

November 2024

United Asian Bond Fund



Why Invest?

- **Investment-grade (IG) focus:** The United Asian Bond Fund - SGD is actively managed with a focus on Investment Grade (IG) bonds. In the current volatile market, a preference for IG bonds could potentially reduce the volatility and enhance the risk-return profile of the Fund.
- **Attractive dividend payout:** For Class A SGD Dist (Hedged), the current distribution policy is 4.5 per cent per annum, paid out monthly, which may be suitable for investors who are seeking regular income¹.
- **Country Diversification:** The Fund has a smaller allocation to Chinese and Korean bonds compared to its benchmark, as spreads for Chinese and Korean bonds have tightened this year, making them relatively more expensive. Instead, the Fund is well diversified across the Asia and ASEAN regions, such as Indonesia and Malaysia.
- **Lower interest rate risk:** Relative to IG bonds in the US, the duration of Asian IG bonds tends to be shorter. This means lower sensitivity to changes in interest rates.

Portfolio Positioning

We continue to stay up in credit quality, maintaining our preference for defensive sectors with resilient balance sheets, credits with leading market shares and of systemic importance. To enhance the portfolio's all-in yield given tight credit spreads in Asia, we diversified into Australian and Japanese issuers while avoiding China Properties. We are neutral on duration as yields remain volatile from changing rate cut expectations and political shocks. Instead, we continue to focus on corporate bonds with improving fundamentals and credit spread compression.

The Fund will: 1) Assess the relative value of bonds in the portfolio; 2) Focus on companies that have good access to capital markets and have defensive business models; 3) Benchmark duration along the curve relative to the benchmark to capture potential curve steepening; 4) Focus on credit spread compression by selecting corporates with improving fundamentals that have attractive yields/spreads but are not captured in their current pricing.

November 2024 Portfolio Performance

The United Asian Bond Fund - SGD	+1.58 per cent ²
Benchmark: JP Morgan Asia Credit Index Investment Grade Total Return	+1.91 per cent

Source: Morningstar, Performance from 31 October 2024 to 30 November 2024 in SGD terms

² Fund performance is on a Net Asset Value ("NAV") basis, with dividends and distributions reinvested (if any).

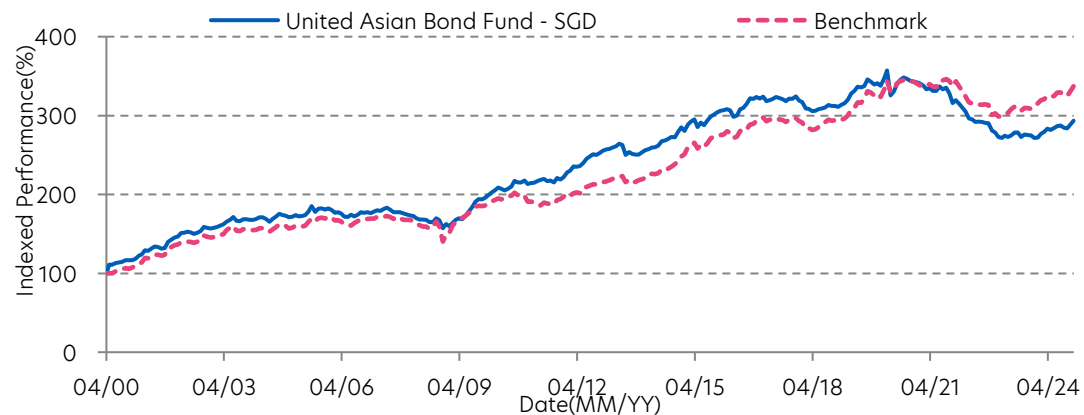
Performance Review

The underperformance in November 2024 was mainly due to the credit spread widening of the Adani complex. Year to date, the Fund returned 7.78 per cent versus the benchmark of 6.82 per cent.

¹ Distributions (in SGD) are not guaranteed. Distributions may be made out of income, capital gains and/or capital. This relates to the disclosed distribution policy as set out in the Fund's prospectus.

Performance (Class SGD)

Fund Performance Since Inception³ in Base Currency



Past performance is not necessarily indicative of future performance.

Fund performance is calculated on a NAV to NAV basis.

