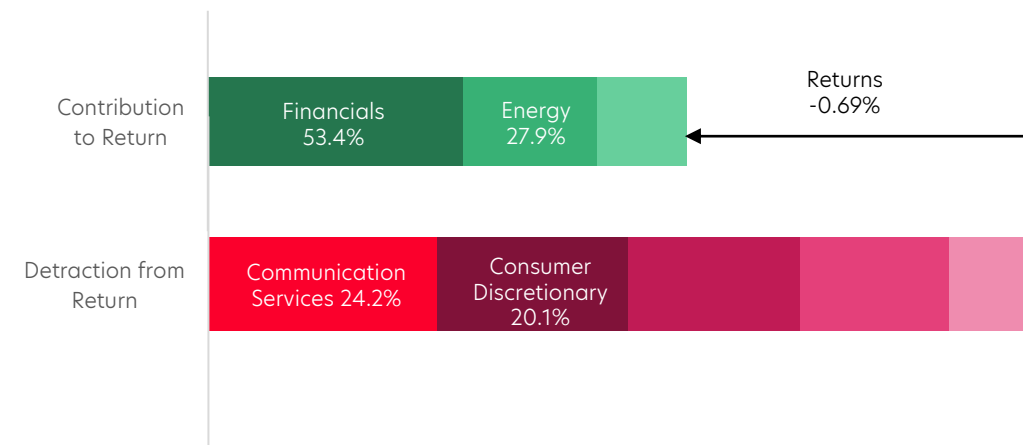
<sup>3</sup> The United Greater China Fund Class A SGD Acc (ISIN Code: SG9999001093) was inceptioned on 29 May 1997.

All statistics quoted in the write-up are sourced from Bloomberg as at 31 May 2024 unless otherwise stated.

	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	-0.69	13.52	-3.67	8.03	5.49
Fund (Charges applied <sup>^</sup> )	-5.65	7.84	-5.31	6.92	5.34
Benchmark	2.53	9.75	-10.08	2.26	3.98

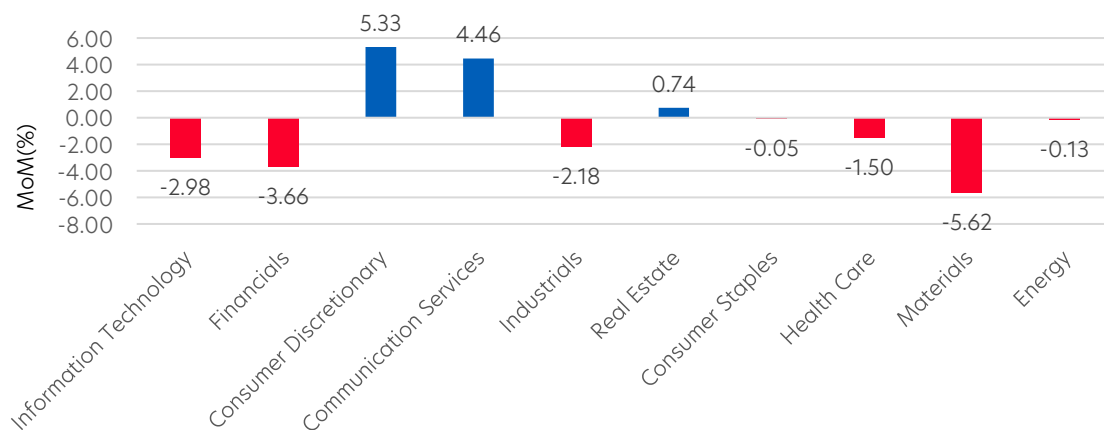
Source: Morningstar. Performance as at 31 May 2024, SGD basis, with dividends and distributions reinvested, if any. Performance figures for 1 month till 1 year show the per cent change, while performance figures above 1 year show the average annual compounded returns. Since inception performance under 1 year is not annualized. Benchmark: MSCI Golden Dragon Index. 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 2024

