August 2025

United Sustainable Asia Top-50 Fund

UOB Asset Management

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 (34.59 per cent as of August 2025). With drivers such as improved corporate governance and positive earnings, we believe Japan's equity market will continue to have upside potential.

• **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.

August 2025 Portfolio Performance

The United Sustainable Asia Top-50 Fund – Class A SGD Acc	+1.83 per cent[1]
Benchmark: MSCI All Country Asia Index	+1.93 per cent

Source: Morningstar, Performance from 31 July 2025 to 31 August 2025 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 slightly underperformed its benchmark in August 2025, but still delivered a positive return.

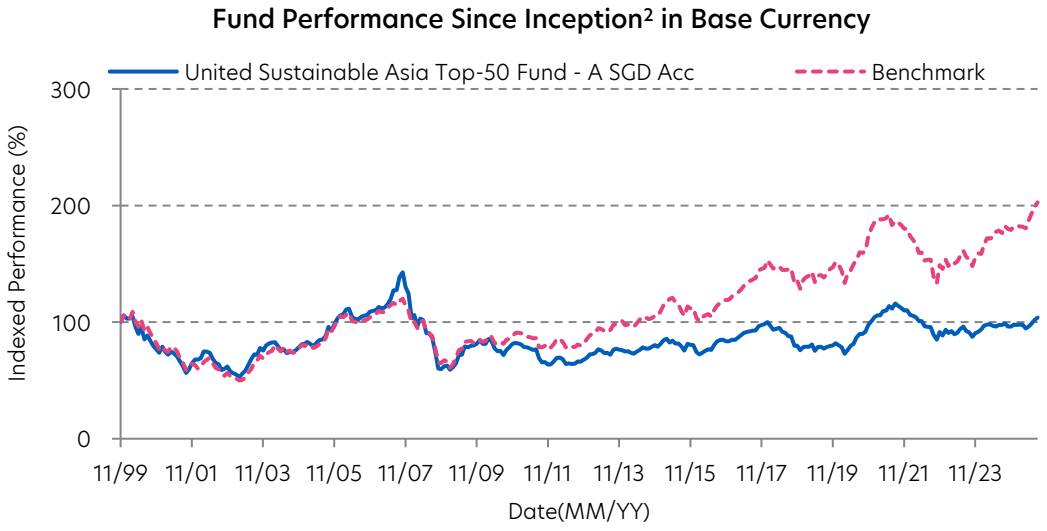
Positive allocation in India and Taiwan was the main contributor to the performance. In terms of sector, Real Estate and Consumer Discretionary were the primary contributors.

Portfolio Positioning

We retained an overweight position in China and Hong Kong, while turning overweight in Taiwan. In Taiwan, after the release of the second-quarter 2025 (2Q25) result, we saw upward revisions to earnings in 2025, which were concentrated in AI-related sectors. We are positive on AI as an ongoing theme and the robotics sector in the longer term. We also view national defence as an opportunity in Taiwan, as the country raised its national defence budget to 5 per cent of Gross Domestic Product (GDP) by 2030. In Korea, we expect domestic demand to sustain a modest recovery, driven by the implementation of a supplementary budget and improvement in consumer sentiment. Although Korea remains the top-performing market in Asia year-to-date (YTD), the initial enthusiasm over reforms is priced in, hence we would remain underweight. In India, we moved to underweight as valuations are unattractive against growing downside risks to GDP growth. Risk from trade disruptions remains in focus, but the impact on economic data might only be felt from September 2025 onwards.
Within ASEAN (The Association of Southeast Asian Nations), we are overweight in Singapore, as upside risks could rise from a more persistent-than-expected AI-related demand; however, we are cognizant of downside risks that may stem from a sharper-than-anticipated drag on exports and production in the second half of 2025 (2H25) due to post-front-loading adjustments.

Key risk to our cautious outlook continues to be tariff overhangs/export controls that will be disruptive to exports and investments in the region, as well as geopolitical uncertainties.

Performance (Class A SGD Acc)



Past performance is not necessarily indicative of future performance.

Fund performance is calculated on a NAV to NAV basis.

