

January 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 January 2025.

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 tactically overweight China on rapid AI development, attractive valuation and support from policy put. In addition, 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).

January 2025 Portfolio Performance

The United Asia Fund- A SGD Acc	-2.67 per cent ²
Benchmark: MSCI All Country (AC) Asia ex Japan	+0.09 per cent

Source: Morningstar, Performance from 31 December 2024 to 31 January 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 underperformed its benchmark in January 2025. The performance was mainly dragged by selection effect. Stock selection in India and South Korea was the primary detractor, while stock picking in Malaysia and Philippines was the key performance contributor.

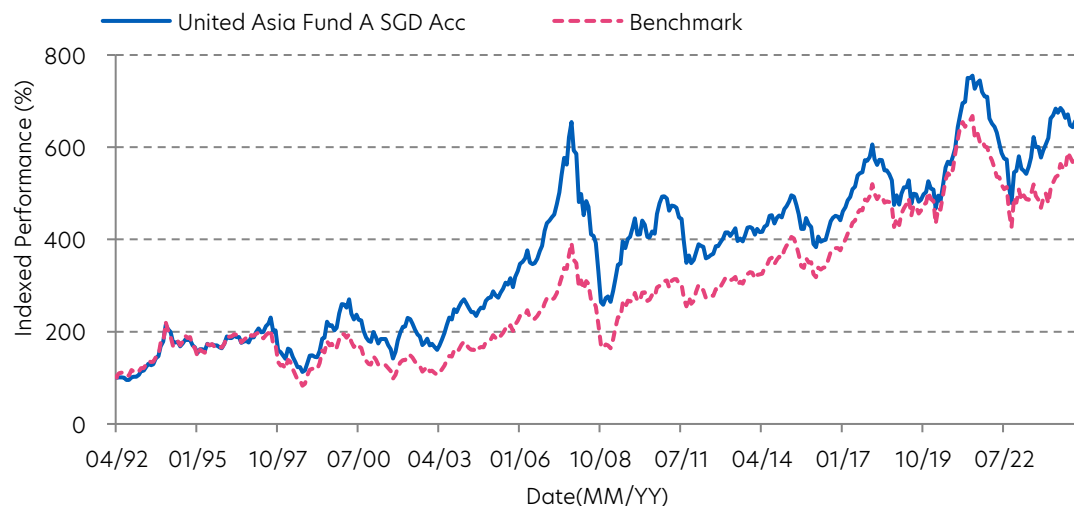
In terms of allocation, the overweight in China and the underweight in Hong Kong worked out well while the overweight in Malaysia was a drag.

On sector performance, Financials, Consumer Staples and Materials led the outperformance while Consumer Discretionary, Industrials and Information Technology were the sectors with negative performance in January 2025.

¹ Refer to uobam.com.sg/awards for list of awards by UOBAM.

Performance (Class A SGD Acc)

Fund Performance Since Inception³ in Base Currency



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 January 2025, SGD basis, with dividends and distributions reinvested, if any.

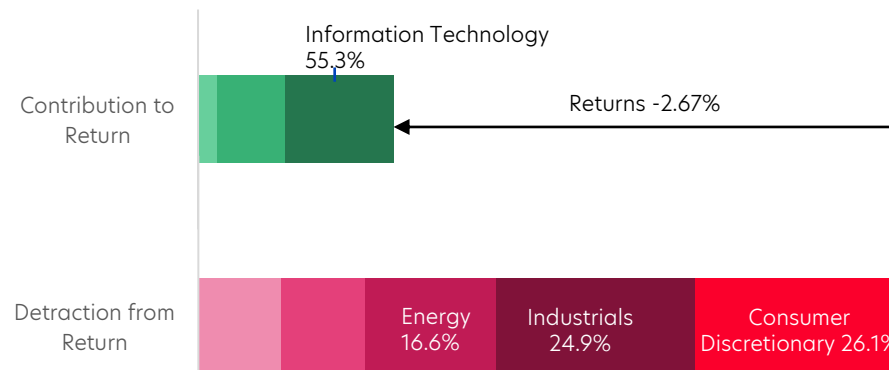
³ The United Asia Fund Class SGD (ISIN Code: SG9999001051) was incepted on 20 April 1992.

