

April 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 30 April 2024.

April 2024 Portfolio Performance

The United Asia Fund- A SGD Acc	+2.15 per cent ²
Benchmark: MSCI All Country (AC) Asia ex Japan	+2.31 per cent

Source: Morningstar, Performance from 31 March 2024 to 30 April 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 marginally underperformed its benchmark in April 2024, as the positive contribution from stock selection was insufficient to offset losses from allocation and currency effects. Stock picking within Taiwan, India and South Korea contributed positively to relative return while selection within Indonesia and China dragged performance.

On allocation, our underweight in South Korea and overweight in Taiwan performed well, while the overweight call in Indonesia and underweight in Hong Kong and China were the biggest detractors. In terms of sector, Information Technology was the top contributor to relative return while Communication Services and Financials were the biggest drags in April 2024.

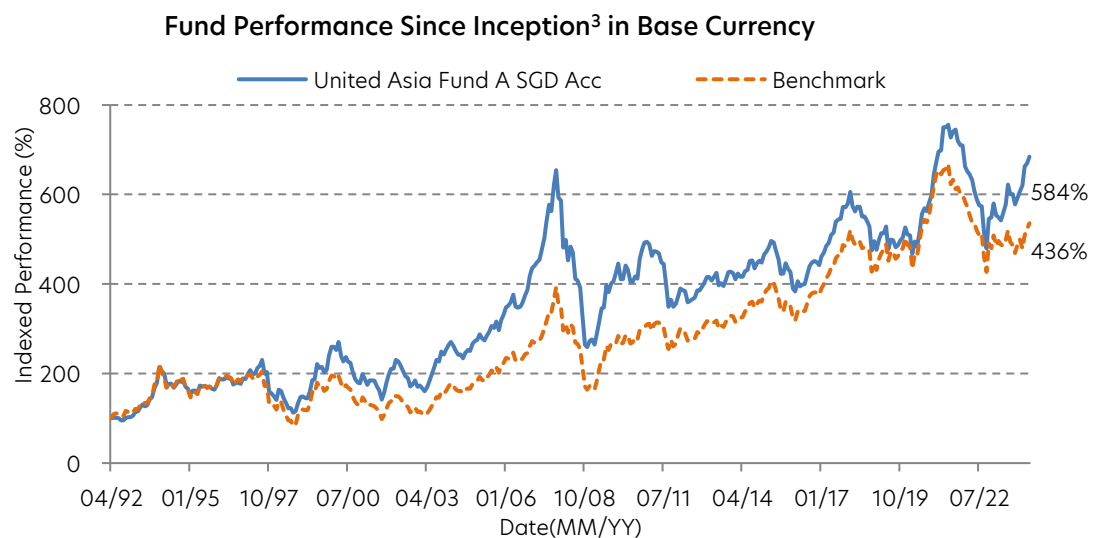
Portfolio Positioning

We are constructive on Asia and expect moderate returns for the region heading into 2024. Asia’s growth will likely turn firmer in the second half of 2024, contingent on a modest recovery in China’s growth supported by external demand and incremental policy easing. The nascent recovery in the semiconductor cycle could pave the way for Asia’s export rebound with US growth remaining strong. This underpins our more positive view of China and Taiwan in the near term.

We significantly reduced our underweight in China by shifting weights from India as valuation became extreme in both markets. Taiwan remains a strategic overweight on the back of AI theme. Key risks to our cautiously optimistic outlook include a US hard landing, escalation of geopolitical risks ahead of US elections and downside surprise to China’s macro recovery.

