November 2024

United Singapore Bond Fund

UOB Asset Management

Why Invest?

• **Defensive positioning:** The United Singapore Bond Fund – A SGD Acc (the "Fund") invests in quality credits that have a leading market share. The Fund is 45.62 per cent invested in Government Bonds (as of November 2024) which contributes to its strong credit rating of "A".

• **Singapore Dollars ("SGD") exposure:** The Fund is 81.76 per cent invested in Singapore (as of November 2024). This allows the Fund to benefit from the strength of the SGD and the stability of Singapore's capital markets.

• **Attractive dividend payout:** For Class A SGD Dist, the current distribution policy is 2.0 per cent per annum, paid out quarterly, which may be suitable for investors who are seeking regular income[1].

• **Less volatile in Asian credit:** We believe the stabilisation in the rates will reduce volatilities in Asian credit in 2024. The current all-in yield will provide a sufficient margin of safety against wider credit spreads.

• **Highly rated:** The Fund currently holds a Morningstar four-star rating as of 30 November 2024.

November 2024 Portfolio Performance

The United Singapore Bond Fund – A SGD Acc	+0.37 per cent[2]
Benchmark: TR/SGX SFI Government Bond Index	+0.42 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 Fund returned +0.37 per cent in November 2024, while the Benchmark returned +0.42 per cent. Year to date, the Fund returned +4.14 per cent, with the Benchmark returning +2.87 per cent.

The positive alpha in the year-to-date return is due to positive risk sentiment as credit spreads have tightened over the course of the year, as seen also in other Credit/Fixed Income markets. The Fund's duration was kept neutral to Benchmark.

Portfolio Positioning

The Fund continues to overweight corporate credits for the purpose of overall yield enhancement and keeps a neutral duration position relative to the benchmark. We will continue to look for relative-value trades and bonds from good-quality issuers.

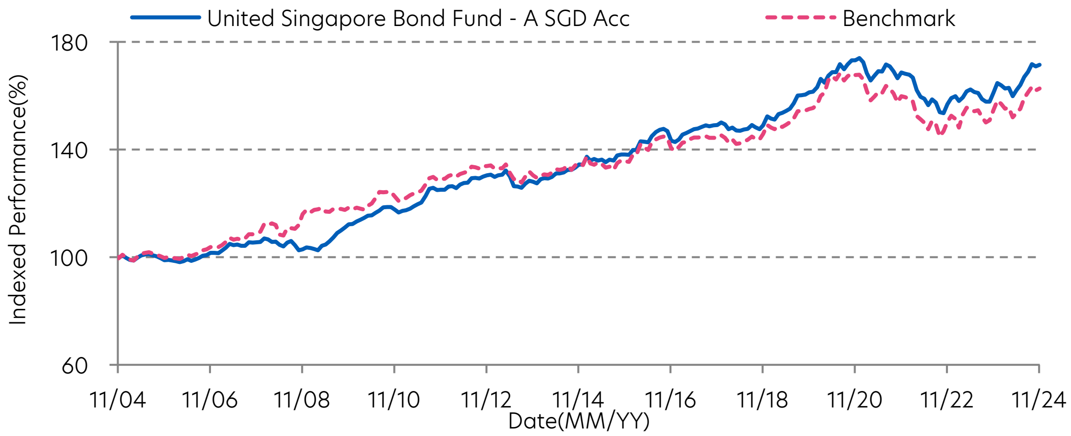
Singapore Government Securities (SGS) comprises 45 per cent of the Fund, which we may look to lower when we identify suitable investments in corporate bonds. The increase in the weightage of SGS was partly due to the maturities of corporate bonds during October and November 2024. Given the strategy to be neutral on duration relative to the benchmark, we will keep SGS's weightage at a minimum of 40 per cent, especially at the intermediate to long end of the yield curve.

[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.

UOB Asset Management

Performance (Class A SGD Acc)

Fund Performance Since Inception[3] in Base Currency



Past performance is not necessarily indicative of future performance.

Fund performance is calculated on a NAV to NAV basis.

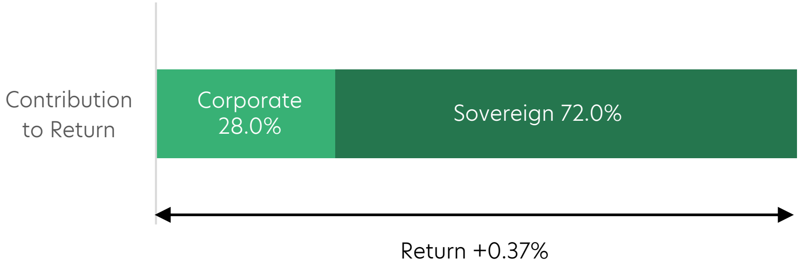
Benchmark: Since Inception – 31 May 17: Singapore Government Bond Index All UOB; 1 Jun 17 - Present: TR/SGX SFI Government Bond Index.

