February 2025

United SGD Money Market Fund

UOB Asset Management

Why Invest?

- **Alternative to deposits:** The United SGD Money Market Fund – A1 SGD ("the Fund") invests in liquid and high-quality, short-term debt securities and money market instruments. It aims to provide a return that is comparable to that of Singapore dollar short-term deposits but has higher liquidity. As of February 2025, the Fund's weighted average yield to maturity is 2.37 per cent.
- **Award-winning expertise:** The Fund is managed by UOBAM's award-winning fixed-income team in Singapore which also manages the flagship United SGD Fund, which has clinched over 20 awards[1].
- **Minimal currency risk:** The Fund invests in higher-yielding foreign currency securities, but hedges any foreign currency exposure back to Singapore Dollar to minimise any currency risks.
- **Consistent performance since inception:** The Fund has generated an annualised return of 1.75 per cent since its inception in 2019.

February 2025 Portfolio Performance

The United SGD Money Market Fund– A1 SGD	+0.21 per cent[2]
Benchmark: 3-month Compounded Singapore Overnight Rate Average	+0.21 per cent

Source: Morningstar, Performance from 31 January 2025 to 28 February 2025 in SGD terms

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

Performance Review

Returns came predominantly from sovereign and quasi-sovereign bills. The SGD benchmark yield curve became flat year to date as front-end yields came rapidly lower. Holdings of short-dated corporate papers remain minimal.

As 2025 progresses, monthly returns have declined at a pretty rapid pace (January 2025: +0.26 per cent) and this is expected to persist. Cut off yields of Monetary Authority of Singapore Bills (MASBs) opened 2025 at 3.20 per cent to 3.40 per cent but are now at 2.75 per cent area.

Portfolio Positioning

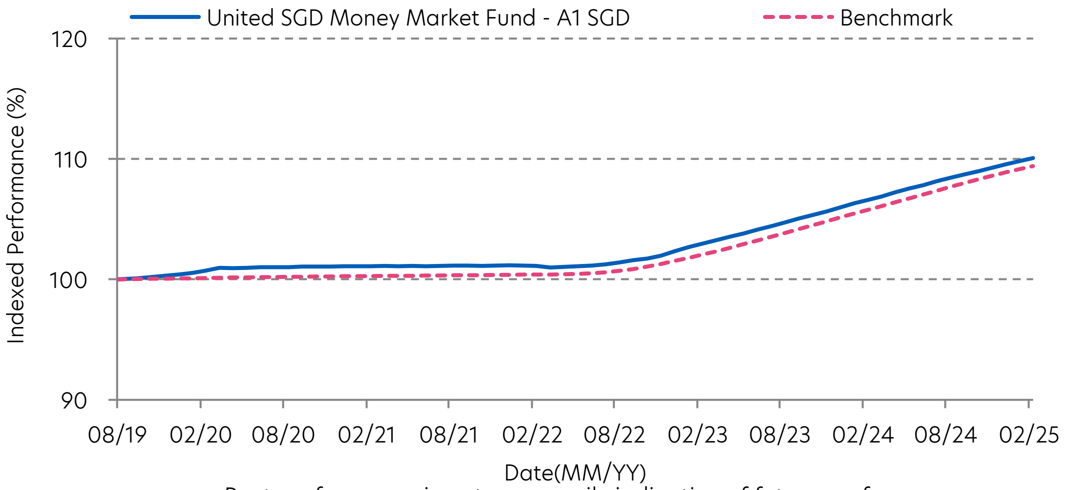
We continue to stay up in credit quality, maintaining our preference for defensive sectors with resilient balance sheets, credits with leading market shares and of systemic importance.

The Fund will continue to: 1) Focus on companies that have good access to capital markets and have defensive business models; 2) Invest up to 50 per cent of the Fund in corporate bonds for the purposes of enhancing return to the portfolio; 3) Maintain the average duration of the Fund at six months; 4) Keep 3-5 per cent cash for liquidity; and 5) Hedge foreign currency risk to Singapore Dollar.

[1] Please visit www.uobam.com.sg/awards for a recent list of awards by UOBAM

Performance (Class A1 SGD)

Fund Performance Since Inception³ in Base Currency



Past performance is not necessarily indicative of future performance.