Benchmark: Apr 00 - Jul 03: JP Morgan Emerging Markets Bond Index Global Constrained Asia; Aug 03 - Dec 06: JP Morgan Asia Bond Total Return Composite; Jan 07 - 3 Apr 22: JP Morgan Asia Credit Index Total Return Composite; 4 Apr 22 - Present: JP Morgan Asia Credit Index Investment Grade Total Return

Source: Morningstar. Performance as at 30 November 2024, SGD basis, with dividends and distributions reinvested, if any.

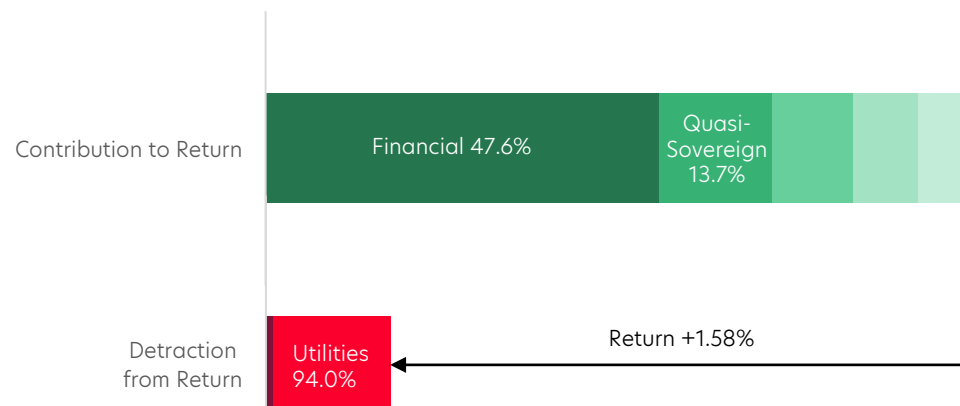
³ The United Asian Bond Fund- SGD (ISIN Code: SG9999001416) was incepted on 5 April 2000.

All statistics quoted in the write-up are sourced from Bloomberg as at 30 November 2024 unless otherwise stated.

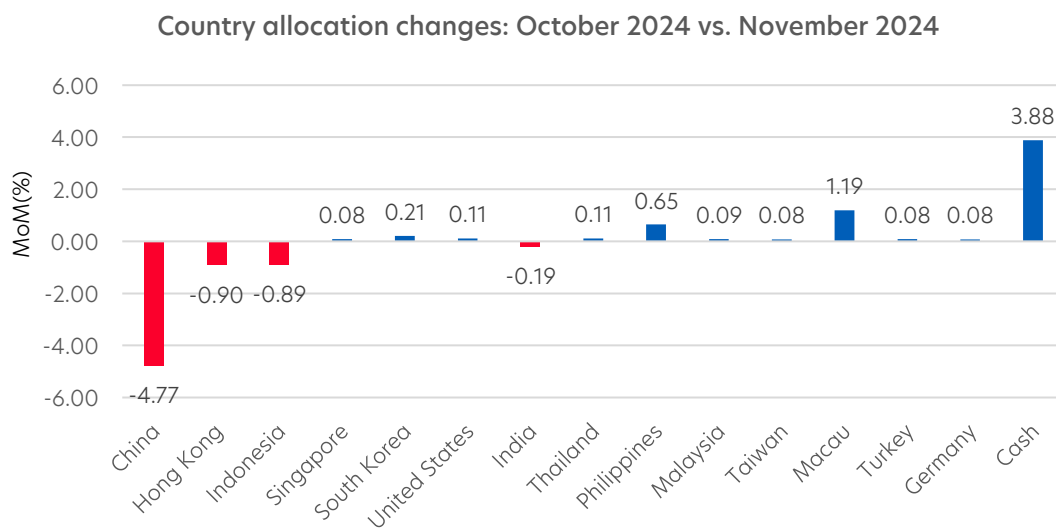
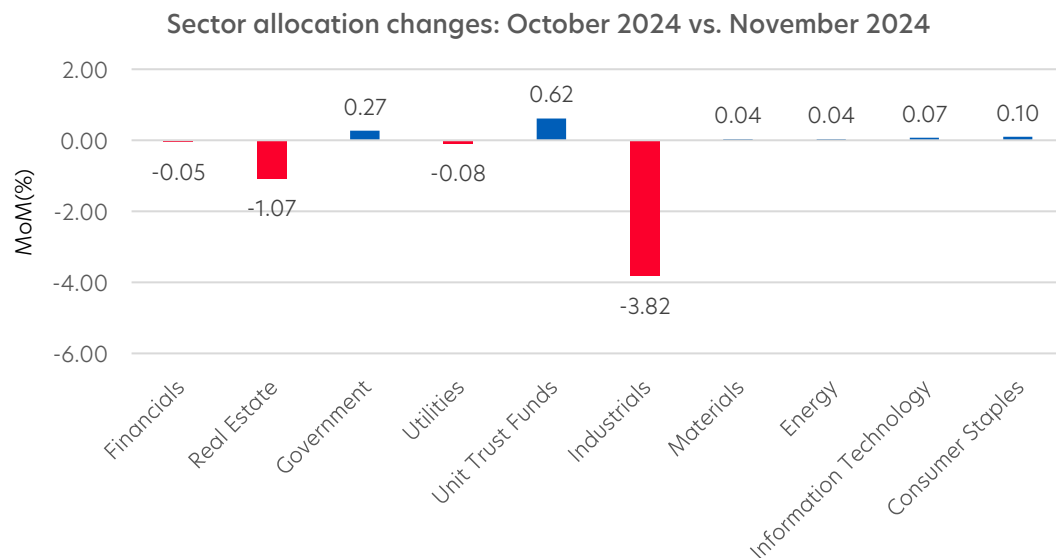
	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	1.58	8.09	-2.80	-2.97	4.01
Fund (Charges applied [^])	-1.47	4.85	-3.79	-3.56	3.88
Benchmark	1.91	8.42	-0.60	0.54	5.05