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

	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	0.37	6.44	0.56	1.24	2.73
Fund (Charges applied^)	-1.63	4.31	-0.11	0.83	2.63
Benchmark	0.42	5.12	0.58	0.97	2.46

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: Since inception – 31 May 2017: Singapore Government Bond Index All UOB; 1 June 2017 – Present: TR/SGX SFI Government Bond 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.

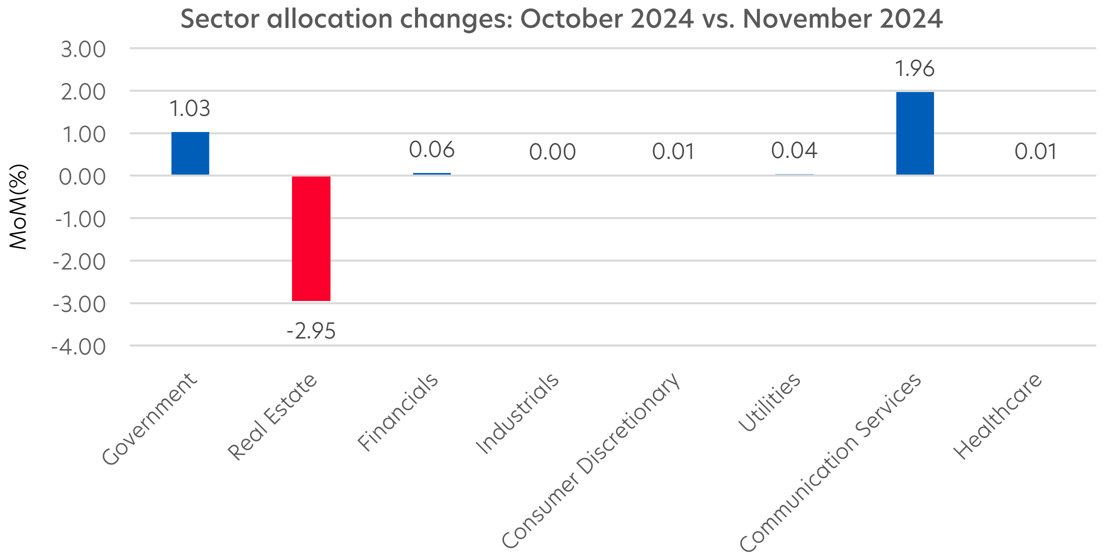
Performance Contributors/Detractors: November 2024

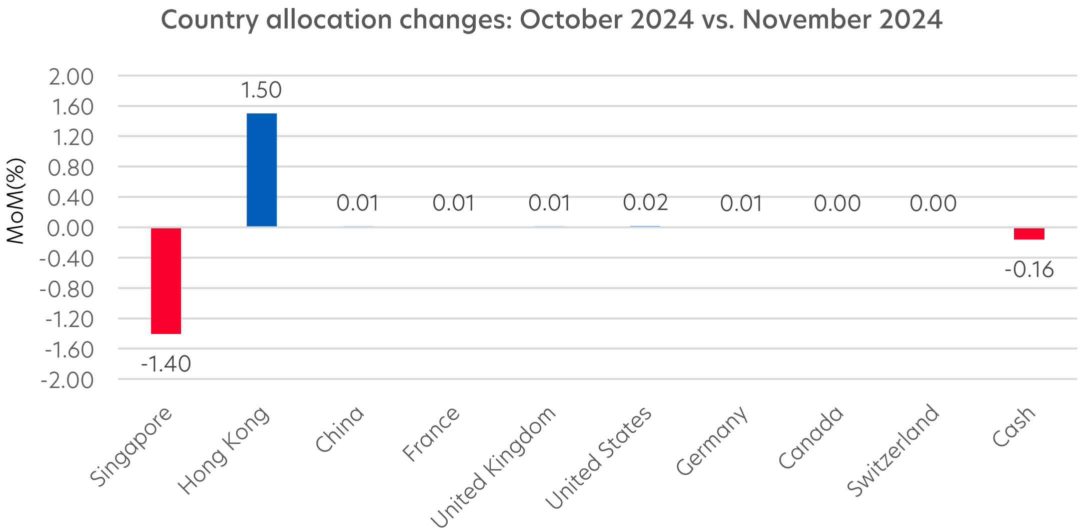


[3] The United Singapore Bond Fund A SGD Acc (ISIN Code: SG9999003412) and A SGD Dist (ISIN Code: SGXZ36402089) were incepted on 26 November 2004 and 4 January 2021 respectively.