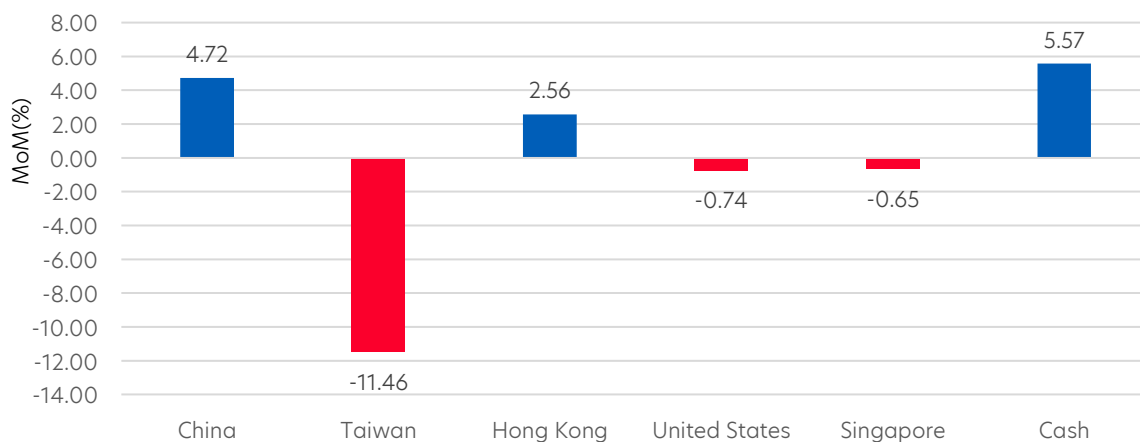


## Portfolio Changes

Sector allocation changes: April 2024 vs. May 2024



Country allocation changes: April 2024 vs. May 2024



Source: UOBAM

## Portfolio Review

### Analyst & AI Insights

In May 2024, our proprietary machine-learning model recommended overweight China funded by trimming both Hong Kong and Taiwan allocations.

In China, the central government and the People's Bank of China (PBoC) have explicitly encouraged local governments to step in as the buyer of last resort to sock up property sector inventory. We view this as a policy inflection point that could drive improvement in the property sector. Even though the recent rally was largely driven by foreign inflows, global investor positioning in Chinese equities remains low. In addition, valuation is still very attractive compared to the historical average and global equity markets.

In terms of sector allocation, we increased exposure to China Financials on the back of improving macroeconomic conditions. Besides being a high-dividend play, further policy easing in the property sector should help with risk containment for the financial sector.

## Market Review

In May 2024, China's A-share index moved lower. The Shanghai Composite Index fell by 0.58 per cent, the Shanghai Stock Exchange (SSE) 50 Index fell by 0.08 per cent, the China Securities Index (CSI) 300 fell by 0.68 per cent, and the ChiNext Index fell by 2.87 per cent in Chinese yuan renminbi (CNY) terms. During early May 2024, China's equity market continued the uptrend from April 2024. However, factors such as weaker-than-expected economic data, fluctuations in global commodity prices, and stricter stock exchange regulations caused the equity market to reverse by mid-month. Overall, there was a significant difference in market performance between the first and second halves of May 2024, impacting the Fund's overall performance.

Industry performance was mixed with the market mainly focusing on leading companies with low valuations, high dividend yields, and improved cash flow. As a result, high dividend-yield sectors such as coal and banking led gains. Additionally, sectors benefiting from favourable industrial policies such as defence, real estate, power, and power equipment also performed relatively well. On the other hand, media, computers, and communications, experienced larger declines in May 2024 due to pessimistic sentiments.

The nationwide real estate policies announced on 17 May 2024 lifted the expectations of economic stabilisation in the near term. However, with the release of more policy details and high-frequency economic data, there was a significant divergence in the market views. The market remained defensive with the lower trading volume, leading to significant pullbacks in stocks later in May 2024. The Shanghai Composite Index closed below 3100 points at the end of May 2024. Further stimulus from industrial policies and monetary easing will be needed to reverse the market's pessimistic outlook on the economy and stabilise the equity market around the 3100-point mark.

## 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**  
SGD

**Fund Size**  
SGD 62.86 mil

**Fund Manager**  
Colin Ng



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