May 2024

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 May 2024.

May 2024 Portfolio Performance

The United Asia Fund- A SGD Acc	-1.37 per cent[2]
Benchmark: MSCI All Country (AC) Asia ex Japan	+0.66 per cent

Source: Morningstar, Performance from 30 April 2024 to 31 May 2024 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 underperformed its benchmark in May 2024 largely due to the allocation effect and stock selection. Stock picking within China was the biggest positive contributor but it was insufficient to offset the drag from Taiwan, India and Indonesia.

On allocation, our positioning in China and Indonesia did not perform well, while the underweight in South Korea was the biggest return saver. In terms of sector, Financials was the top contributor to relative return while Consumer Discretionary and Information Technology were the biggest drags in May 2024.

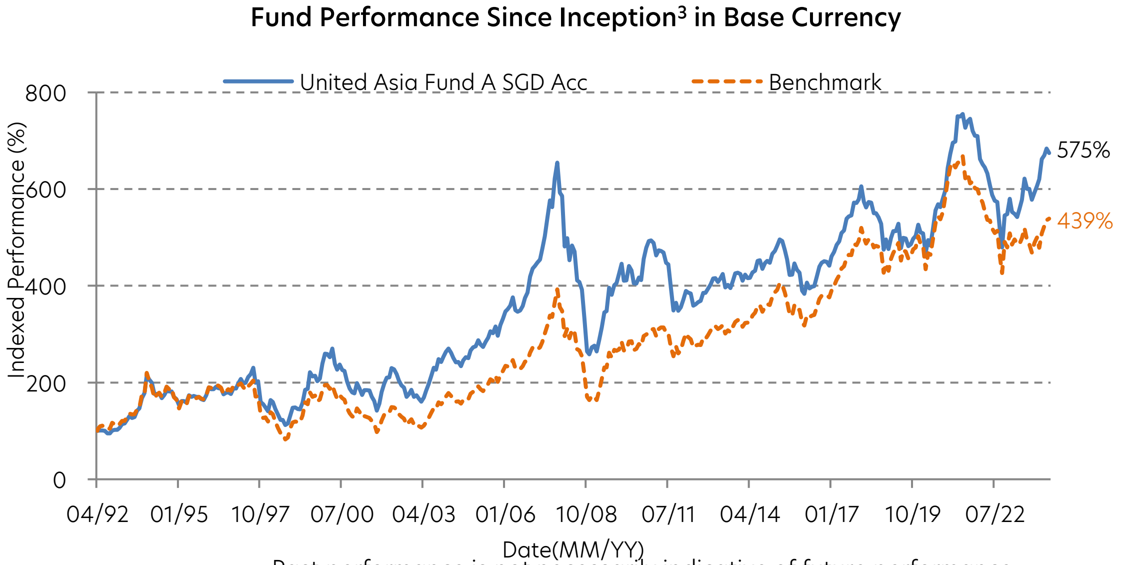
Portfolio Positioning

We are constructive on Asia and expect moderate returns for the region heading into 2024. Asia's growth will likely turn firmer in the second half of 2024, contingent on a modest recovery in China's growth supported by external demand and incremental policy easing. The nascent recovery in the semiconductor cycle could pave the way for Asia's export rebound. These underpin our marginally positive view of China in the near term.

We have upgraded China to overweight funded by taking profit in the Singapore market, which has done well on higher-for-longer interest rates. Key risks to our cautiously optimistic outlook include a US hard landing, escalation of geopolitical risks ahead of US elections and downside surprise to China's macro recovery.

[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.

