

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 (41.01 per cent as of February 2024). With drivers such as improved corporate governance and positive earnings, we believe that Japan’s equity market will continue to have upside potential over the next few months.
- **Proprietary investment process:** The Fund adopts a proprietary investment framework for identifying profitable ESG-friendly companies. This framework is anchored by the 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

Outlook for Asia in 2024 suggests moderate returns with optimism on a potential growth upturn in the second half of 2024, contingent on China’s incremental policy easing. Despite some improvements in economic indicators, caution prevails due to the likelihood of a slowdown in global growth constraining Asia’s exports. Defensive positioning is emphasised, with underweight positions in China and Hong Kong due to subdued sentiment and property sector concerns. Korea remains underweight despite export growth. Relative preferences lie with Taiwan and India, buoyed by broad-based market performance and strong Gross Domestic Product (GDP) growth respectively. Singapore and Malaysia are overweighted for their stability, with accelerating corporate earnings growth in Malaysia. For Indonesia, we see an upgrade to neutral amid the removal of political uncertainty. Our defensive positioning is tilted towards sectors such as Utilities and Energy. We remain selective in the Consumer Discretionary and Technology space. Key risks include a US economic downturn, China’s economic trajectory and geopolitical tensions.

February 2024 Portfolio Performance

The United Sustainable Asia Top-50 Fund – Class A SGD Acc	+3.48 per cent ¹
Benchmark: MSCI All Country Asia Index	+5.21 per cent

Source: Morningstar, Performance from 31 January 2024 to 29 February 2024 in SGD terms

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

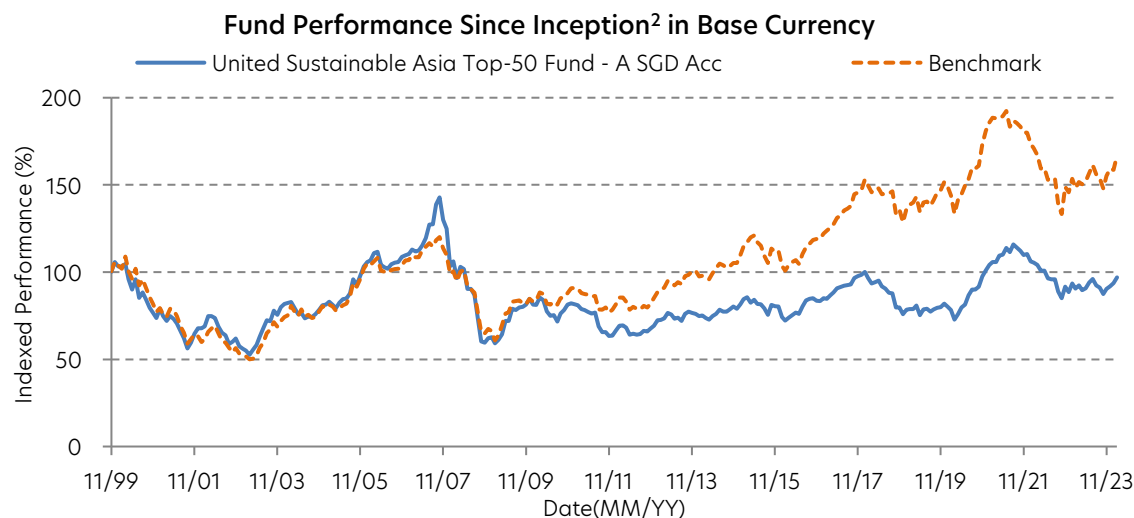
Performance Review

The Fund underperformed its benchmark in February 2024 as a result of negative allocation and selection effects.

Negative stock selection within Japan, Malaysia and Singapore markets were the main reasons for underperformance. On allocation, our underweight in China also contributed to the underperformance. In contrast, stock selection within Taiwan, India and Indonesia was positive.

In terms of sector, Energy, Consumer Discretionary, Materials and Information Technology were the top contributors to excess return while Financials, Utilities, Consumer Staples and Consumer Discretionary were the primary laggards for excess return.

