

March 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 five-star rating as of 31 March 2024.

March 2024 Portfolio Performance

The United Asia Fund- A SGD Acc	+1.12 per cent ²
Benchmark: MSCI All Country (AC) Asia ex Japan	+2.92 per cent

Source: Morningstar, Performance from 29 February 2024 to 31 March 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 March 2024, mainly due to stock selection and currency effects. Stock picking within Indonesia and Hong Kong contributed positively to relative return while selection within Taiwan, India and China contributed the most to the underperformance.

On allocation, our overweight in Taiwan and underweight in Hong Kong continue to perform, while the underweight call in South Korea and overweight call in India were the biggest detractors.

In terms of sector, Financials was the top contributor to relative return while Information Technology and Communication Services were the biggest drag in March 2024.

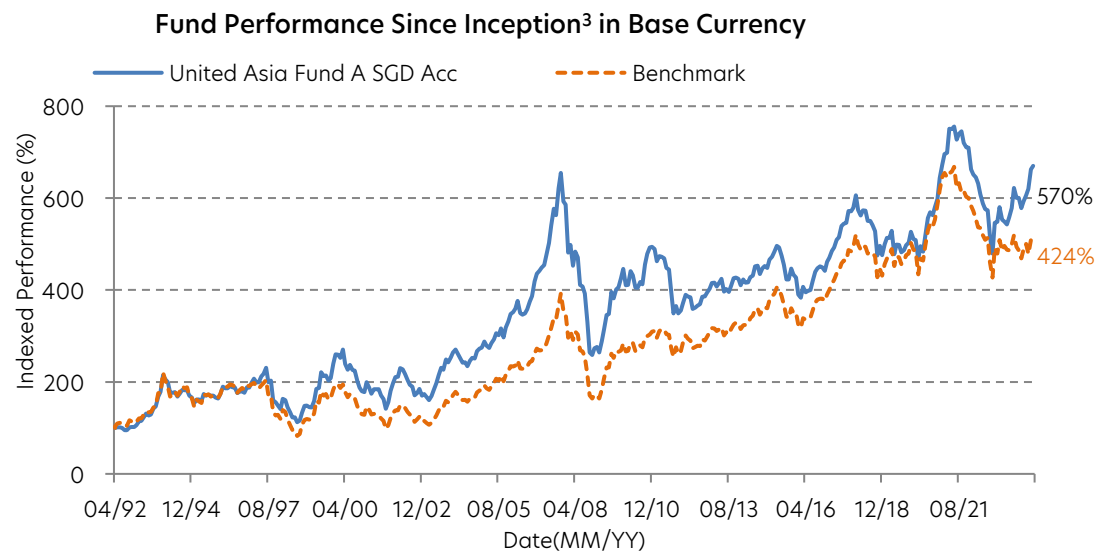
Portfolio Positioning

We are constructive on Asia and expect moderate returns for the region heading into 2024. Asia's growth is likely to turn firmer in the second half of 2024, contingent on a modest recovery in China's growth on the back of incremental policy easing. Notwithstanding the modest improvement in economic indicators, we remain cautious in the near term. A more pronounced slowdown in global growth is likely to constrain recovery in Asia's exports. This underpins our slightly more defensive positioning in the near term.

We retain our relative preference for India in Asia. Meanwhile, we increased allocation to Indonesia after a decisive election, and expect stronger fiscal support from the new government to bode well for Indonesia's growth prospect. Key risks to our cautious outlook include a US hard landing, a stronger-than-expected rebound in China's economy and escalation of geopolitical risks ahead of US elections.

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 2024, SGD basis, with dividends and distributions reinvested, if any.

