

Why Invest?

- **Net zero opportunities in Asia:** Asia is fast growing but is also more vulnerable to climate change than other parts of the world. This has prompted Asian governments to speed up their net zero commitments and policy initiatives, fostering growth opportunities for ESG-friendly companies.
- **Ride on Japan’s equity market rally:** United Sustainable Asia Top-50 Fund – Class A SGD Acc (the “Fund”) The Fund’s biggest country allocation is in Japan (39.00 per cent as of August 2024). With drivers such as improved corporate governance and positive earnings, we believe that Japan’s equity market will continue to have upside potential over the next few months.
- **Proprietary investment process:** The Fund adopts a proprietary investment framework for identifying profitable ESG-friendly companies. This framework is anchored by the (Artificial Intelligence) AI-Augmentation@UOBAM investment framework i.e., a combination of AI and on-the-ground ESG research.
- **Focus on innovation:** The Fund’s investment focus is on company innovation. Aligning with megatrends that are prevalent now and expected in the future, the Fund invests in sectors such as renewables, electric vehicles, digital services, semiconductors, and smart consumables.

August 2024 Portfolio Performance

The United Sustainable Asia Top-50 Fund – Class A SGD Acc	-0.11 per cent ¹
Benchmark: MSCI All Country Asia Index	-1.18 per cent

Source: Morningstar, Performance from 31 July 2024 to 31 August 2024 in SGD terms

¹ Fund performance is on a Net Asset Value (“NAV”) basis, with dividends and distributions reinvested (if any).

Performance Review

The Fund outperformed its benchmark in August 2024 as a result of positive selection effects.

Positive stock selection within Japan, India, South Korea and China were the main reasons for outperformance in August 2024, offsetting the negative stock selection in Malaysia and Taiwan.

In terms of sector, Consumer Discretionary, Healthcare, Energy, and Industrials were the top contributors to the excess return while Information Technology, Consumer Staples and Financials were the primary laggards.

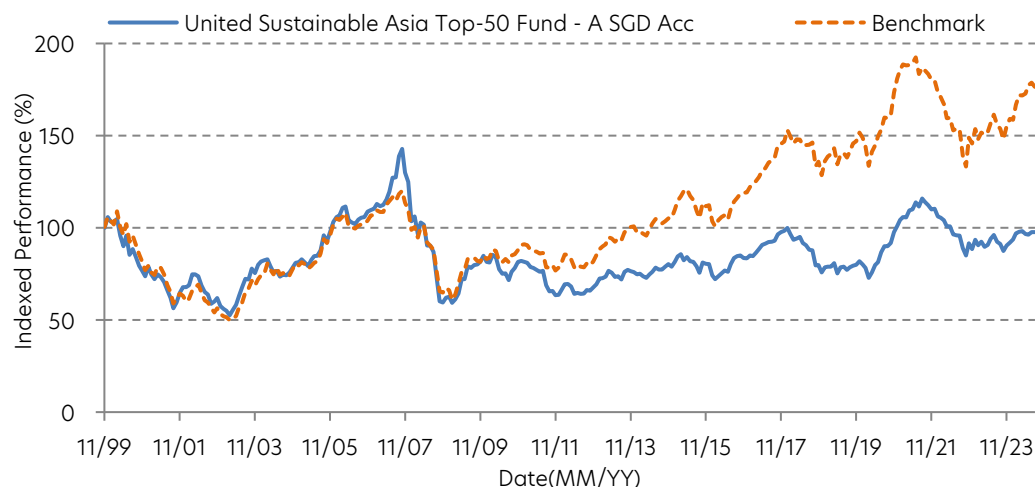
Portfolio Positioning

Prospects for Asia equities look promising as Asia markets historically outperform in a lower US interest rate environment and US dollar weakness. With Asian central banks likely to move in tandem with US Federal Reserve interest rates cut, companies in Asia might benefit. However geopolitical uncertainty remains high as we move close to the US elections, with highlighted issues surrounding US-China trade tariffs. We remain cautiously optimistic about China's valuations despite mixed economic data and had a preference for the Financial sector (given its defensiveness and high yield) and lowered exposure to some Industrials names. We are underweighting Hong Kong due to its struggling property sector even though valuation is attractive but expectation for fiscal stimulus continues to be disappointing. We continue to hold a positive outlook for the South Korean market due to export growth and economic reforms, and we maintain selective preferences in the Taiwan market, especially in select AI-related sub-sectors. In the Association of Southeast Asian Nations (ASEAN) and Indian markets, we adopted a cautious approach, staying neutral in India to manage stretched valuations and focusing on companies benefiting from supportive government policies and strong capital expenditure cycles in ASEAN.

Key risks include a US economic downturn, China’s economic trajectory and geopolitical tensions.

Performance (Class A SGD Acc)

Fund Performance Since Inception² in Base Currency



Past performance is not necessarily indicative of future performance.

