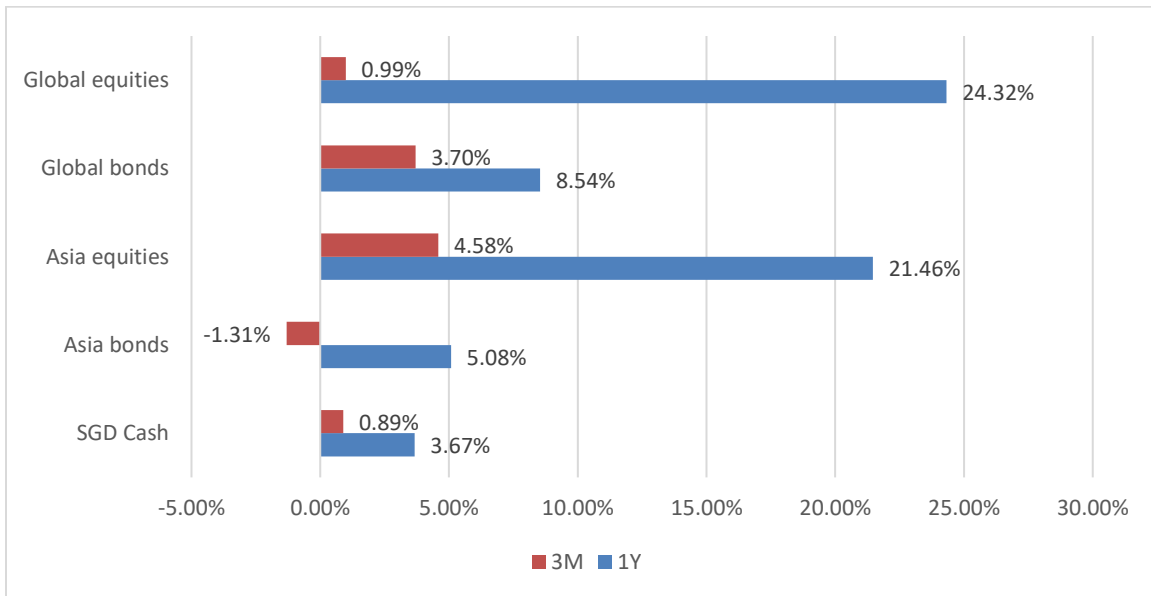




Q3 2024 Market developments

- Global equities hit an all-time high in the third quarter, albeit with heightened volatility.
- Global bonds also rose as US Treasury yields decreased over the quarter.
- Asian equities rebounded and outperformed global equities as Chinese authorities rolled out a stimulus package and investor sentiment improved.

Asset class performance (% in SGD terms)



Source: UOBAM/Bloomberg. Performance as at 30 September 2024.

Indices used as follows:

Global Equities	MSCI All Country World Index (ACWI);
Global Bonds	Bloomberg Global Aggregate Index;
Asian Equities	MSCI AC Asia ex Japan Index; and
Asian Bonds	J.P.Morgan Asia Credit (JACI) Investment Grade Index on a Net Asset Value basis;
SGD Cash	3M Singapore Overnight Rate Average (SORA)

Please note that there are limitations to the use of such indices as proxies for the past performance in the respective asset classes. The historical performance presented should not be used as a proxy for the future or likely performance.

The third quarter of 2024 was a volatile one for global equity markets, influenced by central bank decisions and economic data across regions. In July, hawkish statements from the US Federal Reserve left some ambiguity regarding the pace of monetary policy shifts. This uncertainty resulted in stock market tremors, particularly for rate-sensitive sectors like real estate and technology. Global equities sold off further in early August, triggered in part by the Bank of Japan's surprise decision to raise rates – which led to a spike in global volatility – and weaker-than-expected US jobs data. However, by mid-August, markets began to recover as investors grew more optimistic about the potential US interest rate cuts. This recovery was aided by stronger-than-expected Q2 earnings from several sectors and renewed hopes of a gradual economic slowdown in the economy. At the September 2024 Federal Open Market Committee (FOMC) meeting, the Federal Reserve (Fed) lowered interest rates by 50 basis points, easing monetary policy for the first time in four years and helping the US equity market reach an all-time high.

