April 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.

April 2025 Portfolio Performance

UOBAM Ping An ChiNext ETF SGD Class	-11.02 per cent[3]
Benchmark: ChiNext Index	-9.77 per cent

Source: Morningstar, Performance from 31 March 2025 to 30 April 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 declined in Apr 2025, and all sectors were in red. The biggest drag came from Industrials, followed by Information Technology and Healthcare. The market experienced a sharp sell-off in early April 2025 when President Trump announced the "reciprocal tariffs". Risk-off sentiment continued as China and the US escalated the trade war with additional retaliatory tariffs. Investors rushed to offload export-oriented companies in the ChiNext Index as US tariffs reached embargo level (145 per cent).

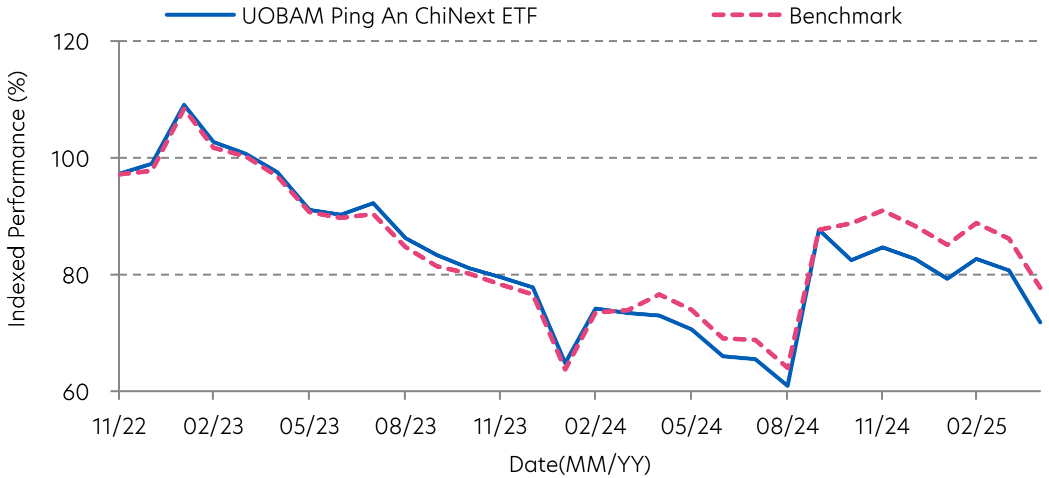
Portfolio Positioning

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)

Fund Performance Since Inception[4] 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 30 April 2025, SGD basis, with dividends and distributions reinvested, if any.

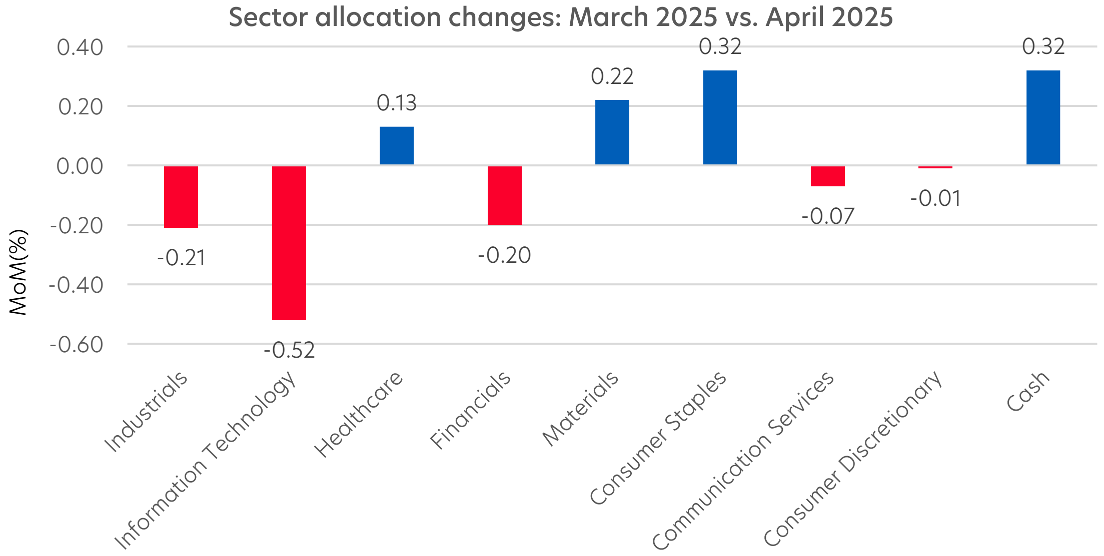
	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	-11.02	-1.59	-	-	-12.61
Fund (Charges applied^)	-15.47	-6.51	-	-	-14.41
Benchmark	-9.77	1.50	-	-	-9.74