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

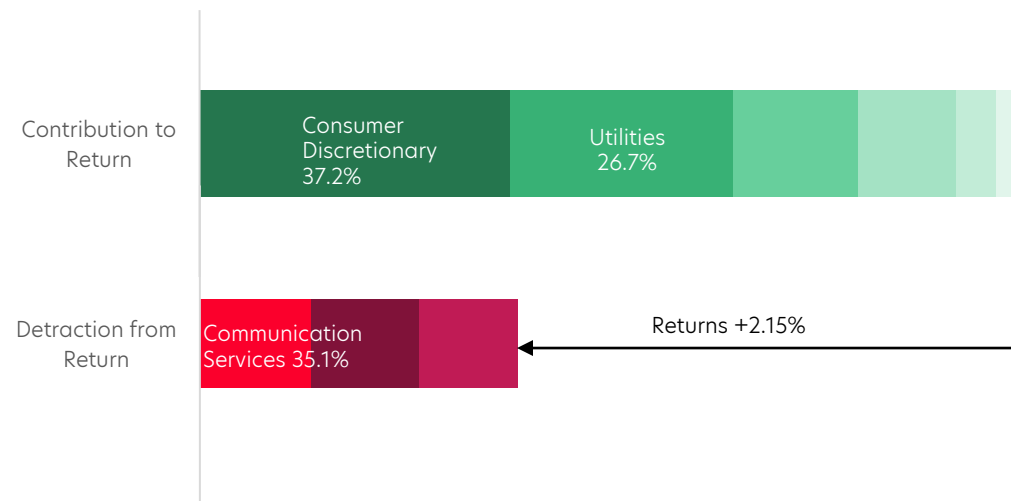
³ The United Asia Fund Class SGD (ISIN Code: SG9999001051) was incepted on 20 April 1992.

All statistics quoted in the write-up are sourced from Bloomberg as at 30 April 2024 unless otherwise stated.

	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	2.15	26.12	-3.04	5.30	6.19
Fund (Charges applied [^])	-2.96	19.81	-4.68	4.22	6.02
Benchmark	2.31	9.90	-6.44	1.85	5.38

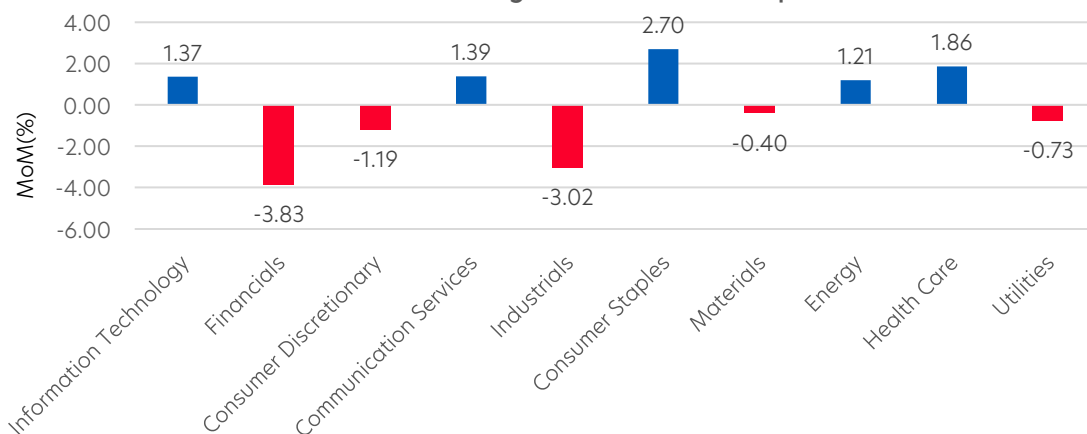
Source: Morningstar. Performance as at 30 April 2024, SGD basis, with dividends and distributions reinvested, if any. Performance figures for 1 month till 1 year show the per cent change, while performance figures above 1 year show the average annual compounded returns. Since inception performance under 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: April 2024