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

Portfolio Changes





Source: UOBAM

Portfolio Review

Analyst Insights

In November 2024, we added corporate credits in Financials and bought the Monetary Authority of Singapore Bills that will mature in December 2024.

As shown on the left charts, the biggest decrease in the sector allocation changes for November 2024 was in Real Estate (-2.95 per cent), whereas the biggest increase was in Communication Services (+1.96 per cent). In terms of country allocation, the Fund had the biggest increase in Hong Kong (+1.50 per cent) and the most decrease in Singapore (-1.40 per cent) for November 2024.

Market Review

Growth momentum continued to remain strong in November 2024. The Gross Domestic Product (GDP) growth for the third quarter of 2024 was revised upwards significantly to +3.2 per cent quarter-on-quarter (q/q) (previously +2.1 per cent q/q), enabling GDP growth for 2024 to track closer to +3.5 per cent. This was driven by an upturn in the electronics and manufacturing sector and the continued resilience of consumer spending. Other growth indicators were mixed as industrial production growth slowed to +1.2 per cent year-on-year (y/y) in October 2024 (September 2024: +9.0 per cent y/y) while the non-oil-domestic exports (NODX) fell to -4.6 per cent y/y (September 2024: +0.9 per cent y/y), driven by the volatile pharmaceutical sub-segment. Change in inflation slowed in October 2024, reversing the previous month's increase. The headline consumer price Index (CPI) in October 2024 cooled to +1.4 per cent y/y (September 2024: +2.0 per cent y/y) on lower private transport, accommodation, and lower core inflation. Core inflation fell sharply to +2.1 per cent y/y (September 2024: +2.8 per cent), given a large sequential decline in recreation, culture and hotel costs. The share of items with annual inflation above 2 per cent also fell to 43.4 per cent in October 2024 (September 2024: 50.0 per cent).

The new issuance of the SGD credit was lower in November 2024, with SGD 2.84 billion (October 2024: SGD 4.24 billion) issued. Notable issues from the foreign banks included Australia and New Zealand Banking Group Limited (ANZ) issuing SGD 600 million in Basel 3 compliant Tier 2 10NC5 (10-year non-call five-year) at 3.75 per cent coupon, while Barclays PLC issued SGD 600 million Perpetuals NC5.25 (non-call 5.25-year) at 5.4 per cent coupon. Else, real estate issuers GuocoLand Limited issued a 3-year senior unsecured bond at tight pricing of 3.307 per cent coupon.

Fundamentally, our base case for growth is continued expansion, though we believe we are closer to a late expansion phase rather than the early stage of an expansion cycle. We believe that US core inflation will moderate but at a very slow pace and hover around the 2.5 per cent inflation range through 2025. That said, we note that there are upside risks to inflation arising from US policies. Given the above, we have increased our expected 10-year US Treasury bond yield to trade at a range of 4.25 per cent to 4.75 per cent (previously 3.9 per cent to 4.4 per cent).

Singapore's parliament has passed a resolution to raise the debt ceiling under the Government Securities Act to SGD 1.5 trillion (previous SGD 1.065 trillion), lasting until 2029. The Monetary Authority of Singapore (MAS) has also announced 2025's issuance calendar, with no syndication of SGS planned in 2025. While the implication of the rise in SGS means that the supply of SGS may double from current levels, we doubt that will be the case. In any case, MAS will continue to calibrate demand according to interest. We think issuance at the long end of the curve may increase to meet more real money investors' interest and to promote secondary-market trading liquidity.

Investment Objective

The investment objective of the United Singapore Bond Fund is to maximize returns over the longer term by investing mainly in bonds denominated in Singapore Dollars (issued by entities incorporated or domiciled globally) and bonds denominated in foreign currencies (issued by entities incorporated or domiciled in Singapore). Apart from investments in bonds, the Fund may also invest in money market instruments (denominated in SGD or foreign currencies), bond funds (including funds managed by the Managers) and time deposits in any currency. Investments shall be made in accordance with the CPF Investment Guidelines. There is no target industry or sector.

Fund Information

Morningstar Rating	Base Currency	Fund Size	Fund Manager
★★★★	SGD	SGD 179.94 mil	Joyce Tan

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