Asia equities had a strong quarter, outperforming global equities as investor sentiment improved. In particular, the China equity market experienced a strong rally in late September as the government released a slew of stimulus measures to support economic growth. The measures included easing monetary policy by cutting key interest rates, stabilising the real estate market by reducing payments and mortgage rates, and injecting liquidity into the financial market. Elsewhere in Asia, investors continued to buy into Indian equities, helping it become one of the best performing equities markets despite concerns over the elevated valuation.

Global bonds ended the quarter higher as US government bond yields fell. The Fed lowered its key overnight borrowing rate by 50 basis points amid signs of moderating inflation and weakening labour market. The shorter-term US 2-year Treasury yield fell from 4.8% to 3.7% while the US 10-year Treasury yield fell from 4.5% to 3.8% over the quarter. The Fed's move, based on its greater confidence that inflation is moving sustainably toward two percent and its employment and inflation goals roughly in balance, helped to support equity and bond prices.

UOBAM Invest Digital Adviser (Corporate)

Q3 2024 Highlights

Portfolio returns (%)

Portfolios	3M	1Y
Very Conservative	1.4%	5.1%
Conservative	1.6%	7.0%
Moderate	0.4%	8.1%
Aggressive	0.5%	9.6%
Very Aggressive	1.0%	15.8%
Global Market Indices		
SGD Cash	0.9%	3.7%
Global Bonds	3.7%	8.5%
Asia Bonds	-1.3%	5.1%
Global Equities	1.0%	24.3%
Asia Equities	4.6%	21.5%

Performance as at 30 September 2024. Indices used: SGD cash - 3M Singapore Overnight Rate Average (SORA), Global bonds - Bloomberg Global Aggregate Index on a Net Asset Value basis, Asia bonds - J.P. Morgan Asia Credit (JACI) Investment Grade Index, Global equities - MSCI All Country World Index, Asia equities - MSCI AC Asia ex Japan Index

What happened in 3Q24?



- In July, the Fed's stance created uncertainty, impacting rate-sensitive sectors
- Market recovery began in mid-August as optimism grew around potential rate cuts
- The Fed lowered interest rates in September, the first time in four years

How did the markets perform?



- Global equities faced volatility but rebounded to record highs after the Fed cut rates
- Global bonds ended the quarter higher as US government bond yields fell
- Asia equities outperformed global equities, led by China's stimulus-driven rally

Looking ahead

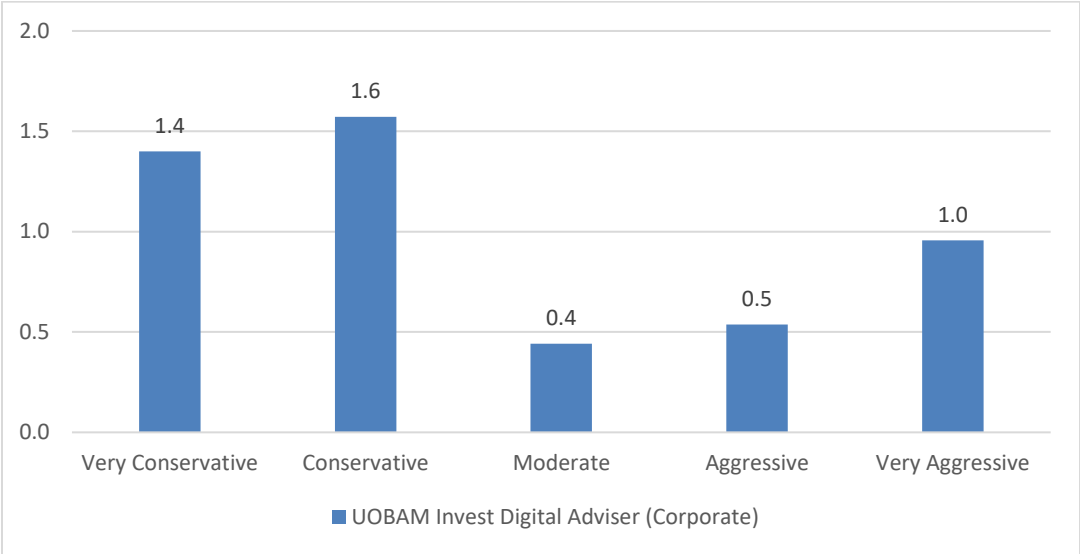


- We expect economic growth to continue with moderating inflation and falling interest rates
- We maintain a balanced positioning between equities and bonds amid rising uncertainties
- Fixed income remains attractive; focus on investment-grade bonds for added yield

Portfolio performance

- As of 30 September 2024, the UOBAM Invest portfolio returns for the third quarter, 2024 ranged between 0.4 percent and 1.6 percent.

