

Why Invest?

- **High quality bonds with attractive yield pick-up:** The United SGD Fund – A (Acc) SGD (the “Fund”) has an average credit rating of A- and an investment grade allocation of 98%. The Fund’s weighted average yield to maturity is 4.10 per cent as of October 2024.
- **Attractive dividend payout:** For Class S SGD Dist, the current distribution policy is 5.0 per cent p.a., paid out monthly, which may be suitable for investors who are seeking regular income¹.
- **Laddered investment strategy:** The Fund uses a laddered strategy to lock in yields in a falling-interest rate environment. It involves buying bonds that mature at staggered future dates. Lower interest rates in coming years mean the Fund’s newer bonds will tend to carry a lower yield. However, its existing bond holdings will continue to provide elevated yields.
- **Weathering market downturns:** In the midst of market instability, the Fund represents a good defensive asset by offering downside protection while still being able to generate a decent level of income. There has not been any default in the Fund’s portfolio holdings despite going through global economic crises.



• **Highly rated:** The Fund currently holds a Morningstar four-star rating as of 31 October 2024.

October 2024 Portfolio Performance

The United SGD Fund- A (Acc) SGD	+0.13 per cent ²
Benchmark: 6-month Compounded Singapore Overnight Rate Average	+0.30 per cent

Source: Morningstar, Performance from 30 September 2024 to 31 October 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 +0.13 per cent in October 2024, or 3.65 per cent year-to-date. The overall return was positive and was offset by higher interest rates in October 2024.

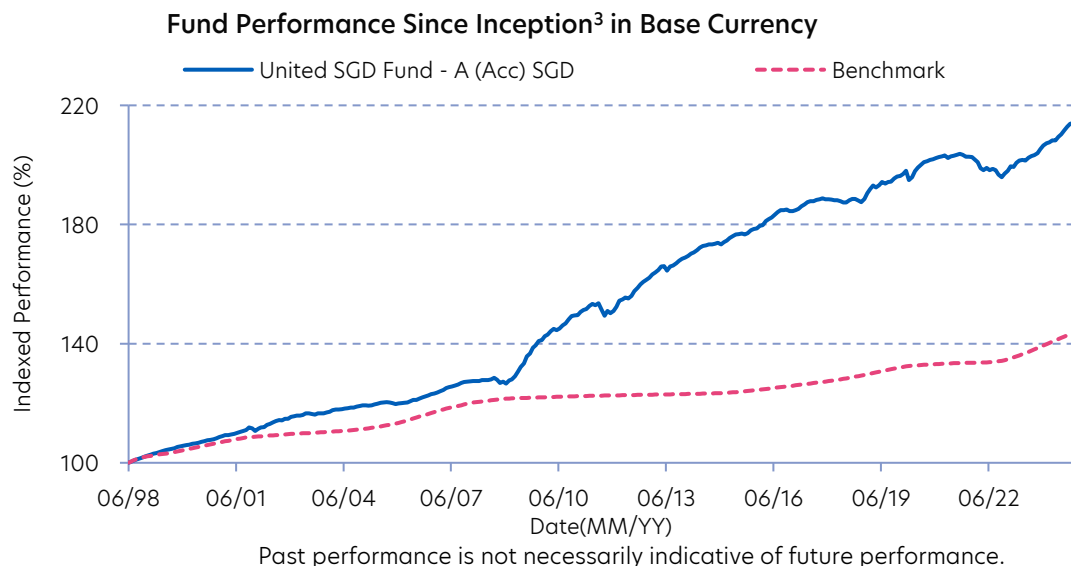
Portfolio Positioning

We look to add credits with relatively attractive spreads and longer maturity (2026/2027). To enhance the portfolio’s all-in yield given tight credit spreads in Asia, we diversified into Australian and Japanese issuers. We continue to maintain our preference for defensive sectors with resilient balance sheets, credits with leading market shares and of systemic importance.

The Fund will continue to: 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) Invest in bonds maturing/callable/puttable on rolling three years; 4) Maintain 1-3 per cent cash for liquidity; and 5). Hedge foreign currency risk to Singapore Dollar.

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 (Acc) SGD)



Fund performance is calculated on a NAV to NAV basis.

Benchmark: Since inception - 2 May 2021: 6-month SIBID rate; 3 May 2021 - 7 Apr 2022: 12-month Bank Deposit Rate; 8 Apr 2022 - Present: 6-month Compounded Singapore Overnight Rate Average.

