

January 2025

# United Fixed Maturity Bond Fund 1



## Key Highlights of the United Fixed Maturity Bond Fund 1 - A SGD Dist (Hedged) (the "Fund")

- 3-year target maturity
- Weekly liquidity with no lock-in\*
- \* A redemption charge of 2% will apply for premature redemption to safeguard the interest of all investors in the Fund. The redemption fee collected will be placed back into the Fund.
- SGD hedged instrument
- No management fees
- Diversified basket of fixed income instruments
- Semi-annual income distribution<sup>1</sup>
- Short duration high quality instruments
- Buy-and-hold strategy

<sup>1</sup> 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.

## January 2025 Portfolio Performance

The United Fixed Maturity Bond Fund 1 - A SGD Dist (Hedged)	+0.31 per cent <sup>2</sup>
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Source: Morningstar, Performance from 31 December 2024 to 31 January 2025 in SGD terms

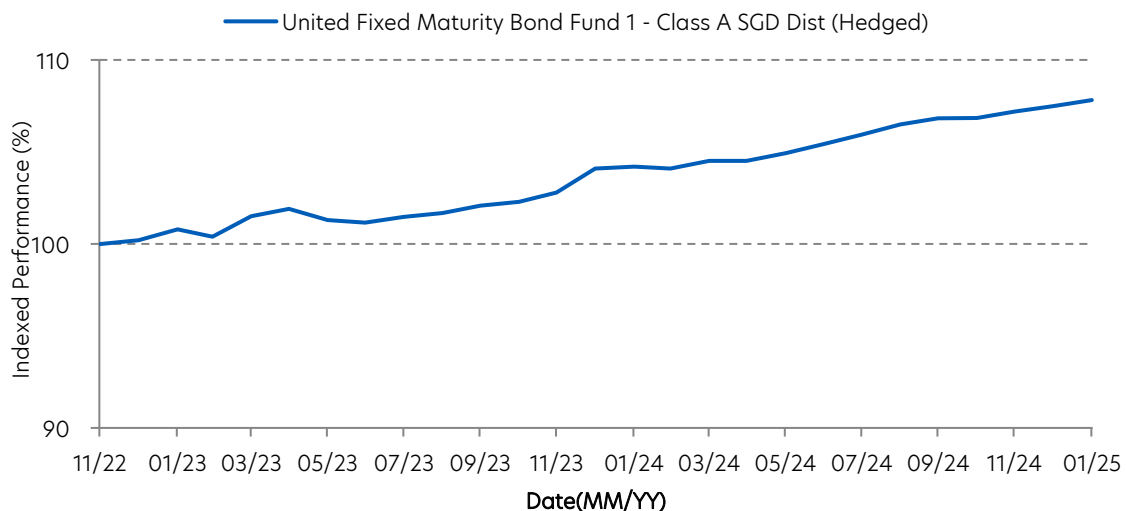
<sup>2</sup> Fund performance is on a Net Asset Value ("NAV") basis, with dividends and distributions reinvested (if any).

## Performance Review

The Fund returned +0.31 per cent in January 2025. The overall return was driven by coupon income.

### Performance (Class A SGD Dist (Hedged))

#### Fund Performance Since Inception<sup>3</sup> in Base Currency



Past performance is not necessarily indicative of future performance.

Fund performance is calculated on a NAV to NAV basis.

Source: Morningstar. Performance as at 31 January 2025, SGD basis, with dividends and distributions reinvested, if any.

<sup>3</sup> The United Fixed Maturity Bond Fund 1 - A SGD Dist (Hedged) (ISIN Code: SGXZ80611742) was incepted on 2 December 2022.

