



United Asia Consumer Fund

Semi Annual Report

for the half year ended
31 December 2021

United Asia Consumer Fund

(Constituted under a Trust Deed in the Republic of Singapore)

MANAGER

UOB Asset Management Ltd

Registered Address:

80 Raffles Place

UOB Plaza

Singapore 048624

Company Registration No. : 198600120Z

Tel: 1800 22 22 228

DIRECTORS OF UOB ASSET MANAGEMENT LTD

Lee Wai Fai

Peh Kian Heng

Thio Boon Kiat

Lam Sai Yoke (Appointed 1 February 2022)

Edmund Leong Kok Mun (Appointed 1 February 2022)

Eric Tham Kah Jin (Resigned 31 January 2022)

TRUSTEE

State Street Trust (SG) Limited

168 Robinson Road

#33-01, Capital Tower

Singapore 068912

CUSTODIAN / ADMINISTRATOR / REGISTRAR

State Street Bank and Trust Company, acting through its Singapore Branch

168 Robinson Road

#33-01, Capital Tower

Singapore 068912

AUDITOR

PricewaterhouseCoopers LLP

7 Straits View, Marina One

East Tower, Level 12

Singapore 018936

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A) Fund Performance

Fund Performance/ Benchmark Returns	3 mth % Growth	6 mth % Growth	1 yr % Growth	3 yr Ann Comp Ret	5 yr Ann Comp Ret	10 yr Ann Comp Ret	Since Inception 12 October 2009 Ann Comp Ret
United Asia Consumer Fund	-7.37	-16.87	-6.95	10.24	6.78	3.48	3.61
Benchmark	-4.94	-18.29	-17.21	8.26	5.45	4.38	5.45

Source: Morningstar.

Note: The performance returns of the Fund are in Singapore Dollar based on a NAV-to-NAV basis, with dividends and distributions reinvested, if any.

The benchmark of the Fund: 50% MSCI AC Asia ex Japan Consumer Discretionary Index and 50% MSCI AC Asia ex Japan Consumer Staples Index.

For the six months ended 31 December 2021, the net asset value of the Fund **declined 16.87%** in Singapore Dollar terms, outperforming the benchmark which is comprised of 50% MSCI AC Asia ex Japan Consumer Discretionary Index and 50% MSCI AC Asia ex Japan Consumer Staples Index, which declined 18.29% in Singapore Dollar terms over the same period.

As at end 31 December 2021, the Fund had the following country asset allocation: **China** (38.48%), **India** (18.98%), **Taiwan** (11.55%), **South Korea** (8.46%), **Hong Kong** (5.57%), **Indonesia** (3.21%), **others** (7.91%) and the remainder in cash (5.84%).

Key contributors to performance included **Titan Co Ltd (India)**, **Bajaj Finance Ltd (India)** and **Momo.com Inc (Taiwan)**.

Key detractors included **Alibaba Group Holding Ltd (China)** where we had a major *underweight* position, **Meituan Class B (China)** and **Anta Sports Products Ltd (China)**.

Economic and Market Review

For the six months ended 31 December 2021, Equity markets in MSCI Asia Pacific ex-Japan fell, marking a challenging year for investors facing significant market dispersion within Asian markets.

While the second half of the year was characterised by the removal of restrictions and lockdowns, efforts to reopen was disrupted by continuous outbreaks, firstly by the Delta COVID-19 variant and then the Omicron COVID-19 variant towards the end of the year. This ultimately dampened investor optimism and risk appetite.

Within individual markets, countries faced varying degrees of reopening and regulatory disruption. The key theme suppressing performance was regulatory headwinds in **China**, as most of the laggard performance was concentrated in **China** due to regulatory tightening and China-linked American Depository Receipts (ADR) delisting fears. Meanwhile in better performing markets such as **India** and **Taiwan**, market outperformance was supported by the constant upward revisions in earnings.

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A) Fund Performance (continued)

From an economic perspective, GDP growth in Asia was 6.8% for 2021, above trend from most economies. This was largely within consensus given the lower base effects off 2020 lows. In terms of monetary policies, central banks around the region continued to be accommodative to boost economic recovery.