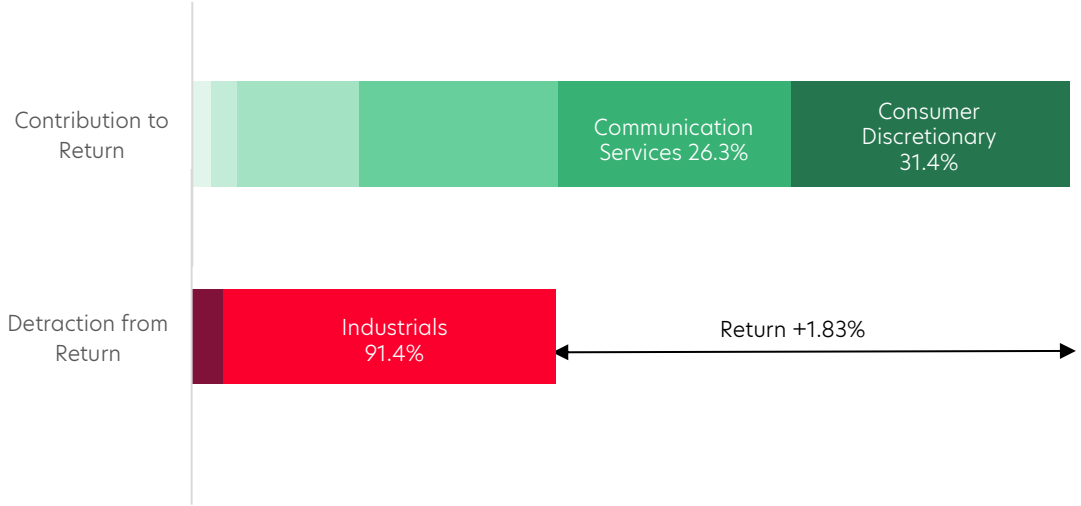
Benchmark: Since Inception – 30 September 2020: MSCI All Country Far East Index; 1 October 2020–Present: MSCI All Country Asia Index

Source: Morningstar. Performance as at 31 August 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	1.83	6.50	2.75	2.92	0.15
Fund (Charges applied^)	-3.27	1.18	1.01	1.87	-0.07
Benchmark	1.93	14.88	9.70	4.88	2.78

Source: Morningstar. Performance as at 31 August 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. 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.

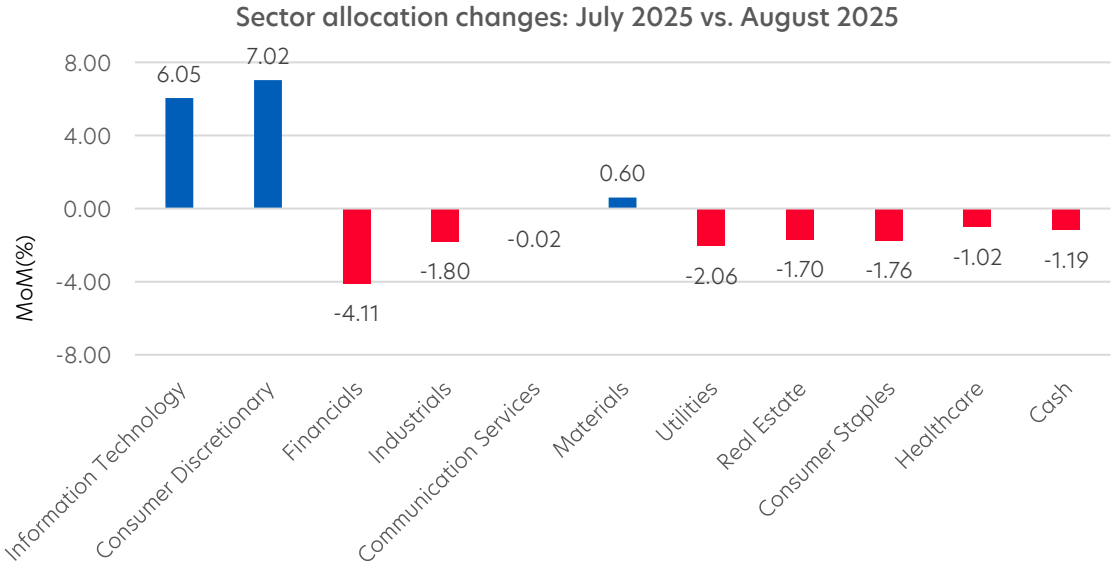
Performance Contributors/Detractors: August 2025

