

March 2024

# United SGD Money Market Fund



### 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 March 2024, the Fund’s weighted average yield to maturity is 3.70 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<sup>1</sup>.
- **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 1.45 per cent since its inception in 2019.

### March 2024 Portfolio Performance

The United SGD Money Market Fund- A1 SGD	+0.27 per cent <sup>2</sup>
Benchmark: 3-month Compounded Singapore Overnight Rate Average	+0.30 per cent

Source: Morningstar, Performance from 29 February 2024 to 31 March 2024 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

In March 2024, the return of the Fund came from short-duration sovereign and quasi-sovereign bills as the yield curve remains inverted.

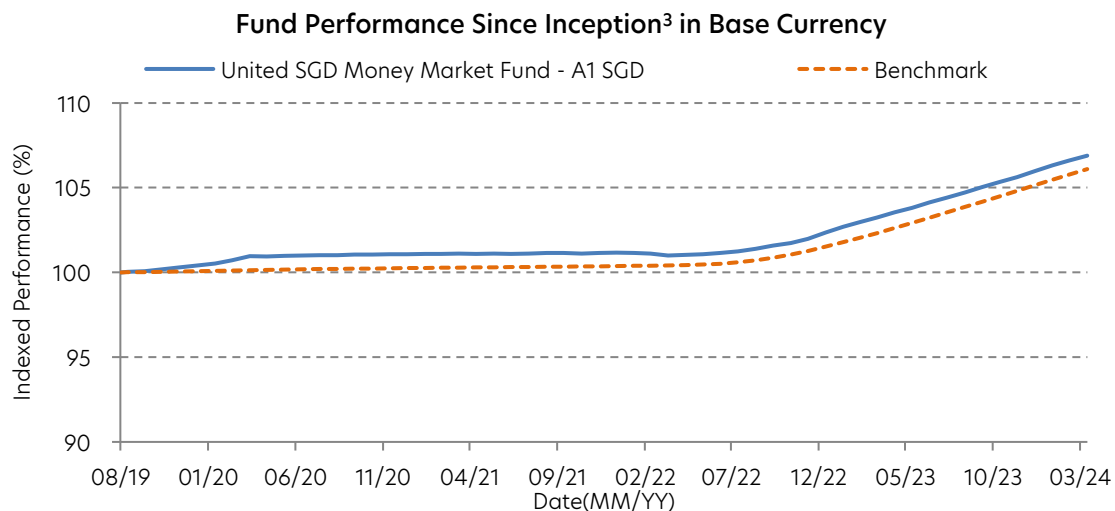
### Portfolio Positioning

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.

<sup>1</sup> Please visit [www.uobam.com.sg/awards](http://www.uobam.com.sg/awards) for a recent list of awards by UOBAM

## Performance (Class A1 SGD)



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 31 March 2024, SGD basis, with dividends and distributions reinvested, if any.

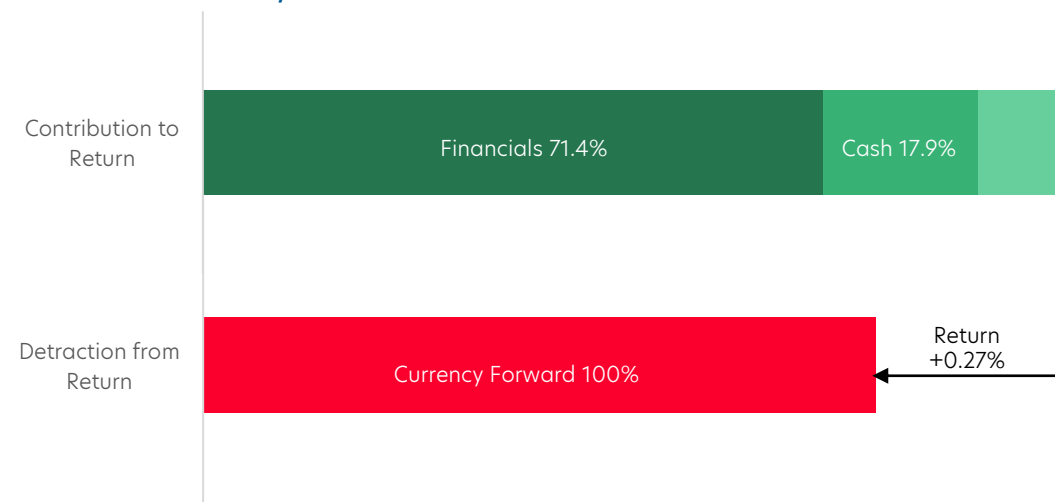
<sup>3</sup> The United SGD Money Market Fund - A1 SGD (ISIN Code: SGXZ56370984) was inception on 19 August 2019.

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

	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	0.27	3.53	1.87	-	1.45
Fund (Charges applied <sup>^</sup> )	0.27	3.53	1.87	-	1.45
Benchmark	0.30	3.69	1.89	-	1.29