Fund performance is calculated on a NAV to NAV basis.

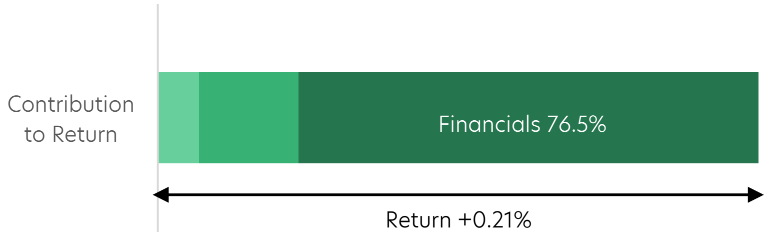
Benchmark: Since inception – 7 April 2022: 3M Bank Deposit Rate; 8 April 2022 to Present: 3-month Compounded Singapore Overnight Rate Average.

Source: Morningstar. Performance as at 28 February 2025, 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	0.21	3.25	2.87	1.79	1.75
Fund (Charges applied^)	0.21	3.25	2.86	1.79	1.75
Benchmark	0.21	3.43	2.90	1.79	1.64

Source: Morningstar. Performance as at 28 February 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. Benchmark: Since inception – 7 April 2022: 3M Bank Deposit Rate; 8 April 2022 to Present: 3-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.

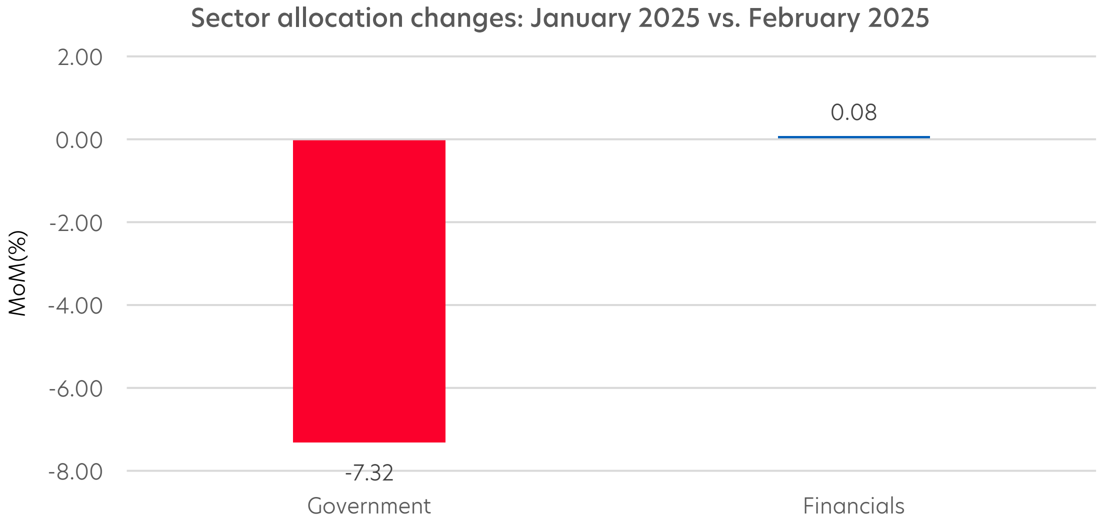
Performance Contributors/Detractors: February 2025