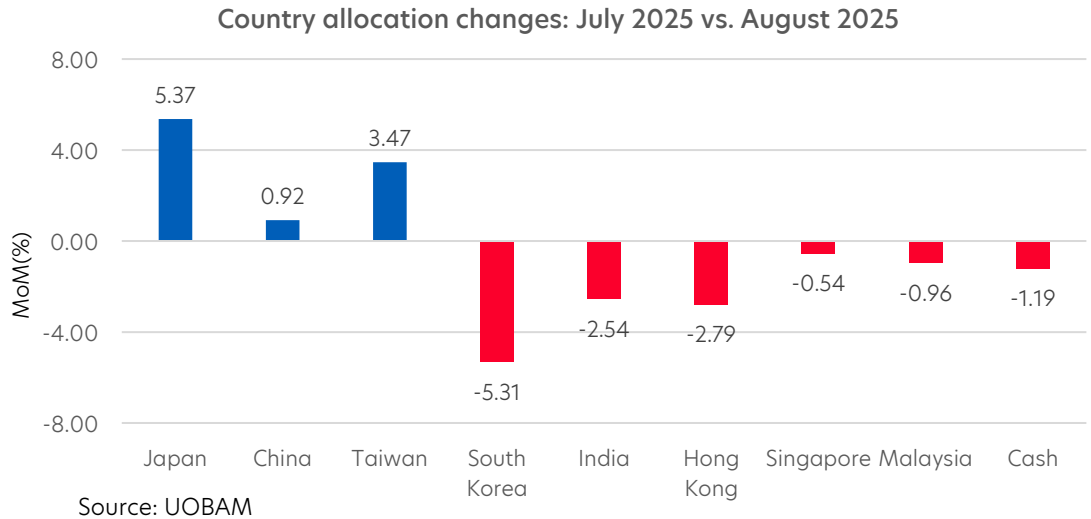


[2] The United Sustainable Asia Top-50 Fund – Class A SGD (Acc) (ISIN Code: SG9999001226) was incepted on 26 November 1999, and converted to an ESG (Environmental, Social, and Governance) fund on 1 October 2020.

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

Portfolio Changes





Source: UOBAM

Portfolio Review

Analyst Insights

In August 2025, we saw a correction in the Asia market after staging a rebound in July 2025. Notably, the **South Korean** and **Taiwan** markets took a breather from their rally in July 2025, losing -2.6 per cent and -1.9 per cent, respectively. The **Singapore** market emerged as the greatest gainer of 5.8 per cent in Asia. We believe tariff-related uncertainty is a catalyst for performance pick-up across Asia.

We continue to adopt an overweight positioning in the **China** and **Hong Kong** market and raised our exposure to Taiwan during the recent rebalancing, specifically in the Information Technology sector.

As shown in the left charts, the biggest increase in the sector allocation changes for August 2025 was in Consumer Discretionary (+7.02 per cent). On the contrary, the largest decrease was in Financials (-4.11 per cent). In terms of country allocation changes, the Fund had the highest increase in Japan (+5.37 per cent) and the highest decline in South Korea (-5.31 per cent) for August 2025.

Market Review

Global equities gained 1.34 per cent (MSCI AC World Index, in SGD terms) in August 2025, while Asia ex-Japan equities were flat at -0.02 per cent. Among the Asia ex-Japan markets, mixed performance was observed with Singapore and China markets being the greatest gainers, while India was again amongst the laggards.

The **Chinese market** gained 3.7 per cent in August 2025, outperforming by some distance on optimism over its economy and a push by Beijing to use domestically developed technology, despite economic data that pointed to a slowdown in growth. Official manufacturing Purchasing Managers' Index (PMI) was 49.4 in August 2025, compared with the consensus 49.5, following 49.3 in the prior month. That marks the fifth straight month in contraction territory. Production logged slightly stronger growth, while declines in new orders and exports eased marginally. Several business-related sectors remained above 60, while capital markets topped 70 (consistent with equity market strength).

The **Hong Kong market** gained 1.4 per cent in August 2025 as healthcare and innovative drugs outperformed, while properties, mainland banks and technology stocks were all lower. The Hong Kong market was taking cues from the mainland, which has seen increased volatility after a liquidity-fueled rally that pushed the benchmark Shanghai Composite to a decade peak towards the end of August 2025. In the property sector, we saw several property stocks surge as Shanghai authorities eased home-buying rules.

The **Taiwanese market** lost -1.9 per cent in August 2025 as Taiwan's overall reading reflected subdued external demand from a weaker global economy. Output, new orders fell, although at a softer pace than in July 2025. US tariff uncertainty also led to greater client hesitation to commit to new projects. Further, in August 2025, the Taiwan dollar sank to a three-month low (against the US dollar), which weakened around 2 per cent on heavier-than-normal equity outflows as technology stocks sold off, caused by heavy US dollar hedging from the insurance companies.

Indian markets lost -3.4 per cent in August 2025 as market discussions centred on headwinds over additional 25 per cent US tariffs and elevated valuations, making them less appealing compared with other emerging market peers. On another development, Prime Minister Ishiba announced that Japan will unveil plans to invest 10 trillion yen ($68 billion) to deepen bilateral business ties with India over the next 10 years. Investments aimed to support Japanese companies in fields such as AI and semiconductors expand into India.

The **Singapore market** gained 5.8 per cent in August 2025. The August PMI suggested a clear outperformance of the electronics sector compared to the non-electronics sector. Higher readings in the subindices for new export orders are indicative of resilient end-demand in Singapore. This is likely due to a combination of 1) lingering front-loading activity in anticipation of potential US sector-specific tariffs on semiconductors and 2) structural AI-related demand from the US.

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

Base Currency	Fund Size	Fund Manager
SGD	SGD 29.27 mil	Victor Wong

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