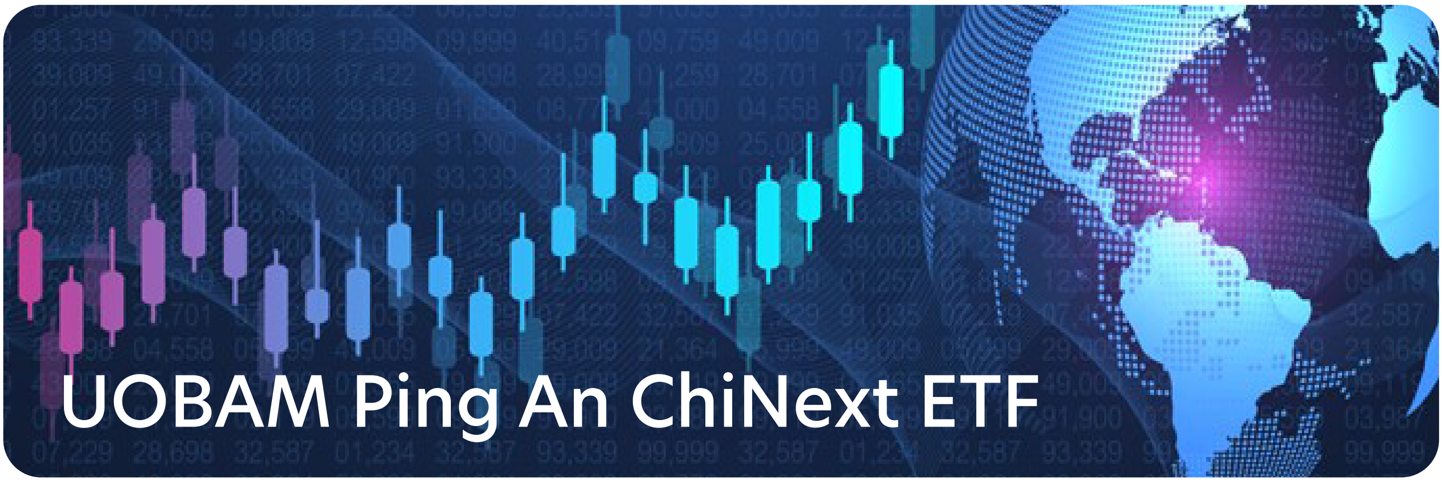


UOBAM Ping An ChiNext ETF

May 2023

Why Invest?

Opportunities across multiple sectors: The Fund seeks a wide range of innovative growth companies and sectors that may stand to ride on the materialisation of the megatrends of the future. This includes Electric Vehicles (EV), Clean Energy, Biotechnology and Cloud Computing.

Exposure to leading innovations: China leads in 5G/6G telecommunications and has a dominant global market share in EV, EV supply chain (including batteries), renewable energy such as solar and wind, and Artificial Intelligence (AI) development.

Pro-growth policy support: To reduce its reliance on foreign technologies, China is developing its own technology capabilities and is shifting its focus from consumer-focused tech to hard tech[1]. China has also pledged to scale up R&D investments, raising over 1,700 government guidance funds of nearly US$1 trillion[2] to support strategic industries.

Cheap valuations: China's equity market is currently trading at relatively low valuation and Price-to-Earnings (PER) ratio as of end May 2023 was more than one standard deviation below its 5-year historical mean.

Investment Objective

The investment objective of UOBAM Ping An ChiNext ETF is to provide investment results that, before fees, costs and expenses (including any taxes and withholding taxes), closely correspond to the performance of the ChiNext Index.

Fund Information

Fund Size
SGD 12.15 mil

Base Currency
SGD

Fund Manager
Colin Ng

[1] Hard tech refers to tech that requires continuous research and development (R&D) and advanced scientific and technological capabilities. It includes sectors such as semiconductors, new energy vehicles, renewable energy generation and healthcare.
[2] American Affairs, "Guiding Finance: China's Strategy for Funding Advanced Manufacturing", May 2022