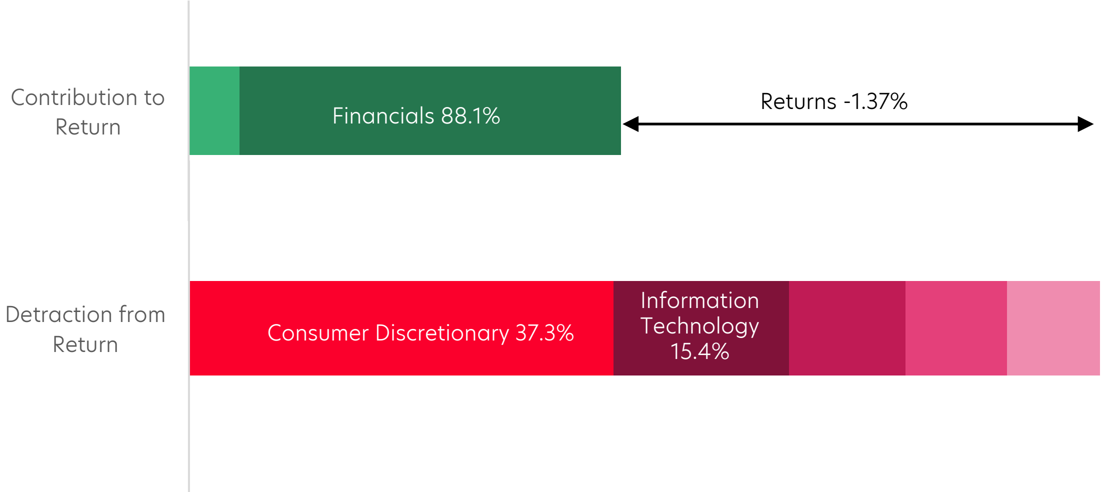
Benchmark: April 1992 – December 2011: MSCI AC FE ex-Japan; January 2012 to present: MSCI AC Asia ex-Japan.

Source: Morningstar. Performance as at 31 May 2024, 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	-1.37	20.87	-3.46	7.14	6.12
Fund (Charges applied^)	-6.30	14.82	-5.10	6.04	5.96
Benchmark	0.66	10.97	-6.39	3.59	5.39

Source: Morningstar. Performance as at 31 May 2024, 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.

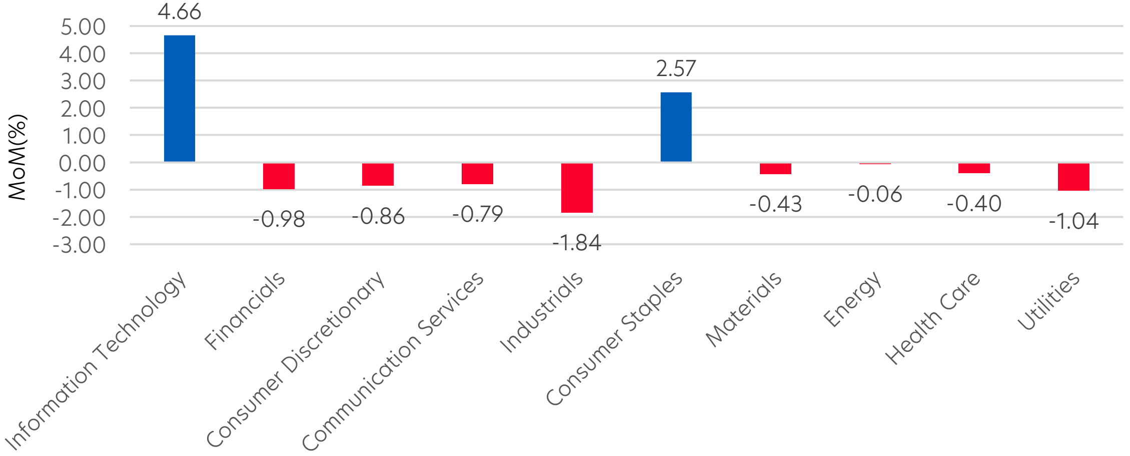
Performance Contributors/Detractors: May 2024

