

UOBAM (Malaysia) launches United Great Dragon Fund to enable retail investors to benefit from China's growth opportunities



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UOB Asset Management (Malaysia) CEO Lim Suet Ling

KUALA LUMPUR: UOB Asset Management (M) Bhd (UOBAM Malaysia) has launched the United Great Dragon Fund to provide retail investors with access to China-listed companies set to become the future growth drivers of China's economy.

The fund invests primarily in UOB Asset Management Ltd's United China A-Shares Innovation Fund (target fund), which focuses on companies in China's A-shares market.

"These companies are likely to be major beneficiaries of technology, innovation and long-term growth trends such as rising consumer affluence and growing urbanisation," UOBAM Malaysia said in a statement today.

Chief executive officer Lim Suet Ling said China offers long-term potential for Malaysian investors who seek to capitalise on its growth opportunities.

She said the country is forecast to replace the United States as the world's largest economy by 2028, as it shifts from an export-driven economy to one that focuses on high-growth industries driven by technological advancements.

This shift is characterised by increasing domestic consumption and the development of higher value-added sectors such as healthcare equipment, industrial automation, new energy vehicles, biotechnology, software and advanced materials, as well as tourism and entertainment.

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"We believe the future of China is all about innovation. For example, biomedicine and high-end medical equipment are among the 10 key industries identified in the 'Made in China 2025' plan, which aims to transform these industries into self-sufficient and globally dominant players.

"Almost six years after the plan's launch in 2015, one of the country's key and most visible achievements in biomedicine is the development of a COVID-19 vaccine that has been used on the country's high-risk groups since July 2020," Lim said.

UOBAM Malaysia said the United Great Dragon Fund is suitable for retail investors seeking returns over the medium- and long-term.

The fund seeks to achieve long-term capital appreciation by investing a minimum of 90 per cent of its net asset value in the target fund and the balance in liquid assets such as money market instruments and deposits.

Previously, China's A-shares were open only to China-based investors, but its government had recently relaxed the restrictions on foreign ownership to include global institutional investors.

"With the United Great Dragon Fund, retail investors can gain greater access to China's growth opportunities via its A-share market," it said.

The United Great Dragon Fund is available in Malaysian ringgit, Chinese renminbi and US dollar with an initial minimum investment of RM1,000, RMB1,000 and US\$1,000, respectively.

UOBAM Malaysia is the fund manager, while UOB Asset Management Ltd and Ping An Fund Management Company Ltd are the management company and sub-manager of the target fund, respectively.

The fund is available for subscription at selected distributors nationwide. - Bernama