United Global Emerging Markets Opportunity Fund – USD Class

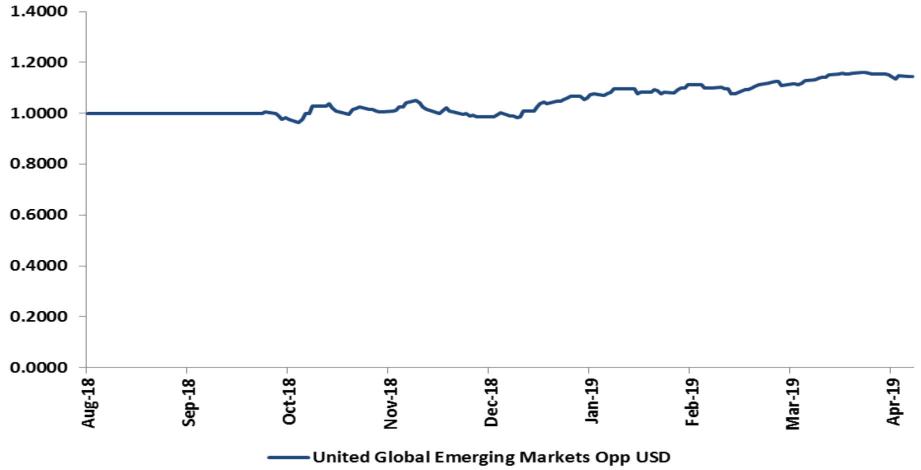
May 2019

All data expressed as at 30 April 2019 unless otherwise stated

FUND OBJECTIVE & STRATEGY

The Fund seeks to provide long term capital appreciation by investing in the UBS (Lux) Equity SICAV – Global Emerging Markets Opportunity (USD) (Target Fund) which invests mainly in the stocks of companies in emerging economies across the globe. It seeks to achieve its investment objective by investing a minimum of 90% of the Fund's NAV in the Target Fund at all times.

NAV MOVEMENT



Source: Lipper

FUND DETAILS

LAUNCH DATE	27 August 2018
FINANCIAL YEAR END	31 March
CATEGORY/TYPE OF FUND	Feeder Fund (Wholesale) / Growth
BASE CURRENCY	USD
CLASS OF UNITS	USD Class
INITIAL OFFER PRICE	USD 1.0000
UNITS IN CIRCULATION - USD CLASS	750,039.62
NET ASSET VALUE ("NAV")	USD 858,071.77
NET ASSET VALUE - TOTAL FUND	USD 3,127,265.77
NAV PER UNIT	USD 1.1440
MINIMUM INITIAL INVESTMENT	USD 1,000
MINIMUM ADDITIONAL INVESTMENT	USD 100
TRUSTEE	Deutsche Trustees Malaysia Berhad
SALES CHARGE	Up to 5.00% of NAV per unit of the Class
ANNUAL MANAGEMENT FEE	Up to 1.80% per annum of the NAV of the Class
ANNUAL TRUSTEE FEE	Up to 0.06% per annum of the NAV of the Fund, minimum of RM15,000 p.a.
EXIT PENALTY	Nil.
PERFORMANCE BENCHMARK	MSCI Emerging Markets Index (net)
ASSET ALLOCATION	A minimum of 90% of the Fund's NAV in the Target Fund. Up to 10% of the Fund's NAV in cash and / or liquid assets.
INVESTMENT MANAGER OF THE TARGET FUND	UBS AG, UBS Asset Management, Basel and Zurich

TOP 10 HOLDINGS OF THE TARGET FUND

ALIBABA GROUP HLDG ADR	6.94%
TAIWAN SEMICONDUCTOR MFG	6.93%
SAMSUNG ELECTRONICS CO	5.95%
TENCENT HOLDINGS LI (CN)	4.99%
NASPERS N	4.97%
CHINA CONSTRUCTION BK H	4.26%
PING AN INSURANCE H	4.22%
TAL EDUCATION GROUP ADR	3.91%
KWEICHOW MOUTAI A (HK-C)	3.74%
OTP BANK	3.51%

Source: UOBAM

PORTFOLIO ALLOCATION

Collective Investment Scheme	92.62%
Cash	7.38%
Total	**100.00%**

Source: UOBAM(M)

PORTFOLIO ALLOCATION OF THE TARGET FUND

Equity	98.08%
Cash	1.92%
Total	**100.00%**

Source: UOBAM

SECTOR ALLOCATION OF THE TARGET FUND

Financials	31.46%
Consumer Discretionary	17.60%
Information Technology	16.34%
Communication Services	8.05%
Energy	7.54%
Consumer Staples	5.82%
Materials	5.14%
Health Care	2.50%
Real Estate	1.84%
Utilities	1.80%
Cash	1.92%
Total	**100.00%**

