



# United Japan Discovery Fund – MYR hedged Class

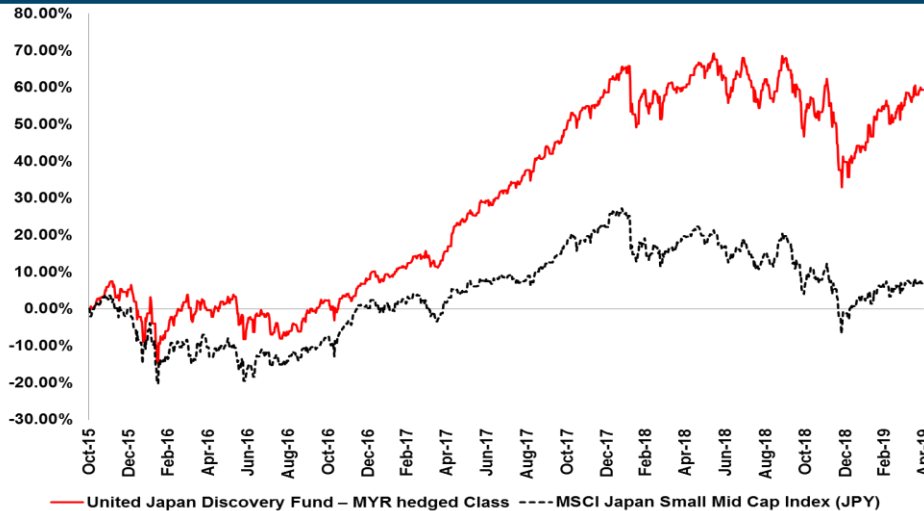
May 2019

All data expressed as at 30 April 2019 unless otherwise stated

## FUND OBJECTIVE & STRATEGY

The Fund seeks to provide investors with long term capital appreciation by investing in the United Japan Small and Mid Cap Fund (the "Target Fund") which has an investment focus in Japan. The Fund will be investing a minimum of 90% of the Fund's Net Asset Value ("NAV") in the Target Fund at all times.

## PERFORMANCE CHART SINCE LAUNCH



Source: UOBAM(M)

## FUND PERFORMANCE DATA (NAV-NAV PRICES)

	1 Month	3 Months	6 Months	1 Year	Since Launch (Annualised)	YTD
United Japan Discovery Fund – MYR hedged Class	2.74%	9.78%	3.60%	-0.38%	14.26%	14.01%
Benchmark	1.33%	3.51%	-0.75%	-10.59%	1.95%	8.23%

Note: Benchmark - MSCI Japan Small Mid Cap Index (JPY)  
Source: UOBAM(M)

## CALENDAR YEAR RETURNS

	2016	2017	2018
United Japan Discovery Fund – MYR hedged Class	2.64%	46.79%	-11.88%

## HISTORICAL INCOME DISTRIBUTION / UNIT SPLIT

Year 2017	28 November	Year	Distribution (sen)	Yield
Unit Split Ratio	1:4	16 August 2018	10.00	16.02%

## TOP 10 HOLDINGS OF THE TARGET FUND

KOSHIDAKA HOLDINGS CO LTD	1.82%
PRESTIGE INTERNATIONAL INC	1.78%
PACIFIC INDUSTRIAL CO LTD	1.75%
BENEFIT ONE INC	1.71%
TOTETSU KOGYO CO LTD	1.67%
OUTSOURCING INC	1.65%
SOHGO SECURITY SERVICES CO LTD	1.63%
KYORITSU MAINTENANCE CO LTD	1.62%
MEITEC CORP	1.60%
NOF CORP	1.60%

Source: UOBAM

## PORTFOLIO ALLOCATION

Collective Investment Scheme	96.70%
Cash	3.30%
<b>Total</b>	<b>100.00%</b>

Source: UOBAM(M)