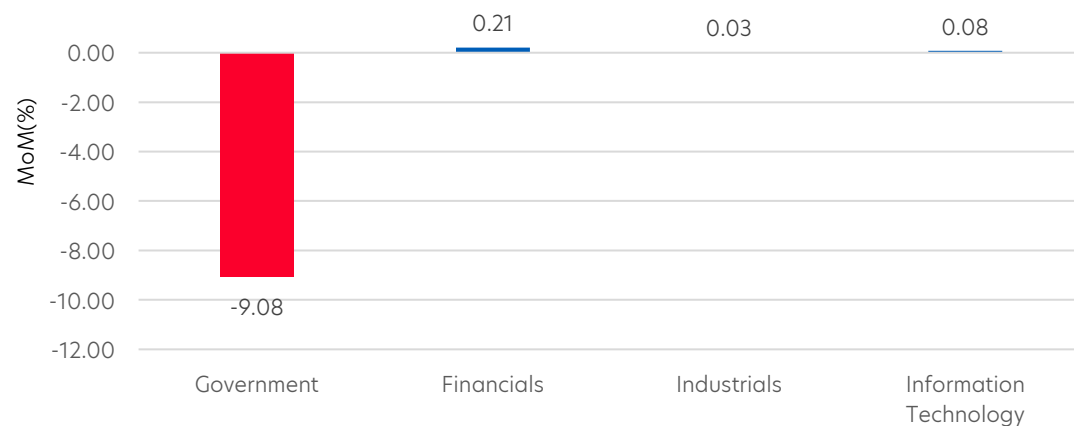
Source: Morningstar. Performance as at 31 March 2024, SGD basis, with dividends and distributions reinvested, if any. Performance figures for 1 month till 1 year show the per cent change, while performance figures above 1 year show the average annual compounded returns. Benchmark: Since inception - 7 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. <sup>^</sup>Includes the effect of the current subscription fee that is charged, which an investor might or might not pay.

## Performance Contributors/Detractors: March 2024

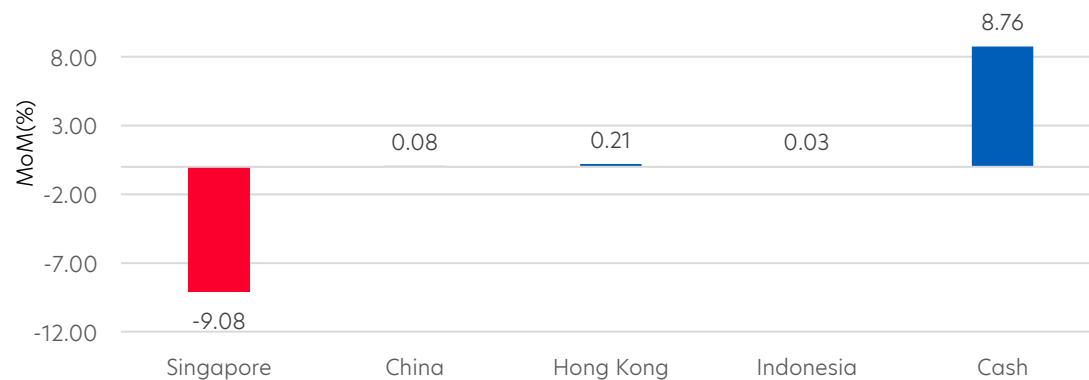


## Portfolio Changes

Sector allocation changes: February 2024 vs March 2024



Country allocation changes: February 2024 vs March 2024



## Portfolio Review

### Analyst Insights

The new positions we added to the portfolio in March 2024 were mainly Monetary Authority of Singapore (MAS) Bills that mature in the next 3 months.

As shown on the left charts, the biggest increase in the sector allocation changes for March 2024 was in Financials (+0.21 per cent), and the largest decrease was in Government (-9.08 per cent). In terms of country allocation, the Fund has the highest decrease in Singapore (-9.08 per cent).

## Market Review

**Government bonds:** The US Federal Reserve (Fed) maintained interest rates unchanged at the Federal Open Market Committee (FOMC) meeting in March 2024. Officials continued to caution against cutting interest rates too soon while largely expecting three rate cuts in 2024. The economy is still resilient with the US Producer Price Index (PPI) jumping 0.6 per cent month-on-month (m/m) for February 2024 (versus 0.4 per cent m/m expected). That said, the US Fed preferred gauge, the core Personal Consumption Expenditure (PCE) price index provided some reprieve as inflationary pressures cooled in February 2024, with the PCE index up 0.3 per cent m/m (versus January 2024: +0.5 per cent m/m). The 2-year US Treasury (UST) yield remained at 4.62 per cent while the 10-year UST yield closed at 4.20 per cent (-5 basis points (bps)).

The world's last negative policy rate ended following the Bank of Japan's interest rate hike to between 0 per cent to 0.1 per cent from -0.1 per cent to 0 per cent in March 2024. Meanwhile, China's manufacturing activity reversed a five-month decline and picked up in March 2024, with the manufacturing purchasing managers index expanding to 50.8 (February 2024: 49.1). While China unveiled its 2024 economic growth targets at 5 per cent (which is aligned with market expectations), Chinese regulators pledged to contain property risks and enhance policy consistency and predictability.

**Corporate bonds:** JP Morgan Asia Credit Index (JACI) Investment Grade credit spreads continued to tighten to 130bps (-4bps) as investors bought bonds to redeploy funds from maturities. The issuances of Asia ex-Japan G3 currency bonds (bonds issued denominated in US Dollars, Japanese Yen, or Euros) picked up to US\$13.7 billion compared to US\$9.2 billion in February 2024 (March 2023: US\$7.4 billion). Total issuances were US\$42.3 billion in the first quarter of 2024, a decline of 12 per cent from US\$47.9 billion in the first quarter of 2023. Notable issuers include Hyundai Capital America (US\$1.7 billion), Korea National Oil Corporation (US\$1.4 billion), AIA Group Limited (US\$1 billion), Bank Negara (US\$500 million), Bank of East Asia Limited (US\$500 million) and Singapore Airlines Limited (US\$500 million).

## 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 323.01 mil	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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