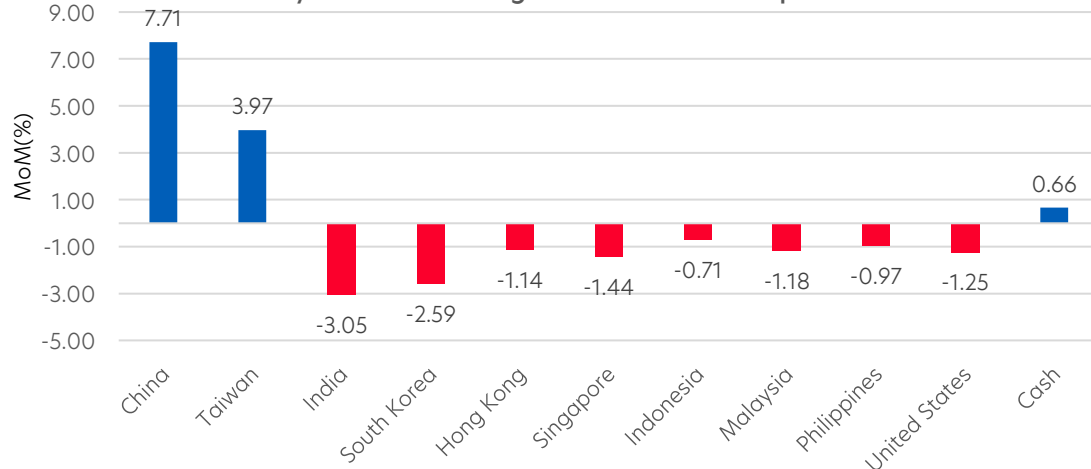


Portfolio Changes

Sector allocation changes: March 2024 vs April 2024



Country allocation changes: March 2024 vs April 2024



Source: UOBAM

Portfolio Review

Analyst & AI Insights

In April 2024, we substantially reduced our underweight in China and increased our allocation in Taiwan, funded by further profit-taking in India. A better-than-expected China's first quarter of 2024 Gross Domestic Product (GDP) along with the government calls to focus on shareholder returns and a new property stimulus policy that bans new land sales for cities with more than 36 months of home stockpiles saw investors warming up to Chinese equities. We expect improving fundamentals supported by export recovery and upward earnings revision underpinned by narrowing Producer Price Index (PPI) deflation and rising industrial profit to serve as catalysts to drive further upside.

As shown on the left charts, the biggest decrease in the sector allocation changes for April 2024 was in Financials (-3.83 per cent), whereas the largest increment was in Consumer Staples (+2.70 per cent). In terms of country allocation changes, the Fund had the highest decline in India (-3.05 per cent) and the highest increases in China (+7.71 per cent) and Taiwan (+3.97 per cent) for April 2024.

Market Review

Asia equity markets continued the uptrend in April 2024 (MSCI All Country Asia ex-Japan Index: +2.31 per cent). China (+7.8 per cent) and Hong Kong (+6.3 per cent) markets significantly outperformed on improving macroeconomic conditions, positive consumption data from May Labour Day bookings, favourable Politburo rhetoric and supportive policies for the property sector. The rally was further intensified by investors rushing to neutralise their underweight out of FOMO (fear of missing out). Extreme valuation in China and Hong Kong markets also made it easier to justify entry.

Conversely, Indonesia (-7.5 per cent) and South Korea (-5.0 per cent) saw big selloffs in April 2024. Indonesia's rupiah tumbled to 4-year lows of 16000 against the US Dollar in late April 2024, triggering a surprise 25 basis points (bps) hike from the Bank of Indonesia to strengthen the currency. However, foreign outflows remained strong while the shaving of Earnings per share (EPS) expectations on a higher interest rate environment also weighed on the Indonesia equity market. Meanwhile, delays in the US Federal Reserve (Fed) rate cut expectations and China's weakening of daily foreign exchange (FX) fixing added pressure to the South Korean Won (KRW). In addition, heightened political uncertainty over the opposition's landslide win in a parliamentary vote and concerns about shadow banking weighed on investor sentiment. The 'Corporate Value-up' reform program to resolve the 'Korea discount' will also take time.

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 87.21 mil

Fund Manager
Colin Ng



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