## PORTFOLIO ALLOCATION OF THE TARGET FUND

Equity	96.72%
Cash	3.28%
<b>Total</b>	<b>100.00%</b>

Source: UOBAM

## SECTOR ALLOCATION OF THE TARGET FUND

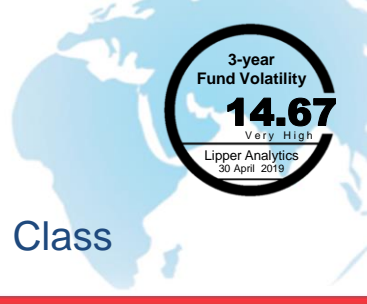
Industrials	33.25%
Consumer Discretionary	20.95%
Information Technology	19.46%
Health Care	7.48%
Materials	6.14%
Consumer Staples	5.25%
Communication Services	2.60%
Real Estate	1.58%
Cash	3.28%
<b>Total</b>	<b>100.00%</b>

Source: UOBAM

## GEOGRAPHICAL ALLOCATION OF THE TARGET FUND

Japan	96.72%
Cash	3.28%
<b>Total</b>	<b>100.00%</b>

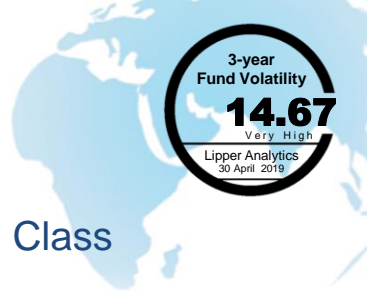
Source: UOBAM



## United Japan Discovery Fund – MYR hedged Class

### FUND DETAILS

LAUNCH DATE	12 October 2015
FINANCIAL YEAR END	30 April
CATEGORY/TYPE OF FUND	Wholesale (Feeder Fund) / Growth
CLASS OF UNITS	MYR hedged Class
INITIAL OFFER PRICE	RM0.5000
UNITS IN CIRCULATION – MYR HEDGED CLASS	174,834,200.84
NET ASSET VALUE (“NAV”)	RM 93,562,728.34
NAV PER UNIT	RM 0.5352
MINIMUM INITIAL INVESTMENT	RM 10,000
MINIMUM ADDITIONAL INVESTMENT	RM 1,000
TRUSTEE	Deutsche Trustees Malaysia Berhad
SALES CHARGE	Up to 5.00% of NAV per Unit
ANNUAL MANAGEMENT FEE	Up to 1.80% per annum of the NAV of the Fund
ANNUAL TRUSTEE FEE	Up to 0.06% p.a. of the NAV of the Fund, minimum of RM15,000 p.a.
BENCHMARK	MSCI Japan Small Mid Cap Index (JPY)
ASSET ALLOCATION	A minimum of 90% of the Fund’s NAV in the Target Fund. Up to 10% of the Fund’s NAV in liquid assets.
INVESTMENT MANAGER OF THE TARGET FUND	UOB Asset Management Ltd, Singapore
SUB MANAGER OF THE TARGET FUND	Sumitomo Mitsui Asset Management Company Limited



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### HISTORICAL NAV (RM)

Highest	24/11/2017	0.7729
Lowest	12/2/2016	0.4275

Source: UOBAM(M)

### EQUITY MARKET REVIEW

Japan stock market rebounded in April. Return of TOPIX index was +1.65% for the month. In the beginning of the month, the stock prices rose in favor of growing expectation over progress in the U.S.-China trade talks. In the middle of the month, the market maintained a firm tone which was supported by expectation of China economy improvement as well as rises in US stock prices. In later month, market participants stayed sidelines and showed wait-and-see attitude due to ahead of special long national holidays called "Golden Week", also, ahead of fiscal year earnings season for many of Japanese companies which ended their fiscal year in March. Upside of the Japan stock market was weighted by investors' positions adjustments under such situation.

By sector, the sectors such as "Marine Transportation", "Other Products" and "Machinery" outperformed the market. On the other hand, the sectors such as "Electric Power & Gas", "Fishery, Agriculture & Forestry" and "Real Estate" underperformed the market.

### MAJOR CHANGE IN ALLOCATION OF TARGET FUND

No stock was newly included in April.