Over the six months, equity markets were led by the **North Asian** markets of **India** as well as **Taiwan**. Export-oriented economies were key beneficiaries of the revival in global trade, driving their economic growth ahead of their **Southeast Asian** counterparts that were more dependent on travel and tourism.

Outlook and Fund Strategy

The macro backdrop for **Asia** equities market remains supportive. Moderating but still above-trend global growth will continue to support **Asia's** exports. Despite the recent rise in underlying core inflation in **Asia**, it remains benign at the lower end of range since the global financial crisis. Pass-through due to demand-pull pressures and higher input costs is likely manageable as **Asian** economies notably **ASEAN** are yet to close the negative output gap.

As global recovery matures and policy support fades, we expect growth to broaden out from front-runners to laggards, and from exports to domestic demand. When the re-opening of the **Asian** economies finally materialises, we expect many domestic consumer stocks to see their share prices do well. Many of them are still well below their pre-pandemic high levels.

There is one important development worth highlighting over the reporting period. In **China**, most of the e-internet giants like **Alibaba Group Holding Ltd** and **Tencent Holdings Ltd** etc, did badly last year. And since they have unusually large index weights (**Alibaba Group Holding Ltd** alone for instance, accounts for more than 20% of our index), we have to keep an eye on when the share prices have bottomed. These eCommerce companies have faced plenty of headwind in the past year especially coming from unfavourable government policies aimed at reducing their market power. However, many of these companies have seen share prices more than halve since their last peak and at some point, value should emerge for longer term investors.

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B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 31 December 2021 under review classified by

i) Country

	Fair Value (S\$)	% of NAV
China	947,595	38.48
Hong Kong	137,231	5.57
India	467,434	18.98
Indonesia	79,061	3.21
Luxembourg	57,285	2.33
Malaysia	27,960	1.14
South Korea	208,456	8.46
Taiwan	284,465	11.55
Thailand	55,197	2.24
United States	54,089	2.20
Portfolio of investments	2,318,773	94.16
Other net assets/(liabilities)	143,833	5.84
Total	2,462,606	100.00

ii) Industry

	Fair Value (S\$)	% of NAV
Communication Services	269,930	10.96
Consumer Discretionary	1,295,210	52.59
Consumer Staples	412,628	16.76
Financials	102,118	4.15
Health Care	182,990	7.43
Information Technology	55,897	2.27
Portfolio of investments	2,318,773	94.16
Other net assets/(liabilities)	143,833	5.84
Total	2,462,606	100.00

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B) Investments at fair value and as a percentage of net asset value (“NAV”) as at 31 December 2021 under review classified by (continued)

iii) Asset Class

	Fair Value (S\$)	% of NAV
Quoted equities	2,318,773	94.16
Other net assets/(liabilities)	143,833	5.84
Total	2,462,606	100.00

iv) Credit rating of quoted bonds

N/A

C) Top Ten Holdings

10 largest holdings as at 31 December 2021

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
TENCENT HOLDINGS LTD	165,880	6.74
MOMO.COM INC	150,447	6.11
ALIBABA GROUP HOLDING LTD	139,811	5.68
JD.COM INC - CLASS A	127,928	5.19
HINDUSTAN UNILEVER LTD	124,002	5.03
MEITUAN - CLASS B	120,827	4.91
TITAN CO LTD	106,543	4.33
SEA LTD - ADR	104,050	4.22
BAJAJ FINANCE LTD	102,118	4.15
CHINA RESOURCES BEER HOLDINGS CO LTD	88,329	3.59

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C) Top Ten Holdings (continued)

10 largest holdings as at 31 December 2020

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
JD.COM INC - ADR	363,157	8.38
HINDUSTAN UNILEVER LTD	281,233	6.49
ALIBABA GROUP HOLDING LTD - SPONSORED ADR	261,142	6.02
TENCENT HOLDINGS LTD	221,109	5.10
KWEICHOW MOUTAI CO LTD	201,891	4.66
MEITUAN - CLASS B	180,773	4.17
MIDEA GROUP CO LTD	171,089	3.95
LI NING CO LTD	136,275	3.14
POYA INTERNATIONAL CO LTD	135,467	3.13
LUZHOU LAOJIAO CO LTD	127,975	2.95

D) Exposure to derivatives

The global exposure relating to derivative instruments is calculated using the commitment approach:

