

March 2025

United Greater China Fund



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 Years¹. 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 March 2025.

March 2025 Portfolio Performance

United Greater China Fund A SGD Acc	-1.32 per cent ²
Benchmark: MSCI Golden Dragon Index	-3.30 per cent

Source: Morningstar, Performance from 28 February 2025 to 31 March 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 outperformed its benchmark in March 2025, but delivered a negative return. Consumer Discretionary, Healthcare and Information Technology were the main return contributors, while Materials, Communication Services and Financials were the biggest detractors.

In terms of country, China overweight and Taiwan underweight were the main return contributors, while the excellent stock selection in Taiwan also contributed positively. On the flip side, Hong Kong stock selection was the primary negative return contributor.

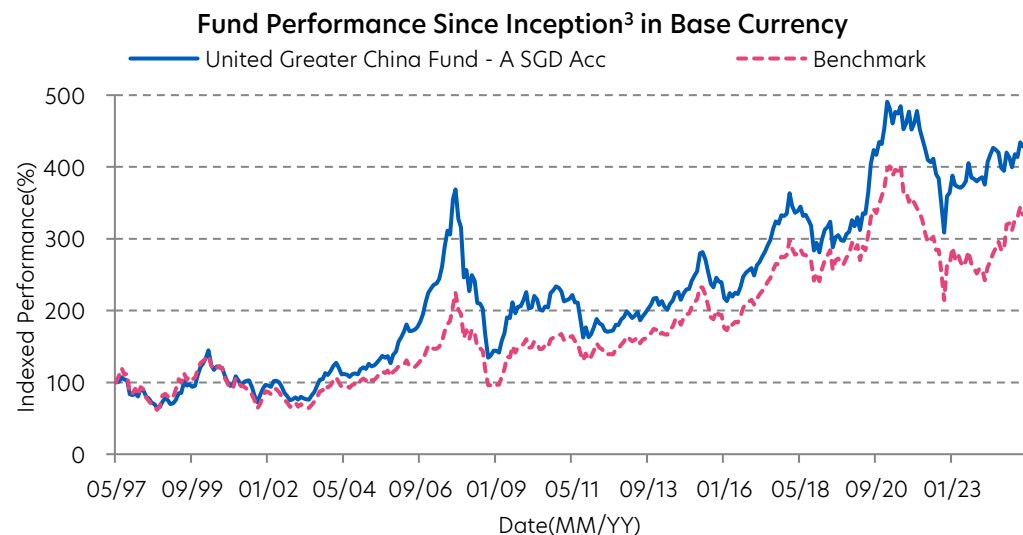
Portfolio Positioning

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)



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 March 2025, SGD basis, with dividends and distributions reinvested, if any.

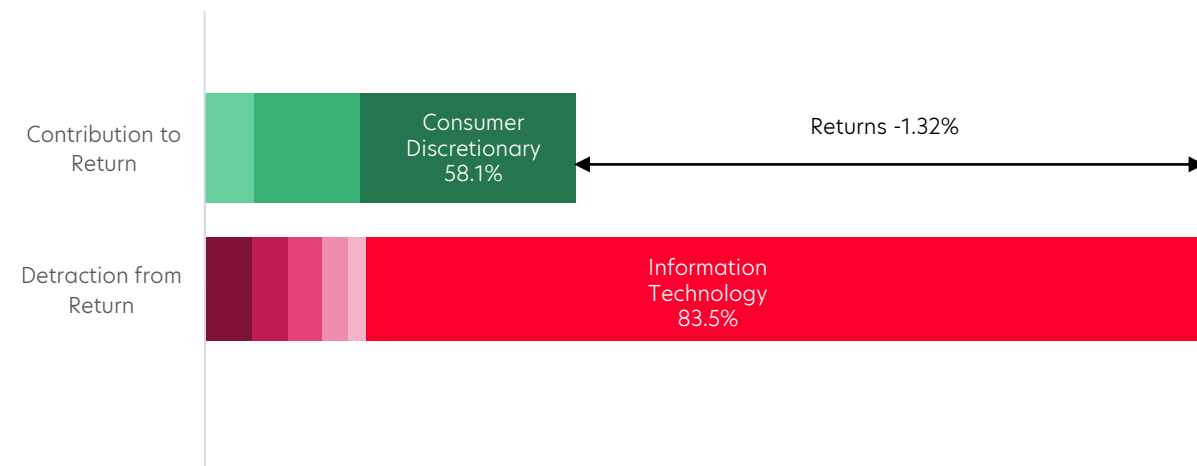
³ The United Greater China Fund Class A SGD Acc (ISIN Code: SG9999001093) was inceptioned on 29 May 1997.