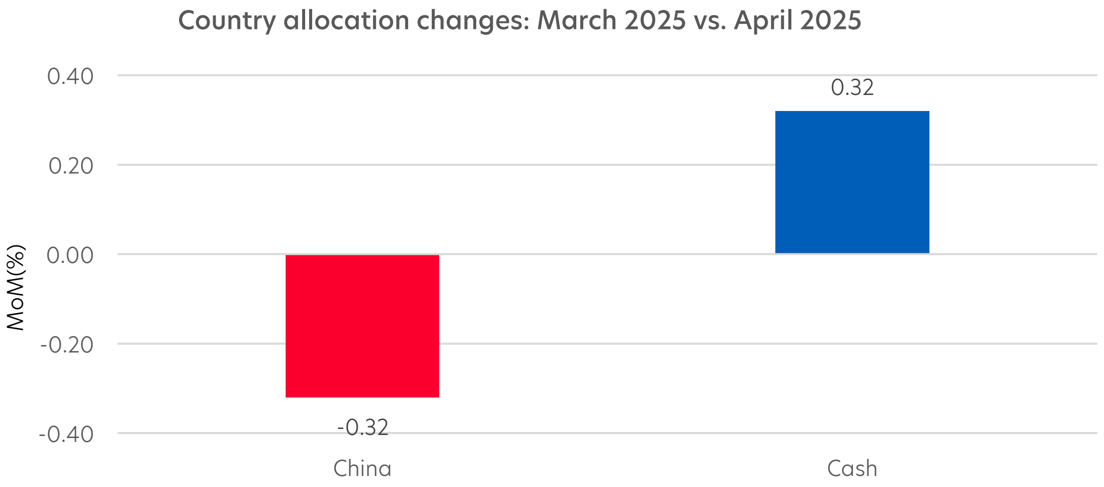
Source: Morningstar. Performance as at 30 April 2025, SGD basis, with dividends and distributions reinvested, if any. Performance figures for 1 month till 1 year show the per cent change, while performance figures above 1 year show the average annual compounded returns. Since inception performance under 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 30 April 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 April 2025 was in Consumer Staples (+0.32 per cent). On the contrary, the largest decrease was in Information Technology (-0.52 per cent).

Market Review

In early April 2025, global equities were shaken by President Trump's announcement of "Reciprocal Tariffs". Chinese regulators responded swiftly with stabilisation measures, leading to a V-shaped rebound later in April 2025. Among major indices, the China Securities Index (CSI) 300 dropped by 3.00 per cent, the Shanghai Composite Index declined by 1.70 per cent, and the ChiNext Index plunged by 7.40 per cent.

On 2 April 2025, President Trump unveiled a so-called "Reciprocal Tariff" plan, with tariff levels exceeding even the most hawkish market expectations. The policy consisted of a 10 per cent base tariff on all global imports and additional tariffs on the top 60 countries with which the US runs trade deficits — 34 per cent on China, 20 per cent on the European Union (EU), and 46 per cent on Vietnam. These tariffs were calculated based on bilateral trade deficits rather than existing tariffs or Value Added Taxes (VAT) levels, highlighting the arbitrary nature of the policy and its focus on balancing trade and protecting domestic industries.

Following the initial market shock, Chinese regulators and state media stepped in to stabilise sentiment. Central State-owned Enterprises (SOEs) and sovereign funds significantly increased Exchange-Traded Funds (ETFs) purchases and share buybacks, which helped halt the market's decline. It's estimated that between 7-8 April 2025, equity ETFs saw inflows totalling Renminbi (RMB) 167 billion, surpassing the pace seen in both February 2024 and July 2015. The coordinated support from official media and direct capital injections quickly restored market confidence. Meanwhile, China's economic recovery continued to gain momentum, with the first quarter of 2025 Gross Domestic Product (GDP) growing 5.4 per cent year-on-year (y/y), further bolstering investor sentiment. On 9 April 2025, amid rising financial risk and intensifying domestic and international opposition, Trump announced a 90-day delay on implementing the additional tariffs. This marked the beginning of a market recovery.

Sector-wise, Consumer Care (+6.15 per cent), Agriculture/Forestry/Livestock/Fisheries (+3.39 per cent), and Retail (+1.74 per cent) outperformed in April 2025, with domestic demand-driven sectors, less exposed to tariffs, leading the way. During the steep selloff on 7 April 2025, export-related and growth technology sectors suffered the most. However, as panic subsided, oversold rebounds emerged, particularly in technology and mispriced exporters.

In the initial phase of the rebound, markets expected more counter-cyclical stimulus from China to offset Trump's tariff pressure. This boosted the domestic demand sectors. As the market stabilised, capital began flowing aggressively into core technology assets, which had been heavily discounted, especially growth names. By the later stages of the rebound, Trump's tariff policy implementation appeared uncertain, and expectations for worst-case outcomes moderated, prompting rotation back into undervalued export-related sectors.

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 2.05 mil	Colin Ng

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