August 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 four-star rating as of 31 August 2024.

August 2024 Portfolio Performance

The United Asia Fund– A SGD Acc	-2.26 per cent[2]
Benchmark: MSCI All Country (AC) Asia ex Japan	-0.65 per cent

Source: Morningstar, Performance from 31 July 2024 to 31 August 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 August 2024, as positive return from the allocation effect and currency effect did not offset losses from the selection effect. The underweight in South Korea and overweight in Malaysia added gains while stock picking within Hong Kong and Malaysia were big return contributors.

On sector performance, Materials and Financials led outperformance while Information Technology, Industrials and Utilities were the biggest laggards in August 2024.

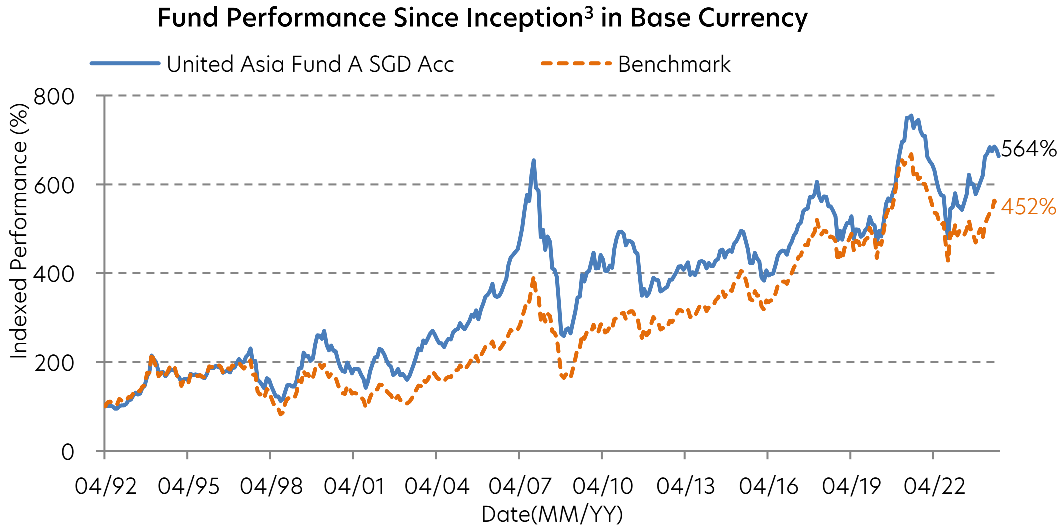
Portfolio Positioning

We remain constructive on Asia in the second half of 2024. As we get closer to the start of the US Federal Reserve (Fed) rate cut cycle, we expect foreign exchange (FX) strength over the US Dollar (USD) to benefit Asia equity markets. We believe that AI will be a long-term structural growth theme, which underpins our positive view of Taiwan. Nevertheless, given the extent of the rally on AI-concept stocks, volatility is expected. Therefore, we have trimmed our overweight position in Taiwan's technology stocks.

We remain confident in the Indian market with its economy in a cyclical upswing amidst the virtuous cycle of infrastructure investment, expansionary discretionary consumption and alternative supply chain management from Western economies. Key risks to our cautiously optimistic outlook include the US interest rate trajectory, sustainability of AI demand and China's macroeconomic growth.

[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.

