



# Access the 50 largest China A-shares on the Shanghai Stock Exchange

## United SSE 50 China ETF

Ride on the performance of the 50 largest market cap enterprises listed on the Shanghai Stock Exchange.



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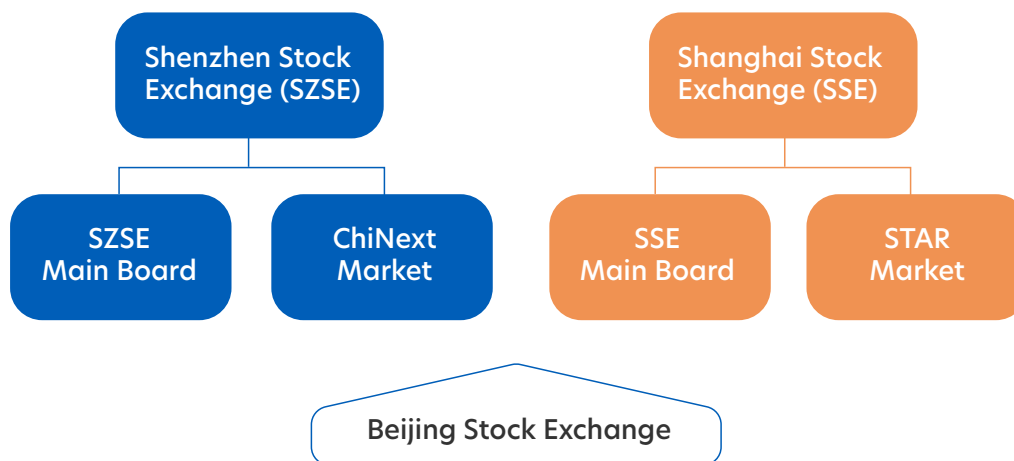


Right By You

## China's onshore stock market structure

Launched in 1990 as a way to modernise and expand China's economy, Mainland Chinese listings are on either the Shenzhen Stock Exchange (SZSE) or the Shanghai Stock Exchange (SSE).

The SSE is a stock exchange based in the city of Shanghai that has two main trading boards: the Main Board and the STAR Market.



## Why invest in China?

### China's strengths



World's second largest economy and a leading exporter and importer of goods<sup>1</sup>



World's largest middle class income population<sup>2</sup>



Leads in terms of infrastructure and further extends its influence through the Belt and Road Initiative<sup>3</sup>



Leading technological progress in:<sup>3</sup>

- 5G/6G telecommunication
- Electric vehicles
- Artificial intelligence
- Renewable energy (solar, wind)

<sup>1</sup> Source: World Options, World's Top Exporters And Importers - Updated 2024, as of 4 February 2024

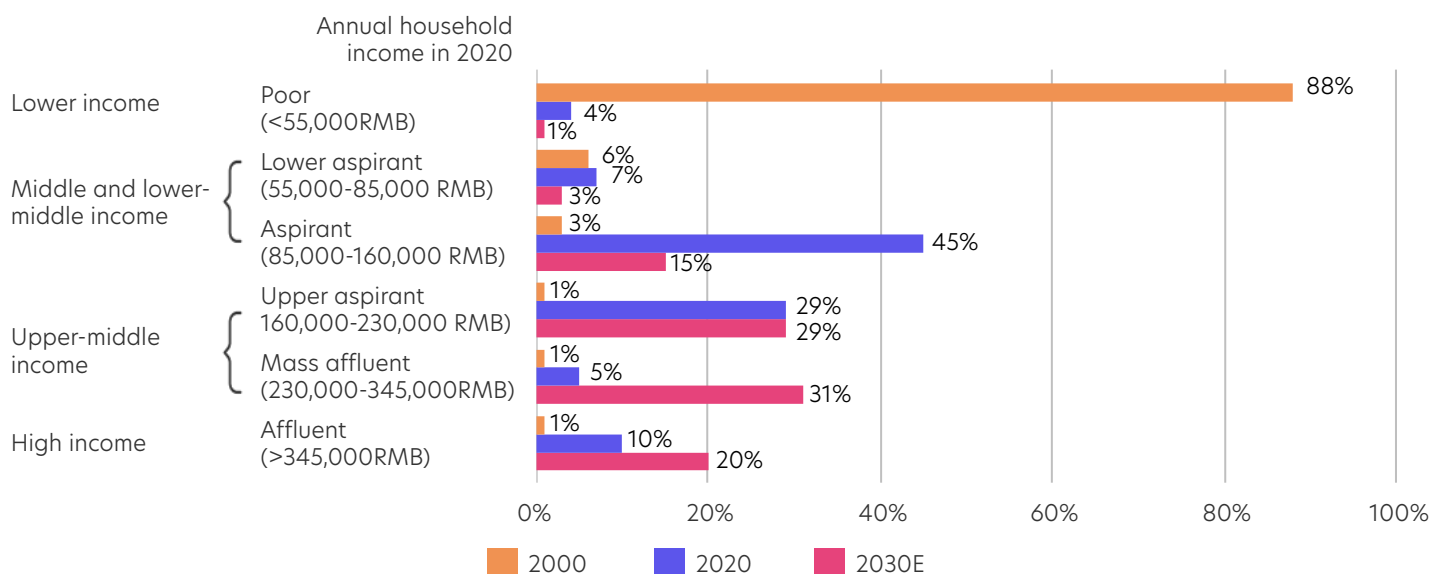
<sup>2</sup> Source: World Data Lab, as of 20 August 2024

<sup>3</sup> Source: World Economic Forum, China's Belt and Road Initiative turns 10. Here's what to know, as of 20 Nov 2023

## Domestic consumption and rising affluence

China's growing domestic consumption, rising affluence and preference for local brands will likely lead to an increase in demand for goods and services provided by China's onshore leading companies.