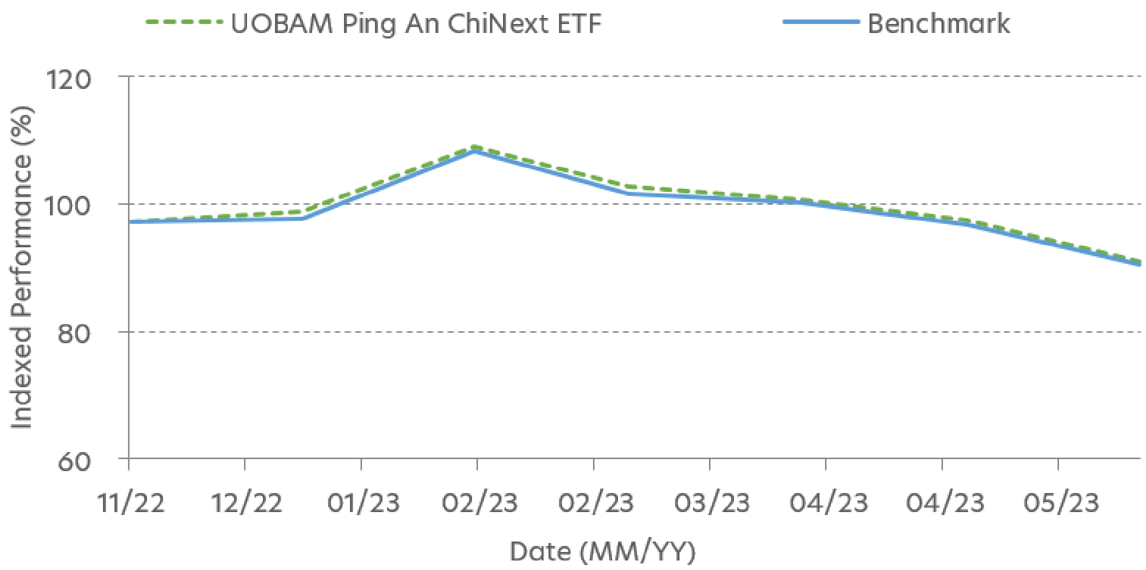
One Month Portfolio Review

From its inception on 14 November 2022, the UOBAM Ping An ChiNext ETF[3] (the "Fund") tracked the ChiNext Index very closely with only very minor performance deviations that was a result of fees and initial deployment.

For the month of May 2023, the Fund declined 6.67 per cent[4] (in SGD terms). Its benchmark index also fell by 6.34 per cent[5].

Historical Performance

Fund Performance Since Inception[6] in Base Currency



Past performance is not necessarily indicative of future performance.

Fund performance is calculated on a NAV to NAV basis.

Benchmark: ChiNext Index

Source: Morningstar. Performance as at 31 May 2023, SGD basis, with dividends and distributions reinvested, if any.

[3] Exchange Traded Fund
[4] Source: Morningstar, Performance from 30 April 2023 to 31 May 2023 in SGD terms, on a Net Asset Value ("NAV") basis, with dividends and distributions reinvested (if any).
[5] Source: Morningstar, Performance from 30 April 2023 to 31 May 2023 in SGD terms.
[6] The UOBAM Ping An ChiNext ETF - Class SGD (ISIN Code: SGXC54700155) was incepted on 14 November 2022.

All statistics quoted in the write-up are sourced from Bloomberg as of 31 May 2023 unless otherwise stated.

Annualised and Cumulative Performance

Performance (Class SGD)

	Cumulative Performance (%)	Annualised Performance (%)			
	1 Month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	-6.67	-	-	-	-8.94
Fund (Charges applied^)	-6.67	-	-	-	-8.94
Benchmark	-6.34	-	-	-	-9.32

Source: Morningstar. Performance as at 31 May 2023, SGD basis, with dividends and distributions reinvested, if any. Performance figures for 1 month till 1 year show the percent change. Benchmark: ChiNext 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.

Top 5 Performers

Securities Name	Code	Cumulative Performance (1 month)
Zhongji Innolight Co Ltd	300308	19.44%
Qingdao TGOOD Electric Co Ltd	300001	18.51%
Thunder Software Technology Co Ltd	300496	15.75%
Shenzhen New Industries Biomedical Engineering Co Ltd	300832	13.29%
Benchmark	300747	11.89%

Source: Wind Information, Ping An Fund Management. Performance as at 31 May 2023, Chinese yuan basis.

