

March 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.¹ 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 March 2025.

March 2025 Portfolio Performance

The United Asia Fund- A SGD Acc	+0.66 per cent ²
Benchmark: MSCI All Country (AC) Asia ex Japan	-0.32 per cent

Source: Morningstar, Performance from 28 February 2025 to 31 March 2025 in SGD terms

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

Performance Review

The Fund outperformed its benchmark in March 2025. The performance was mainly contributed by the allocation effect. Stock selection in Taiwan and South Korea was the primary performance contributor, while Hong Kong stock picking was the detractor. In terms of allocation, the overweight in the Philippines and China worked out well, while the underweight in India was a key drag.

On sector performance, Consumer Discretionary, Healthcare and Utilities led the outperformance, while Financials, Energy and Industrials were the sectors with negative performance in March 2025.

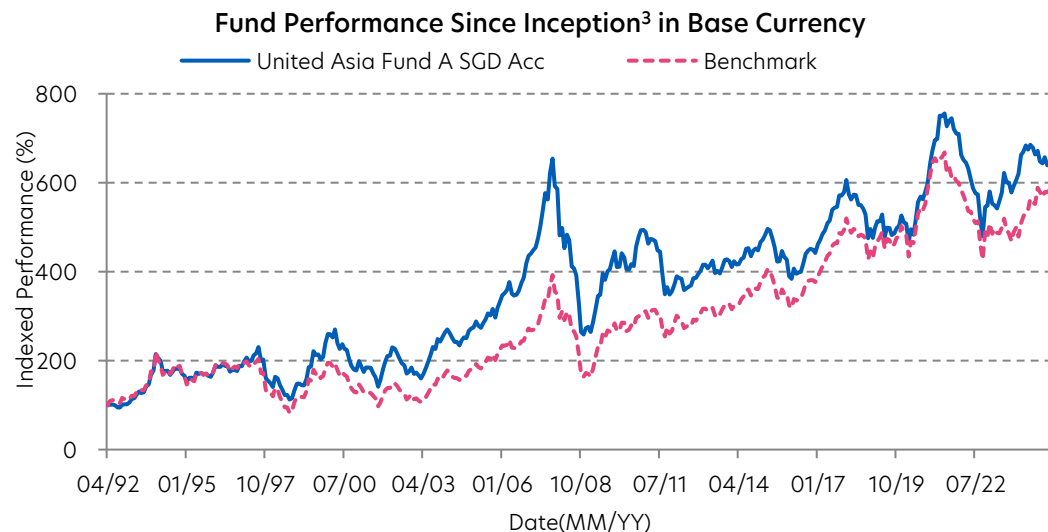
Portfolio Positioning

We maintain constructive in Asia despite a challenging external environment. Asian equity markets could remain tentative due to US tariff risks that might peak much later in 2025. In addition, the US Federal Reserve interest rate cutting cycle is on pause, and US dollar strength could constrain the scope for policy easing in Asia. Despite this, we are encouraged by China's recent policy pivot towards local private enterprises as one of the key thrusts to drive domestic growth. We expect additional fiscal support from China to be unleashed should trade tensions escalate, and that should provide support for China's economic growth and the Chinese equities market.

Key risks to our outlook include escalating trade war between China and the US, global economic downturn and weaker-than-expected China policy support.

¹ Refer to 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 March 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	0.66	-3.61	0.04	6.67	5.82
Fund (Charges applied^)	-4.37	-8.43	-1.66	5.58	5.66
Benchmark	-0.32	10.89	1.56	5.98	5.48

Source: Morningstar. Performance as at 31 March 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.

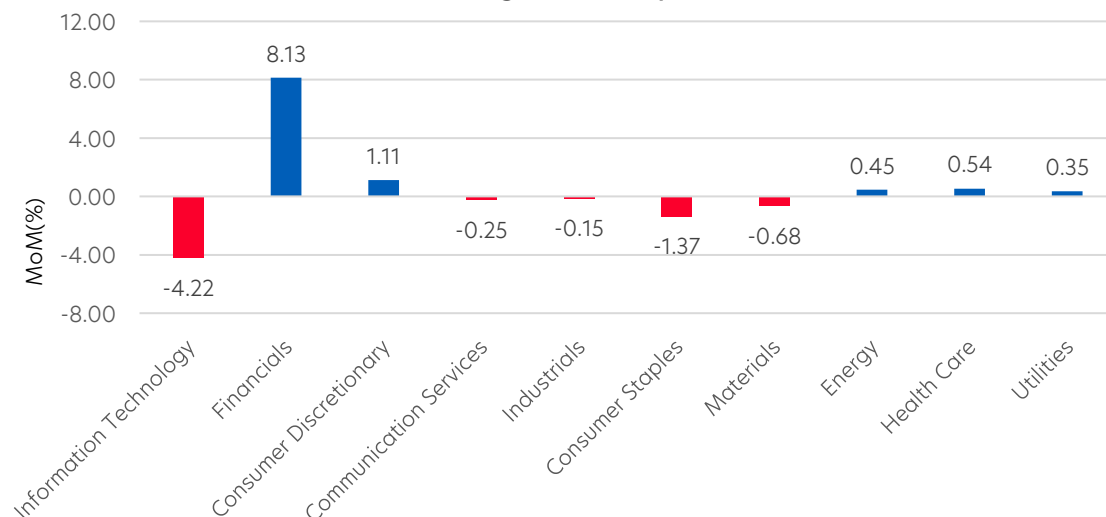
[^]Includes the effect of the current subscription fee that is charged, which an investor might or might not pay.

