

May 2025

# United Asia 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.
- **Flexibility to adjust according to market conditions:** UOBAM's proprietary AI-Augmentation capabilities allow the Fund to dynamically allocate across investment factors (such as Style, Yield, Momentum, Quality, Volatility, Liquidity and Size) based on market conditions, to mitigate risks while maximising returns.
- **Award winning:** The Fund has received the Outstanding Achiever for Asia Pacific ex-Japan Equity at Benchmark Fund of the Year 2023 awards.<sup>1</sup> 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 four-star rating as of 31 May 2025.



## May 2025 Portfolio Performance

The United Asia Fund- A SGD Acc	+3.09 per cent <sup>2</sup>
Benchmark: MSCI All Country (AC) Asia ex Japan	+3.96 per cent

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

<sup>2</sup> Fund performance is on a Net Asset Value ("NAV") basis, with dividends and distributions reinvested (if any).

## Performance Review

The Fund underperformed its benchmark in May 2025. The performance detractor came primarily from currency effects, especially for China and Taiwan equities. Stock selection in China and the Philippines was the primary performance contributor, while stock picking in South Korea and Taiwan was the main drag. In terms of allocation, the underweight in Hong Kong was a key detractor.

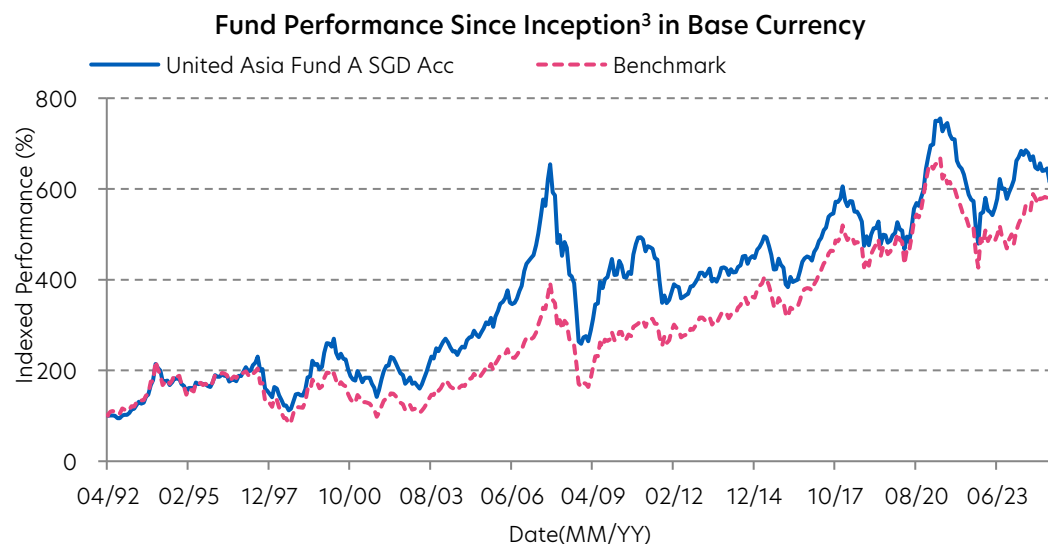
On sector performance, Consumer Discretionary was the primary return contributor while Information Technology, Industrials and Communication Services were the sectors with the most negative performance in May 2025.

## Portfolio Positioning

We maintain a constructive view in Asia overall. We believe that the worst outcome of the US-China tariff war has been averted after President Trump announced a 90-day truce, and trade negotiations with China have resumed. Reduced US-China tariff tension has led to upgrades in the growth outlook for China and US-exposed countries. That said, the economic backdrop remains challenging. Lingering uncertainties over the outcome of trade negotiations, residual tariffs on China and potential additional sector-based tariffs (Semiconductor, Pharmaceutical, and Steel, etc) cannot be ruled out completely and could cap the potential upside. Nevertheless, a broadening decline in US Dollars versus Asian currencies and easing monetary policy cycle amid benign inflationary pressures could serve as potential offsets.

<sup>1</sup> Refer to [uobam.com.sg/awards](https://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: April 1992 – December 2011: MSCI AC FE ex-Japan; January 2012 to present: MSCI AC Asia ex-Japan.

Source: Morningstar. Performance as at 31 May 2025, SGD basis, with dividends and distributions reinvested, if any.

