

October 2024

UOBAM Ping An ChiNext ETF



Why Invest?

- **Opportunities across multiple sectors:** UOBAM Ping An ChiNext ETF SGD Class (the "Fund") seeks a wide range of innovative growth companies and sectors that may stand to ride on the materialisation of the megatrends of the future. This includes Electric Vehicles (EV), Clean Energy, Biotechnology and Cloud Computing.
- **Exposure to leading innovations:** China leads in 5G/6G telecommunications and has a dominant global market share in EV, EV supply chain (including batteries), renewable energy such as solar and wind, and Artificial Intelligence (AI) development.
- **Pro-growth policy support:** To reduce its reliance on foreign technologies, China is developing its technology capabilities and is shifting its focus from consumer-focused tech to hard tech¹. China has also pledged to scale up R&D investments, raising over 1,700 government guidance funds of nearly US\$1 trillion² to support strategic industries.
- **Cheap valuations:** China's equity market is currently trading at a relatively low valuation and the Price-to-Earnings (PER) ratio as of the end of October 2024 was about one standard deviation below its 5-year historical mean.

October 2024 Portfolio Performance

UOBAM Ping An ChiNext ETF SGD Class	-5.95 per cent ³
Benchmark: ChiNext Index	+1.27 per cent

Source: Morningstar, Performance from 30 September 2024 to 31 October 2024 in SGD terms

³ Fund performance is on a Net Asset Value ("NAV") basis, with dividends and distributions reinvested (if any).

Performance Review

On ChiNext Index industry performance in October 2024, gains were led by Information Technology, Financials and Communication Services. On the flip side, Healthcare was the primary laggard, followed by Consumer Staples and Industrials.

Portfolio Positioning

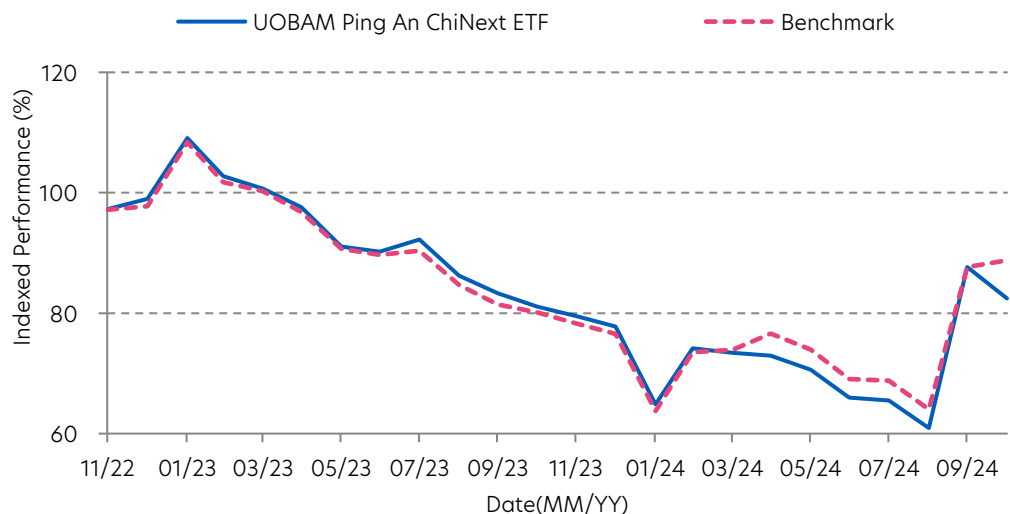
We remain optimistic about the fundamentals and prospects of China A shares. We view the September (2024) stimulus package as a policy pivot, which highlighted the government's commitment and urgency to turn around the economy. Nevertheless, we could see more volatility going forward induced by Trump's presidency and his potential negative policies on China. We will continue to monitor domestic policy announcements and implementation.

¹ Hard tech refers to tech that requires continuous research and development (R&D) and advanced scientific and technological capabilities. It includes sectors such as semiconductors, new energy vehicles, renewable energy generation and healthcare.

² American Affairs, "Guiding Finance: China's Strategy for Funding Advanced Manufacturing", May 2022.

Performance (Class SGD)

Fund Performance Since Inception⁴ in Base Currency



Past performance is not necessarily indicative of future performance.

Fund performance is calculated on a NAV to NAV basis.