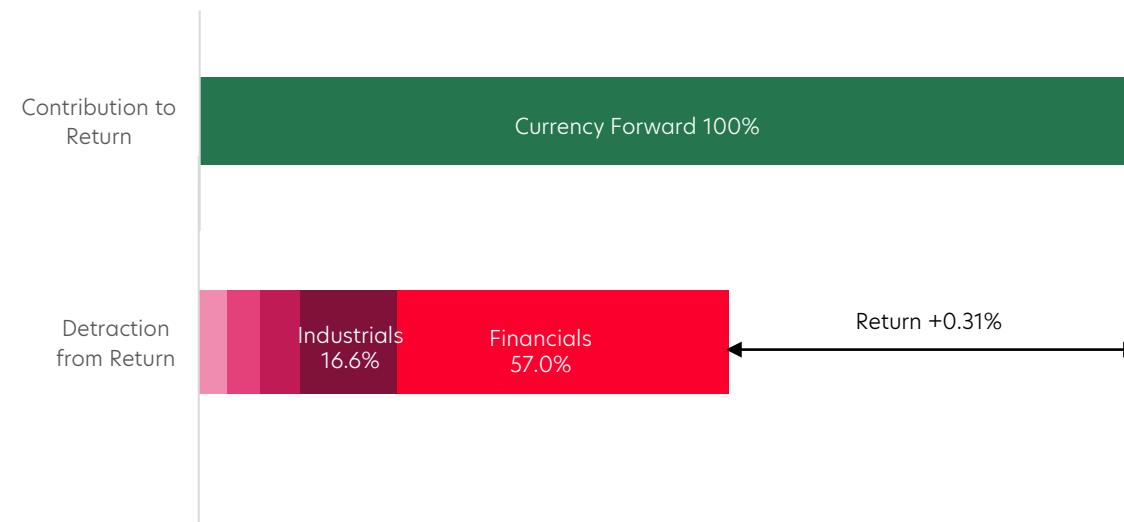
All statistics quoted in the write-up are sourced from Bloomberg as at 31 January 2025 unless otherwise stated.

	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	0.31	3.48	-	-	3.54
Fund (Charges applied <sup>^</sup> )	0.31	3.48	-	-	3.54

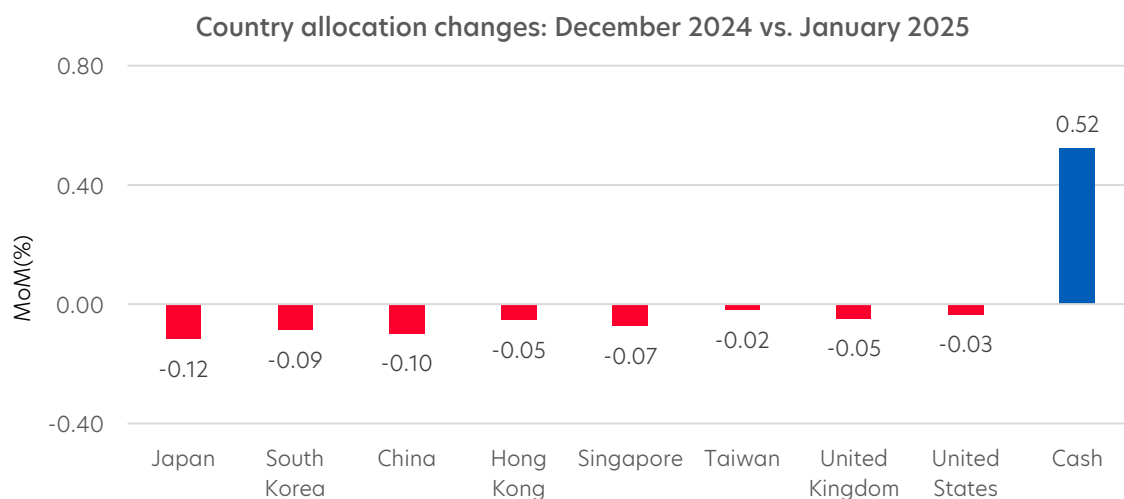
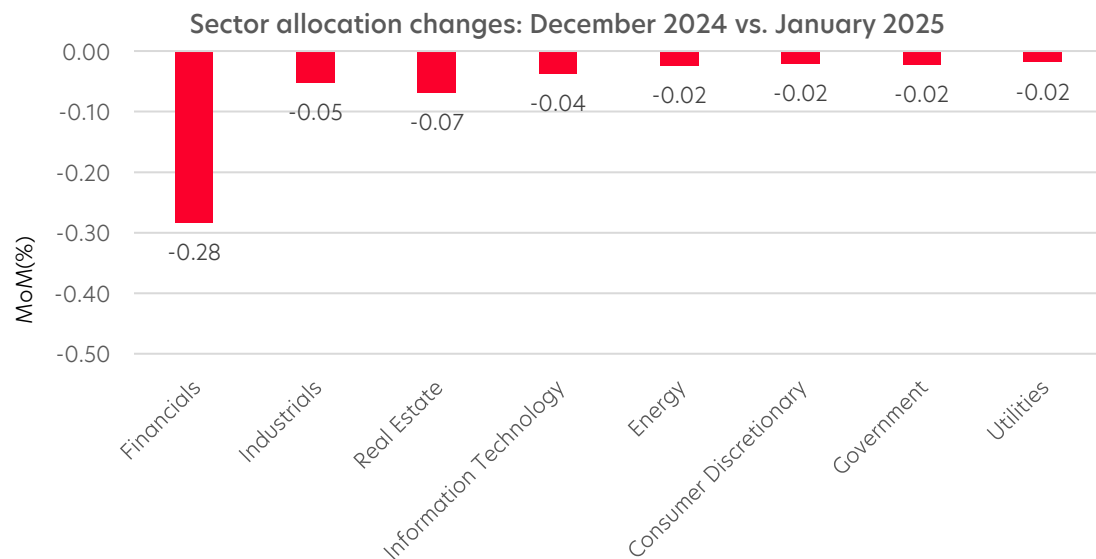
Source: Morningstar. Performance as at 31 January 2025, SGD basis, with dividends and distributions reinvested, if any. Performance figures for 1 month till 1 year show the per cent change, while performance figures above 1 year show the average annual compounded returns. Past performance is not necessarily indicative of future performance.