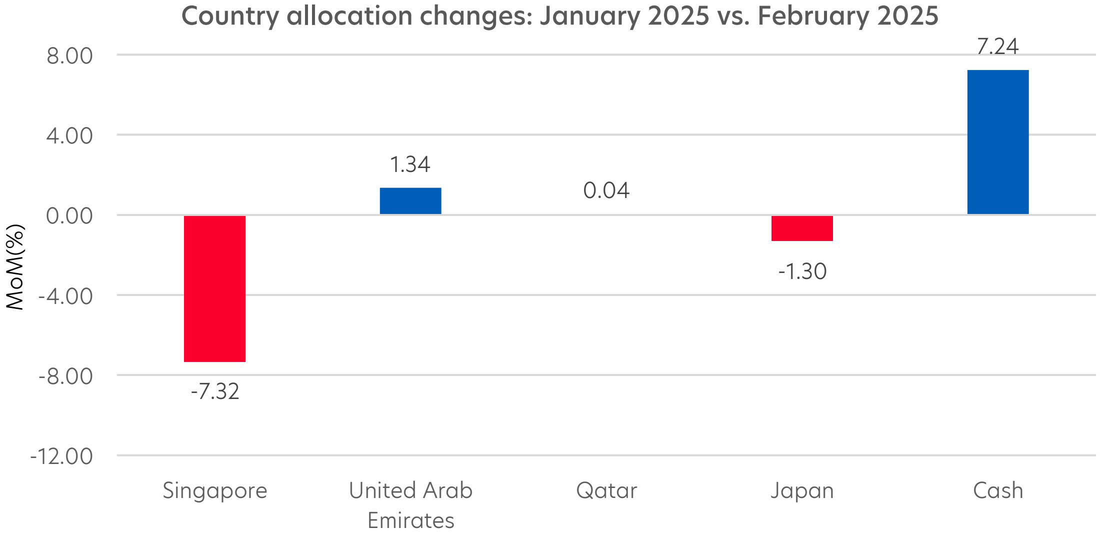


³ The United SGD Money Market Fund – A1 SGD (ISIN Code: SGXZ56370984) was incepted on 19 August 2019.

All statistics quoted in the write-up are sourced from Bloomberg as at 28 February 2025 unless otherwise stated.

Portfolio Changes





Source: UOBAM

Portfolio Review

Analyst Insights

The new positions we added to the portfolio in February 2025 were Monetary Authority of Singapore (MAS) Bills that mature in the next 3 months.

As shown on the left charts, the biggest decrease in the sector allocation changes for February 2025 was in Government (-7.32 per cent). In terms of country allocation changes, the Fund had the most decrease in Singapore (-7.32 per cent).

Market Review

Government bonds: US Treasuries (USTs) bull flattened in February 2025, with yields down 21-33 basis points (bps) across the yield curve due to growth concerns on the back of soft economic data and heightened tariff risks. The cumulative Federal Reserve (Fed) rate cuts pricing by the futures market has risen to 66bps, with the first cut likely in June 2025. However, inflation remains elevated, and there is increasing discussion on the stagflation scenario (high inflation with low growth). The 2-year and 10-year UST yield ended at 3.99 per cent (-21bps) and 4.21 per cent (-33bps) respectively in February 2025.

Corporate bonds: Asian credits defied US tariff headlines and grinded tighter, supported by still reasonable all-in-yields and smaller-than-expected new supply as investors bought in the secondary market. However, the credit market appeared to have hit a resistance level as investors became less enthusiastic after the rally of USTs and lower overall yields by the end of February 2025. There was some profit-taking as investors de-risked and recalibrated their positioning.

Asian credits traded mostly sideways with the JP Morgan Asia Credit Index (JACI) Investment Grade credit spread widened marginally to 104bps (+2bps). Asian credit investors turned more cautious on credit and duration risk on the back of increased volatility and expensive valuation.

New supply in the Asia G3 currency primary market plunged to US$7.2 billion in February 2025 (January 2025: US$29 billion, February 2024: US$9 billion) on a seasonality short month. The increased US tariff risk and rate volatility also deterred issuers from tapping the market. That said, new supply picked up towards the end of February 2025 as UST rates moved aggressively lower. Year-to-date issuance was US$36 billion, up 27 per cent over the corresponding period last year. The biggest issuers in February 2025 were Bank of China Limited (BCHINA, US$500 million), Hutchison Port Holdings Trust Finance Limited (HPHTSP, US$500 million) and Mongolia bonds (MONGOL, US$500 million).

While limited supply will provide some support, the tight credit spreads in investment-grade credit offer limited compensation for the risks. Any potential retreat of global risk sentiment in a scenario of weakened US growth or stagflation scenario likely presents the biggest risk to credit markets currently.

Investment Objective

The investment objective of the United SGD Money Market Fund is to provide a return which is comparable to that of Singapore dollar short-term deposits.

Fund Information

Base Currency	Fund Size	Fund Manager
SGD	SGD 501.11 mil	Joyce Tan

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