Benchmark: ChiNext Index

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

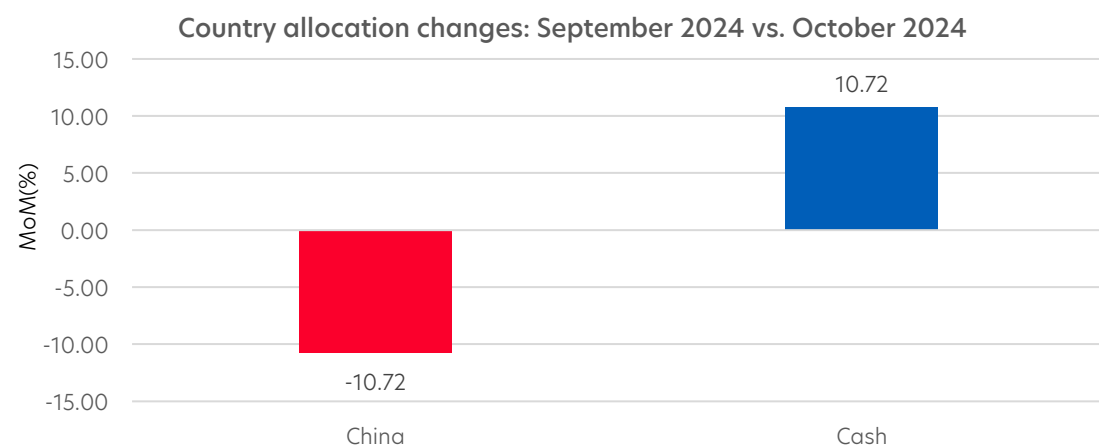
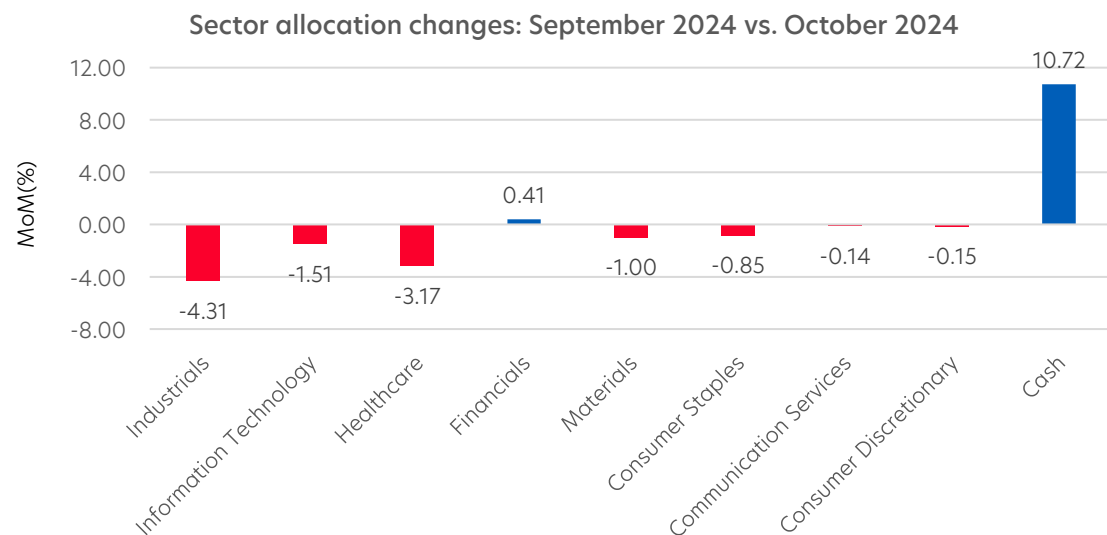
	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	-5.95	1.70	-	-	-9.35
Fund (Charges applied [^])	-5.95	1.70	-	-	-9.35
Benchmark	1.27	10.77	-	-	-5.89

Source: Morningstar. Performance as at 31 October 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: ChiNext 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.

⁴ The UOBAM Ping An ChiNext ETF - Class SGD (ISIN Code: SGXC54700155) was inceptioned on 14 November 2022.

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

Portfolio Changes



Portfolio Review

Analyst Insights

As shown on the left charts, the biggest decrease in the sector allocation changes for October 2024 was in Industrials (-4.31 per cent). On the contrary, the largest increase was in Financials (+0.41 per cent).

Market Review

The equity market has experienced a rally followed by a pullback, with narrow fluctuations at high levels. Small-cap stocks were active in October 2024 with accelerated sector rotations. In early October 2024, the market quickly tested mid-to-high levels before entering a period of narrow-range consolidation. Overall market sentiment had cooled slightly, but compared to the pre-rally average daily turnover of 500 billion CNY, there has been a noticeable improvement, with daily turnover in October 2024 consistently around 1.5 trillion CNY.

Structurally, loose liquidity and expectations of mergers and acquisitions have kept small-cap stocks active. On the other hand, self-sufficiency concept stocks have gained strength under the US-China confrontation narrative, while sectors such as real estate, debt reduction, and consumption, which may benefit from a policy shift, have seen rapid rotation. Overall, sentiment in the market remained relatively high in October 2024, but the market is still in a policy waiting period before confirming the main direction.

With the US presidential election in early November 2024, and domestic policy entering a waiting phase, the focus continued to be on the US election since October 2024. The race between Trump and Harris was close, causing continued disruption to asset prices. Domestically, following the policy shift at the end of September 2024, various ministries held press conferences in October 2024 to announce the implementation and plans of incremental policies, continuously guiding market policy expectations. However, the core focus remains on the strength and direction of fiscal policy, which still hinges on subsequent meetings of the National People’s Congress Standing Committee, the Political Bureau at the end of 2024, and the Central Economic Work Conference.

Looking ahead, market volatility will continue. Priority should be given to “self-sufficiency” concept stocks while waiting for the policy direction. The US presidential election and the Standing Committee meeting of the National People's Congress will be held at the beginning of November 2024, which will clear the uncertainties. The realization of these expectations will drive a new round of sector rotation, and market volatility is expected to increase. The end of the year represents a critical window for domestic policies. The overall tone of the policy shift will set the support for the market downside, while the absence of a quick improvement in the economic fundamentals limits the market upside. As a result, we expect trading to be rangebound.

Investment Objective

The investment objective of UOBAM Ping An ChiNext ETF is to provide investment results that, before fees, costs and expenses (including any taxes and withholding taxes), closely correspond to the performance of the ChiNext Index.

Fund Information

Base Currency	Fund Size	Fund Manager
SGD	SGD 2.76 mil	Colin Ng



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