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

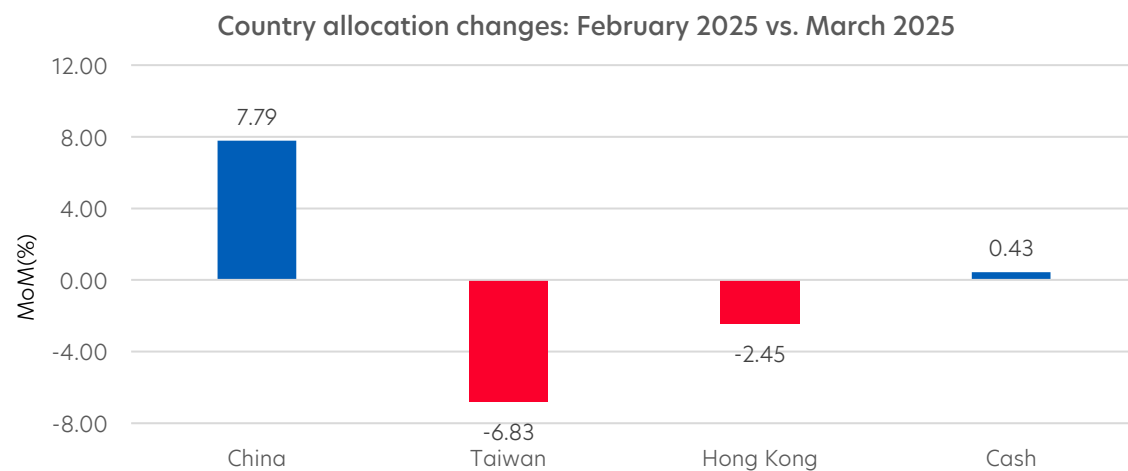
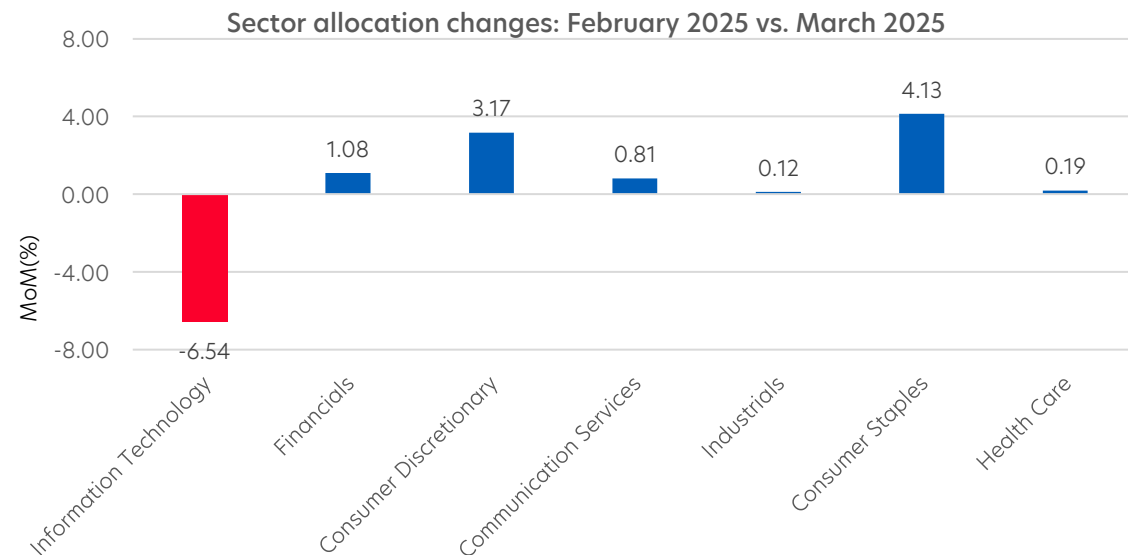
	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	-1.32	2.76	0.34	6.53	5.37
Fund (Charges applied [^])	-6.25	-2.38	-1.36	5.44	5.21
Benchmark	-3.30	24.19	2.75	4.27	4.42

Source: Morningstar. Performance as at 31 March 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: March 2025



Portfolio Changes



Source: UOBAM

Portfolio Review

Analyst & AI Insights

In March 2025, we increased **China's** overweight, funded by underweighting **Taiwan**.

