

March 2025

United Sustainable Asia Top-50 Fund



Why Invest?

- **Net zero opportunities in Asia:** Asia is fast growing but is also more vulnerable to climate change than other parts of the world. This has prompted Asian governments to speed up their net zero commitments and policy initiatives, fostering growth opportunities for ESG-friendly companies.
- **Ride on Japan's equity market rally:** United Sustainable Asia Top-50 Fund - Class A SGD Acc (the "Fund") The Fund's biggest country allocation is in Japan (32.61 per cent as of March 2025). With drivers such as improved corporate governance and positive earnings, we believe Japan's equity market will continue to have upside potential.
- **Proprietary investment process:** The Fund adopts a proprietary investment framework for identifying profitable ESG-friendly companies. This framework is anchored by the (Artificial Intelligence) AI-Augmentation@UOBAM investment framework i.e., a combination of AI and on-the-ground ESG research.
- **Focus on innovation:** The Fund's investment focus is on company innovation. Aligning with megatrends that are prevalent now and expected in the future, the Fund invests in sectors such as renewables, electric vehicles, digital services, semiconductors, and smart consumables.

Portfolio Positioning

We continue to adopt an overweight positioning for China and Hong Kong as market sentiments have improved. In South Korea, new orders rose marginally, employment fell, and optimism remained subdued. Due to soft domestic demand, the market is plagued with an uncertain outlook. We expect a deterioration in the current conditions, with Purchasing Managers' Index (PMI) falling into further contraction in the coming months. On the **Indian market**, due to low base effects following sharp losses five months through February, the Indian markets rebounded sharply in March 2025. However, we continue to view the attractive valuations of Chinese stocks as a headwind for the Indian stock market in the near term, hence underweighting our positioning in the Indian market. Further momentum will be tested by March-quarter earnings and economic growth fuelled by monetary reflation. In **Taiwan**, we continue to adopt a selectively positive stance amid lingering inflation concerns and uncertainty over US tariffs. The country's export momentum should continue for the remainder of 2025, driven by AI-chip demand. However, the outlook faced risks which could impact domestic growth momentum.

Within ASEAN (the Association of Southeast Asian Nations), **Malaysia** continues to be our preferred market as growth, employment, and inflation prospects remain within forecasts despite the looming threat of tariffs. Growth is expected to be bolstered by sustained domestic demand, and export rebound is expected to be moderate but sustained by the global technology cycle. The recent increase in minimum wages should also aid demand without placing pressure on prices.

March 2025 Portfolio Performance

The United Sustainable Asia Top-50 Fund - Class A SGD Acc	-0.09 per cent ¹
Benchmark: MSCI All Country Asia Index	-0.28 per cent

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

¹ Fund performance is on a Net Asset Value ("NAV") basis, with dividends and distributions reinvested (if any).

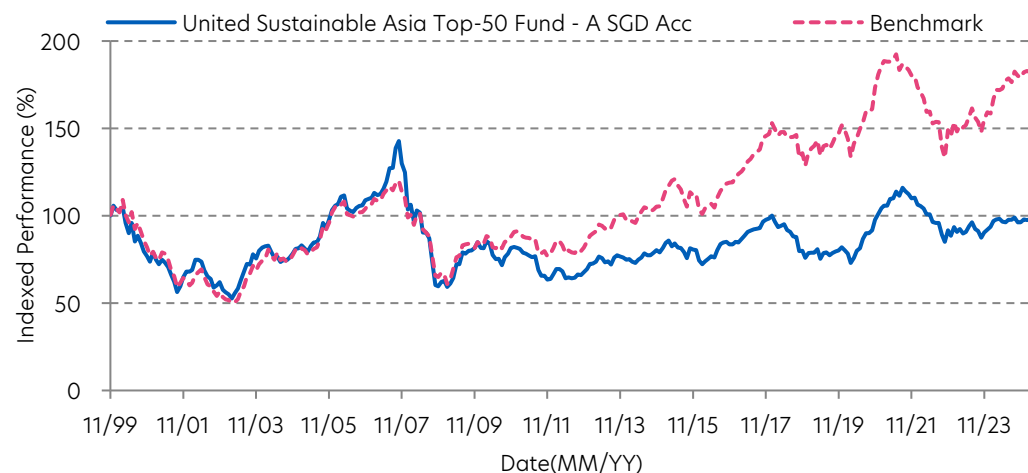
Performance Review

The Fund delivered a negative return in March 2025 as a result of negative selection effects. Negative selection within China and Japan was the main contributor to the performance.

In terms of sector, Information Technology and Financials were the primary laggards.

Performance (Class A SGD Acc)

Fund Performance Since Inception² in Base Currency



Past performance is not necessarily indicative of future performance.

Fund performance is calculated on a NAV to NAV basis.

Benchmark: Since Inception - 30 September 2020: MSCI All Country Far East Index; 1 October 2020-Present: MSCI All Country Asia Index

Source: Morningstar. Performance as at 31 March 2025, SGD basis, with dividends and distributions reinvested, if any.