### OUTLOOK AND STRATEGY OF TARGET FUND

As for the global economy, we expect it to avoid falling into bottom-cracking as it is expected to be supported by positive effects from fiscal stimulus in key countries and accommodative monetary policy by key central banks. Regarding Japanese economy, we expect it to be underpinned by economic supporting measures by the government. For the Japanese stock market, we expect the stock prices to remain volatile, moving up-and-down in a relatively wide range. Economic supportive fiscal measures and monetary policies in the major countries will work as a market supporting factor in one hand, however on the other hand, concern over corporate earnings as well as future development of U.S.-China relation is thought to remain as a factor that will make the market volatile.

An impressive phenomenon we saw in April was very strong Nikkei 225 Index performance. The figure was around +5.0% whereas TOPIX Index performed just +1.65% as described above. Implication of this fact is we saw money inflow to high liquidity stocks which is the situation that is not reflecting fundamentals. However, we experienced the similar market environment in 2H 2018 which was the period that the market created a lot of mispricing. And we believe those mispricing were the source of our strong return in 1Q 2019. Therefore, we should not be too pessimistic about the market in April, rather, we should feel opportunity from the situation. At the writing of this comment, after the Japan's long holiday called "Golden Week", the global markets look weak which is clearly triggered by the US president's comment on trade conflict against China. However, we experienced this situation so many times in 2018 and we should note we saw market recovery in 1Q 2019 which was demonstrated by the US indices that reached historical high during the period. Looking at the Japan market, we are hearing many listed companies' fiscal year earnings results and their earnings guidance every day these days since it is a middle of the earnings season. As we mentioned in the past, we are not interested in whether the market to go up or down, rather, we are waiting the market to be selective which is the situation for them to focus on earnings results. We already found the companies that are affected by weak China economy in the market. In contrast, we also found the companies that are showing earnings growth regardless of economic environment. Clear difference between these two is encouraging because it is easy for the market to be selective under such condition.

### IMPORTANT NOTICE AND DISCLAIMERS

Based on the fund's portfolio returns as at 30 April 2019, the Volatility Factor (VF) for this fund is 14.67 and is classified as "Very High" (source: Lipper). "Very High" includes funds with VF that are above 11.415. The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC. This factsheet is prepared by UOB Asset Management (Malaysia) Berhad (219478-X). It is not intended to be an offer invitation to subscribe or purchase any securities. The information contained herein has been obtained sources believed in good faith to be reliable; however, no guarantee is given in its accuracy or completeness. Past performance of the Fund is not an indicative of its future performance. You should seek your own financial advice from an appropriately licensed adviser before investing. Qualified Investors are advised to read and understand the contents of **United Japan Discovery Fund Replacement Information Memorandum** dated **12 October 2017**, ("Information Memorandum") which has been registered with the Securities Commission Malaysia, and the **United Japan Discovery Fund Product Highlights Sheet** ("Product Highlights Sheet") dated **15 November 2016**, which has been lodged with the Securities Commission Malaysia, who takes no responsibility for its contents, before investing. The Product Highlights Sheet is available and that investors have the right to request for a Product Highlights Sheet. For copies of the Information Memorandum and Product Highlights Sheet, please visit UOB Asset Management (Malaysia) Berhad or its authorized distributors' offices to obtain a copy. Any issue of units to which the Information Memorandum relates will only be made on receipt of an application form referred to and accompanying a copy of the Information Memorandum. You should be aware that investments in the Fund carry risks. An outline of some of the risks is contained in the Information Memorandum and Product Highlights Sheet. The specific risks associated to the Fund include risk of passive strategy and currency risk as contained in the Information Memorandum and Product Highlights Sheet. The specific risks related to the Target Fund are equity risk, foreign exchange and currency risk, political, regulatory and legal risk, derivatives risk, single country risk, small and medium capitalisation companies risk, counterparty risk, exceptional market conditions, liquidity risk of investments and broker risk. Unit prices and income distribution, if any, may rise or fall. Please consider the fees and charges involved before investing. Neither UOB Asset Management (Malaysia) Berhad nor its authorised distributors or agents guarantees any returns on the investments.