Source: UOBAM

GEOGRAPHICAL ALLOCATION OF THE TARGET FUND

China	38.77%
Korea	14.03%
Taiwan	6.93%
India	6.86%
South Africa	6.81%
Russia	5.87%
Brazil	5.42%
Hungary	3.51%
Indonesia	3.32%
Mexico	3.02%
Thailand	1.94%
Malaysia	1.61%
Cash	1.92%
Total	**100.00%**

Source: UOBAM

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HISTORICAL NAV (USD)

Highest	**15/4/2019**	**1.1600**
Lowest	**29/10/2018**	**0.9649**

Source: Lipper

PERFORMANCE ATTRIBUTION OF TARGET FUND

Emerging markets equities (MSCI EM) were up (+2.1% in USD terms) in April. Among the regions, EMEA led driven by the rally seen in South African equities (+7.9%) ahead of the general election. Similarly, stronger oil prices on the month (with Brent +6.5%) buoyed markets in Qatar, UAE and Russia, the latter also supported by reduced geopolitical concerns. In Asia, Taiwan outperformed (+4.0%) amid a recovery in its tech sector on moderately better outlook for the semiconductor industry. Chinese equities were also up (+2.2%) albeit lost momentum in the second half of the month amid fears of reduced policy support following stronger than expected Q1 economic data. India and Korea were broadly flat. The weakest market was Turkey (-3.7%) weighed down by currency depreciation.

The strategy was broadly in line with its benchmark in April. Stock selection was most positive in financials and the consumer sectors, however detracted in energy and communication services. Drivers included holdings in Mexican bank Banorte, rallying as concerns abated in respect to banking fees limitation, along with Ping An Insurance (China) buoyed by stronger investment sentiments and earnings results. In the consumer sectors, Kweichou Moutai (China) and Naspers (South Africa) added value. Moutai's new channel strategy, that is direct-to-consumers rather than through third party distributors, should help margins. Shares of Naspers contributed as management continues to focus on addressing the discount to NAV with the announcement of a new company listing in Amsterdam following the spinoff of MultiChoice. In contrast, our holdings in Lukoil and Cnooc (energy) pulled back amid profit taking, while China Mobile (communication services) lagged too.

OUTLOOK AND STRATEGY OF TARGET FUND

2018 was a year where emerging markets (EM) economies and markets were hit by the tightening of global financial conditions (led by US monetary tightening triggering the rise of US bond yields, the strengthening of the US Dollar and in turns capital inflows into US assets, away from EM) and the changing trade environment with growing tensions between the US and China, denting business confidence. In contrast, gains seen in 2019 YTD followed a dovish turn by global central banks, China's ramp up of policy support and anticipation of successful trade deal, providing relief to EM assets. Negotiations around a US-China trade outcome remains however a swing factor to market performance in the near term. Meanwhile, global central banks remain accommodative and we expect the Chinese authorities to provide the necessary regulatory support to help smooth the ongoing economic transition, which coupled with attractive valuations, should help support EM equities. Longer term, the structural appeal of EM remains intact as the world's growth engine. Valuations remain attractive and fundamentals are fair: Although valuations have re-rated so far in 2019, they remain attractive (1.6x book value per end of March for EM vs 1.8 long term average, and significantly below developed markets) and reflective of the above risks in our opinion. Currencies remain also inexpensive. And overall, there are no major economic imbalances across EM/Asian countries with the exception of select countries like Turkey and Argentina where we have no exposure. Many are running current account surpluses, have low FX debt and high FX reserves. There are also few signs of overheating or overinvestment. As for earnings growth, while revisions have been negative in recent months, earnings growth remains positive and appears achievable in an environment where economic growth stabilizes and EM currencies hold ground against the USD.

Within Asia, we see South East Asia as a potential beneficiary of the trade conflict, as companies gradually diversify their production away from China. In China, while policy has turned more accommodative, we don't expect excessive credit growth and continue to believe that the transition towards a more balanced, domestically driven economic model with a focus on productivity will continue to slowdown GDP but make the model more sustainable over time. India and Indonesia, despite the election cycle, remain amongst the best long term growth stories given demographics and under-penetration of consumer goods. Outside Asia, this is no plain sailing but some improvements are possible in a few countries. Brazil has a new President with textbook policies but execution risks remain and valuations are already pricing a lot of positives. We continue to believe in the passage of the pension fund reform, even if delayed and somewhat revised down. In Mexico, while political uncertainty from the new administration's policies have impacted investor sentiments, consumer sentiment remains strong and valuations have contracted and now appear to be reflecting the risks. Elsewhere, geopolitics and sanctions remain an overhang on Russia although could be improving, while the outlook for South Africa remains challenged with lingering electricity shortages impacting business confidence. This could however be moderately better post election if Ramaphosa, with consolidated power, enacts reforms. In conclusion, considering all the above and the structural growth story of EM, we would be buying EM with a horizon of 12-24 months or more. Our analysis shows large opportunities exist in various sectors, including consumer, internet/e-commerce, and financials. While there are some small vulnerable spots in EM, we are mindful of these risks and have very limited exposures to these areas.

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