



## 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 Years<sup>1</sup>. 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 31 December 2024.

## December 2024 Portfolio Performance

United Greater China Fund A SGD Acc	+4.55 per cent <sup>2</sup>
Benchmark: MSCI Golden Dragon Index	+4.84 per cent

Source: Morningstar, Performance from 30 November 2024 to 31 December 2024 in SGD terms

<sup>2</sup> Fund performance is on a Net Asset Value (“NAV”) basis, with dividends and distributions reinvested (if any).

## Performance Review

The Fund underperformed its benchmark marginally in December 2024 but delivered a positive return.

Financials, Industrials and Energy were the main return contributors on sector performance while Information Technology, Utilities and Consumer Staples were the biggest detractors in December 2024.

In terms of country, stock selection within China was the main return contributor while the underweight in Hong Kong also contributed positively. On the flip side, Taiwan stock selection was the primary negative return contributor.

## Portfolio Positioning

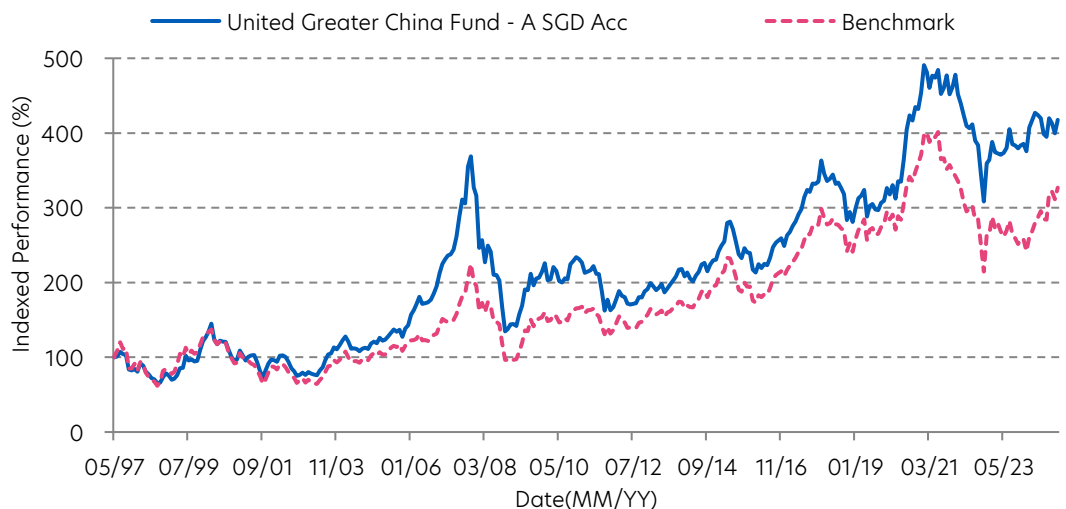
We remain optimistic about the fundamentals and long-term prospects of Greater China markets. We will dynamically adjust the portfolio construction to capture key market themes and use a bottom-up approach to identify alpha opportunities.

We remain cognizant of key risks in the market such as US/China/Taiwan geopolitics in view of Trump Presidency, China's macroeconomic recovery and the US interest rate trajectory.

<sup>1</sup> Refer to [uobam.com.sg/awards](http://uobam.com.sg/awards) for list of awards by UOBAM.

### Performance (Class A SGD Acc)

#### Fund Performance Since Inception<sup>3</sup> in Base Currency



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 31 December 2024, SGD basis, with dividends and distributions reinvested, if any.