### Urban consumption by income group<sup>4</sup>



### Domestic Chinese brands that have exceeded foreign brands' sales, revenue, and market share<sup>5</sup>

Industry	Brand	Country of origin	Revenue/sales/market share in 2023
<b>Sportswear</b> 	1. Anta		US\$7.8 billion
	2. Nike		US\$7.2 billion
	3. Li-Ning		US\$3.7 billion
	4. Adidas		US\$3.4 billion
<b>Coffee shops</b> 	1. Luckin		US\$855 million
	2. Starbucks		US\$764 million
<b>Automotive</b> 	1. BYD		1,098,409 (11.7%)
	2. Volkswagen		982,290 (10.1%)
	3. Toyota		797,605 (8.3%)
<b>Electric vehicles</b> 	1. BYD		524,184 (25.0%)
	2. Tesla		294,105 (14.1%)
	3. Aion		211,288 (10.1%)
<b>Smartphones</b> 	1. Huawei		28.9%
	2. Apple		24.3%
	3. Xiaomi		10.0%

<sup>4</sup> Source: McKinsey & Company, Five consumer trends shaping the next decade of growth in China, 11 November 2021

<sup>5</sup> Source: Companies' financial reports, 2022 - 2023, CarNewsChina, and BankMyCell and Forrester, From Dominance To Decline: Global Brands Are Losing In China, 27 February 2024

Kweichow Moutai Co. Ltd., the top constituent of the SSE 50 Index, holds the top spot on the list of the world's most valuable spirit brands in 2023.

### Top 10 most valuable spirits brands in 2023<sup>6</sup>

Brand Name	Country	Brand Value(US\$ billion)
Kweichow Moutai	China	\$49.7
Wuliangye	China	\$30.3
Xinghuacun Fen Wine	China	\$8.4
Luzhou Laojiao	China	\$7.7
Yanghe	China	\$6.8
Hennessy	France	\$6.3
Gujing Gong Jiu	China	\$4.0
Jack Daniel's	US	\$3.5
Johnnie Walker	Scotland	\$3.0
Smirnoff	UK	\$2.6

## About the SSE 50 Index

The SSE 50 Index is an index consisting of the 50 largest stocks of good liquidity listed on the SSE. The SSE 50 Index's simple approach has led to a clear and transparent selection of its underlying constituents:



### Lower unsystematic risk

No alteration of constituents' weights or the introduction of undesired risk which might be more in evident in sector-based, thematic, or factor-styled strategy.



### Highly predictable composition

Bigger stocks get bigger weights.



### Lower turnover

Largest stocks typically remain as the largest stock, resulting in a lower index turnover.

Although the SSE 50 Index has a small number of constituents, it represents over 36% of the SSE, based on market capitalisation.<sup>7</sup> Additionally, the SSE 50 Index is highly correlated to the broader China A-shares market, making the Index relevant to investors looking for China A-shares exposure.