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

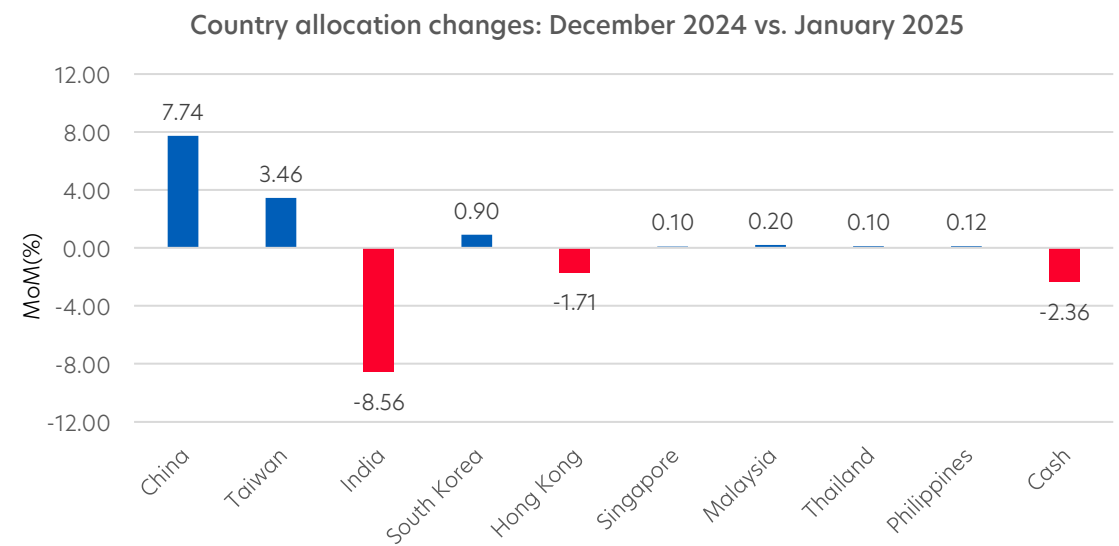
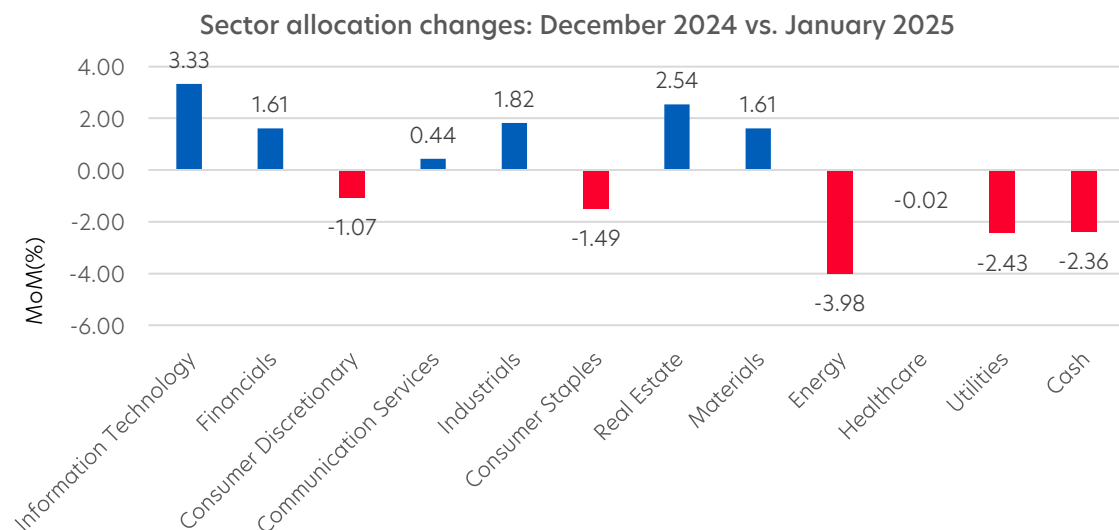
	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	-2.67	3.11	-1.17	4.59	5.82
Fund (Charges applied [^])	-7.54	-2.04	-2.84	3.52	5.66
Benchmark	0.09	20.99	-0.22	3.52	5.50

Source: Morningstar. Performance as at 31 January 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.

Performance Contributors/Detractors: January 2025



Portfolio Changes



Source: UOBAM

Portfolio Review

Analyst & AI Insights

In January 2025, we tactically overweighted **China**, funded by reducing allocation in India. DeepSeek's launch of a low-cost and high-performance AI model proved that Chinese firms could minimise the impact of US-led semiconductor sanctions via outstanding software engineering. This is expected to lift the valuation discount on Chinese AI players and drive re-rating in Chinese AI companies. In addition, optimistic Lunar New Year consumption and travel data lifted sentiment, highlighting consumer confidence restoration. Nevertheless, we will closely watch developments on US/China trade tariffs, given its dynamic and market-moving nature.

We reduced allocation to **India** in January 2025 as the market continued to derate with foreign flows rotating out on currency depreciation, fiscal consolidation and valuation concerns.

As shown on the left charts, the biggest decrease in the sector allocation changes for January 2025 was in Energy (-3.98 per cent), whereas the largest increment was in Information Technology (+3.33 per cent). In terms of country allocation changes, the Fund had the highest declines in India (-8.56 per cent) and the highest increase in China (+7.74 per cent) for January 2025 .

Market Review

Asia equities were almost flat in January 2025 (MSCI All Country Asia ex-Japan Index: -0.2 per cent). Within Asia, South Korea was the best performer on the technical rebound after a heavy sell-off in 2024. Nevertheless, **South Korean equities** continue to be clouded by the President's impeachment, global AI supply chain re-rating and softening export demand.

With President Trump's inauguration taking place in January 2025, the Association of Southeast Asian Nations (ASEAN) markets came under pressure as USD strengthened on growing tariff expectations. **Singapore** was the only equity market in positive territory as banks performed well after the market dialled back Federal Reserve (Fed) rate cut expectations on inflation concerns.

On the other hand, the **Philippines** was the worst-performing market in Asia due to strong foreign selling on currency weakness and weaker-than-expected 2024 Gross Domestic Product (GDP) growth of 5.6 per cent year-on-year (y/y), which is below the government target of 6 to 6.5 per cent. In addition, a higher-for-longer interest rate environment put further pressure on growth as investors tuned down BSP (Central Bank of the Philippines) rate cut expectations after the Fed held rates at the latest meeting in January 2025.

Malaysian data centre players saw significant correction as DeepSeek's low-cost and high-performance AI model had market questioning about overspending on AI infrastructure and AI monetisation potential.

Meanwhile, **India** continued its foreign outflow as the Indian Rupee (INR) depreciated to record lows while the government budget focused on fiscal consolidation.

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 105.05 mil

Fund Manager

Colin Ng



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