November 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 30 November 2024.

November 2024 Portfolio Performance

The United Asia Fund– A SGD Acc	-0.63 per cent[2]
Benchmark: MSCI All Country (AC) Asia ex Japan	-1.99 per cent

Source: Morningstar, Performance from 31 October 2024 to 30 November 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 outperformed its benchmark in November 2024, performance was boosted primarily by the selection effect, though the allocation effect also contributed positively. Stock selection in China, South Korea, and India was the main value add, while Taiwan stock picking was the only detractor.

In terms of allocation, the overweight in Malaysia and India worked out well while the underweight in Singapore was a drag.

On sector performance, Consumer Discretionary, Financials and Information Technology led the outperformance while Healthcare was the only sector with negative performance in November 2024.

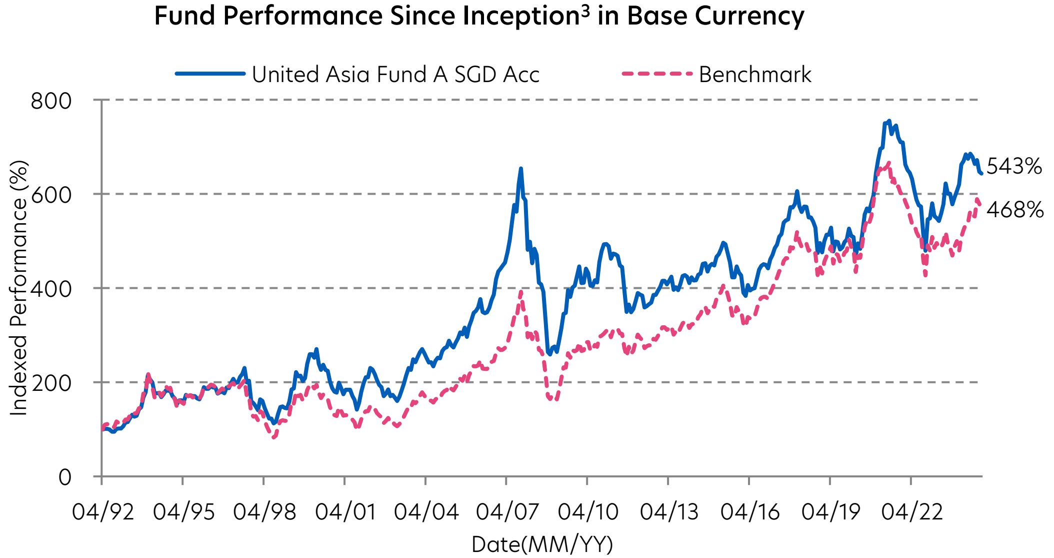
Portfolio Positioning

We remain constructive in Asia despite a challenging outlook near-term. Asian markets could remain tentative due to US tariff risks and the strong US dollar. Despite this, we think the continued easing cycle from central banks, given largely benign inflation, as well as China's additional stimulus policy support and its spillover effects in Asia, could provide some cushion against downside risks to growth. We expect policies in the US to be inflationary and underpin a strong US dollar. Against this backdrop, we switched our preference towards India, which is more domestically oriented and less sensitive to US macro conditions. In the same vein, we adopt a bias towards domestically oriented companies as they are less vulnerable to trade tariffs.

Key risks to our cautiously optimistic outlook include US economic growth shock, a weak US dollar, China policy support disappointments, as well as escalating geopolitical risks (US/China, Middle East, Russia/Ukraine).

[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.