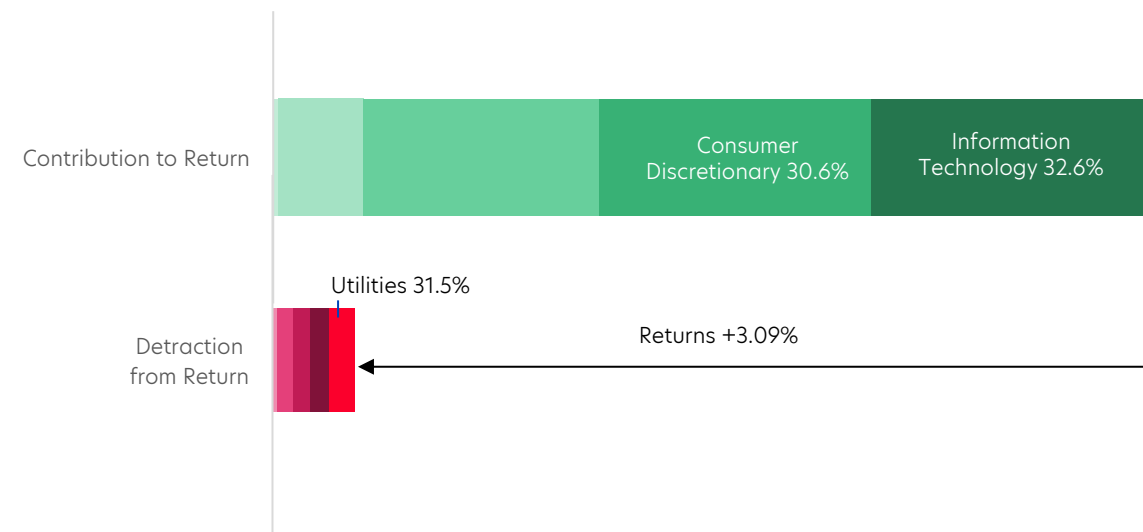
<sup>3</sup> The United Asia Fund Class SGD (ISIN Code: SG9999001051) was inception on 20 April 1992.

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

	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	3.09	-6.10	1.39	5.57	5.73
Fund (Charges applied <sup>^</sup> )	-2.06	-10.79	-0.33	4.49	5.57
Benchmark	3.96	9.55	3.36	4.94	5.51

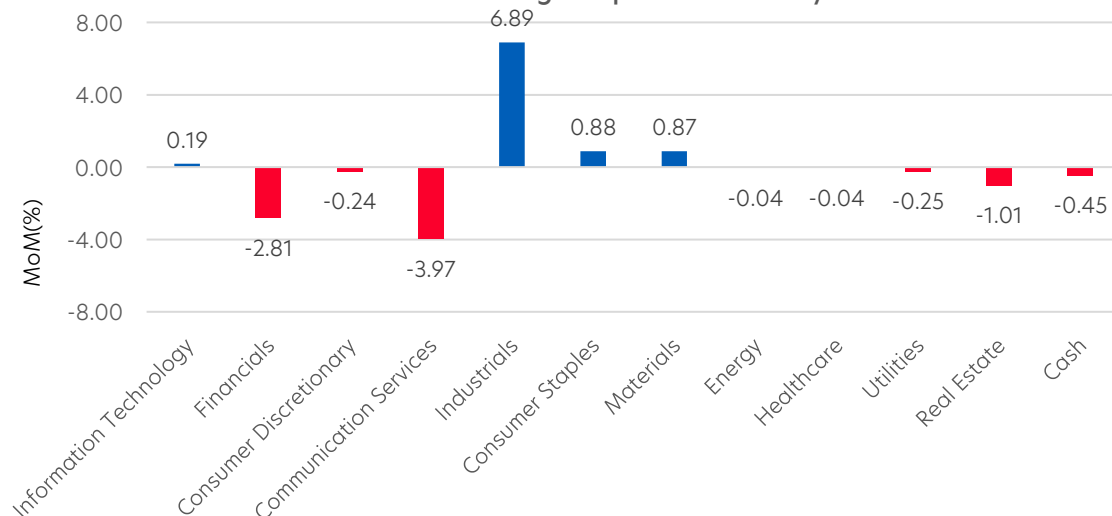
Source: Morningstar. Performance as at 31 May 2025, SGD basis, with dividends and distributions reinvested, if any. Performance figures for 1 month till 1 year show the per cent change, while performance figures above 1 year show the average annual compounded returns. Since inception performance under 1 year is not annualized. Benchmark: April 1992 – December 2011: MSCI AC FE ex-Japan; January 2012 to present: MSCI AC Asia ex-Japan. Past performance is not necessarily indicative of future performance. <sup>^</sup>Includes the effect of the current subscription fee that is charged, which an investor might or might not pay.

