

United Great Dragon Fund

As at 31 January 2023

Performance Update and Portfolio Review

For the month of January, the Fund MYRH class registered a return of 8.60%.

Since September 2022, we took the tactical approach and overweighting the companies with a good competitive advantage, but with average short-term growth prospects. We reduced the allocation towards companies with short-term growth prospects and overly high-profit expectations, and new-energy companies with high growth expectations and high valuations. We completed such an adjustment at the end of November 2022. The allocation in December 2022 remained unchanged, except for the fine-tuning in weights of individual stocks with large deviations in the price movements. The portfolio allocation in January 2023 has remained largely consistent with December 2022. We have made allocation adjustments to stocks that had significant gains or declines in the short term. The current portfolio consists of mainly Electronic and power core parts, Real estate chain, Financials, Consumer goods, Machinery, and Chemical companies. We will maintain the current asset allocation and make dynamic adjustments in line with changes in valuation.

Market Review

In January 2023, the China Securities Index (CSI) 300 Index rose by 8.94 percent while the CSI Small Cap 500 Index rose by 7.27 percent in Chinese yuan renminbi (CNY) terms. In January 2023, the China A-share market benefited from an improvement in risk appetite, with most major indices recording gains. The Growth Enterprise Market (GEM) index rose 10.0 percent as the best performer, followed by the Shanghai and Shenzhen 300 Index, which was up 7.4 percent, and the Shanghai Composite Index gained 5.4 percent. From a sector perspective, most sectors made positive gains, with the following as leaders: the non-ferrous metal sector (+27.80 percent), computer sector (+12.80 percent), electric equipment sector (+11.82 percent), automobile sector (+10.89 percent), and mechanical equipment sector (+9.72 percent). On detractors, only the trade and retail sector (-1.18 percent) and social services sector (-0.30 percent) had small declines.

China's economy recovers as economy regained vitality with the peaking of the COVID-19 infection rate. In January 2023, both the manufacturing Purchasing Managers' Index (PMI) and the services PMI returned to the expansionary territory at 50.1 and 54.4 respectively. Meanwhile, passenger count, movie box office, and tourist arrivals during the Lunar New Year have all recovered substantially, which pointed to an accelerated pace of consumption recovery. In addition, high-frequency data that track economic activities such as the Baidu Migration Index also strengthened significantly.

Monetary policy is expected to remain accommodative in 2023. The Central Economic Work Conference (the annual meeting where the top leadership of the Chinese Communist Party sets the economic policy agenda for the next year) in December 2022 extended the theme of "target and focused monetary policy" and "maintaining reasonable and sufficient liquidity" from 2022. In addition, support for small and micro enterprises, technology innovation, and green development were highlighted. The People Bank of China (PBoC) stated post-conference

that the degree of monetary policy support should be at least on par with 2022 and will be strengthened if necessary. Unless economic growth and inflationary pressure exceeded expectations, liquidity conditions should remain accommodative.

Market Outlook and Strategy

In 2023, China's economy will return to its normal business cycle and economic fundamentals could exceed expectations. For industries with a low valuation, there is potential to achieve both earnings and valuation re-rating in the future. We will maintain the current asset allocation, with a focus on sectors that benefit from domestic demand recoveries such as retail consumption, food and beverages, and banks as well as high-end manufacturing industries represented by lithium battery manufacturing companies. The portfolio is dynamically adjusted to take into consideration company valuations.

Fund Classes

Fund Classes		
RMB Hedged Class	MYR Hedged Class	USD Class

Important Notice and Disclaimers

This information shall not be copied, or relied upon by any person for whatever purpose. The information herein is given on a general basis without obligation and is strictly for information only.

These documents are for general information only and do not take into account your objectives, financial situations or needs. These slides are not an offer, solicitation, recommendation or advice to buy or sell any investment product, including any collective investment schemes or shares of companies mentioned within. The information contained in these slides, including any data, projections and underlying assumptions are based upon certain assumptions, management forecasts and analysis of information available and reflects prevailing conditions and our views as of the date of the document, all of which are subject to change at any time without notice.

You should be aware that investments carry risks. Please consider the fees and charges involved before investing. UOB Asset Management (Malaysia) Berhad does not guarantee any returns on the investments.

In preparing these slides, UOBAM(M) has relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources or which was otherwise reviewed by UOBAM(M). UOBAM(M) does not warrant the accuracy, adequacy, timeliness or completeness of the information herein for any particular purpose, and expressly disclaims liability for any error, inaccuracy or omission. UOBAM(M) and its employees shall not be held liable for any decision or action taken based on the views expressed or information contained within this publication. Any opinion, projection and other forward looking statement regarding future events or performance of, including but not limited to, countries, markets or companies is not necessarily indicative of, and may differ from actual events or results. Nothing in this publication constitutes accounting, legal, regulatory, tax or other advice. The information herein has no regard to the specific objectives, financial situation and particular needs of any specific person. You may wish to seek advice from a professional or an independent financial adviser about the issues discussed herein or before investing in any investment product. Should you choose not to seek such advice, you should consider carefully whether the investment or product is suitable for you or your organization.

UOB Asset Management (Malaysia) Berhad (Company No. 199101009166 (219478-X))