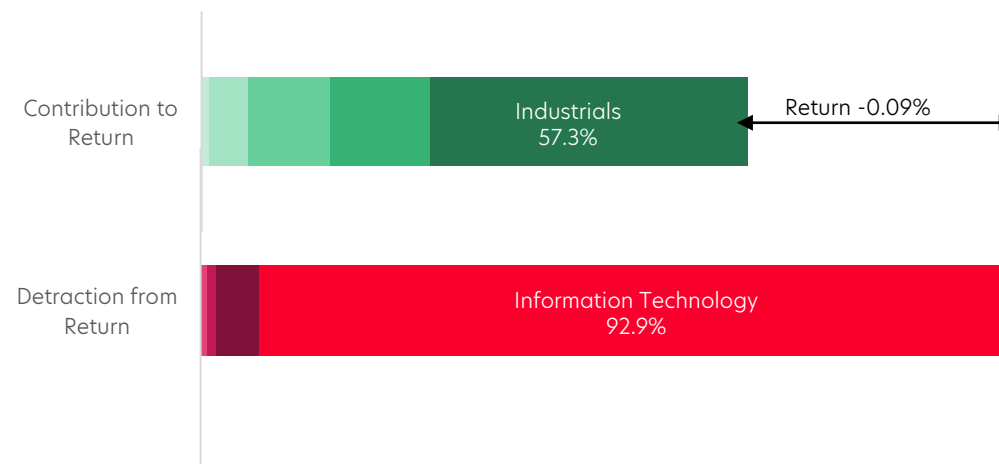
² The United Sustainable Asia Top-50 Fund - Class A SGD (Acc) (ISIN Code: SG9999001226) was inceptioned on 26 November 1999, and converted to an ESG (Environmental, Social, and Governance) fund on 1 October 2020.

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

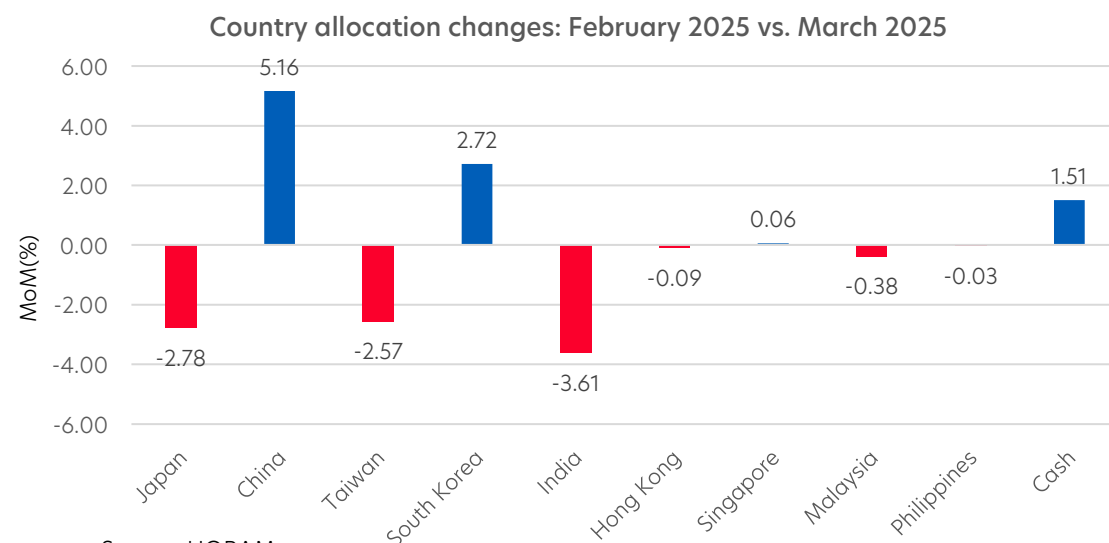
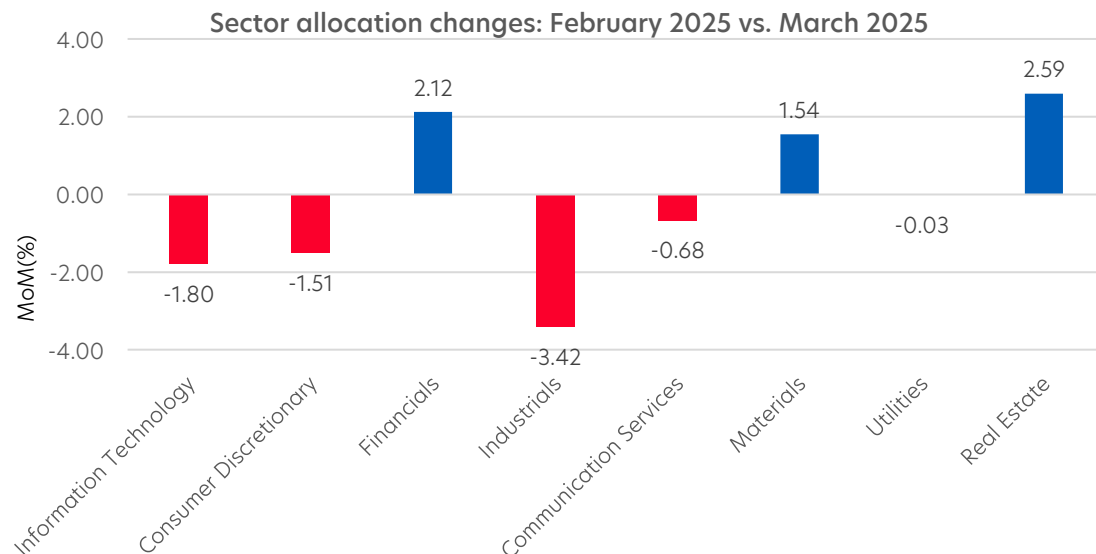
	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	-0.09	0.01	-2.06	6.07	-0.09
Fund (Charges applied [^])	-5.08	-4.99	-3.72	4.99	-0.31
Benchmark	-0.28	5.68	2.84	6.36	2.38

