

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 4.12 per cent as of November 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.
- **Navigating Inflation:** Moving into 2025, Singapore’s interest rates continue to decline, and growth stays resilient but inflation remains relatively sticky. The Fund benefits as corporate bonds tend to perform better than government bonds. As a result, the Fund returned 4.48 per cent over the last 12 months, well ahead of inflation and fixed deposit rates.



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

November 2024 Portfolio Performance

The United SGD Fund- A (Acc) SGD	+0.21 per cent ²
Benchmark: 6-month Compounded Singapore Overnight Rate Average	+0.28 per cent

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

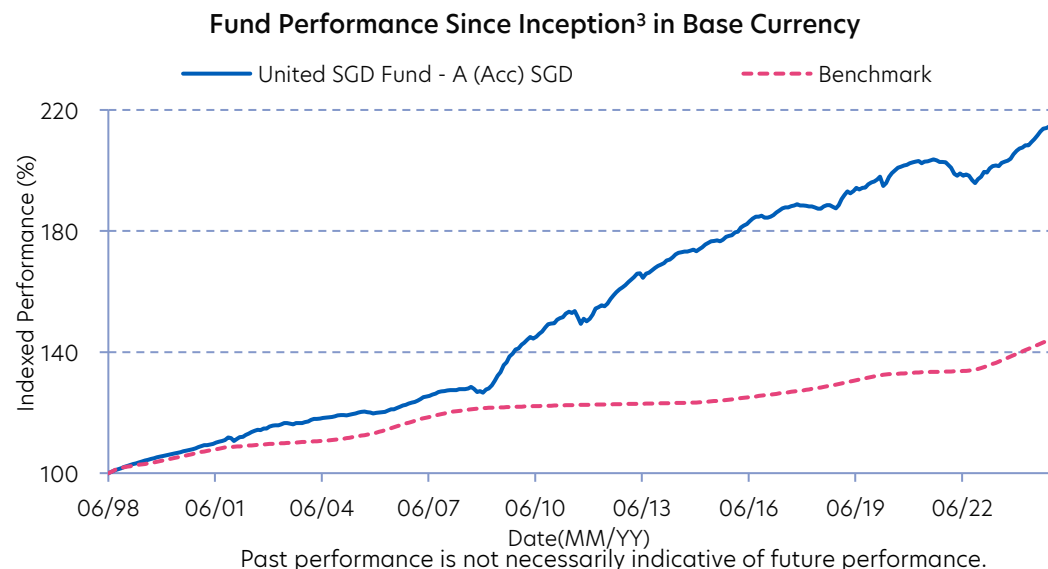
² Fund performance is on a Net Asset Value (“NAV”) basis, with dividends and distributions reinvested (if any).

Performance Review

The Fund returned +0.21 per cent in November 2024, or 3.87 per cent year-to-date. The overall return was driven by coupon income.

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 30 November 2024, SGD basis, with dividends and distributions reinvested, if any.

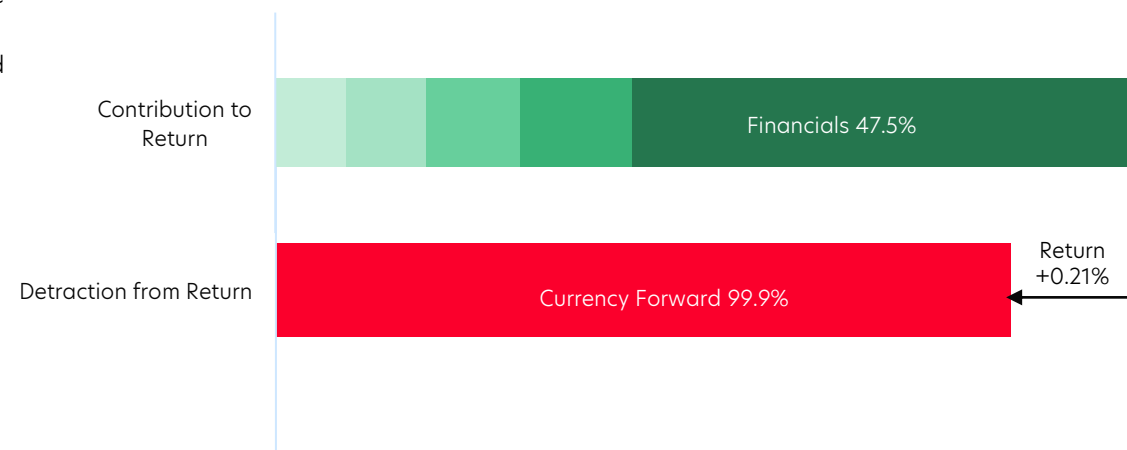
³ The United SGD Fund - A (Acc) SGD (ISIN Code: SG9999001382) was incepted on 19 June 1998.