## Performance Contributors/Detractors: May 2025

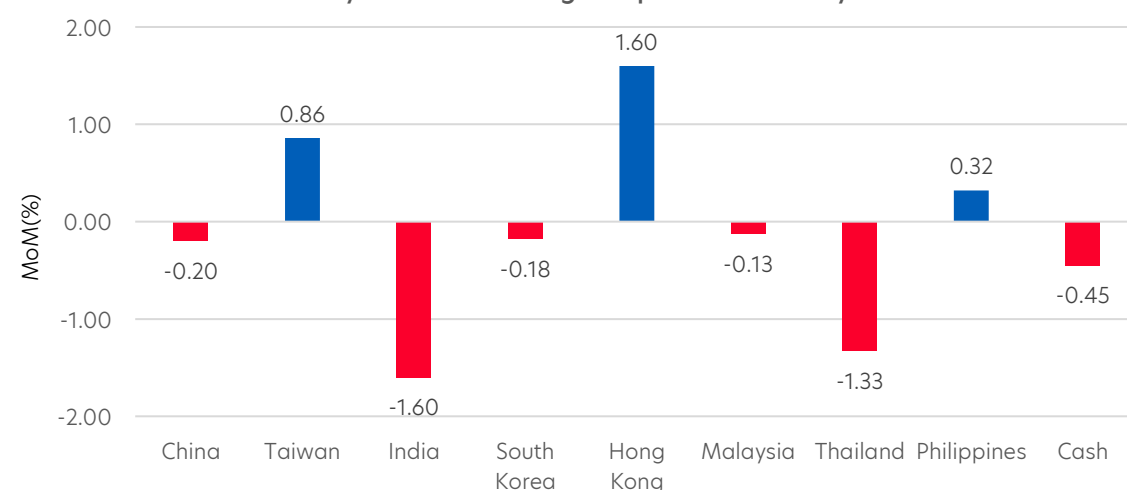


## Portfolio Changes

Sector allocation changes: April 2025 vs. May 2025



Country allocation changes: April 2025 vs. May 2025



Source: UOBAM

## Portfolio Review

### Analyst & AI Insights

In May 2025, we have maintained overweight in **China**, upgraded **Hong Kong** to neutral, while underweight **South Korea**, **Taiwan** and **India**.

Due to the heightened uncertainty in the global equity market, our strategy was to limit our country bets, except for China, where we maintain a more meaningful Overweight position. Despite being in the eye of the global economic storm, China has come out surprisingly well, as recent macro data surprised in a major way to the upside. China has also been the best-performing market in Asia year-to-date, contrary to what many would expect.

Meanwhile, we upgraded Hong Kong from an underweight position to neutral. Valuation of H-shares was below average, a large pipeline of Initial Public Offerings listings by A-share companies (46 planned listings as at 5 May 2025), and an influx of funds into the HK dollar could drive a sustained momentum in H-shares. On the other hand, South Korea and Taiwan are amongst the most open economies in Asia and have been most impacted by the recent tariff war. Both markets have also seen the worst downward revisions in Asia in April 2025. We see opportunities in very specific industries where earnings are still holding up, and we remain vigilant in stock picking in these markets.

As shown on the left charts, the biggest decrease in the sector allocation changes for May 2025 was in Communication Services (-3.97 per cent), whereas the largest increment was in Industrials (+6.89 per cent). In terms of country allocation changes, the Fund had the highest declines in India (-1.60 per cent) and the highest increase in Hong Kong (+1.60 per cent) for May 2025.

## Market Review

**Asia equities** marked a significant turnaround in May 2025, reversing 4 consecutive months of net foreign outflows, thanks to the China-US agreement to substantially cut import tariffs for 90 days and a positive shift in earnings expectations across major Asian markets. The MSCI All Country Asia Ex-Japan index rose 4.1 per cent (SGD terms) in May.

Trade tension between China and the US saw significant de-escalation after the Geneva Truce, where the US reduced import tariffs on Chinese goods from 145 per cent to 30 per cent while China reciprocated with a reduction in levy on US products from 125 per cent to 10 per cent. In addition, China pledged to roll back some rare earth export restrictions and suspend the unreliable entities list. Nevertheless, the China/US relationship soon deteriorated as the US government ratcheted up semiconductor curbs by barring US semiconductor software companies from selling products to China and limiting jet engine sales while threatening to revoke Chinese student visas. Despite the high level of market uncertainty, MSCI China ended the month in positive territory with a return of 1.6 per cent.

**Taiwan** was the biggest outperformer within the region, which saw a rally of 11.5 per cent. Technology stocks had a huge boost after Taiwan Semiconductor Manufacturing Company Limited (TSMC) reported record profits driven by robust demand for AI chips and announcements of capital spending from large US technology companies. Furthermore, the Taiwanese Dollar (TWD) experienced strong appreciation in May 2025, which enhanced the attractiveness of Taiwanese assets to foreign investors.

MSCI **Hong Kong** performed well in May 2025, supported by good sentiment in Macau as the gross gaming revenue (GGR) recovery lent strength to casino stocks. Meanwhile, easing political tension ahead of the presidential election lifted the **South Korean** market, and President Lee Jae-myung's storming victory sent the stock market another leg higher.

On the other hand, **Thailand** was the worst-performing market in the Asia ex-Japan region as political uncertainty weighed. The market could remain volatile while waiting for the Supreme Court's verdict regarding Thaksin's stay in Police General Hospital and the National Anti-Corruption Commission (NACC) investigation into the legality of the government's decision to divert Thai Baht (THB) 35 billion of public debt repayment fund towards a digital wallet scheme.

## Investment Objective

To achieve long term capital growth mainly through investing in the securities of corporations in, or corporations listed or traded on stock exchanges in, or corporations which derive a significant proportion of their revenue or profits from or have a significant proportion of their assets in, Asia (excluding Japan).

## Fund Information

**Morningstar Rating**  
★★★★

**Base Currency**  
SGD

**Fund Size**  
SGD 95.59 mil

**Fund Manager**  
Colin Ng



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