Zhongji Innolight Co Ltd was still the top performer in May 2023 with 19.44 per cent gain while Qingdao TGOOD Electric Co Ltd came in second with 18.51 per cent. Qingdao TGOOD Electric is a leader in eHouse solutions and is the biggest domestic EV charging infrastructure provider with 28 per cent market share as of April 2023. As new energy vehicle (NEV) penetration rate increases rapidly, assisted by intense price competition in the auto industry, demand for EV charging infrastructure surged. With EV infrastructure being the bottleneck to NEV adoption, the firm is

Bottom 5 Performers

Securities Name	Code	Cumulative Performance (1 month)
East Group Co Ltd	300376	-19.73%
Yealink Network Technology Co Ltd	300628	-19.61%
Mango Excellent Media Co Ltd	300413	-18.45%
Yunnan Botanee Bio-Technology Group Co Ltd	300957	-18.44%
Zhejiang Wolwo Bio-Pharmaceutical Co Ltd.	300357	-17.65%

Source: Wind Information, Ping An Fund Management. Performance as at 31 May 2023, Chinese yuan basis.

East Group Co Ltd was the biggest performance drag to ChiNext index with 19.73 per cent decline in May 2023. The stock tumbled alongside company disclosure that the firm’s largest shareholder “Orient Group” was planning to divest shares in the company. In addition, the firm and the largest shareholder are under investigation for alleged violation of information disclosure laws and regulations.

Market Review

In terms of the industry performance, all sectors saw losses in May, with Industrials being the biggest contribution laggard followed by Healthcare and Financials.

On equity front, market indices generally experienced decline in May. From an investment style perspective, technology companies outperformed. For industry performance, there were significant divergence. Utilities, electronics, telecommunications, environmental protection and computer hardware led gains, while retail and agricultural saw losses. The main reasons for the market movements are as follows: 1) Weaker-than-expected economic data coupled with concerns about a second wave of the Covid pandemic and moderating growth outlook led to poor performance for major indices. 2) US debt ceiling crisis during mid-month triggered strong risk-off sentiment. 3) Nvidia's better-than-expected earnings result and guidance along with the bottoming out of industries such as storage and testing led to rallies for leading technology companies.

The pace of domestic economic recovery has moderated, and more needs to be done to strengthen economic foundation. In Q1, China's gross domestic product (GDP) grew by 4.5 per cent year-over-year, surpassing market expectations and highlighting the resilience of domestic demand recovery. However, with the May Purchasing Managers' Index (PMI) data extending decline, the phenomenon of insufficient demand seems to have spread to non-manufacturing sector. In April, both Consumer Price Index (CPI) and Producer Price Index (PPI) were lower than expected and total social financing data saw a significant fall. Household loan data was the lowest in nearly a decade and the year-on-year decline in industrial profit for enterprises above a designated size could indicate insufficient domestic demand and further stimulus is required to strengthen economic recovery.

In terms of liquidity, monetary policy is expected to remain prudent and moderately loose to continue supporting economic recovery. The government work report emphasised the need for "prudent and effective monetary policy" and proposed to "maintain consistent growth rate for broad money supply, social financing and nominal GDP to support the development of the real economy". Weaker-than-expected domestic high frequency economic data juxtapose with stronger-than-expected US data, particularly employment data, triggered huge movement in foreign flows and led to volatility in the A-Share market. At this juncture, it is still advisable to observe the development trajectory and pace of economic recovery objectively and rationally without excessive pessimism.

Outlook and Positioning

We remain optimistic about the fundamentals and prospects of China 'A' shares.

Firstly, China's economy is likely to recover gradually post-zero-COVID-19 era. Nevertheless, there are some uncertainties regarding the strength of the recovery, as it would depend on the extent of economic stimulus from the government and the evolution of the COVID-19 situation.

Secondly, government policies would likely favour equity markets. We expect monetary policy to remain accommodative to encourage economic recovery and further fiscal stimulus to support stable economic growth.

Thirdly, the market had experienced a significant decline in 2022 and broad-based indices are still hovering near low levels, hence we see a smaller probability of an extended decline in 2023. If economic recovery is mild in 2023, the full-year return is unlikely to be exceptionally high.

Finally, geopolitical risk between the US and China is a concern to the market and we remain cautious about any further development on this front.

Important notice and disclaimers