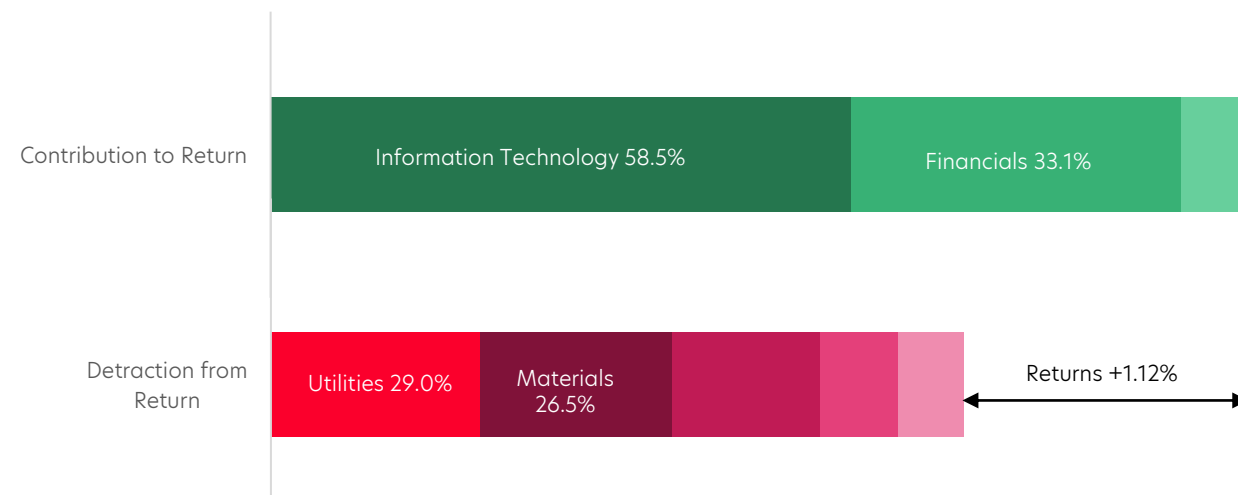
³ The United Asia Fund Class SGD (ISIN Code: SG9999001051) was incepted on 20 April 1992.

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

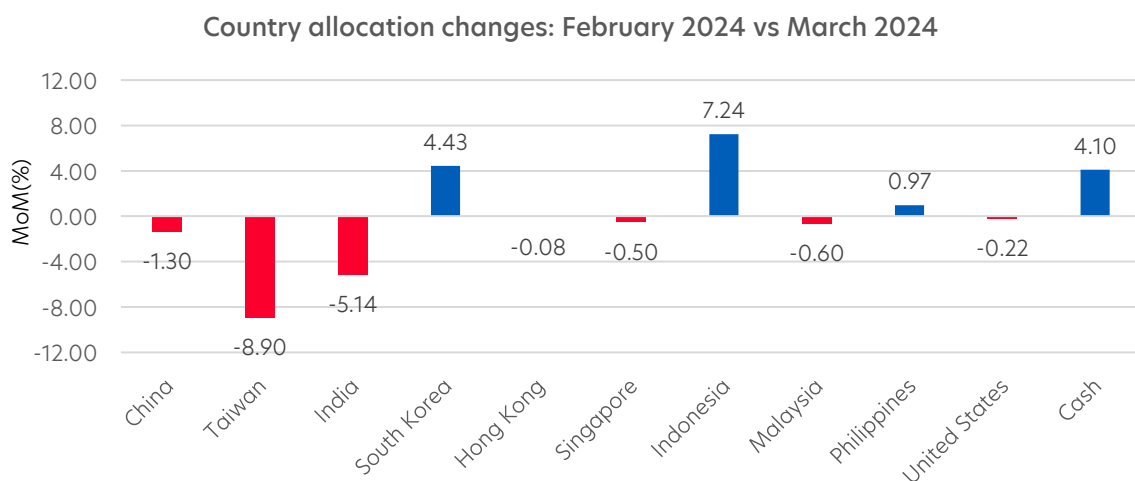
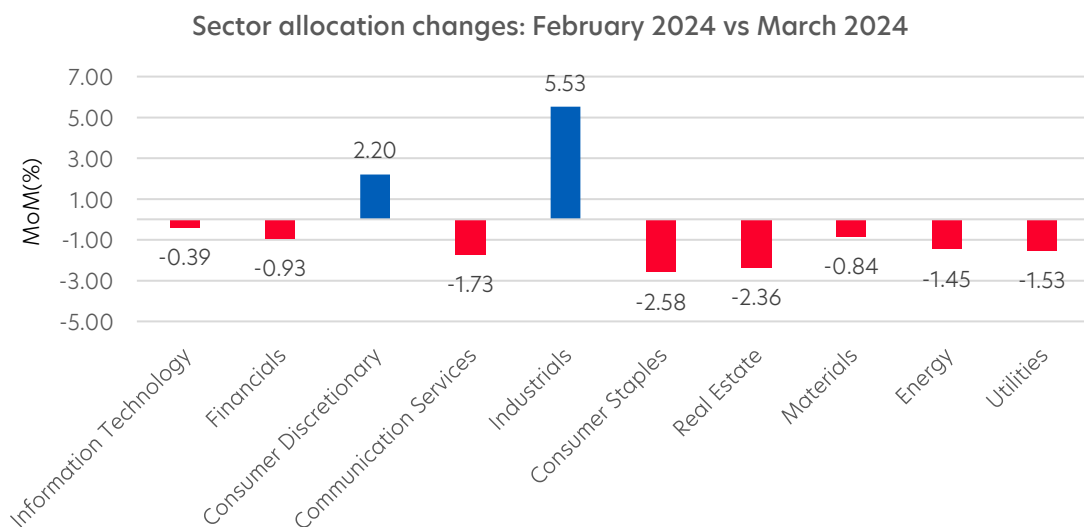
	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	1.12	21.96	-1.39	5.47	6.13
Fund (Charges applied [^])	-3.93	15.86	-3.06	4.39	5.96
Benchmark	2.92	5.55	-6.70	1.87	5.32

