

May 2024

United SG Dynamic Income Fund



Why Invest?

- **Integration of analyst research and artificial intelligence machine learning (AIML) techniques:** The Fund applies UOB Asset Management's (UOBAM) AI-Augmentation@UOBAM framework. This framework harnesses technology to add value to the analysts' decision-making and uncovers hidden investment opportunities by optimising stock selection and allocation.
- **Attractive dividend payout:** For Class A SGD Dist, the current distribution policy is 6.0 per cent per annum, paid out monthly, which may be suitable for investors who are seeking regular income¹.
- **Mixed asset strategy:** The Fund capitalises on opportunities across five asset classes - Singapore real estate income trusts (SREITs), Singapore equities, Asia equities, Singapore bonds and Singapore money market instruments.
- **Dynamic asset allocation:** The Fund is rebalanced quarterly based on AI-based analyses. For Q2 2024, the fund has shifted its asset allocation to 95% money market funds & 5% cash. This takes into account that staying in money market funds will enable the locking-in of current high yields.

May 2024 Portfolio Performance

United SG Dynamic Income Fund A SGD Acc	0.21 per cent ²
Benchmark: Singapore Overnight Rate Average (SORA) Index +2%	0.49 per cent

Source: Morningstar, Performance from 30 April 2024 to 31 May 2024 in SGD terms

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

Performance Review

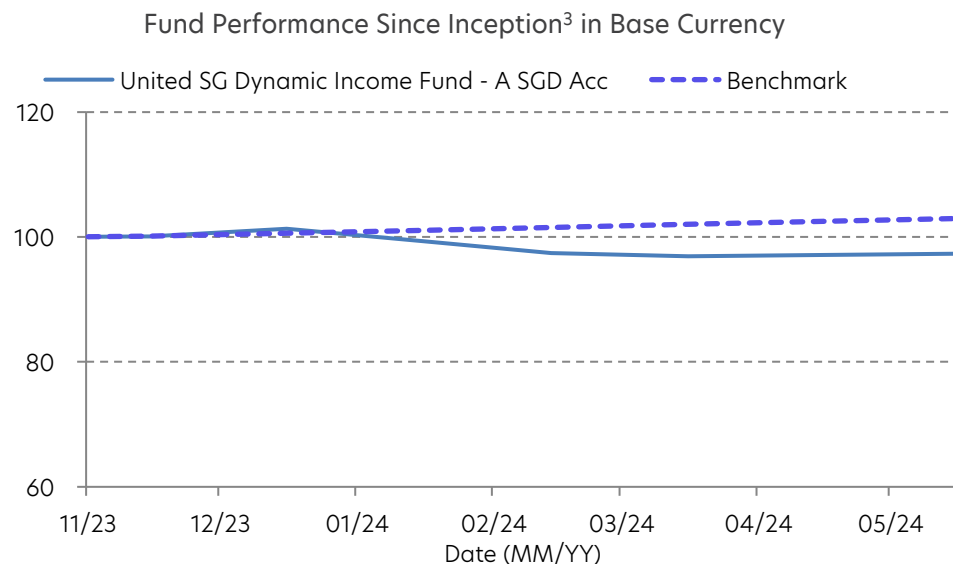
The Fund underperformed the reference benchmark in May 2024 due to overweight positioning in Singapore Money Market instruments.

Portfolio Positioning

We maintain maximum overweight in Singapore Money Market instruments as recommended by the AI asset allocation model. The model which is based on a combination of macro, fundamental and technical factors to determine the best asset combination to achieve the best risk-adjusted returns appears in line with market repricing of a rate cut being pushed back further. Such market environment typically favours money market instruments best.

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 A SGD Acc)



Past performance is not necessarily indicative of future performance.

Fund performance is calculated on a NAV to NAV basis.

Benchmark: SORA Index + 2%

Source: Morningstar. Performance as at 31 May 2024, SGD basis, with dividends and distributions reinvested, if any.

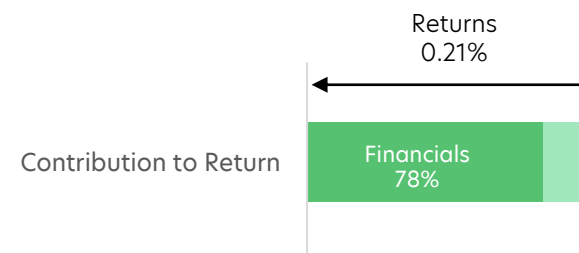
³ The United SG Dynamic Income Fund – A SGD Acc (ISIN Code: SGXZ43160589) was incepted on 16 November 2023.

All statistics quoted in the write-up are sourced from Bloomberg as at 31 May 2024 unless otherwise stated.

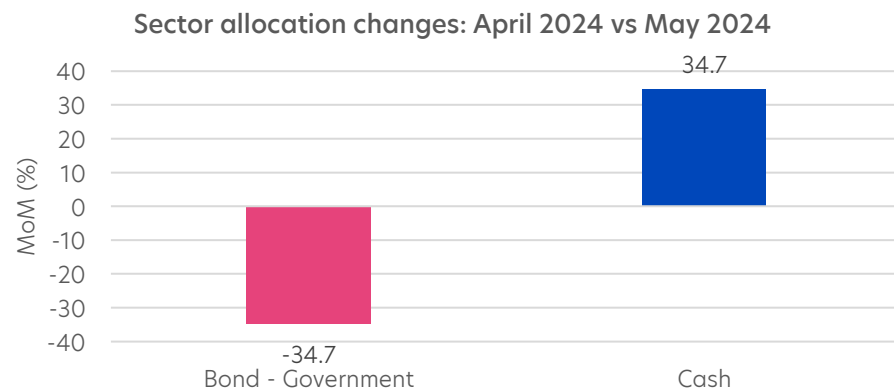
	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	0.21	-	-	-	-2.70
Fund (Charges applied [^])	-2.80	-	-	-	-5.62
Benchmark	0.49	-	-	-	3.07

Source: Morningstar. Performance as at 31 May 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. Since inception performance under 1 year is not annualized. Benchmark: Singapore Overnight Rate Average (SORA) Index +2%. 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: May 2024



Portfolio Changes



Source: UOBAM

Portfolio Review

Analyst & AI Insights

The overweight in Singapore money market asset class did not benefit the fund in May 2024. The asset class lagged Asia equities (MSCI Asia ex-Japan Index) and Singapore equities (Straits Times Index) which gained 0.66% and 2.6%, respectively this month.

Market Review

Asian markets extended its uptrend this month (MSCI AC Asia Pacific Index: 0.8%, SGD terms) but trailed global equities (MSCI ACWI Index: 3.2%, SGD terms). Investor concerns over the US Fed's policy path eased as inflation in the US met the Fed's expectation and spending fell. The 10-year US and Singapore bond yields eased 18bps month-over-month (MoM) to 4.5% and 9bp MoM to 3.36%, respectively. The U.S Dollar Index (DXY) fell 1.5% providing some relief to Asian FX. Asian market performance was largely driven by China's policy boost and Indian election. Taiwan was the best performing market on back of strong AI momentum. Singapore also outperformed largely led by Communications Services, Transportation and Financials sectors. In contrast, Utilities, Consumer Staples, Industrials and Real Estate/ REITs lagged. In contrast, Indonesia was a key laggard on weak macro data and soft 1Q24 corporate earnings.

Investment Objective

The investment objective of the United SG Dynamic Income Fund is to achieve a total return consisting of income and capital appreciation by primarily investing in Singapore.

Fund Information

Base Currency

SGD

Fund Size

SGD 8.89 mil

Fund Manager

Paul Ho



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.

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