May 2025

UOBAM Ping An ChiNext ETF

UOB Asset Management

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 tech[1]. China has also pledged to scale up R&D investments, raising over 1,700 government guidance funds of nearly US$1 trillion[2] 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.

May 2025 Portfolio Performance

UOBAM Ping An ChiNext ETF SGD Class	+1.87 per cent[3]
Benchmark: ChiNext Index	+2.27 per cent

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

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

Performance Review

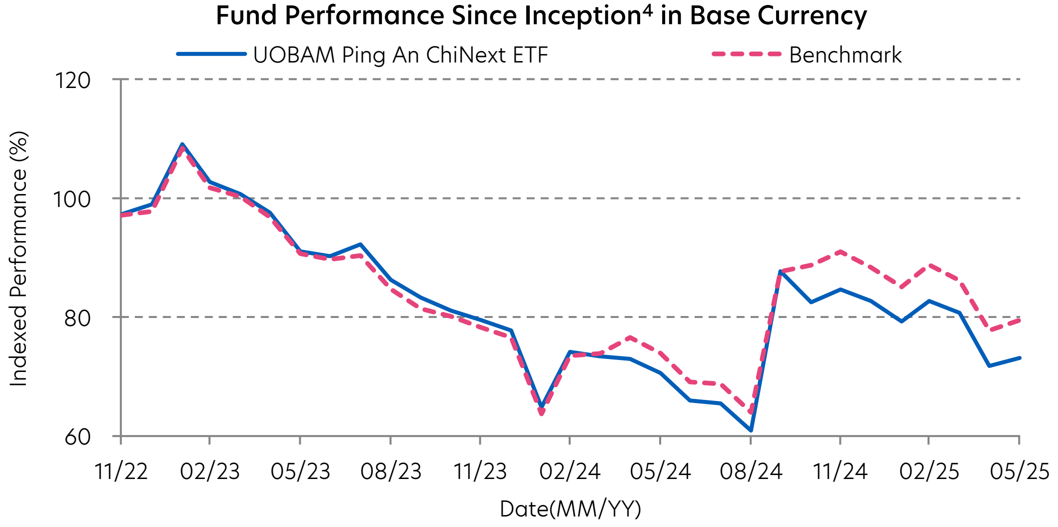
ChiNext Index rose in May 2025, primarily led by Industrials and Healthcare. On the other hand, Materials, Information Technology and Financials were the key laggards.

Portfolio Positioning

We remain optimistic about the fundamentals and prospects of China A shares. We view the September (2024) stimulus package and December (2024) Politburo meeting as a policy pivot, which highlighted the government's commitment and urgency to turn around the economy. In addition, DeepSeek's launch of a low-cost, high-performance AI model is expected to lift the valuation discount on Chinese AI players and drive rerating in Chinese AI companies. The China-US trade agreement marks a significant de-escalation in geopolitical tension, though uncertainty remains on the timing of a final trade deal.

[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)



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

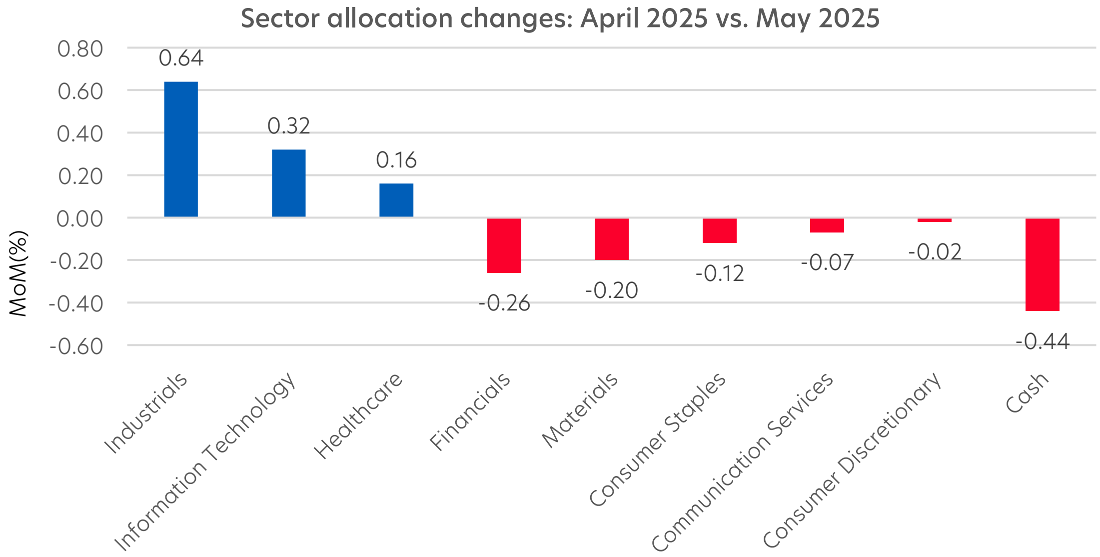
	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	1.87	3.62	-	-	-11.57
Fund (Charges applied^)	-3.22	-1.56	-	-	-13.34
Benchmark	2.27	7.54	-	-	-8.62

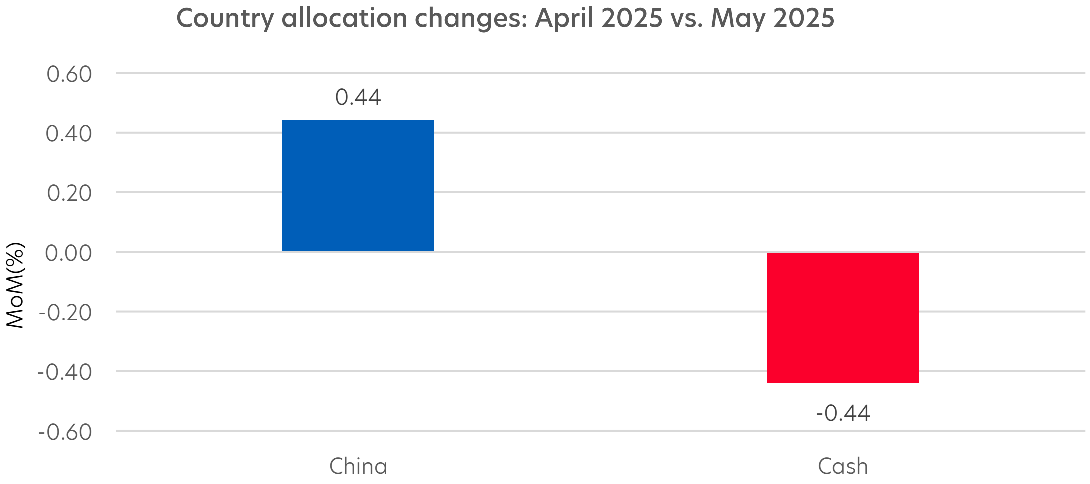
Source: Morningstar. Performance as at 31 May 2025, SGD basis, with dividends and distributions reinvested, if any. Performance figures for 1 month till 1 year show the per cent change, while performance figures above 1 year show the average annual compounded returns. Since inception performance under 1 year is not annualized. Benchmark: 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 incepted on 14 November 2022.

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 Insights

As shown in the left charts, the largest increase in the sector allocation changes for May 2025 was in Industrials (+0.64 per cent). On the contrary, the largest decrease was in Financials (-0.26 per cent).

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 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 2.09 mil	Colin Ng

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