Portfolio returns (% in SGD terms) 30 June 2024 – 30 September 2024

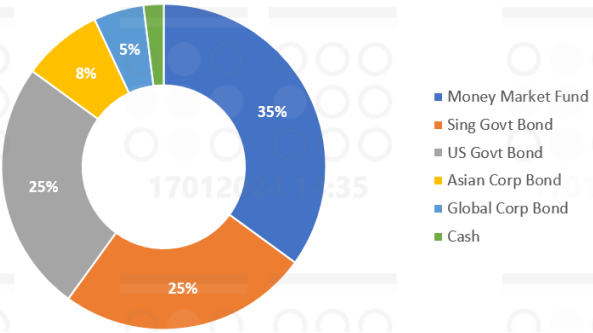


Source: Factset / UOBAM. Portfolio returns are for the period from 30 June 2024 to 30 September 2024.

Past performance of the portfolio or UOBAM and any past performance, prediction, projection or forecast on the economy or markets are not necessarily indicative of the future or likely performance of the portfolio or UOBAM. Portfolio returns on the scheme is calculated on a single pricing basis.

1. Very Conservative portfolio

Period	Portfolio Return (%)
3 months	1.4
6 months	2.2
1 year	5.1



Source: UOBAM as of 30 September 2024

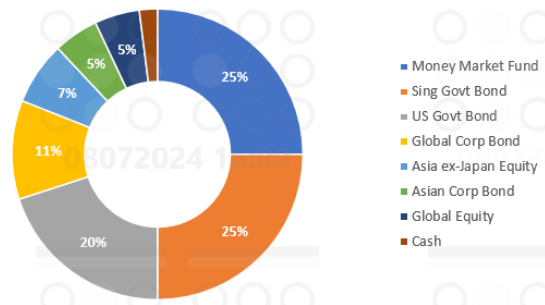
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For the three-month period ending 30 September 2024, this portfolio was up 1.4%. The largest contributor was Singapore government bonds while the largest detractor was US government bonds.

Over the one-year period, the portfolio gained 5.1%. The largest contributor was Singapore government bonds while the smallest contributor was global investment grade bonds.

2. Conservative portfolio

Period	Portfolio Return (%)
3 months	1.6
6 months	2.9
1 year	7.0



Source: UOBAM as of 30 September 2024

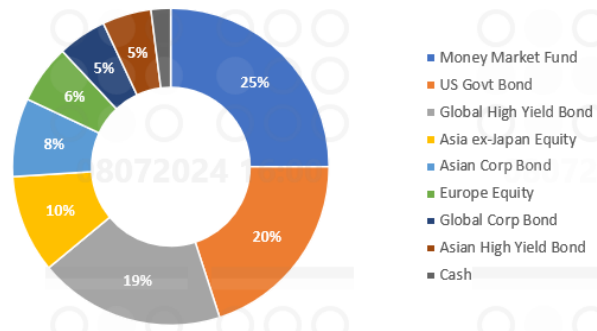
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For the three-month period ending 30 September 2024, this portfolio was up 1.6%. The largest contributor was Singapore government bonds while the largest detractor was US government bonds.

Over the one-year period, the portfolio gained 7.0%. The largest contributor was Singapore government bonds while the smallest contributor was Asia investment grade bonds.

3. Moderate portfolio

Period	Portfolio Return (%)
3 months	0.4
6 months	2.1
1 year	8.1



Source: UOBAM as of 30 September 2024

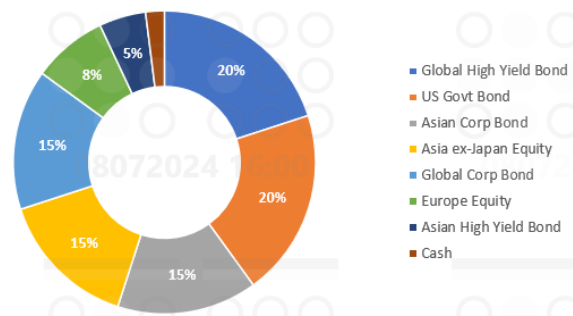
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For the three-month period ending 30 September 2024, the portfolio was up 0.4%. The largest contributor was Asia equities while the largest detractor was US government bonds.

