

April 2024

United Greater China 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.
- **Offers diversification benefits:** The Fund's inclusion of China, Hong Kong and Taiwan markets provides diversification benefits. While China and Taiwan markets were historically highly interdependent, recent global geopolitical tensions and Taiwan's robust growth in advanced engineering have reduced their correlation.
- **Award winning:** The Fund has recently received the Refinitiv Lipper Fund Awards Singapore 2023 Winner, Best Equity Greater China Fund Over 3 Years¹. 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

United Greater China Fund A SGD Acc	+2.36 per cent ²
Benchmark: MSCI Golden Dragon Index	+4.21 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 underperformed its benchmark in April 2024, primarily due to selection and allocation effects. Stock picking within Financials and Consumer Discretionary were the biggest detractors, while the underweight in Communication Services added to the underperformance.

In terms of country, our good stock selection within Taiwan and Hong Kong did not manage to offset losses from our picks in China market. In addition, the underweight in Hong Kong and China contributed to the underperformance relative to the benchmark in April 2024.

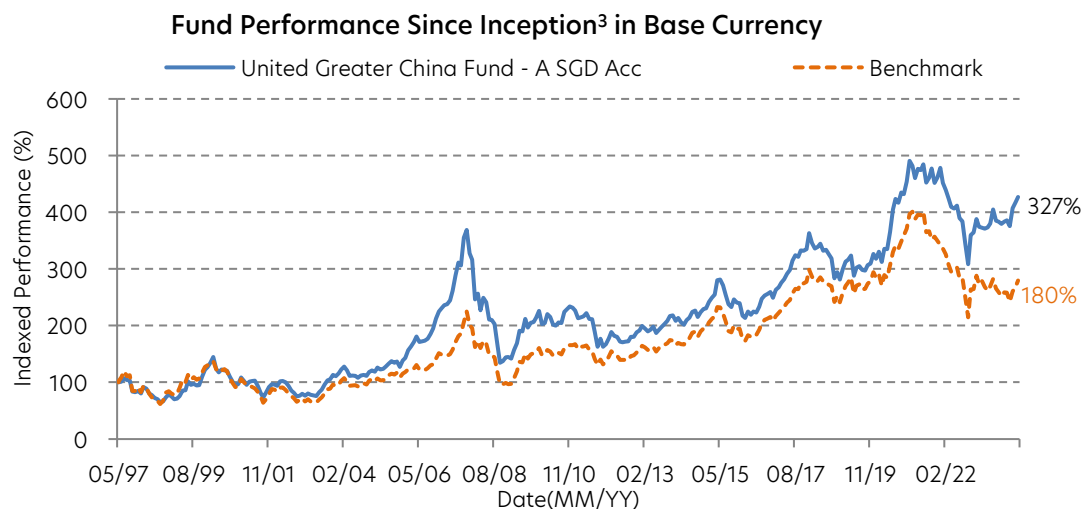
Portfolio Positioning

We remain optimistic about the fundamentals and long-term prospects of Greater China markets. We will dynamically adjust the portfolio construction to capture key market themes and use a bottom-up approach to identify alpha opportunities.

We remain cognizant of key risks in the market such as US/China/Taiwan geopolitics in view of upcoming US elections, escalation in the Israel-Palestine conflict, China macroeconomic recovery and US interest rate trajectory.

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: MSCI Golden Dragon Index

Source: Morningstar. Performance as at 30 April 2024, SGD basis, with dividends and distributions reinvested, if any.

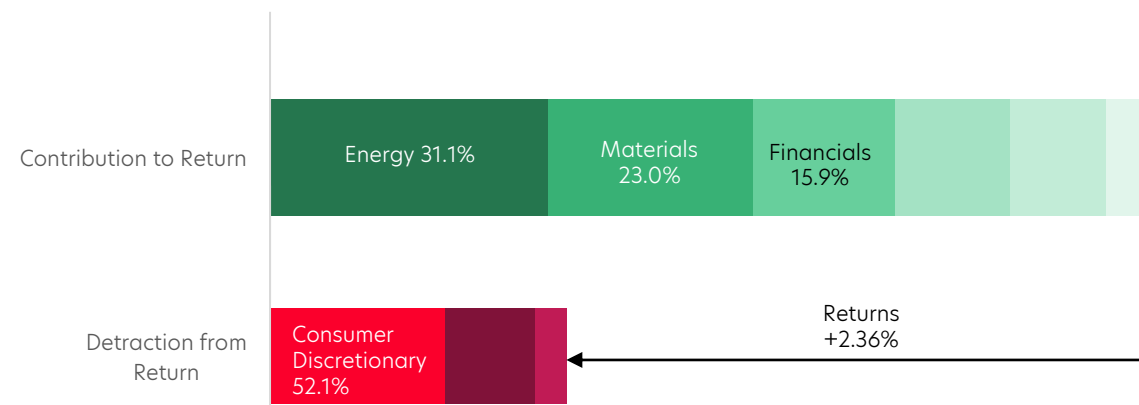
³ The United Greater China Fund Class A SGD Acc (ISIN Code: SG9999001093) was inceptioned on 29 May 1997.