- (i) the absolute value of the exposure of each individual financial derivative not involved in netting or hedging arrangements;
- (ii) the absolute value of the net exposure of each individual financial derivative after netting or hedging arrangements; and
- (iii) the sum of the values of cash collateral received under certain cases.

i) Fair value of derivative contracts and as a percentage of NAV as at 31 December 2021

N/A

ii) There was a net realised loss of SGD 1,710 on derivative contracts during the financial period from 1 July 2021 to 31 December 2021.

iii) Net gains/(losses) on outstanding derivative contracts marked to market as at 31 December 2021

N/A

E) Amount and percentage of NAV invested in other schemes as at 31 December 2021

N/A

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F) Amount and percentage of borrowings to NAV as at 31 December 2021

N/A

G) Amount of redemptions and subscriptions for the financial period from 1 July 2021 to 31 December 2021

Total amount of redemptions	SGD	1,206,051
Total amount of subscriptions	SGD	111,000

H) The amount and terms of related-party transactions for the financial period from 1 July 2021 to 31 December 2021

i) As at 31 December 2021, the Fund maintained current accounts with its related party as follows:

State Street Bank and Trust Company, Singapore Branch

Cash and bank balances	SGD	194,657
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ii) Investment in Initial Public Offerings managed by UOB Group

N/A

iii) As at 31 December 2021, the brokerage income earned by UOB Kay Hian Pte Ltd was SGD 57.

I) Expense ratios

	2021	2020
	\$	\$
Total operating expenses	144,312	135,681
Average daily net asset value	<u>3,919,513</u>	<u>3,818,646</u>
Expense ratio	<u>3.68%</u>	<u>3.55%</u>

Note: The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the Fund's expense ratio at 31 December 2021 was based on total operating expenses divided by the average net asset value respectively for the financial period. The total operating expenses do not include (where applicable) brokerage and other transaction costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fee. The average net asset value is based on the daily balances.

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J) Turnover ratios

	2021	2020
	\$	\$
Lower of total value of purchases or sales	1,860,296	325,447
Average daily net assets value	<u>3,720,199</u>	<u>3,941,397</u>
Turnover ratio	<u>50.01%</u>	<u>8.26%</u>

Note: The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases or sales of the underlying investments divided by the average daily net asset value.

K) Any material information that will adversely impact the valuation of the scheme such as contingent liabilities of open contracts

N/A

L) For schemes which invest more than 30% of their deposited property in another scheme, the following key information on the second-mentioned scheme ("the underlying scheme")¹ should be disclosed as well

i) Top 10 holdings at fair value and as percentage of NAV as at 31 December 2021 and 31 December 2020

N/A

ii) Expense ratios for the financial period ended 31 December 2021 and 31 December 2020

N/A

iii) Turnover ratios for the financial period ended 31 December 2021 and 31 December 2020

N/A

¹ *Where the underlying scheme is managed by a foreign manager which belongs to the same group of companies as, or has a formal arrangement or investment agreement with, the Singapore manager, the above information should be disclosed on the underlying scheme. In other cases, such information on the underlying scheme should be disclosed only if it is readily available to the Singapore manager.*

M) Soft dollar commissions/arrangements

UOB Asset Management has entered into soft dollars arrangements with selected brokers from whom products and services are received from third parties. The products and services relate essentially to computer hardware and software to the extent that they are used to support the investment decision making process, research and advisory services, economic and political analyses, portfolio analyses including performance measurements, market analyses, data and quotation services, all of which are believed to be helpful in the overall discharge of UOB Asset Management's duties to clients. As such services generally benefit all of UOB Asset Management's clients in terms of input into the investment decision making process, the soft credits utilised are not allocated on a specific client basis. The Manager confirms that trades were executed on a best execution basis and there was no churning of trades.