### Correlation matrix with broad A-shares indexes<sup>8</sup>

	SSE 180 Index	FTSE China A50 Index	CSI 300 Index
SSE 50 Index	0.98	0.98	0.96

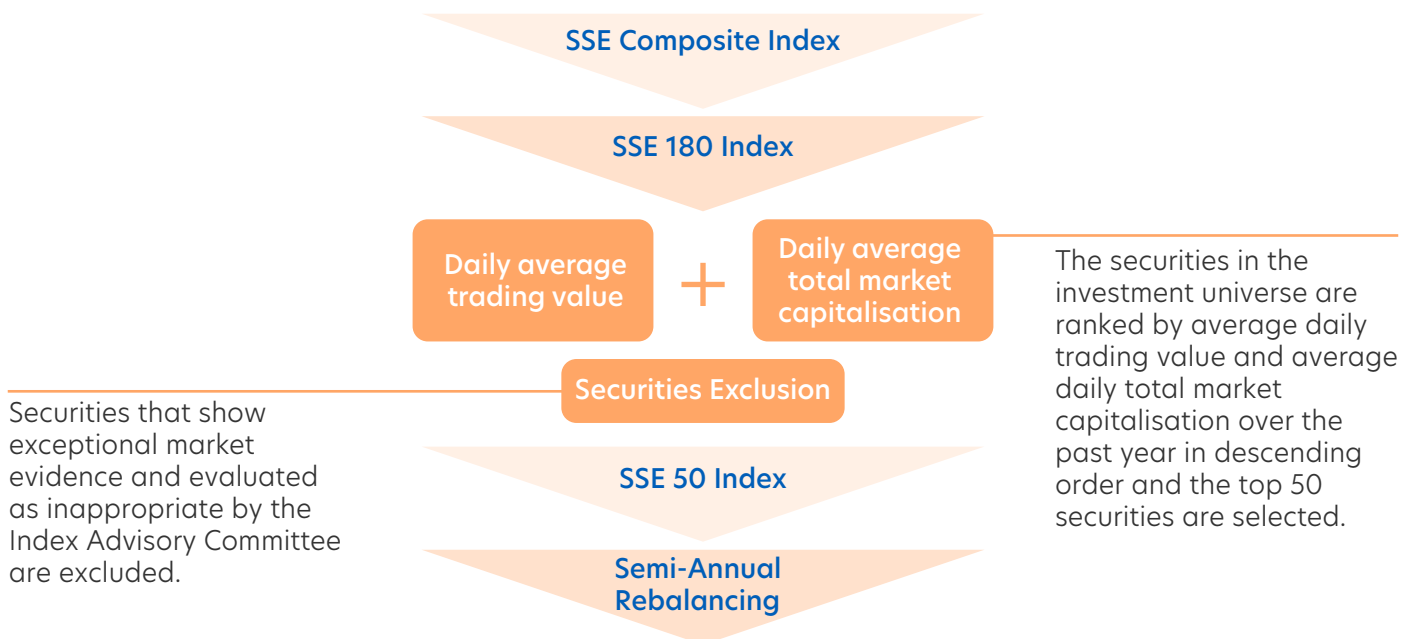
<sup>6</sup> Source: Brand Finance - Spirits 50 2023 ranking, July 2023

<sup>7</sup> Source: Bloomberg, as of 30 June 2024

<sup>8</sup> Source: Bloomberg, as of 30 June 2024, based on the weekly data from the past 5 years.

Note: A perfect positive correlation means that the correlation coefficient is exactly 1. This implies that as one security moves, either up or down, the other security moves in lockstep, in the same direction. A perfect negative correlation means that two assets move in opposite directions, while a zero correlation implies no linear relationship at all.

## SSE 50 Index methodology<sup>9</sup>



## Access to China onshore equities with the SSE 50 Index

China A-shares offer breadth and depth to key sectors in both traditional and new economy <sup>10</sup>			
Sectors	A-shares China securities in Mainland China	H-shares and red-chip securities listed in Hong Kong	US ADRs* China securities listed in the US
Information Technology	293	17	2
Media/Communication Services	50	13	10
Healthcare	172	28	1
Materials (Including New Materials)	240	13	0

\*ADR is the abbreviation for "American Depository Receipt". Note: Listed securities here are with at least US\$1 billion market cap and US\$1 million turnover per day.





<sup>9</sup> Source: China Securities Index Company Limited, December 2020

<sup>10</sup> Source: UOBAM, as of 13 August 2024

## About United SSE 50 China ETF

The United SSE 50 China ETF (the "Fund") aims to provide investment results that, before fees, costs and expenses (including any taxes and withholding taxes), closely correspond to the performance of the SSE 50 Index.

### Key features of the Fund

Concentrates on Traditional Industries				Constituents
 Finance	 Energy	 Raw Material	 Heavy Industry	<ul style="list-style-type: none"><li>Aims to reflect the performance of leading and most influential large enterprises on the Shanghai securities market</li><li>Onshore blue-chip securities</li></ul>

### Fund details

<b>Manager</b>	UOB Asset Management Ltd
<b>Trustee</b>	State Street Trust (SG) Limited
<b>Index</b>	SSE 50 Index
<b>Stock Exchange</b>	Singapore Exchange Securities Trading Limited (SGX)
<b>Management Fee<sup>11</sup></b>	Currently 0.45% p.a.
<b>Trustee Fee<sup>11</sup></b>	Currently not more than 0.05% p.a.
<b>No. of Constituents</b>	50
<b>Replication Method</b>	Physical replication
<b>Listing Date</b>	26 November 2009
<b>Currency Class</b>	SGD Class Unit
<b>SGX Stock Code</b>	JK8
<b>Trading Size</b>	Buy/sell on SGX: Trading Board Lots of 1 unit Subscribe/redeem through Participating Dealer: minimum 50,000 units
<b>Participating Dealers</b>	Phillip Securities Pte Ltd and UOB Kay Hian Pte Ltd
<b>Designated Market Maker</b>	Phillip Securities Pte Ltd
<b>Fund Classification for Retail Investors</b>	Units of the Fund are Excluded Investment Products (EIP).
<b>NAV per unit</b>	Please refer to <a href="#">Fund Prices</a>
<b>Tracking Difference and Tracking Error</b>	Please refer to <a href="#">Fund Factsheet</a>

<sup>11</sup> Please refer to the Fund's prospectus for details on fees and charges (including fees and charges payable on subscriptions).

### Important notice and disclaimers

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