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

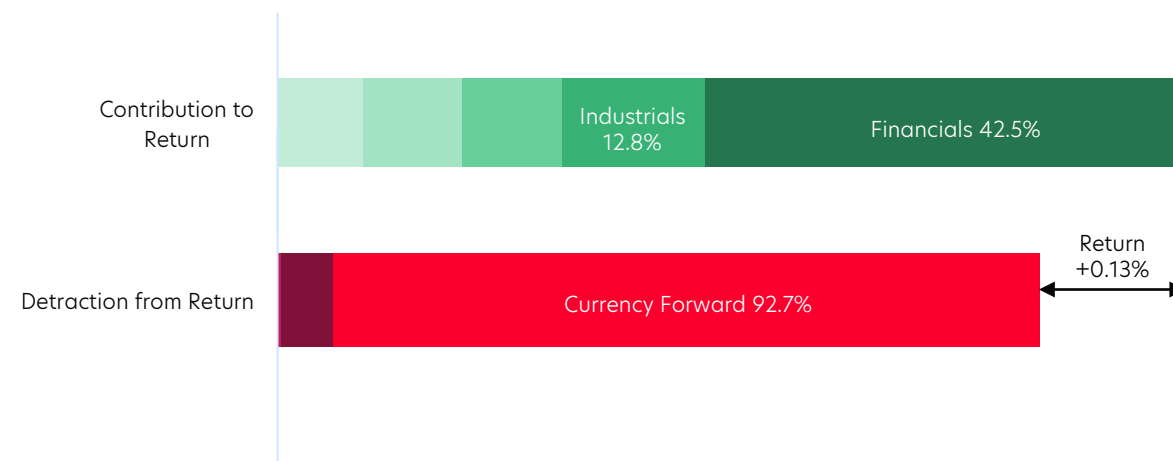
³ The United SGD Fund - A (Acc) SGD (ISIN Code: SG9999001382) was incepted on 19 June 1998.

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

	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	0.13	5.00	1.82	1.84	2.93
Fund (Charges applied [^])	-1.87	2.90	1.14	1.43	2.85
Benchmark	0.30	3.69	2.47	1.77	1.38

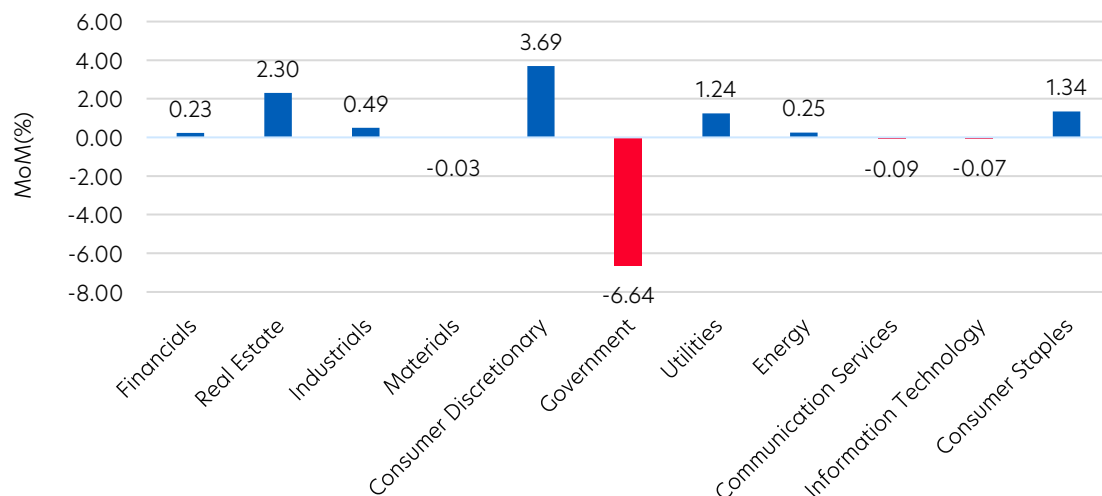
Source: Morningstar. Performance as at 31 October 2024, SGD basis, with dividends and distributions reinvested, if any. Performance figures for 1 month till 1 year show the per cent change, while performance figures above 1 year show the average annual compounded returns. Benchmark: Since inception - 2 May 2021: 6-month SIBID rate; 3 May 2021 - 7 Apr 2022: 12M Bank Deposit Rate; 8 Apr 2022 - Present: 6-month Compounded Singapore Overnight Rate Average. 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: October 2024