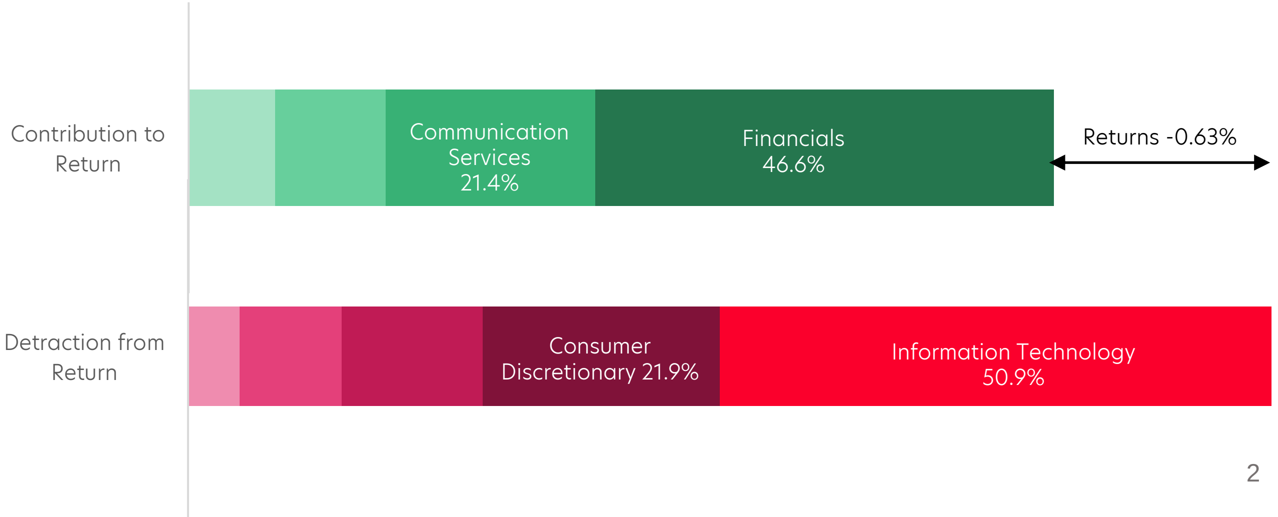
Benchmark: April 1992 – December 2011: MSCI AC FE ex-Japan; January 2012 to present: MSCI AC Asia ex-Japan.

Source: Morningstar. Performance as at 30 November 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	-0.63	8.57	-3.23	5.05	5.87
Fund (Charges applied^)	-5.60	3.14	-4.87	3.97	5.71
Benchmark	-1.99	16.25	-1.93	3.46	5.47

Source: Morningstar. Performance as at 30 November 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.

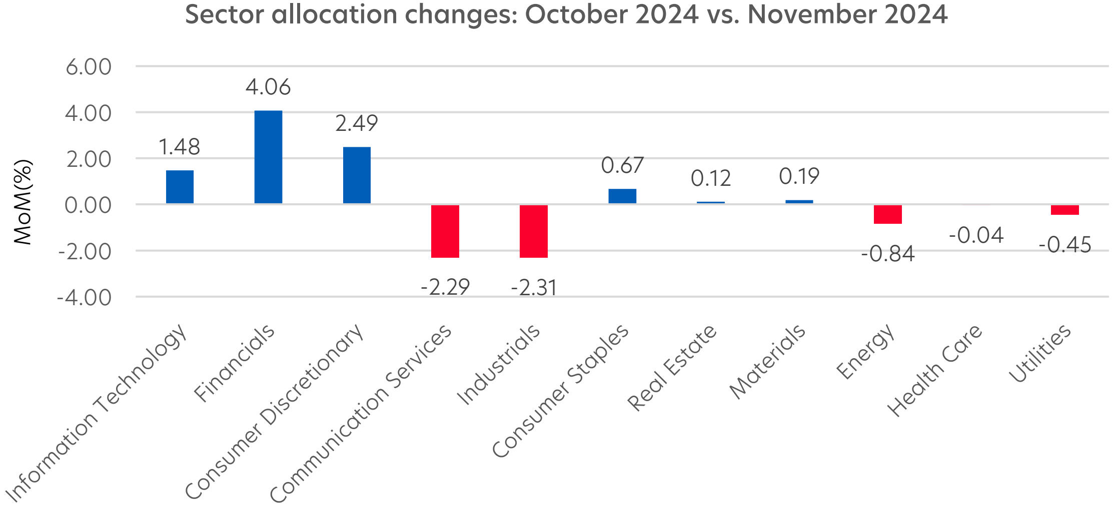
Performance Contributors/Detractors: November 2024

