

March 2025

# 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 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<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 1.75 per cent since its inception in 2019.

## March 2025 Portfolio Performance

The United SGD Money Market Fund- A1 SGD	+0.17 per cent <sup>2</sup>
Benchmark: 3-month Compounded Singapore Overnight Rate Average	+0.22 per cent

Source: Morningstar, Performance from 28 February 2025 to 31 March 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

Returns came predominantly from sovereign and quasi-sovereign bills. The SGD benchmark yield curve has become 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, February 2025: +0.21 per cent), and this is expected to persist. Cut-off yields of the Monetary Authority of Singapore Bills (MASBs) opened 2025 at 3.20 per cent to 3.40 per cent but are now at 2.60 per cent area.

## Portfolio Positioning

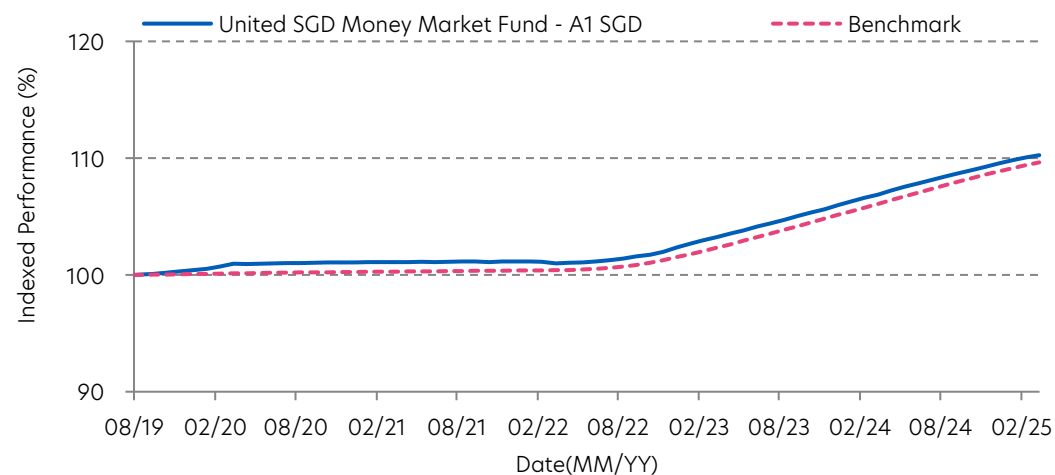
We continue to stay up in credit quality, maintaining our preference for defensive sectors with resilient balance sheets, credits with leading market shares and of systemic importance.

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.

<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)

### 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.

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 2025, SGD basis, with dividends and distributions reinvested, if any.

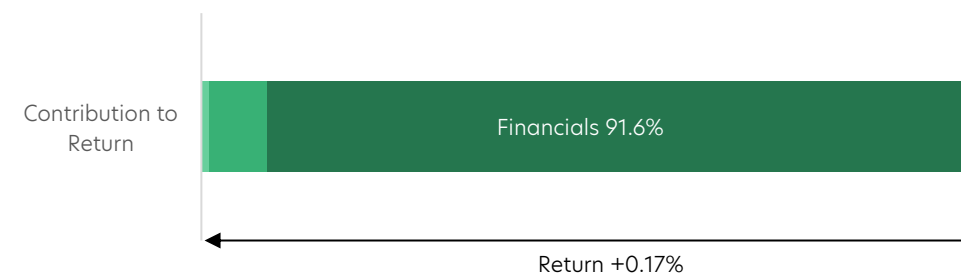
<sup>3</sup> The United SGD Money Market Fund - A1 SGD (ISIN Code: SGXZ56370984) was inceptioned on 19 August 2019.