Fund performance is calculated on a NAV to NAV basis.

Benchmark: Since Inception - 30 September 2020: MSCI All Country Far East Index; 1 October 2020-Present: MSCI All Country Asia Index

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

² The United Sustainable Asia Top-50 Fund - Class A SGD (Acc) (ISIN Code: SG9999001226) was inception on 26 November 1999, and converted to an ESG (Environmental, Social, and Governance) fund on 1 October 2020.

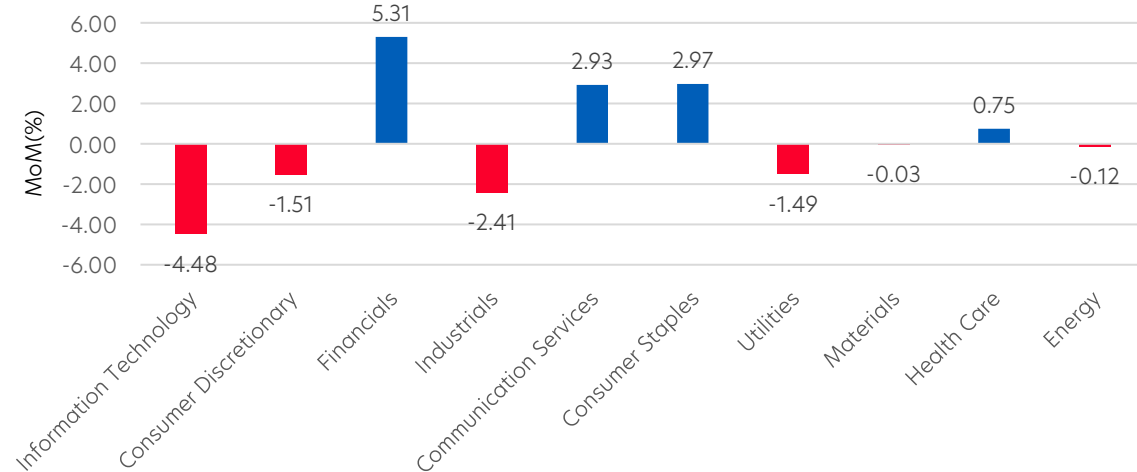
All statistics quoted in the write-up are sourced from Bloomberg as at 31 August 2024 unless otherwise stated.

	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	-0.11	5.58	-5.57	4.78	-0.10
Fund (Charges applied [^])	-5.10	0.30	-7.17	3.71	-0.33
Benchmark	-1.18	13.14	-1.88	5.03	2.32

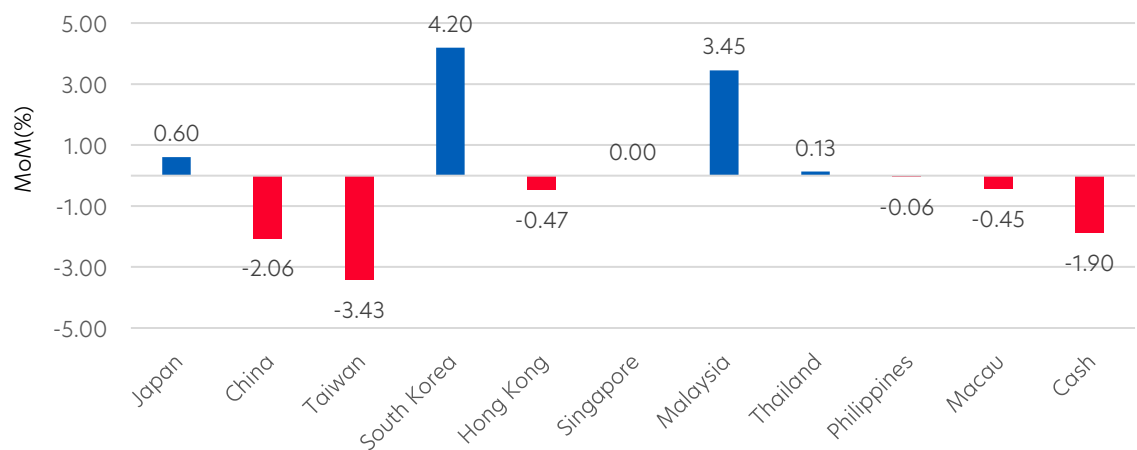
Source: Morningstar. Performance as at 31 August 2024, SGD basis, with dividends and distributions reinvested, if any. Performance figures for 1 month till 1 year show the per cent change, while performance figures above 1 year show the average annual compounded returns. Benchmark: Since inception - 30 September 2020: MSCI All Country Far East Index; 1 October 2020-Present: MSCI All Country Asia 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.