Source: Morningstar. Performance as at 31 March 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: March 2024



Portfolio Changes



Source: UOBAM

Portfolio Review

Analyst & AI Insights

In March 2024, we raised Indonesia to overweight, funded by profit taking in Taiwan and India. Indonesia has emerged as an attractive opportunity after political overhang was removed with the general election concluded decisively in one round. We expect to see greater fiscal support from the new government to reach President-elect Prabowo Subianto's ambitious Gross Domestic Product (GDP) growth target of 8 per cent. In terms of sector, Indonesia Financials should benefit from stronger macroeconomic growth, and we have increased its allocation as a result.

As shown on the left charts, the biggest decrease in the sector allocation changes for March 2024 was in Consumer Staples (-2.58 per cent), whereas the largest increment was in Industrials (+5.53 per cent). In terms of country allocation changes, the Fund has the highest decline in Taiwan (-8.90 per cent) and the highest increase in Indonesia (+7.24 per cent) for March 2024.

Market Review

Asian equity markets extended a rally in March 2024 (MSCI All Country Asia ex-Japan Index: +2.92 per cent). Taiwan (+8.2 per cent) and South Korea (+5.7 per cent) remained the best performers in Asia as Artificial Intelligence (AI) hype found footing. Fund positioning and foreign inflows have been supportive of the Taiwan Stock Exchange Corporation (TAIEX). Taiwan Semiconductor Manufacturing Co Limited (TSMC) surged to a record high amid expectations of rising Generative AI-related revenue. Meanwhile, Personal Computer (PC) and general server players could see an upside from the upcoming new product cycle. Singapore's equity market rebounded in March 2024 due to strong performance in Communication Services, led by Sea Limited and Singapore Telecommunications Limited (Singtel).

On the other hand, Hong Kong (-6.3 per cent) was the laggard in March 2024 as optimism on property stamp duty removal was overshadowed by weak Financials and Property sector earnings results. China's market held up during the month with positive news and rising investor interest. The National People's Congress (NPC) of the People's Republic of China set a 2024 GDP growth target of "around 5 per cent" which is ahead of market expectations and the macro data for the first quarter of 2024 has been favourable so far. Nevertheless, the market remains concerned about the escalation of geopolitical tensions ahead of the US elections and the property sector slowdown.

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 68.82 mil

Fund Manager
Colin Ng



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