The China equities were supported by the revaluation of AI stocks after DeepSeek's low-cost, high-performance model surprised the market, and the generous budget from the China National People's Congress (NPC) signalled continued policy support with the potential to upsize should the external environment worsen. Nevertheless, we remain cautious of escalation on the trade front but believe that China is more prepared to handle trade tension after the experience they gained from 6 years ago.

In terms of sector allocation, we have reduced exposure to export-oriented companies and reallocated capital into domestically focused companies that are less affected by tariffs.

Meanwhile, President Trump's policy direction in the 10 weeks since inauguration has led to widespread concerns over US growth and inflation. The DeepSeek moment exacerbated the sell-off in the US equities as AI trade faded. Taiwan semiconductor companies, which are along the supply chain to US AI firms, suffered the same fate with foreign capital withdrawing in substantial volume. We see this trend continuing as the Chinese AI supply chain gains at the expense of the US/Taiwan AI supply chain.

Market Review

In March 2025, China's equity market pulled back after a strong rally. Given the significant gains from earlier, the technology sector experienced corrections, while the cyclical and consumer sectors performed better. The broad market indices had mixed results in March 2025, with the China Securities Index (CSI) 300 falling by 0.07 per cent, the Shanghai Composite Index rising by 0.45 per cent, and the ChiNext Index dropping by 3.07 per cent.

At the beginning of March 2025, high valuations in the AI sector and reigniting tariff disruptions saw investors turning risk-averse. The market became volatile and corrected the positive sentiment within a short period of time. Later, the government work report set a positive tone by maintaining an optimistic economic growth target and ramping up fiscal measures as expected. "Boosting consumption" is becoming the primary task for 2025. The emphasis on developing new productivity growth engines laid a solid macroeconomic foundation, and global investors' confidence in Chinese assets improved, leading to a broader revaluation of Chinese assets, ranging from technology to cyclical sectors. By mid-March 2025, the release of macroeconomic data alongside the upcoming earnings season saw the market entering a "reality-check" phase. As fundamentals improve and policy support increases, the market seeks low-valuation stocks with strong earnings potential.

Globally, trade tensions between the US and Europe escalated in March 2025. The US Federal Reserve (Fed) kept its benchmark interest rate steady in the March meeting, but the rising expectations of a US recession led to heightened risk aversion. US stocks declined in March 2025, while gold and US Treasuries (UST) rose. On 12 March 2025, the US imposed a 25 per cent tariff on steel and aluminium imports from the European Union (EU), and on the same day, the EU announced retaliatory tariffs on \$26 billion worth of US goods. On 19 March 2025, the Fed held its policy meeting, keeping the policy rate unchanged, announcing a plan to slow the reduction of its balance sheet starting from April 2025 and lowering the pace of UST sales to \$5 billion per month. Regarding economic forecasts, the Fed downgraded its growth expectations for 2025, raised unemployment and inflation forecasts, and the dot plot indicated reduced expectations for rate cuts in 2025.

At the industry level, the market was more volatile in the first half of March 2025 before restoring stability in the second half. Sectors such as non-ferrous metals, home appliances, and coal performed well. In March 2025, global risk aversion, alongside geopolitical factors driven by President Trump, led to increased demand for safe-haven assets and a shift to gold. Strategic metals, being scarce upstream resources, became an important "leverage" in the US-China trade negotiation. The home appliance sector saw short-term improvement driven by domestic policy support and export frontloading. In addition, stable operations and solid performance during earnings releases led to the market's short-term preference for this sector. In early March 2025, the coal sector was the worst-performing sector year to date. However, improved economic expectations saw a rotation into oversold coal stocks and drove a rebound in the sector.

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 62.56 mil

Fund Manager
Colin Ng



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