Portfolio Changes

Sector allocation changes: July 2024 vs. August 2024



Country allocation changes: July 2024 vs. August 2024



Source: UOBAM

Portfolio Review

Analyst Insights

In August 2024, we made new investments into companies such as AMMB Holdings Berhad (AMMB) among Malaysia Financials given supportive economic growth, inflation and currency outlook in Malaysia. In North Asia, we had preferences for high dividend-yielding companies, such as China Construction Bank among China Financials. Within India, we preferred companies in the Information Technology and Industrial sectors and made new investments in companies such as Tech Mahindra Limited and Ashok Leyland Limited. We continue to be selective in the Information Technology space in Taiwan.

As shown on the left charts, the biggest increase in the sector allocation changes for August 2024 (relative to July 2024) was in Financials (+5.31 per cent). On the contrary, the largest decrease was in Information Technology (-4.48 per cent). In terms of country allocation changes, the Fund had the highest increase in South Korea (+4.20 per cent) and the highest decline in Taiwan (-3.43 per cent) for August 2024.

Market Review

Global equities gained 0.1 per cent (MSCI All Country World Index, in SGD terms) in August 2024 while Asia ex-Japan dropped -0.5 per cent for the month. Among the Asia ex-Japan markets, mixed performance was seen, with Southeast Asia markets such as the Philippines, Malaysia, Indonesia and Thailand outperforming as ASEAN currencies rallied while South Korea, China and India were among the laggards in August 2024.

China's market fell -1.4 per cent in August 2024, as China's economic data for July 2024 showed no material improvement in activities. The National Bureau of Statistics of China acknowledged the weakness in growth, saying the transformation from old to new growth drivers was causing "temporary pain". In response, authorities are said to be considering a revamp to re-mortgaging rules to free up cash, however, the People's Bank of China (PBoC) kept its various interest rates unchanged through August 2024. Beijing also ramped up efforts to discourage banks from buying government bonds amid a record rally that has sent bond yields to record lows. The PBoC has repeatedly warned that a bubble is forming in the sovereign bond market and China's government also tried to spur growth by pushing regional lenders away from parking the money in ultra-safe bonds. The sovereign bond yields picked up slightly from an all-time low. Most sectors were in the red, except for Energy and Healthcare. In **Hong Kong**, the market gained 3.3 per cent in August 2024 as property developers responded positively to reports indicating Beijing was considering allowing mortgage refinancing to take place outside its usual January window. Consumer Staples, Real Estate, Utilities and Communication Services led the gains while Consumer Discretionary was the laggard. **Taiwan's** market gained 0.9 per cent in August 2024. Taiwan's manufacturing Purchasing Managers' Index (PMI) maintained expansion for four consecutive months in August 2024, with strong private investment and exports. Energy, Materials and Real Estate underperformed while Communication Services, Industrials, and Consumer Discretionary outperformed. **South Korean** market continued bearing the brunt of the Information Technology (IT) declines, falling -5.1 per cent in August 2024. The Bank of Korea (BoK) adopted a slightly dovish tone as its economy was experiencing soaring house prices amid falling manufacturing employment. Most sectors were in the red except for Utilities as Korea Electric Power Corporation (KEPCO) posted a second-quarter 2024 earnings beat on continued fuel cost savings.

India markets fell -1.4 per cent in August 2024 with India's Gross Domestic Product (GDP) growth softening in the second quarter of 2024 to 6.7 per cent from 7.8 per cent in the previous quarter. Most sectors were in the red except for Information Technology and Communication Services.

Singapore market rose 2.7 per cent in August 2024, as the market cheered US Federal Reserve Chair Jerome Powell's speech about a potential interest rate cut in September 2024. Communication Services, Real Estate and Utilities were among the top performers while Industrials and Consumer Discretionary underperformed. **Indonesia's** market gained 6.8 per cent in August 2024 with Bank Indonesia acknowledging a stronger Indonesian rupiah but also held rates steady. Indonesia's second-quarter 2024 GDP growth moderated slightly to 5.05 per cent year-on-year (y/y) from 5.11 per cent in the previous quarter while deflation deepened in July 2024. The energy sector led the gains as Adaro Energy Indonesia posted a strong earning beat due to better coal sales while Materials and Consumer Discretionary dragged on performance. **Malaysia's** market gained 7.1 per cent in August 2024 with headline inflation remaining steady and lower-than-expected at 2.0 per cent in July 2024 for the second month since the start of diesel subsidy rationalization. Most sectors were in the green with Energy and Financials leading the gains.

Investment Objective

To achieve long-term capital appreciation by investing, directly or indirectly, in Authorised Investments issued by not more than 50 in total of the top corporations or any other entities either unincorporated or incorporated in, or whose principal operations are in, Asia, as may from time to time be determined by us. These companies can be listed in any of the stock exchanges of the world. Investments will be selected following the Fund's investment focus and approach, which includes the consideration of Sustainability and Environmental, Social and Governance (ESG) factors.

Fund Information

Morningstar Rating	Base Currency	Fund Size	Fund Manager
★★★	SGD	SGD 29.47 mil	Victor Wong



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