<sup>^</sup>Includes the effect of the current subscription fee that is charged, which an investor might or might not pay.

### Performance Contributors/Detractors: January 2025



### Portfolio Changes



### Portfolio Review

#### Analyst Insights

In January 2025, we did not add any new positions to the portfolio.

As shown on the left charts, the biggest decrease was in Financials (-0.28 per cent). In terms of country allocation changes, the Fund had the largest decrease in Japan (-0.12 per cent) for January 2025.

## Market Review

The Asia credit market ended January 2025 positively on lower US Treasury (UST) yields. Besides the economic data that suggested a "Goldilocks" scenario with the Federal Reserve (Fed) keeping the rate unchanged in the January (2025) Federal Open Market Committee (FOMC) meeting, there was some safe-haven buying as US technology stocks plunged on concerns over Chinese Artificial Intelligence (AI) startup DeepSeek. The 2-year and 10-year UST yields closed at 4.2 per cent (-4 basis points (bps)) and 4.54 per cent (-3bps), respectively in January 2025.

Asian credit traded mostly sideways in January 2025, with the JP Morgan Asia Credit Index (JACI) Investment Grade credit spread tightened by 1bps to 102bps. Short-dated bonds and names with wider spreads were favoured by investors while waiting for policy details from the Trump administration. The elevated all-in yields remained supportive of Asian credit spreads with volatility driven by UST movements and idiosyncratic situations in the Hong Kong and China property space. Tariff and DeepSeek headlines appeared to have a milder impact on Asian credits than equities in January 2025.

Asian primary issues market got off to a good start in January 2025 with US\$29 billion printed (December 2024: US\$6 billion, January 2024: US\$19 billion). The biggest issuers in January 2025 were Hong Kong Airport Authority (HKAA, US\$4.15 billion), Export-Import Bank of Korea (EIBKOR, US\$3 billion), Korea Development Bank (KDB, US\$3 billion), PHILIP (US\$2.25 billion), Hyundai Capital America (HYNMTR, US\$2 billion), Indonesia Government International Bond (INDON, US\$2 billion), Vedanta Resources Limited (VEDLN, US\$1.1 billion) and Export-Import Bank of India (EXIMBK, US\$1 billion).

Uncertainties of new tariffs announced by the US against China, Canada, Mexico and even the European Union (EU) may cloud the market outlook. These developments could have significant implications on US growth and inflation, adding uncertainty to the global credit market. China is expected to feel the impact of tariffs on its exports to the US. This comes at a time when China's economic growth is already slowing, as indicated by weaker-than-expected January (2025) economic data. While the 10 per cent tariff is less severe than the 60 per cent tariff anticipated in some forecasts, it introduces uncertainty for China's economic outlook, which could weigh on the Asia credit market in the near term. Given these uncertainties, we maintain our cautious stance on the Asia credit market for 2025. While strong technical factors and attractive yields provide some support, the tight credit spreads in investment-grade credit offer limited compensation for the risks.

## Investment Objective

The investment objective of the United Fixed Maturity Bond Fund 1 is to provide income by investing in a portfolio of bonds..

## Fund Information

### Base Currency

SGD

### Fund Size

SGD 7.06 mil

### Fund Manager

Michael Fock



### 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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