N) Where the scheme offers pre-determined payouts, an explanation on the calculation of the actual payouts received by participants and any significant deviation from the pre-determined payouts

N/A

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STATEMENT OF TOTAL RETURN

For the half year ended 31 December 2021 (Un-audited)

	31 December 2021	31 December 2020
	\$	\$
Income		
Dividends	<u>12,477</u>	<u>7,725</u>
Total	<u>12,477</u>	<u>7,725</u>
Less: Expenses		
Management fee	28,319	29,801
Trustee fee	2,511	2,510
Audit fee	7,353	7,223
Registrar fee	7,562	7,510
Valuation fee	2,360	2,483
Administration fee	4,720	4,967
Custody fee	6,259	3,993
Transaction costs	13,026	3,817
Other expenses	<u>13,497</u>	<u>12,646</u>
Total	<u>85,607</u>	<u>74,950</u>
Net income/(losses)	<u>(73,130)</u>	<u>(67,225)</u>
Net gains/(losses) on value of investments and financial derivatives		
Net gains/(losses) on investments	(619,456)	934,146
Net gains/(losses) on financial derivatives	(1,710)	438
Net foreign exchange gains/(losses)	<u>(3,469)</u>	<u>(2,417)</u>
	<u>(624,635)</u>	<u>932,167</u>
Total return/(deficit) for the financial period before income tax	(697,765)	864,942
Less: Income tax	(2,274)	(1,083)
Less: Capital gains tax	<u>(8,885)</u>	<u>(10,743)</u>
Total return/(deficit) for the financial period	<u>(708,924)</u>	<u>853,116</u>

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STATEMENT OF FINANCIAL POSITION

As at 31 December 2021 (Un-audited)

	31 December	30 June
	2021	2021
	\$	\$
Assets		
Portfolio of investments	2,318,773	4,116,420
Sales awaiting settlement	-	1,104
Receivables	12,510	14,681
Cash and bank balances	<u>194,657</u>	<u>192,296</u>
Total assets	<u>2,525,940</u>	<u>4,324,501</u>
Liabilities		
Payables	<u>63,334</u>	<u>57,920</u>
Total liabilities	<u>63,334</u>	<u>57,920</u>
Equity		
Net assets attributable to unitholders	<u>2,462,606</u>	<u>4,266,581</u>

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STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the half year ended 31 December 2021 (Un-audited)

	31 December 2021	30 June 2021
	\$	\$
Net assets attributable to unitholders at the beginning of the financial period/year	4,266,581	3,975,502
Operations		
Change in net assets attributable to unitholders resulting from operations	(708,924)	1,333,738
Unitholders' contributions/(withdrawals)		
Creation of units	111,000	1,079,968
Cancellation of units	(1,206,051)	<u>(2,122,627)</u>
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(1,095,051)	(1,042,659)
Total increase/(decrease) in net assets attributable to unitholders	(1,803,975)	<u>291,079</u>
Net assets attributable to unitholders at the end of the financial period/year	<u>2,462,606</u>	<u>4,266,581</u>

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STATEMENT OF PORTFOLIO

As at 31 December 2021 (Un-audited)

	Holdings at 31 December 2021	Fair value at 31 December 2021 \$	Percentage of total net assets attributable to unitholders at 31 December 2021 %
By Geography - Primary			
Quoted equities			
CHINA			
ALIBABA GROUP HOLDING LTD	6,800	139,811	5.68
ANTA SPORTS PRODUCTS LTD	2,000	40,429	1.64
BYD CO LTD - H	1,500	69,151	2.81
CHINA MEIDONG AUTO HOLDINGS LTD	10,000	69,515	2.82
CHINA MENGNIU DAIRY CO LTD	9,000	68,788	2.79
JD.COM INC - CLASS A	2,700	127,928	5.19
KWEICHOW MOUTAI CO LTD	100	43,364	1.76
LI NING CO LTD	3,500	51,656	2.10
MEITUAN - CLASS B	3,100	120,827	4.91
TENCENT HOLDINGS LTD	2,100	165,880	6.74
TOFFLON SCIENCE & TECHNOLOGY GROUP CO LTD	4,700	50,246	2.04
TOTAL CHINA		947,595	38.48
HONG KONG			
CHINA RESOURCES BEER HOLDINGS CO LTD	8,000	88,329	3.59
GALAXY ENTERTAINMENT GROUP LTD	7,000	48,902	1.98
TOTAL HONG KONG		137,231	5.57
INDIA			
BAJAJ FINANCE LTD	807	102,118	4.15
DIVI'S LABORATORIES LTD	914	77,547	3.15
HINDUSTAN UNILEVER LTD	2,897	124,002	5.03
TITAN CO LTD	2,329	106,543	4.33