³ The United Asia Fund Class SGD (ISIN Code: SG9999001051) was incepted on 20 April 1992.

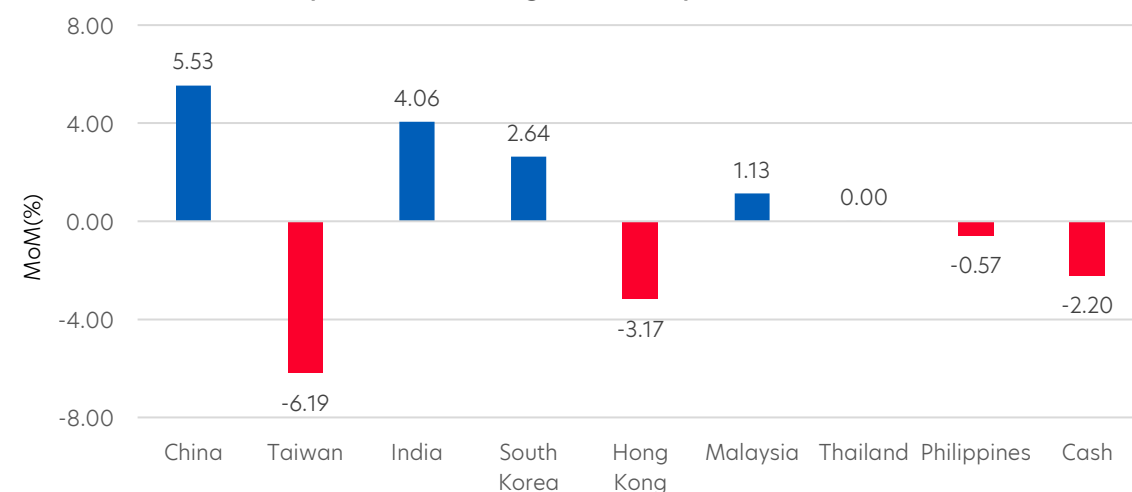
All statistics quoted in the write-up are sourced from Bloomberg as at 31 March 2025 unless otherwise stated.

Portfolio Changes

Sector allocation changes: February 2025 vs. March 2025



Country allocation changes: February 2025 vs. March 2025



Source: UOBAM

Portfolio Review

Analyst & AI Insights

In March 2025, we increased **China's** overweight, funded by underweighting **Taiwan**.

The China equities were supported by the revaluation of AI stocks after DeepSeek's low-cost, high-performance model surprised the market, and the generous budget from the China National People's Congress (NPC) signalled continued policy support with the potential to upsize should the external environment worsen. Nevertheless, we remain cautious of escalation on the trade front but believe that China is more prepared to handle trade tension after the experience they gained from 6 years ago.

In terms of sector allocation, we have reduced exposure to export-oriented companies and reallocated capital into domestically focused companies that are less affected by tariffs.

Meanwhile, President Trump's policy direction in the 10 weeks since inauguration has led to widespread concerns over US growth and inflation. The DeepSeek moment exacerbated the sell-off in the US equities as AI trade faded. Taiwan semiconductor companies, which are along the supply chain to US AI firms, suffered the same fate with foreign capital withdrawing in substantial volume. We see this trend continuing as the Chinese AI supply chain gains at the expense of the US/Taiwan AI supply chain.

As shown on the left charts, the biggest decrease in the sector allocation changes for March 2025 was in Information Technology (-4.22 per cent), whereas the largest increment was in Financials (+8.13 per cent). In terms of country allocation changes, the Fund had the highest declines in Taiwan (-6.19 per cent) and the highest increase in China (+5.53 per cent) for March 2025.

Market Review

Asia equities ended March 2025 in negative territory as intensified concern over the impacts of reciprocal tariffs saw a sell-off in the final week of March 2025, which wiped out all the gains from earlier in the month. (MSCI All Country Asia ex-Japan Index: -0.4 per cent). Nevertheless, Asia was considered a haven compared to the rest of the world as the MSCI All Country World Index slumped 4.4 per cent in March 2025.

India equities were the best-performing market in the region as foreign investors sought shelter in Indian banks and the Industrial sectors, given that they are more dependent on the domestic economy and less exposed to tariffs. In addition, India signalled its intention to reduce import tax on US goods to negotiate for US relief, which further boosted market sentiment.

China's market held up well in March 2025, as China is expected to be less impacted by reciprocal tariffs. Chinese auto names staged a rally after President Trump's 25 per cent tariff on all imported cars was announced, as Chinese auto companies have limited exposure to the US market. In addition, the ambitious 2025 economic growth target of 5 per cent and the substantially bigger fiscal package announced at the National People's Congress emphasised continued policy support, which lifted investor confidence.

On the flip side, Taiwan equities were the biggest drag in the region as semiconductor stocks continued experiencing fund outflows on AI demand concerns. Thailand equities extended their decline in March 2025 as the Myanmar-Thailand earthquake rattled the tourism market on top of worries over the economic outlook.

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 101.92 mil

Fund Manager
Colin Ng



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