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

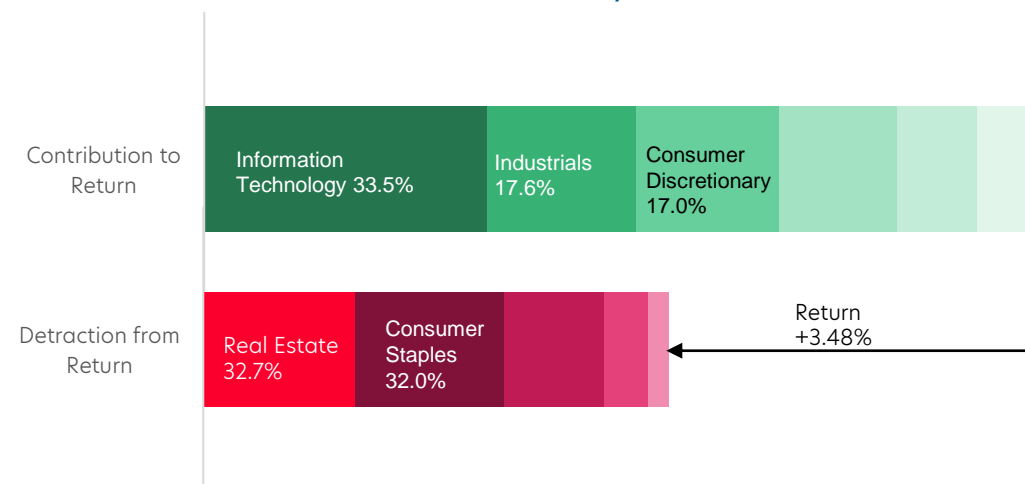
² The United Sustainable Asia Top-50 Fund - Class A SGD (Acc) (ISIN Code: SG9999001226) was inceptioned on 26 November 1999, and converted to an ESG (Environmental, Social, and Governance) fund on 1 October 2020.

All statistics quoted in the write-up are sourced from Bloomberg as at 29 February 2024 unless otherwise stated.

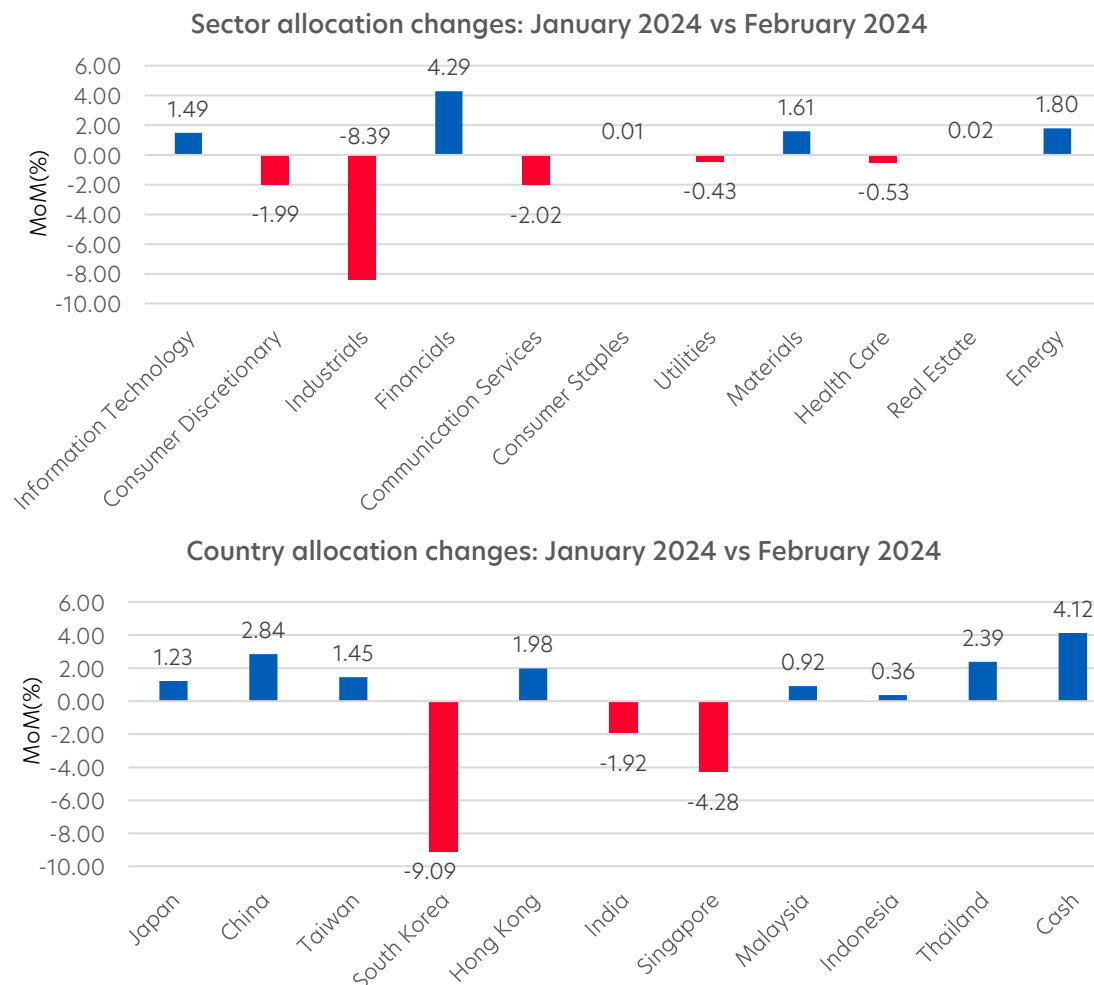
	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	3.48	6.97	-2.87	4.22	-0.13
Fund (Charges applied [^])	-1.69	1.62	-4.51	3.16	-0.36
Benchmark	5.21	12.59	-4.01	3.77	2.13