Source: Morningstar. Performance as at 30 November 2024, SGD basis, with dividends and distributions reinvested, if any. Performance figures for 1 month till 1 year show the per cent change, while performance figures above 1 year show the average annual compounded returns. Benchmark: Apr 00 - Jul 03: JP Morgan Emerging Markets Bond Index Global Constrained Asia; Aug 03 - Dec 06: JP Morgan Asia Bond Total Return Composite; Jan 07 - 3 Apr 22: JP Morgan Asia Credit Index Total Return Composite; 4 Apr 22 - Present: JP Morgan Asia Credit Index Investment Grade Total Return. 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.

Performance Contributors/Detractors: November 2024



Portfolio Changes



Source: UOBAM

Portfolio Review

Analyst Insights

The new positions we added to the portfolio in November 2024 were quality Corporate Credit in the Consumer, Sovereign, TMT (Technology, Media, and Telecommunications) and Financials sectors. Meanwhile, we sold positions in the Utility and Transport sectors.

As shown on the left charts, the biggest decrease in the sector allocation changes for November 2024 was in Industrials (-3.82 per cent). In terms of country allocation changes, the Fund has the biggest decrease in China (-4.77 per cent) and the most increase in Macau (+1.19 per cent) for November 2024.

Market Review

Government bonds: A “red wave” in the US election and Fed speak advocating a patient approach to further rate cuts contributed to a volatile November (2024) in rates markets. Interest rates initially gained on inflationary fears associated with Trump’s Presidential win but corrected swiftly after the appointment of Scott Bessent for Treasury Secretary who is perceived to be more market-oriented. Personal Consumption Expenditures (PCE) price data for October 2024 came broadly in line with expectations coupled with slightly soft consumption data that tilted the market towards a December rate cut. The 2-year and 10-year US Treasury (UST) yields closed at 4.15 per cent (-2 basis points, bps) and 4.17 per cent (-12bps) in November 2024.

A series of China’s easing measures were implemented since September 2024 and the debt swap program was announced in November 2024. To maintain a growth target of “around 5 per cent” for 2025, the government is expected to set a significantly higher fiscal deficit aimed at bolstering domestic consumption. The debt swap program will convert Renminbi (RMB) 5.6 trillion of hidden local debt over the next 13 months should enhance local fiscal conditions and provide local governments with more resources to tackle their domestic economic challenges.

Corporate bonds: JP Morgan Asia Credit Index (JACI) Investment Grade credit spread was flat at 106bps, at a historically tight level since 2007. In late November 2024, the green energy division under Adani Group (Adani Green Energy Limited) priced a US\$600 million bond. However, the bond offering was withdrawn after US prosecutors charged Gautam Adani (the group founder) with participation in an alleged bribery. Although Adani Group denied the bribery allegations, there was a massive sell-off in the Adani dollar bonds. New issuance in Asia ex-Japan G3 currency (bonds issued in US Dollars, Japanese Yen, or Euros) primary bond market was slowed to US\$15.6 billion in November 2024 (October 2024: US\$16.7 billion, November 2023: US\$11.7 billion) as the market took a breather on US politics uncertainties. Total issuance year-to-date was US\$170.4 billion, up 35 per cent from \$126.0 billion over the same period in 2023.