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	2.36	15.01	-3.62	5.69	5.54
Fund (Charges applied [^])	-2.76	9.69	-5.25	4.61	5.38
Benchmark	4.21	4.32	-10.94	-0.32	3.90

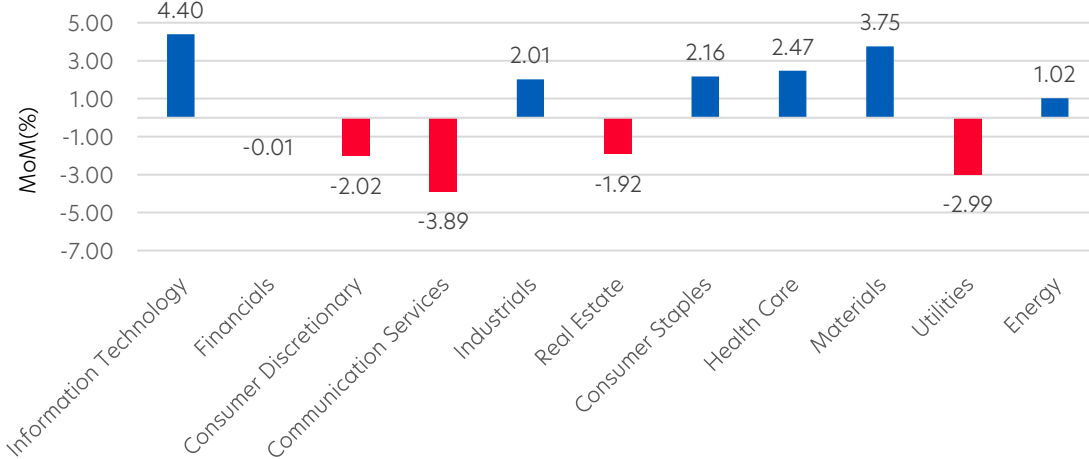
Source: Morningstar. Performance as at 30 April 2024, SGD basis, with dividends and distributions reinvested, if any. Performance figures for 1 month till 1 year show the per cent change, while performance figures above 1 year show the average annual compounded returns. Since inception performance under 1 year is not annualized. Benchmark: MSCI Golden Dragon 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: April 2024

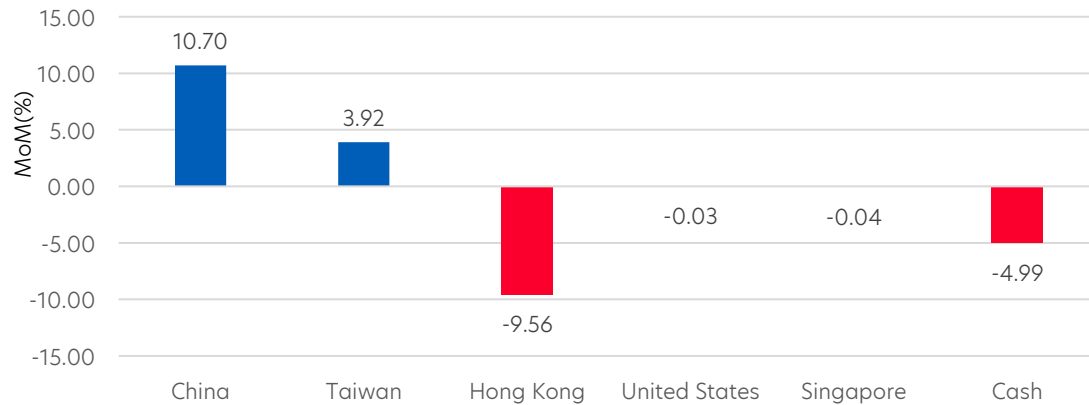


Portfolio Changes

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, our proprietary machine-learning model suggested profit-taking in Hong Kong with rotation into China and Taiwan markets. 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.

In terms of sector allocation, we increased exposure to China Industrials to ride on the equipment upgrade policy tailwind. Meanwhile, we further reduced allocation to the Communication Services as geopolitics tension between US and China governments incentivizing telecoms to remove foreign components in networks.

Market Review

In April 2024, China's A-share indices rebounded, with the Shanghai Composite Index up by 2.1 per cent, the China Securities Index (CSI) 300 up by 1.9 per cent, the ChiNext Index up by 2.2 per cent, and the Strategic Emerging Industries Index up by 0.82 per cent. During the early part of April 2024, there was a liquidity crisis among small and mid-cap stocks. However, the stocks rallied sharply in the second half of April 2024. Overall, there was a significant divergence in market performance between the first and second half of April 2024, impacting the performance of Funds.

Performance was mixed at the industry level. The market rally focused mainly on undervalued, high-dividend defensive stocks and industry leaders with improving cash flow. As a result, home appliances, banking, pharmaceuticals, and non-ferrous metals outperformed in April 2024. However, due to concern over weak earning releases, industries such as media, real estate, computers, and new energy declined.

Although the Politburo meeting in April 2024 gave a positive assessment of the economic performance year to date, the government did not reduce the strength of policy support. Instead, the meeting emphasized, "taking advantage of the growth momentum and avoiding delays in easing." More policies were introduced in key areas for risk prevention and domestic demand expansion, which exceeded market expectations. With the implementation of a series of stimulus policies and the upcoming May Labour Day holiday, investors' optimism kept the market in an uptrend with the Shanghai Composite Index returning to the 3100-point level.

Investment Objective

The investment objective of the Greater China Fund is to achieve long-term capital growth primarily through investment in companies with assets or revenues being in or derived from the People's Republic of China, Hong Kong SAR and Taiwan.

Fund Information

Morningstar Rating
★★★★★

Base Currency
SGD

Fund Size
SGD 60.69 mil

Fund Manager
Colin Ng



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