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

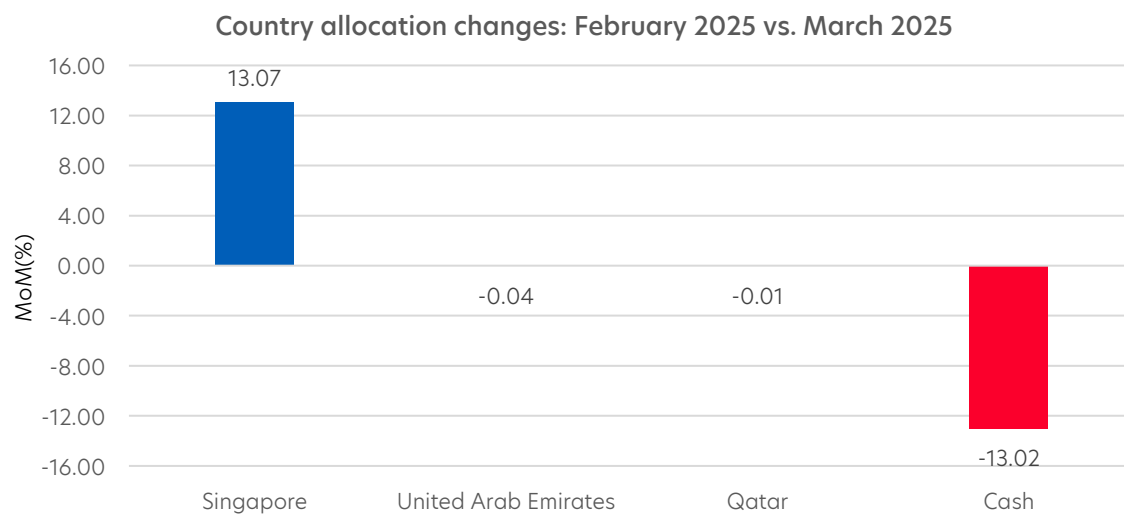
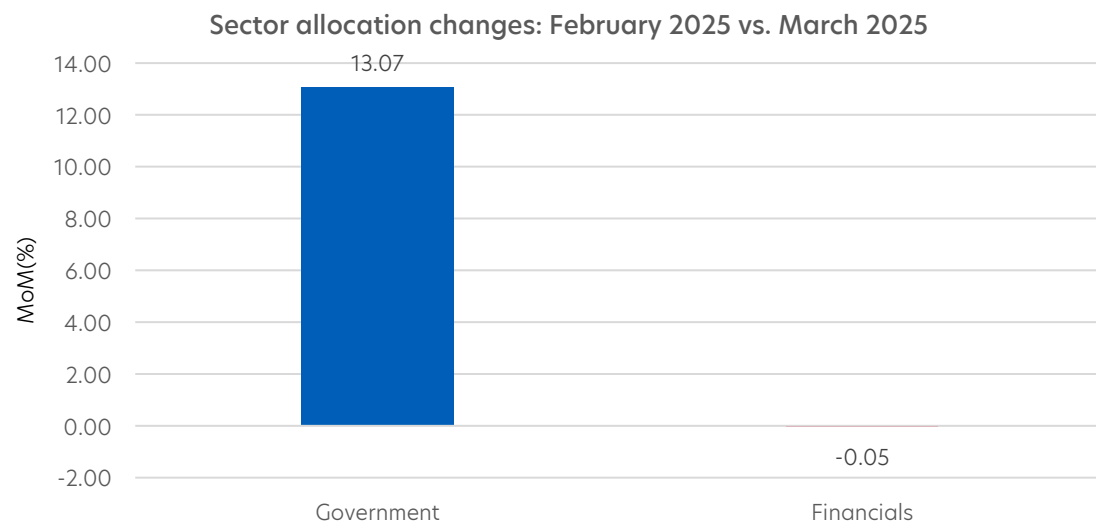
	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	0.17	3.15	2.97	1.78	1.75
Fund (Charges applied <sup>^</sup> )	0.17	3.15	2.97	1.78	1.75
Benchmark	0.22	3.35	2.98	1.83	1.65

Source: Morningstar. Performance as at 31 March 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. <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 2025



## Portfolio Changes



## Portfolio Review

### Analyst Insights

The new positions we added to the portfolio in March 2025 were 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 2025 was in Government (+13.07 per cent). In terms of country allocation changes, the Fund had the most increase in Singapore (+13.07 per cent).

## Market Review

**Government bonds:** US Treasuries (USTs) rallied in March 2025 as tariff headlines fan recession fears amidst sticky inflation. Investors took flight to quality as 2-year UST yields declined by 11 basis points (bps) to 3.89 per cent, while 10-year UST yields ended flat at 4.21 per cent. The US Federal Funds Futures were pricing in more than three rate cuts in 2025.

**Corporate bonds:** Nevertheless, market sentiments remained largely stable, albeit cautious. The JP Morgan Asia Credit Index (JACI) Investment Grade credit spread widened to 122bps (+21bps), with investors de-risking amidst the following concerns. Firstly, the tariff, particularly the looming Liberation Day on 2 April 2025. Secondly, a weaker-than-expected US Conference Board's Consumer Confidence Index at 92.9 for March 2025 (the lowest level since March 2013). Thirdly, US consumers' median 12-month inflation expectations jumped to 5.1 per cent in March 2025 (the highest since March 2023). Lastly, uncertainties regarding Indonesia's economic outlook were increasing.

As the market looked to Liberation Day on 2 April 2025, when President Trump is expected to release more details on his next wave of reciprocal tariffs faced by US exporters, issuers rushed to raise capital with the highest issuance month since 2021. March 2025 saw a substantially higher Asia G3 currency bond issuance of US\$35 billion (February 2025: US\$7 billion, March 2024: US\$14 billion). Year-to-date issuance was US\$71 billion, up 170 per cent from US\$42 billion in 2024 correspondingly. While secondary-market performance was lacklustre, these issuances were met by reasonable demand. Notable issuances were Petronas Capital Limited (PETMK, US\$5 billion), Hyundai Capital America (HYNMTR, US\$3 billion), MTR Corporation (MTRC, US\$3 billion), DBS Group Holdings Limited (DBSSP, US\$2 billion), United Overseas Bank Limited (UOBSP, US\$2 billion), LG Energy Solution, Limited (LGENSO, US\$2 billion), Bangkok Bank PCL (BBLTB, US\$1 billion), Bocom Leasing Management Hong Kong Corporation Limited (BCLMHK, US\$1 billion), Greenko Wind Projects (Mauritius) Limited (GRNKEN, US\$1 billion), and Korea National Oil Corporation (KOROIL, US\$1 billion).

Current tight credit spreads and lower all-in yield of 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 515.54 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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