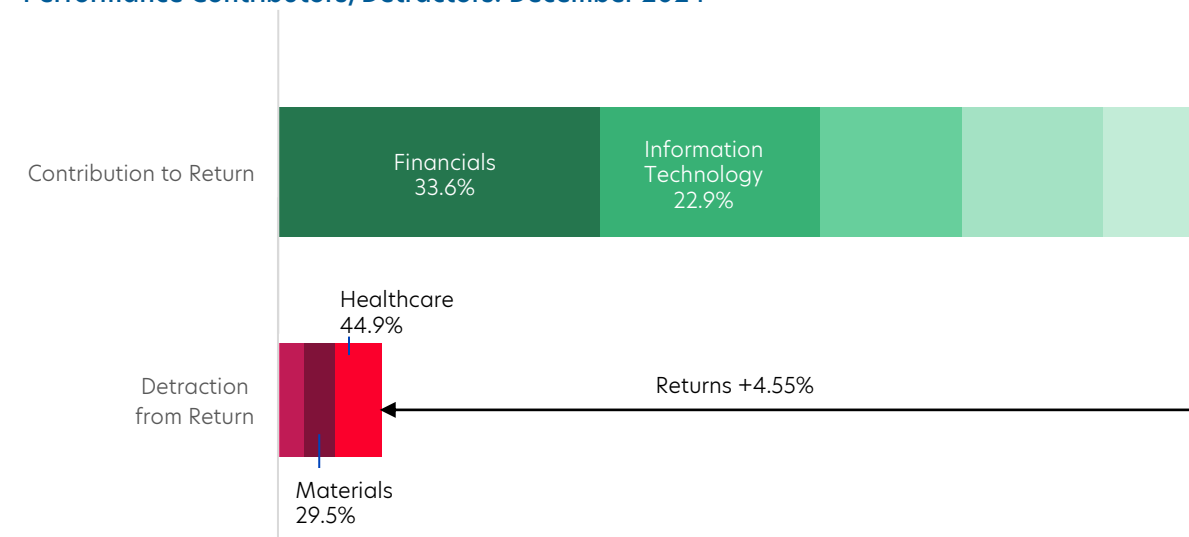
<sup>3</sup> The United Greater China Fund Class A SGD Acc (ISIN Code: SG9999001093) was inceptioned on 29 May 1997.

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

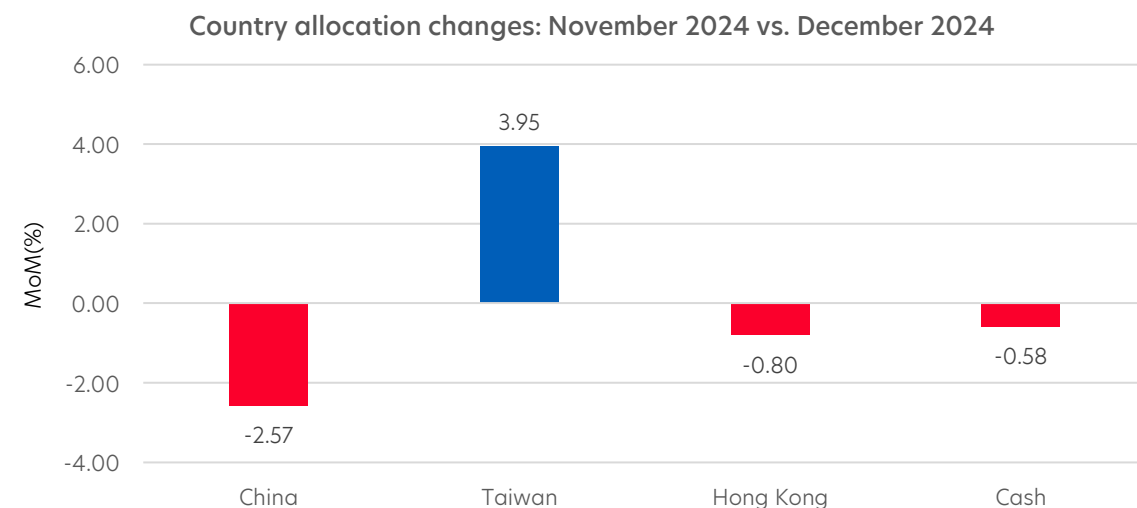
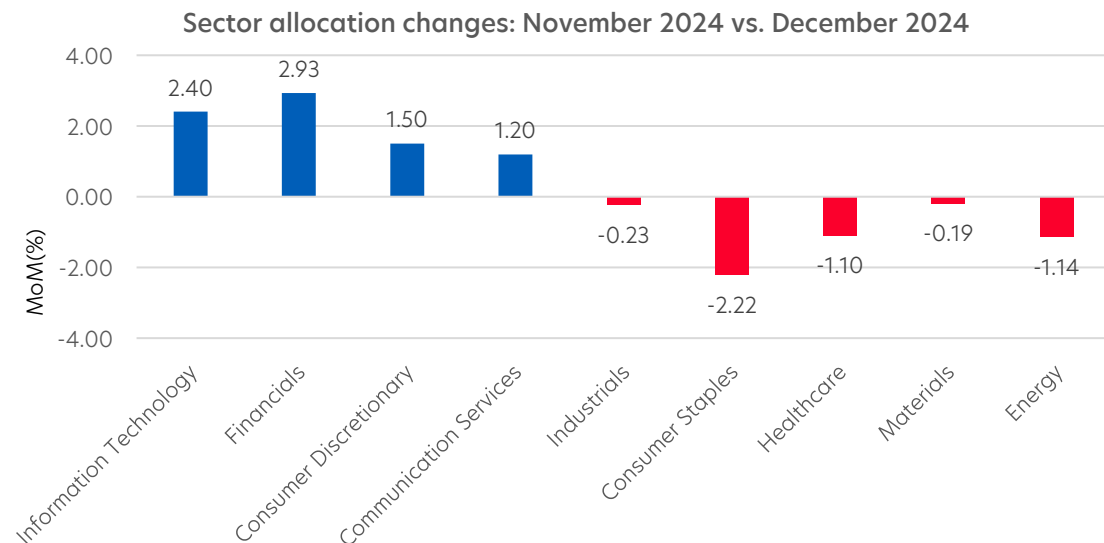
	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	4.55	8.38	-4.39	5.07	5.32
Fund (Charges applied <sup>^</sup> )	-0.68	2.96	-6.01	4.00	5.16
Benchmark	4.84	26.69	-1.56	2.11	4.38