We turned cautious going forward given the following uncertainties: 1) potential increase in trade tensions imposed by the new US administration and 2) the Asia credit market may be more susceptible to any negative developments given the historically tight Asia credit spread. That said, fixed-income investments remain attractive riding on the tailwind of the Federal rate cut cycle.

Investment Objective

The investment objective of the United Asian Bond Fund seeks to provide stable current income and capital appreciation by investing primarily in debt securities issued by Asian corporations, financial institutions, governments and their agencies (including money market instruments).

Fund Information

Base Currency	Fund Size	Fund Manager
SGD	SGD 46.96 mil	Melvin Chan



Important Notice and Disclaimers

Distributions will be made in respect of the Distribution Classes of the Fund. Distributions are based on the NAV per unit of the relevant Distribution Class as at the last business day of the calendar month or quarter. The making of distributions is at the absolute discretion of UOBAM and that distributions are not guaranteed. The making of any distribution shall not be taken to imply that further distributions will be made. UOBAM reserves the right to vary the frequency and/or amount of distributions. Distributions from a fund may be made out of income and/or capital gains and (if income and/or capital gains are insufficient) out of capital. Investors should also note that the declaration and/or payment of distributions (whether out of income, capital gains, capital or otherwise) may have the effect of lowering the net asset value (NAV) of the relevant fund. Moreover, distributions out of capital may amount to a reduction of part of your original investment and may result in reduced future returns. Please refer to the Fund's prospectus for more information.

All information in this publication is based upon certain assumptions and analysis of information available as at the date of the publication and reflects prevailing conditions and UOB Asset Management Ltd ("UOBAM")'s views as of such date, all of which are subject to change at any time without notice. Although care has been taken to ensure the accuracy of information contained in this publication, UOBAM makes no representation or warranty of any kind, express, implied or statutory, and shall not be responsible or liable for the accuracy or completeness of the information.

Potential investors should read the prospectus of the fund(s) (the "Fund(s)") which is available and may be obtained from UOBAM or any of its appointed distributors, before deciding whether to subscribe for or purchase units in the Fund(s). Returns on the units are not guaranteed. The value of the units and the income from them, if any, may fall as well as rise, and is likely to have high volatility due to the investment policies and/or portfolio management techniques employed by the Fund(s). Please note that the graphs, charts, formulae or other devices set out or referred to in this document cannot, in and of itself, be used to determine and will not assist any person in deciding which investment product to buy or sell, or when to buy or sell an investment product. An investment in the Fund(s) is subject to investment risks and foreign exchange risks, including the possible loss of the principal amount invested. Investors should consider carefully the risks of investing in the Fund(s) and may wish to seek advice from a financial adviser before making a commitment to invest in the Fund(s). Should you choose not to seek advice from a financial adviser, you should consider carefully whether the Fund(s) is suitable for you. Investors should note that the past performance of any investment product, manager, company, entity or UOBAM mentioned in this publication, and any prediction, projection or forecast on the economy, stock market, bond market or the economic trends of the markets is not necessarily indicative of the future or likely performance of any investment product, manager, company, entity or UOBAM or the economy, stock market, bond market or economic trends of the markets. Nothing in this publication shall constitute a continuing representation or give rise to any implication that there has not been or that there will not be any change affecting the Funds. All subscription for the units in the Fund(s) must be made on the application forms accompanying the prospectus of that fund.

The above information is strictly for general information only and is not an offer, solicitation advice or recommendation to buy or sell any investment product or invest in any company. This publication should not be construed as accounting, legal, regulatory, tax, financial or other advice. Investments in unit trusts are not obligations of, deposits in, or guaranteed or insured by United Overseas Bank Limited, UOBAM, or any of their subsidiary, associate or affiliate or their distributors. The Fund(s) may use or invest in financial derivative instruments and you should be aware of the risks associated with investments in financial derivative instruments which are described in the Fund(s)' prospectus.

This advertisement or publication has not been reviewed by the Monetary Authority of Singapore.

UOB Asset Management Ltd Co. Reg. No. 198600120Z