Over the one-year period, the portfolio gained 8.1%. The largest contributor was US equities while the smallest contributor was Europe equities.

4. Aggressive portfolio

Period	Portfolio Return (%)
3 months	0.5
6 months	2.5
1 year	9.6



Source: UOBAM as of 30 September 2024

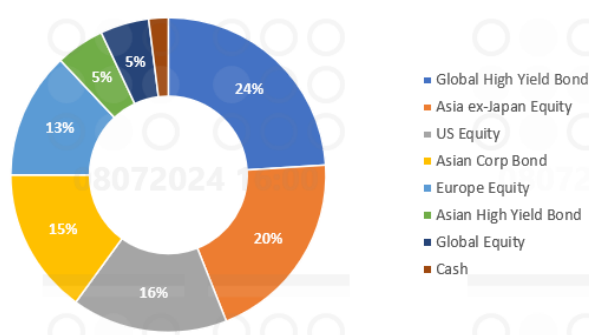
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For the three-month period ending 30 September 2024, this portfolio was up 0.5%. The largest contributor was Asia equities while the largest detractor was US government bonds.

Over the one-year period, the portfolio gained 9.6%. The largest contributor was Asia equities while the smallest contributor was Europe equities.

5. Very Aggressive portfolio

Period	Portfolio Return (%)
3 months	1.0
6 months	4.1
1 year	15.8



Source: UOBAM as of 30 September 2024

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For the three-month period ending 30 September 2024, the portfolio was up 1.0%. The largest contributor was Asia equities while the largest detractor was global high yield bonds.

Over the one-year period, the portfolio gained 15.8%. The largest contributor was US equities while the smallest contributor was Europe equities.

Looking ahead

- We expect continued but moderating growth
- Soft patch in economic data has made growth outlook more muddled in the short term, but we still expect stable expansion over the next year
- We are temporarily tempering our bullishness

As we enter the fourth quarter of 2024, we still expect the expansion to continue, inflation to moderate further and interest rates to fall steadily, creating a positive backdrop for markets. We note that a rate cutting cycle during an economic expansion has historically been positive for markets. However, since markets have rallied more than we anticipated, and growth is starting to plateau, we are slightly less optimistic in the near term. As such, we are adopting a more balanced positioning between equities and bonds.

For equities, we have turned slightly more cautious in the near term as we think markets are dealing with several uncertainties regarding the direction of the global economy, the change in the global monetary policy cycle and the geopolitical risks. Central banks around the world, led by the US Federal Reserve (Fed), are shifting to a new path after three years of tight monetary policies. Although fundamentally positive for markets, this carries many near-term uncertainties regarding the pace and depth of interest rate cuts. The US election also carries risks that key policies on tariffs, taxes and immigration could change significantly. We are not negative on the longer-term impact of these policies, but we foresee enough uncertainties to unsettle markets in the near term.

For fixed income, yields remain significantly higher than levels seen in the prior decade and therefore remain attractive to investors. In addition, inflation risks have passed, and we are going into a rate cut cycle. As such, the headwind around interest rates has shifted to a tailwind, making it much safer for yield-seekers to invest in fixed income. We prefer to focus on credit, including investment grade. Credit spreads are at tight levels but since we do not expect a near-term recession, we think it is worth picking up the extra yield that credits offer over government bonds. However, due to the expected growth slowdown, we have turned more cautious on high-yield bonds.

We are mindful that global geopolitical and economic risks remain. Tensions in the Middle East continue to be highly elevated and pose the threat of spiralling into a broader regional war. The US/China tensions are likely to remain high and could escalate during the US election season. We expect the global economy to continue to expand but recession risks will rise as the cycle prolongs and matures. We continue to monitor the situation closely and stand ready to adjust the portfolio if these risks become more problematic.

We encourage you to take this opportunity to review your investment objective and portfolio.
Should you require any assistance, please do not hesitate to contact us at
UOBAMSupport@uobgroup.com.

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