Source: Morningstar. Performance as at 31 December 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. <sup>^</sup>Includes the effect of the current subscription fee that is charged, which an investor might or might not pay.

#### Performance Contributors/Detractors: December 2024



## Portfolio Changes



Source: UOBAM

## Portfolio Review

### Analyst & AI Insights

In December 2024, we reduced underweight in **Taiwan**, funded by trimming allocation in China. Although tariff threats from a Trump Presidency could weigh on export-oriented Taiwan, fast development in AI applications and the resultant strong demand for AI hardware could continue to support growth.

For **China**, Trump's inauguration in January 2025 could bring about tariff implementation or an escalation of rhetoric. Unless an ad hoc meeting/press conference was held to bring forward the announcement of fiscal stimulus measures, we could see the China stock market under pressure until Two Sessions in March 2025. We continue to adopt a bias towards domestically oriented companies as they are less vulnerable to trade tariffs.

Meanwhile, we remain constructive on our overweight in China Financials. Banks as a high dividend play should continue to benefit from the search for yield in an increasingly low-interest rate environment in China.

## Market Review

In December 2024, the equity market saw a rally before pulling back. The China Securities Index (CSI) 300 rose by 0.47 per cent in December 2024, the Shanghai Composite Index increased by 0.76 per cent, and the ChiNext Index fell by 3.71 per cent. After the policy vacuum period in November 2024, the market began to focus on the December Politburo meeting and the Central Economic Work Conference. The tone set by the Politburo meeting was more optimistic in recent years, with references such as “implementing more proactive fiscal policies and moderately loose monetary policies,” “strengthening counter-cyclical measures,” and “stabilizing the real estate and stock markets.” Among these, the term “moderately loose monetary policy” had only been used during the 2008-09 financial crisis. These incremental policy changes boosted market sentiment.

In the first half of December 2024, the market maintained a high-risk appetite, with an average daily trading volume above RMB 1.5 trillion. However, in the latter half of December 2024, the market shifted towards a defensive style. In the final week of December 2024, market sentiment shifted from small-cap stocks to high-dividend, value-oriented sectors, with banks, telecommunications, and home appliances showing strong performance. With the government bond yields declining quickly in December 2024, demand for dividend assets rose among absolute return investors, as represented by insurance funds.

On the global front, US Treasury (UST) yields and the US dollar index (DXY) both saw slight declines in early December 2024. However, following the stronger-than-expected US non-farm payroll data for November 2024, both UST yields and DXY rose. Despite the 25-basis point (bps) rate cut by the US Federal Reserve (Fed) in December 2024, a median forecast of 50 bps cuts in 2025 (versus 100 bps previously) caused market volatility. At the industry level, sectors with high dividend yields, such as banking, telecommunications, home appliances, and utilities performed well in December 2024. Specifically, the banking sector rose by 6.7 per cent, telecommunications increased by 4.4 per cent, home appliances gained 2.8 per cent, and utilities grew by 2.2 per cent. On the other hand, sectors related to domestic demand, such as real estate, beauty and healthcare, and pharmaceuticals, saw the largest declines, with significant losses also in computer, power equipment, and media stocks.

## 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 68.28 mil

**Fund Manager**  
Colin Ng



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