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STATEMENT OF PORTFOLIO

As at 31 December 2021 (Un-audited)

	Holdings at 31 December 2021	Fair value at 31 December 2021 \$	Percentage of total net assets attributable to unitholders at 31 December 2021 %
By Geography - Primary (continued)			
Quoted equities			
INDIA (continued)			
ZOMATO LTD	22,964	<u>57,224</u>	<u>2.32</u>
TOTAL INDIA		<u>467,434</u>	<u>18.98</u>
INDONESIA			
ASTRA INTERNATIONAL TBK PT	89,400	48,201	1.96
INDOFOOD CBP SUKSES MAKMUR TBK	37,500	<u>30,860</u>	<u>1.25</u>
TOTAL INDONESIA		<u>79,061</u>	<u>3.21</u>
LUXEMBOURG			
L'OCCITANE INTERNATIONAL SA	10,500	57,285	2.33
MALAYSIA			
GENTING MALAYSIA BHD	30,000	27,960	1.14
SOUTH KOREA			
HYUNDAI MOBIS CO LTD	142	40,985	1.66
HYUNDAI MOTOR CO	360	85,329	3.47
KIA CORP	603	56,213	2.28
SAMSUNG ELECTRONICS CO LTD	292	<u>25,929</u>	<u>1.05</u>
TOTAL SOUTH KOREA		<u>208,456</u>	<u>8.46</u>
TAIWAN			
MOMO.COM INC	1,900	150,447	6.11

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STATEMENT OF PORTFOLIO

As at 31 December 2021 (Un-audited)

	Holdings at 31 December 2021	Fair value at 31 December 2021 \$	Percentage of total net assets attributable to unitholders at 31 December 2021 %
By Geography - Primary (continued)			
Quoted equities			
TAIWAN (continued)			
SEA LTD - ADR	345	104,050	4.22
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	1,000	<u>29,968</u>	<u>1.22</u>
TOTAL TAIWAN		<u>284,465</u>	<u>11.55</u>
THAILAND			
BUMRUNGRAD HOSPITAL PCL - NVDR	9,700	55,197	2.24
UNITED STATES			
YUM CHINA HOLDINGS INC	805	<u>54,089</u>	<u>2.20</u>
Total Equities		<u>2,318,773</u>	<u>94.16</u>
Portfolio of investments		2,318,773	94.16
Other net assets/(liabilities)		<u>143,833</u>	<u>5.84</u>
Net assets attributable to unitholders		<u>2,462,606</u>	<u>100.00</u>

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STATEMENT OF PORTFOLIO

As at 31 December 2021 (Un-audited)

	Percentage of total net assets attributable to unitholders at 31 December 2021 %	Percentage of total net assets attributable to unitholders at 30 June 2021 %
By Geography - Primary (Summary)		
Quoted equities		
China	38.48	48.21
Hong Kong	5.57	5.10
India	18.98	13.63
Indonesia	3.21	-
Luxembourg	2.33	-
Malaysia	1.14	-
Singapore	-	1.97
South Korea	8.46	13.91
Taiwan	11.55	11.42
Thailand	2.24	-
United States	2.20	2.24
Portfolio of investments	94.16	96.48
Other net assets/(liabilities)	5.84	3.52
Net assets attributable to unitholders	100.00	100.00

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STATEMENT OF PORTFOLIO

As at 31 December 2021 (Un-audited)

	Fair value at 31 December 2021 \$	Percentage of total net assets attributable to unitholders at 31 December 2021 %	Percentage of total net assets attributable to unitholders at 30 June 2021 %
By Industry - Secondary			
Quoted equities			
Communication Services	269,930	10.96	5.65
Consumer Discretionary	1,295,210	52.59	60.48
Consumer Staples	412,628	16.76	15.43
Financials	102,118	4.15	3.31
Health Care	182,990	7.43	4.51
Information Technology	55,897	2.27	5.13
Materials	-	-	1.97
Portfolio of investments	2,318,773	94.16	96.48
Other net assets/(liabilities)	143,833	5.84	3.52
Net assets attributable to unitholders	2,462,606	100.00	100.00

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