



FUND OBJECTIVE & STRATEGY

The Fund seeks to provide long term capital appreciation. The Fund will be investing a minimum of 90% of the Fund's Net Asset Value ("NAV") in the Target Fund at all times.

NAV MOVEMENT



United Great Dragon Fund - RMB Hedged

Source: UOBAM(M)

FUND DETAILS

LAUNCH DATE	8 January 2021
COMMENCEMENT DATE	29 January 2021
FINANCIAL YEAR END	30 April
CATEGORY/TYPE OF FUND	Equity (Feeder Fund) / Growth
BASE CURRENCY	USD
CLASS OF UNITS	RMB hedged Class
INITIAL OFFER PRICE	RMB 0.5000
UNITS IN CIRCULATION – RMB HEDGED CLASS	71,351,504.72
NET ASSET VALUE ("NAV")	RMB 34,620,923.79
NET ASSET VALUE – TOTAL FUND	USD 65,333,899.31
NAV PER UNIT	RMB 0.4852
MINIMUM INITIAL INVESTMENT	RMB 1,000
MINIMUM ADDITIONAL INVESTMENT	RMB 100
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.
PERFORMANCE BENCHMARK	MSCI China A Onshore Index (USD)
ASSET ALLOCATION	A minimum of 90% of the Fund's NAV in the Target Fund; and 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	Ping An Fund Management Company Limited

TOP 10 HOLDINGS OF THE TARGET FUND

KWEICHOW MOUTAI CO LTD	6.62%
CONTEMPORARY AMPEREX TECHNOLOG	5.47%
LONGI GREEN ENERGY TECHNOLOGY	4.19%
SHENZHEN MINDRAY BIO-MEDICAL E	3.72%
GUANGZHOU TINCI MATERIALS TECH	3.68%
BANK OF NINGBO CO LTD	3.59%
LONGSHINE TECHNOLOGY GROUP CO	3.07%
NAURA TECHNOLOGY GROUP CO LTD	3.00%
POLY DEVELOPMENTS AND HOLDINGS	2.90%
LUXSHARE PRECISION INDUSTRY CO	2.86%

Source: UOBAM

PORTFOLIO ALLOCATION

Collective Investment Scheme	94.27%
Cash	5.73%
Total	100.00%

Source: UOBAM(M)

PORTFOLIO ALLOCATION OF THE TARGET FUND

Equity	86.96%
Cash	13.05%
Total	100.00%

Source: UOBAM

SECTOR ALLOCATION OF THE TARGET FUND

Information Technology	20.99%
Industrials	16.57%
Consumer Staples	14.50%
Materials	8.20%
Health Care	6.09%
Financials	5.61%
Real Estate	4.38%
Consumer Discretionary	4.09%
Utilities	3.89%
Communication Services	2.63%
Cash	13.05%
Total	100.00%

Source: UOBAM

GEOGRAPHICAL ALLOCATION OF THE TARGET FUND

China	86.96%
Cash	13.05%
Total	100.00%

Source: UOBAM



HISTORICAL NAV (RMBH)

Highest	15/7/2021	0.5333
Lowest	24/3/2021	0.4441

Source: UOBAM(M)

MARKET REVIEW OF TARGET FUND

In December, the CSI 300 Index rose by 0.66% while the CSI Small Cap 500 Index rose by 0.36% in CNY terms. In JPY terms, the CSI 300 Index rose by 2.04%, and the CSI Small Cap 500 Index rose by 1.74%.

In December, stock market had a volatile month and performance diverged among stock indices. The Shanghai Composite Index rose 2.13% while the CSI 300 Index rose 2.24%, and the ChiNext Index declined 5%. In general, large-cap stocks performed better than small-cap stocks. In terms of sector performance, media, social services, building materials, and public utilities returned more than 5%, while non-ferrous metals, power equipment, automobiles and other industries were the laggards. Industries that attracted thematic investment and benefitted from stable economic growth did better. On the other hand, sectors that performed strongly in 2021 suffered the most decline, especially stocks related to new energy. As investors take profit and rebalance their positions at year end, volatility has increased in the market.

STRATEGY IMPLEMENTED OF TARGET FUND

Since the beginning of 2021, technological innovation, anti-monopoly policies and the epidemic have had negative impacts on the earnings for some industries and companies. However, the direction of policy adjustments is conducive for long-term sustainable economic development. Therefore, although performance of companies was affected in the near term with significant valuation adjustment, we see a turning point for high-quality companies that are well-aligned with government's long-term policy direction and will increase allocation to these companies.

On the other hand, although market unanimously recognized that emerging growth stocks have considerable room for long-term growth, due to the upbeat near-term market sentiment, there is risk of excessive market expectations, periodic oversupply and overvaluation. As such, we will reduce our holding of some companies with ordinary long-term profit model and switch to higher quality companies with better earnings model. We prefer high-quality companies that have suffered from upstream expansion and supply shortage this year and will continue to look for new innovative investment opportunities.

OUTLOOK AND STRATEGY OF TARGET FUND

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

After market adjustment in 2021, overall valuation is lower especially for value growth stocks with better long-term earnings model. On the other hand, valuation is on the high side for some emerging growth stocks.

Going forward, the fund will maintain a balanced portfolio with reasonable allocation to three main strategic directions. The three strategic directions are energy and information technology innovation, high-end manufacturing upgrades and consumption upgrades respectively. In addition, we will maintain a balanced allocation to value growth stocks and emerging growth stocks. In addition, starting from the fourth quarter, we will gradually reduce over-valued emerging growth stocks that have decreased growth expectations and increase holding of stocks with turning point in their fundamentals in 2022. Furthermore, we will reduce the market beta of the portfolio and increase stocks in sub-sectors to capture alpha.

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