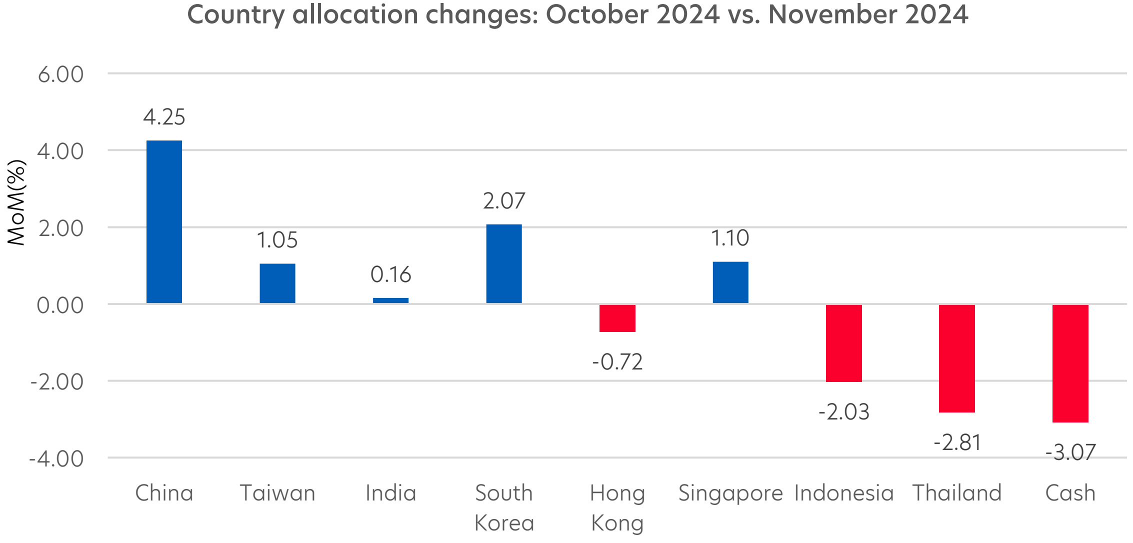


[3] The United Asia Fund Class SGD (ISIN Code: SG9999001051) was incepted on 20 April 1992.

All statistics quoted in the write-up are sourced from Bloomberg as at 30 November 2024 unless otherwise stated.

Portfolio Changes





Source: UOBAM

Portfolio Review

Analyst & AI Insights

In November 2024, India and Malaysia remain our preferred overweight. For **India**, headwinds from China policy pivot-driven volatility have subsided, and the market still offers the best structural growth play in the Asia region. Meanwhile, rising Foreign Direct Investment (FDI) inflows into data centres and manufacturing in **Malaysia** could aid the local construction boom, whilst the rise in the minimum wage is supportive of continued consumption.

We stay neutral on **China**. Valuation is attractive as risks of higher US tariffs appear partly discounted. Local government debt resolution has accelerated, and there is scope for sufficient policy support to cushion downside risk and bolster consumer sentiment. We maintain underweight on **Hong Kong** as its property and retail sectors remain under pressure, whilst China policy support may have a limited boost to Hong Kong's economic growth given China's focus on the domestic economy.

Outside China, companies and exporters with high earnings exposure to the US dollar could also outperform on tailwinds of a strong US dollar in the near term. Our cautious positioning is tilted towards more defensive sectors, namely Communications Services, Energy and Consumer Staples. Conversely, we reduced exposure to the Technology, Healthcare and Real estate sectors.

As shown on the left charts, the biggest decrease in the sector allocation changes for November 2024 was in Industrials (-2.31 per cent), whereas the largest increment was in Financials (+4.06 per cent). In terms of country allocation changes, the Fund had the highest declines in Thailand (-2.81 per cent) and the highest increase in China (+4.25 per cent) for November 2024.

Market Review

Asia equities extended a decline in November 2024 (MSCI All Country Asia ex-Japan Index: -1.99 per cent) and underperformed the global market (MSCI All Country World Index: +5.1 per cent).

As a defensive play, **Singapore** was the best-performing market in Asia amidst escalating tariff threats and rising market volatility. MSCI Singapore Index rallied 9.4 per cent, with investors preferring Singapore banks, which would benefit from a higher-for-longer interest rate environment and were characterised by stable growth trajectory and high dividend yield. In addition, SEA Limited and Grab Holdings Limited attracted significant inflows after their financial results beat market expectations in the third quarter of 2024.

India was the only other positive Asia market in November 2024. Funds rotated back to India post the US presidential election as India is generally viewed as more immune to geopolitics. Furthermore, valuation has become more reasonable after the recent sell-off. South Asia, notably ASEAN (Association of Southeast Asian Nations), typically performs less well in a high US interest rate environment and US dollar strength. The **Philippines** and **Indonesia** were the primary laggards in November 2024. Weak macro and currency depreciation led to poor performance in the Philippines, while the delay in the Danantara fund launch in Indonesia caused uncertainty in addition to widening yield spread with the US and currency depreciation.

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 113.33 mil	Colin Ng

Important Notice and Disclaimers

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