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. Benchmark: Since inception - 30 September 2020: MSCI All Country Far East Index; 1 October 2020-Present: MSCI All Country Asia Index. 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 2025



Portfolio Changes



Source: UOBAM

Portfolio Review

Analyst Insights

In March 2025, we saw continued weakness in the Asia equity market, except for India and the Philippines, which the notable gainers. Amid economic uncertainties, we remain constructive in structurally resilient markets. We continued to have a preference for Malaysia with key catalysts such as the enhancement of regional investments within ASEAN and other major trading blocs. Malaysia's economy outperformed most in Southeast Asia in 2024, attracting record MYR (Malaysian Ringgit) 378.5 billion (\$85.4 billion) in investments that will likely create enough positive economic momentum to sustain growth.

For North Asia, we continue to adopt an overweight positioning in both the China and Hong Kong markets during the recent rebalancing. In navigating the ASEAN and Indian markets, we continue to adopt a slightly more defensive stance. We underweight South Korea as we expect continued downside risks to Gross Domestic Product (GDP) growth amid persistent weakness in private consumption and subdued private capital expenditure. We also underweighted India to fund our overweight allocations in China.

As shown on the left charts, the biggest increase in the sector allocation changes for March 2025 was in Real Estate (+2.59 per cent). On the contrary, the largest decrease was in Industrials (-3.42 per cent). In terms of country allocation changes, the Fund had the highest increase in China (+5.16 per cent) and the highest decline in India (-3.61 per cent) for March 2025.

Market Review

Global equities fell -4.4 per cent (MSCI All Country World Index, in SGD terms) in March 2025, while Asia ex-Japan fell -0.4 per cent for the month. Among the Asia ex-Japan markets, mixed performance was observed with India, the Philippines, and Indonesia being the greatest gainers, while Taiwan, Thailand, and Malaysia were among the laggards.

In **Hong Kong**, the market fell slightly at -0.5 per cent. While increasing government support for Chinese technology firms buoyed initial sentiments, this was dampened by moves from the US to curb Chinese access to high-end technologies, with over 50 Chinese companies added to an export blacklist which blocked American companies from supplying those on the list without government permits. Wider contagion fears over trade war uncertainties also weighed on investor confidence.

The **Taiwan** market declined by -11.7 per cent, coming under heavy pressure from wider tariff threats from President Trump, with Taiwan having one of the highest trade surpluses with the US. This comes despite conciliatory approaches from the country, which included moves by the Taiwan Semiconductor Manufacturing Company (TSMC) to invest US\$100 billion in the US. The government had also previously announced targets to raise defence spending to over 3 per cent of GDP, as a commitment towards its self-defence.

The **Indian** market gained 8.7 per cent in March 2025, with the rally driven by investors scooping up beaten-down stocks in a partial rebound from a prolonged sell-off that began last October (2024). The country also saw more favourable domestic economic data, with reported inflation figures falling to a lower-than-expected 3.61 per cent, driven by a cooling of vegetable prices.

Singapore market gained 1.6 per cent in March 2025, amidst rising geopolitical tensions globally. Private sector economists have maintained their forecast for economic growth in Singapore at 2.6 per cent in 2025, which will be slower than the 4.4 per cent reported for 2024. As the country gears up for an upcoming General Election in 2025, electoral boundaries were also released in March 2025.

Investment Objective

To achieve long-term capital appreciation by investing, directly or indirectly, in Authorised Investments issued by not more than 50 in total of the top corporations or any other entities either unincorporated or incorporated in, or whose principal operations are in, Asia, as may from time to time be determined by us. These companies can be listed in any of the stock exchanges of the world. Investments will be selected following the Fund's investment focus and approach, which includes the consideration of Sustainability and Environmental, Social and Governance (ESG) factors.

Fund Information

Base Currency	Fund Size	Fund Manager
SGD	SGD 27.92 mil	Victor Wong



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