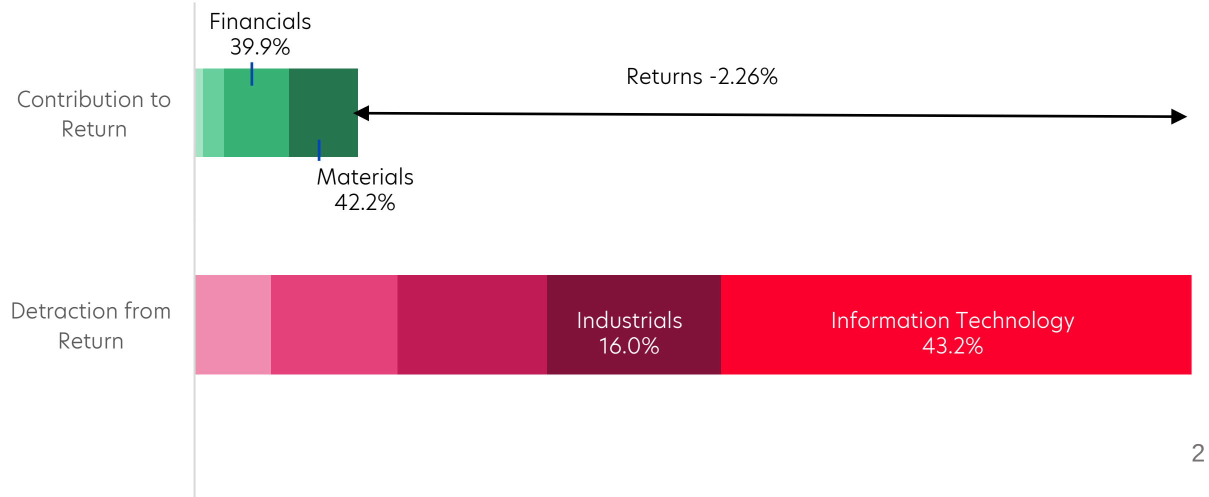
Benchmark: April 1992 – December 2011: MSCI AC FE ex-Japan; January 2012 to present: MSCI AC Asia ex-Japan.

Source: Morningstar. Performance as at 31 August 2024, SGD basis, with dividends and distributions reinvested, if any.

	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	-2.26	10.54	-3.56	6.61	6.02
Fund (Charges applied^)	-7.15	5.01	-5.19	5.52	5.85
Benchmark	-0.65	11.70	-4.45	3.89	5.42

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

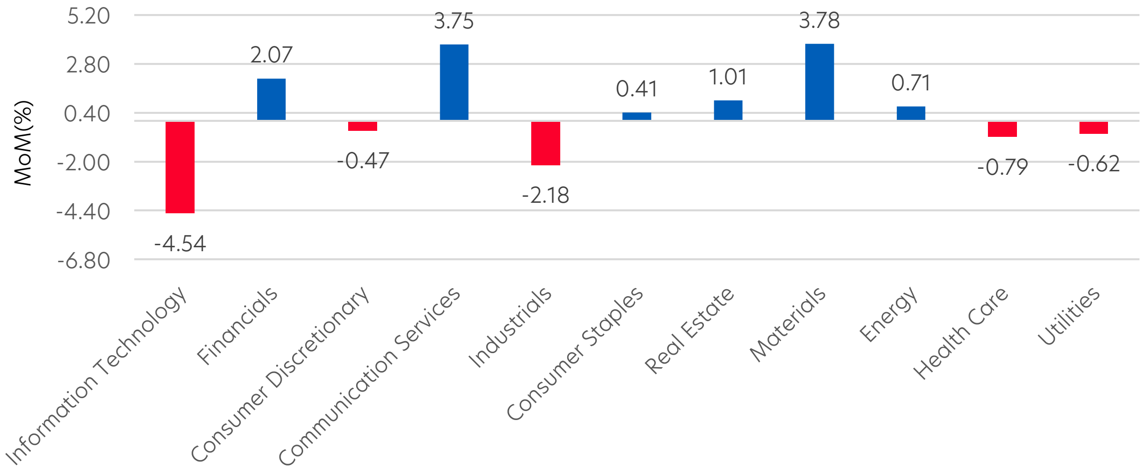


[3] The United Asia Fund Class SGD (ISIN Code: SG9999001051) was incepted on 20 April 1992.