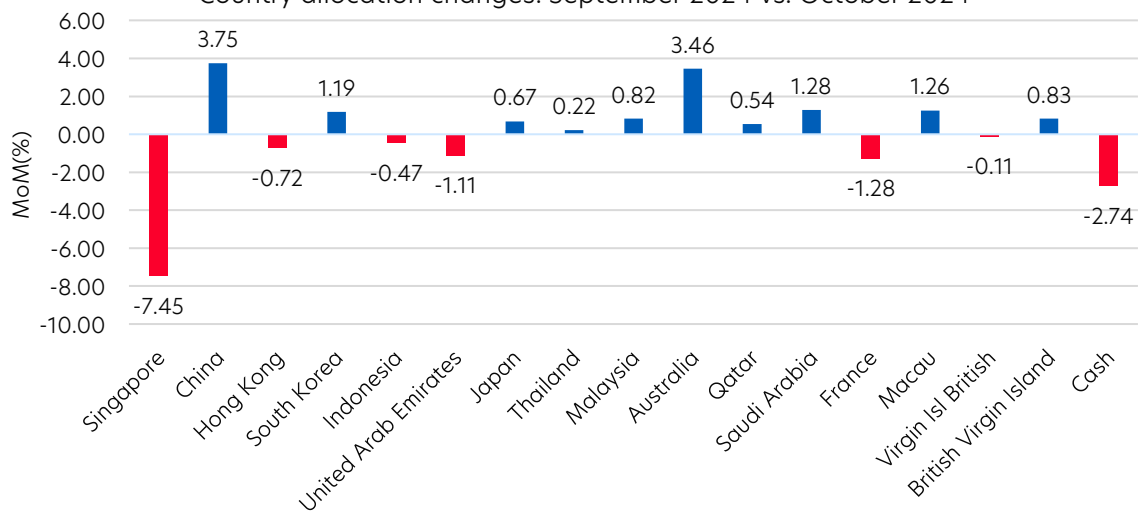


Portfolio Changes

Sector allocation changes: September 2024 vs. October 2024



Country allocation changes: September 2024 vs. October 2024



Source: UOBAM

Portfolio Review

Analyst Insights

The new positions we added to the portfolio in October 2024 were quality Corporate Credit in Communications, Cyclical Consumer, Non-cyclical Consumer, Energy, and Financials. We also bought the Monetary Authority of Singapore Bills that mature in the next 3 months. Meanwhile, we sold positions in the Basic Materials and South Korean Financials.

As shown on the left charts, the biggest decrease in the sector allocation changes for October 2024 was in Government (-6.64 per cent). On the contrary, the largest increment was in Consumer Discretionary (+3.69 per cent). In terms of country allocation changes, the Fund has the highest decline in Singapore (-7.45 per cent) and the highest increase in China (+3.75 per cent) for October 2024.

Market Review

Government bonds: US Treasury (UST) yields rose in October 2024 as the market dialled back on rate cut expectations. The 2-year and 10-year UST yields were up 53 basis points (bps) and 50bps to 4.17 per cent and 4.28 per cent respectively. Bond yields rose post September's Consumer Price Index (CPI) print, resilient US economic data and rising inflation concerns from a potential Donald Trump win. The Federal Funds futures market priced in 46bps of further rate cuts by end-2024, from 70bps at the end of September 2024.

China's sector was volatile as investors assessed the effectiveness of recent stimulus measures. Frequent press conferences by various ministries in early October 2024 added to market volatility, with uncertainty heightened by the lack of specific numbers. Market attention will turn to the National People's Congress meeting scheduled for 4-8 November 2024, where detailed figures on fiscal stimulus are expected to be unveiled.

Corporate bonds: Credit spreads tightened as investors grew more comfortable adding bonds at higher rates. JP Morgan Asia Credit Index (JACI) Investment Grade credit spread tightened by another 19bps to reach another historically tight spread level since 2007. Meanwhile, new issuance in Asia ex-Japan G3 currency (bonds issued in US Dollars, Japanese Yen, or Euros) primary bond market fell to US\$16.7 billion in October 2024 (September 2024: US\$25.2 billion, October 2023: US\$7.9 billion), amid the ongoing earnings season, higher rates, and caution before the US elections. Total issuance year to date was US\$155.5 billion, up 37 per cent from US\$113.1 billion over the same period last year.

Uncertainties abound with the US elections (5 November 2024) and Federal Open Market Committee (FOMC) meeting (7 November 2024) respectively. Coupled with a busy US earnings calendar, simmering tit-for-tat Middle East tensions, and recent Japanese elections which left the ruling Liberal Democratic Party (LDP) without a majority for the first time since 2009, the market is in an unstable environment for the coming days. 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 SGD Fund is to invest substantially all its assets in money market and short-term interest-bearing debt instruments and bank deposits with the objective of achieving a yield enhancement over Singapore dollar deposits.

Fund Information

Morningstar Rating

★★★★

Base Currency

SGD

Fund Size

SGD 2091.75 mil

Fund Manager

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.

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