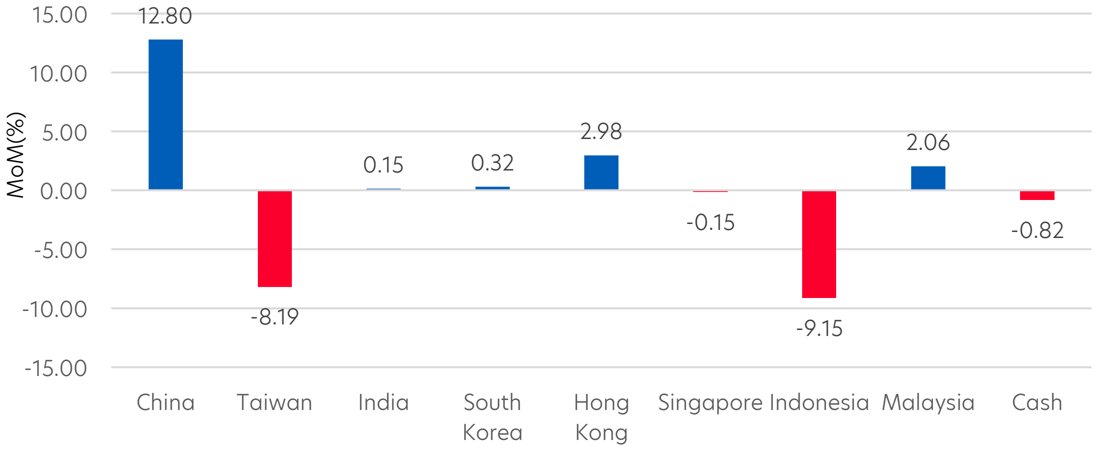


[3] The United Asia Fund Class SGD (ISIN Code: SG9999001051) was incepted on 20 April 1992.

All statistics quoted in the write-up are sourced from Bloomberg as at 31 May 2024 unless otherwise stated.

Portfolio Changes





Source: UOBAM

Portfolio Review

Analyst & AI Insights

In May 2024, our proprietary machine-learning model suggested turning overweight in China, funded through profit-taking in Singapore and weighting reduction in Indonesia. In China, the central government and the People's Bank of China have explicitly encouraged local governments to step in as the buyer of last resort to clear up property sector inventory. We view this as a policy inflection point that could drive improvement in the property sector. Singapore banks have performed well on a year-to-date basis given market expectations of a higher-for-longer interest rate environment. With signs of slowing in the US economy, the US Federal Reserve (Fed) could be edging closer to a rate-cut cycle, which supported our profit-taking decision in Singapore. For Indonesia, the weak Indonesian Rupiah (IDR) has led to heavy foreign outflows, which more than offset macro and political tailwinds. We expect IDR depreciation to weigh on the Indonesian equities.

As shown on the left charts, the biggest decrease in the sector allocation changes for May 2024 was in Industrials (-1.84 per cent), whereas the largest increment was in Information Technology (+4.66 per cent). In terms of country allocation changes, the Fund had the highest declines in Indonesia (-9.15 per cent) and Taiwan (-8.19 per cent) and the highest increase in China (+12.80 per cent) for May 2024.

Market Review

Asia equity markets extended gains in May 2024 (MSCI All Country Asia ex-Japan Index: +0.66 per cent). Greater China markets outperformed the overall Asia equities, led by Taiwan. Taiwan AI supply chain stocks were buoyed by NVIDIA Corporation's (NVIDIA's) record first-quarter 2024 profit and revenue, which skyrocketed 628 per cent year-on-year (y/y) and 268 per cent y/y respectively. NVIDIA founder and Chief Executive Officer (CEO) Jensen Huang commented about Hopper and Blackwell's demand being "way ahead of supply" and will probably continue "well into next year" alleviated demand concerns and provided a good readthrough for upstream semiconductor companies in Taiwan.

China and Hong Kong equity markets continued the uptrend though gains moderated on profit-taking in the last 2 weeks of May 2024. With export-led growth being the recent bright spot in China's economy, the Biden administration imposed targeted tariff hikes on imports from China on 14 May 2024. Nevertheless, we believe this round of tariff hikes is more symbolic and political than economical. The average tariff jump was 1.4 per cent on 4.2 per cent of US imports from China, which is significantly smaller in scale compared to the average tariff jump of 3.1 per cent to 21.0 per cent affecting 58.3 per cent of US imports from China imposed by the Trump administration during July 2018 to February 2020.

Meanwhile, Indonesia (-7.0 per cent) and the Philippines (-6.9 per cent) were the major laggards in Asian equities. Foreign selling continued to intensify in Indonesia as the IDR reclaimed the 16000 mark in late May 2024 after taking a breather. In the Philippines, both inflation and the first quarter of 2024 Gross Domestic Product (GDP) growth missed expectations, triggering growth concerns.

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	Fund Size	Fund Manager
★★★★	SGD	SGD 103.63 mil	Colin Ng

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