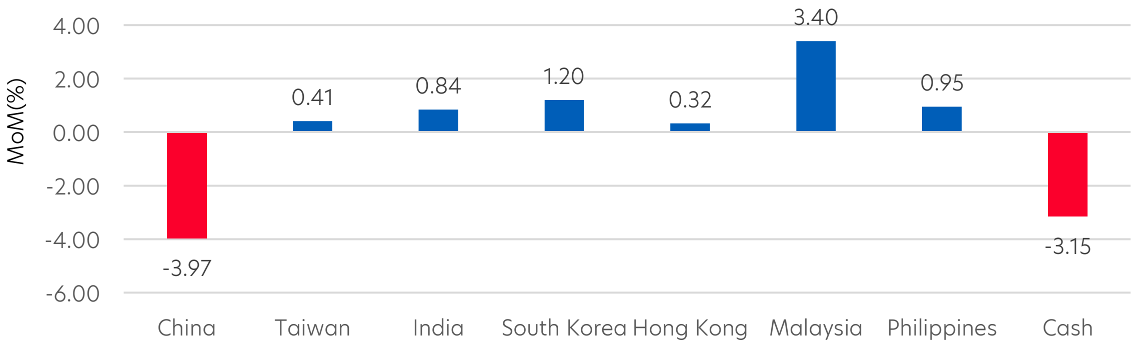
All statistics quoted in the write-up are sourced from Bloomberg as at 31 August 2024 unless otherwise stated.

Portfolio Changes

Sector allocation changes: July 2024 vs. August 2024



Country allocation changes: July 2024 vs. August 2024



Source: UOBAM

Portfolio Review

Analyst & AI Insights

In August 2024, our proprietary machine-learning model recommended increasing the overweight position in Malaysia, funded by trimming the allocation in China.

Malaysia's equity market has performed well in 2024, driven by the Johor-Singapore special economic zone and data-centre thematic plays. Foreign direct investments in the semiconductor and data-centre industries have supported macroeconomic growth and boosted sentiment. We believe Malaysia to be a bright spot within the Association of Southeast Asian Nations (ASEAN) given its improving fundamentals and a strengthening Malaysian Ringgit (MYR).

In **China**, incremental policy measures post the second quarter of 2024 Gross Domestic Product (GDP) and the Third Plenum continued to disappoint the market. Macroeconomic data weakened further with the property sector still finding a bottom. We will need strong catalysts to neutralise our underweight position in China. We remain defensive in positioning and selective in stock picking within the Chinese market.

In addition, we have reduced the overweight position in **Taiwan** as high expectations and lofty valuation made the equity market prone to correction in the event of disappointment.

As shown on the left charts, the biggest decrease in the sector allocation changes for August 2024 was in Information Technology (-4.54 per cent), whereas the largest increment was in Materials (+3.78 per cent). In terms of country allocation changes, the Fund had the highest declines in China (-3.97 per cent) and the highest increase in Malaysia (+3.40 per cent) for August 2024.

Market Review

Asia equities extended the downtrend in August 2024 (MSCI All Country Asia ex-Japan Index: -0.5 per cent), dragged by South Korea, China and India.

In **South Korea**, increasing volatility from the US technology stocks and the disappointed Industrial Production data for July 2024 triggered concerns over semiconductor demand and saw significant foreign outflows. In addition, the Corporate Value Up Program was stalling in progress and more efforts would be required to drive the equity market higher. In **China**, the weak Purchasing Managers' Index (PMI) and macro data have increased market expectations of further stimulus measures. The local government was trying to boost the physical property market by considering allowing homeowners to refinance as much as US$5.4 trillion of mortgages to lower borrowing costs for millions of families and boost consumption. However, the rescue plans for the property market appeared insufficient and remained concerns about policy implementation. For **India**, the small pullback in August 2024 was partly driven by a lacklustre first quarter Fiscal Year 2025 earnings and a weaker-than-expected June quarter GDP growth.

On the other hand, the Philippines was the best performer in the region, followed by Malaysia and Indonesia in August 2024. The ASEAN markets generally performed better on the back of FX strength as the market priced in more US rate cuts from the Federal Reserve (Fed). In the **Philippines**, the 25 basis points (bps) rate cut by the BSP (Central Bank of Philippines) provided more impetus to the equities market as investors welcomed the easing in the monetary policy. **Malaysia** remained a favourite within ASEAN supported by foreign inflows as both fundamental and thematic drivers worked in its favour. Although chatters around re-imposing Goods and Services Tax (GST) led to uncertainty for some consumer names, this could improve government revenue and provide additional support for the MYR. As a country with twin deficits, the **Indonesian** market was also buoyed by growing US rate cut expectations, though political overhang surrounding the upcoming regional election in November 2024 and the protests in late August 2024 resulted in some outflows.

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	Fund Size	Fund Manager
★★★★	SGD	SGD 122.82 mil	Colin Ng

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