Source: Morningstar. Performance as at 29 February 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. 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: February 2024



Portfolio Changes



Source: UOBAM

Portfolio Review

Analyst Insights

In February 2024, we made new investments in companies such as Siam Cement Public Company Limited (Siam Cement), and Agricultural Bank of China (ABC). Siam Cement engages in the business of industrial supplies and construction industries such as cement-building materials, chemicals and packaging. The company has implemented carbon mitigation programs through increased adoption of biomass, refuse-derived fuel, and solar energy in its cement manufacturing process. ABC engages in the provision of international commercial banking and financial services. In North Asia, we have preferences for high dividend-yielding companies and those benefiting from travel trends. Within Korea, we preferred companies within the Financial sector while being selective on names in the Information Technology space in Taiwan. We favoured oil and gas beneficiaries, such as Petronas in Malaysia, while within Indonesia, we favoured names that may benefit from the general election.

As shown on the left charts, the biggest increase in the sector allocation changes for February 2024 was in Financials (+4.29 per cent). On the contrary, the largest decrease was in Industrials (-8.39 per cent). In terms of country allocation changes, the Fund has the highest increase in China (+2.84 per cent) and the highest decline in South Korea (-9.09 per cent) and Singapore (-4.28 per cent) for February 2024.

Market Review

Global equity markets extended a rally in February 2024 (MSCI All Country World Index: 5.0 per cent in SGD terms) as consumer discretionary and information technology sectors jumped. Asia ex-Japan gained 6.3 per cent in February 2024, with China, South Korea and Taiwan leading gains.

China's equity market gained 9.1 per cent in February 2024 as policymakers introduced measures to stabilise the market, such as a cut in the 5-year Loan Prime Rate (LPR), property loans whitelist, and National Team intervention etc. All sectors were in the green as a result. Hong Kong's equity market gained 5.3 per cent following the policy measures in China with all sectors having positive performance. Taiwan's equity market gained 6.1 per cent with most sectors performing except for the Materials and Energy sectors. Industrials and Information Technology led the gains with Airtac International Group and Voltronic Power Technology Corp reporting stronger-than-expected earnings. Taiwan's technology sector was in the green as continued optimism within AI as the market digests the strong fourth quarter (2023) earnings beat and positive guidance in January 2024 after the market re-opened post the Lunar New Year. South Korea's equity market gained 7.4 per cent in February 2024 on the back of the Corporate Value-Up Programme announced in early February 2024, with Utilities, Consumer Discretionary and Financials sectors leading gains.

The Indian equity market gained 3.4 per cent in February 2024, following the interim central government budget which emphasised increased infrastructure spending and Reserve Bank of India (RBI) policy. The gain was strongly supported by Real Estate, Consumer Discretionary, Utilities, Industrials and Energy sectors. Materials and Communication Services detracted.

The Association of Southeast Asian Nations (ASEAN) markets had a decent performance with all markets in the green and the Philippines being the best-performing market. Singapore market rose 1.5 per cent as Consumer Discretionary, Utilities and Real Estate were in the red. In contrast, the Communication Services sector outperformed, largely driven by Sea Limited. Malaysia's market rose by 3 per cent in February 2024 with all sectors in the green, led by the Energy sector (from Dialog Group) and Industrials sector (from Sime Darby and Malaysia Airports), which have shown strong earnings results. Indonesian equities gained 3.8 per cent on the back of the 2024 General Election as Prabowo-Gibran's victory was positively responded to by the market given sentiment on policy continuity and similar directional structural transformation strategies that are likely to stimulate market participants to re-enter the market and drive stronger foreign direct investments. All sectors were in the green with Financials leading the gains except for Consumer Discretionary.

Thailand's equity market inched up by 1.2 per cent in February 2024. Strong earnings release in CP Aextra PCL along with internal restructuring for synergy and the margin improvement in CP All PCL supported the positive performance in Consumer Staples. Industrials, Consumer Discretionary, Energy and Financials also led gains. On the contrary, Information Technology Communication Services and Utilities underperformed. The Philippines rose 5.9 per cent in February 2024. Sector-wise, all sectors are in the green, with Industrials, Financials, Utilities and Consumer Discretionary leading gains, except Real Estate.

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

Morningstar Rating	Base Currency	Fund Size	Fund Manager
★★★	SGD	SGD 29.53 mil	Victor Wong



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