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

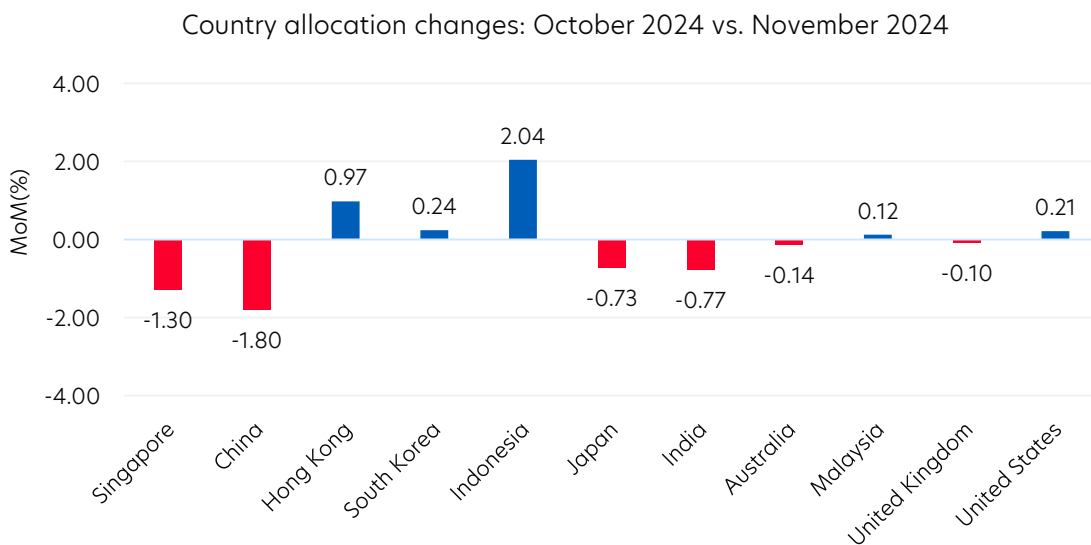
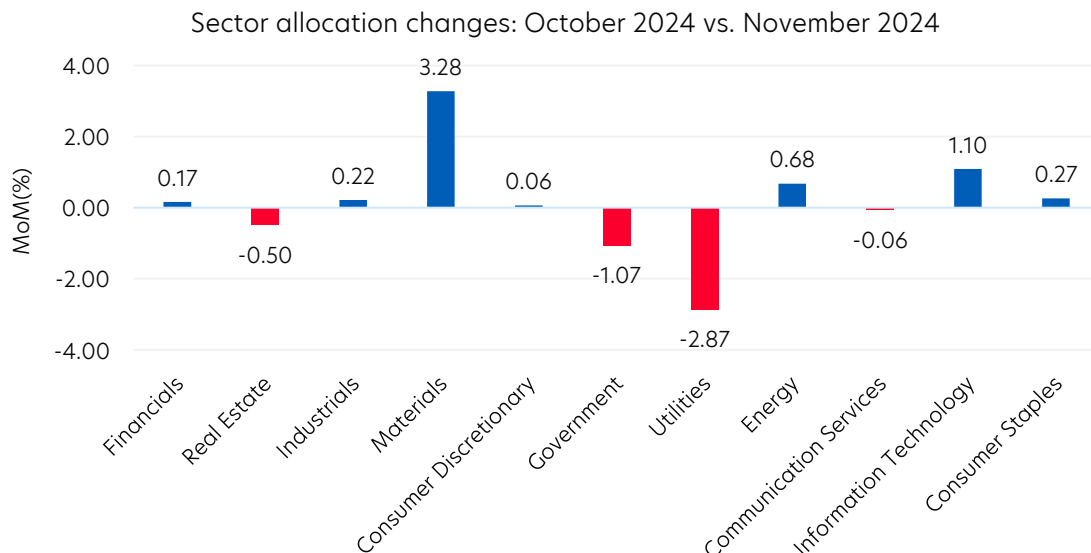
	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	0.21	4.48	1.90	1.82	2.93
Fund (Charges applied [^])	-1.80	2.40	1.21	1.41	2.85
Benchmark	0.28	3.67	2.56	1.79	1.39

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 - 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: 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 Basic Materials, Communications, Energy, Government, Industrial and Technology. We also bought the Monetary Authority of Singapore Bills that mature in December 2024. Meanwhile, we sold positions in Utilities

As shown on the left charts, the biggest decrease in the sector allocation changes for November 2024 was in Utilities (-2.87 per cent). On the contrary, the largest increment was in Materials (+3.28 per cent). In terms of country allocation changes, the Fund has the highest decline in China (-1.80 per cent) and the highest increase in Indonesia (+2.04 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. 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 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 2150.19 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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