March 2025

United Smart Sustainable Singapore Bond Fund

Why Invest?

• **Benefit from Singapore's sustainability journey:** This is the first-ever Singapore-focused Environmental, Social, and Governance (ESG) Fixed Income Fund. The Fund aims to allow investors to gather stable income via investing in bonds issued by Singapore (and Asian) companies that have strong forward-looking, sustainable mandates.

• **Asia-centric and Singapore-focused:** United Smart Sustainable Singapore Bond Fund – A SGD Acc (Hedged) (the "Fund") invests at least 65 per cent in Singapore's fixed income and a maximum of 35 per cent in Asia. This allows the Fund to benefit from the strength of the SGD and the stability of Singapore's capital markets.

• **Thematic Focus:** The Fund supports three core sustainable investing themes identified using the Singapore Green Plan 2030, i.e. 1) green, clean, and smart Singapore, 2) preparing for climate change, and 3) sustainable production.

• **Consistent Payout:** The United Sustainable Singapore Bond Fund – A SGD Dist (Hedged) offers a monthly dividend income[1] as well as the potential for capital upside. The current distribution policy is to make regular monthly distributions of up to 2 per cent p.a..

• **Highly rated:** The Fund currently holds a Morningstar five-star rating as of 31 March 2025.

March 2025 Portfolio Performance

The United Smart Sustainable Singapore Bond Fund – A SGD Acc (Hedged)	-0.11 per cent[2]
Benchmark: 6-Month Compounded Singapore Overnight Rate Average (SORA) + 1 per cent	+0.33 per cent

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

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

Performance Review

Fund performance in March 2025 registered a slight negative return due to the widening of credit spreads. This had more than offset the rally in underlying interest rate and the income carry gathered in this period. Our heavier exposure to good-quality Singapore bonds has helped to cushion against this negative impact, as some extended risk was unwound. Defensive credit remained a strong anchor to our Fund's overall returns. Our superior credit selection in the defensive non-investment grade bond did not escape the broad risk trimming, although the defensive income carry offset some of the price negativity. On the broad duration strategy, we tactically lengthened our duration slightly in anticipation of risk-off sentiment as investors turn wary of the potential inflationary pressures and uncertainties brought about by the new US president and his administration.

Portfolio Positioning

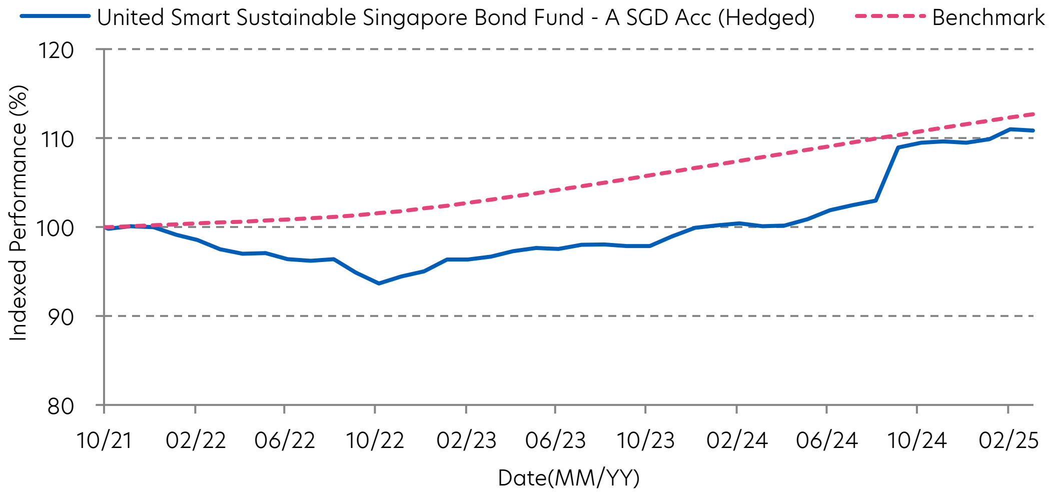
Moving ahead, staying invested in quality assets remains key to gathering an attractive defensive carry. Despite the tariff and immigration policies uncertainties, our view was not to be overly alarmed as these are likely part of his negotiation tools, rather than a willingness to risk hurting the economy and financial markets. Continual economic expansion and contained inflation should remain intact. We see the core of US President Trump's policies as being pro-growth and US-centric, which presents a good environment for risk-taking.

Increased exposure in good-quality credits, especially in the non-investment-grade segment, will continue to reward us with higher carry and performance resiliency. On duration management, we will keep our duration short in view of the uncertainties from the new US presidency and administration.

[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 SGD Acc (Hedged))

Fund Performance Since Inception[3] in Base Currency



Past performance is not necessarily indicative of future performance.

Fund performance is calculated on a NAV to NAV basis.

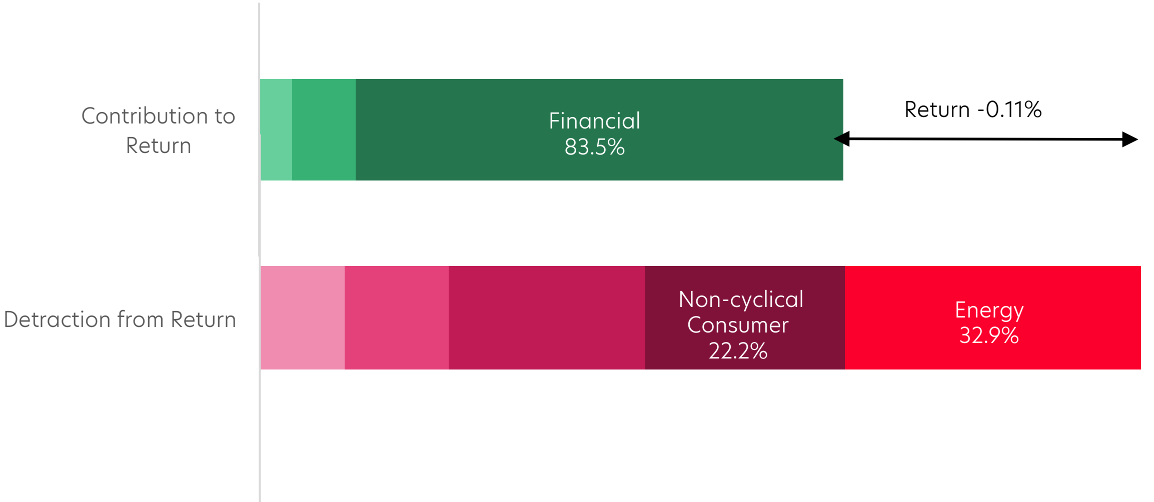
Benchmark: Since inception -7 April 2022: 12-month Singapore dollar Fixed Deposit + 1 per cent; 8 April 2022 - Present: 6-Month Compounded Singapore Overnight Rate Average (SORA) + 1 per cent

Source: Morningstar. Performance as at 31 March 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	-0.11	10.76	4.38	-	3.06
Fund (Charges applied^)	-2.11	8.54	3.68	-	2.45
Benchmark	0.33	4.46	3.88	-	3.55

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. Since inception performance under 1 year is not annualized. Benchmark: Since inception -7 April 2022: 12-month Singapore dollar Fixed Deposit + 1 per cent; 8 April 2022 - Present: 6-Month Compounded Singapore Overnight Rate Average (SORA) + 1 per cent. 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.

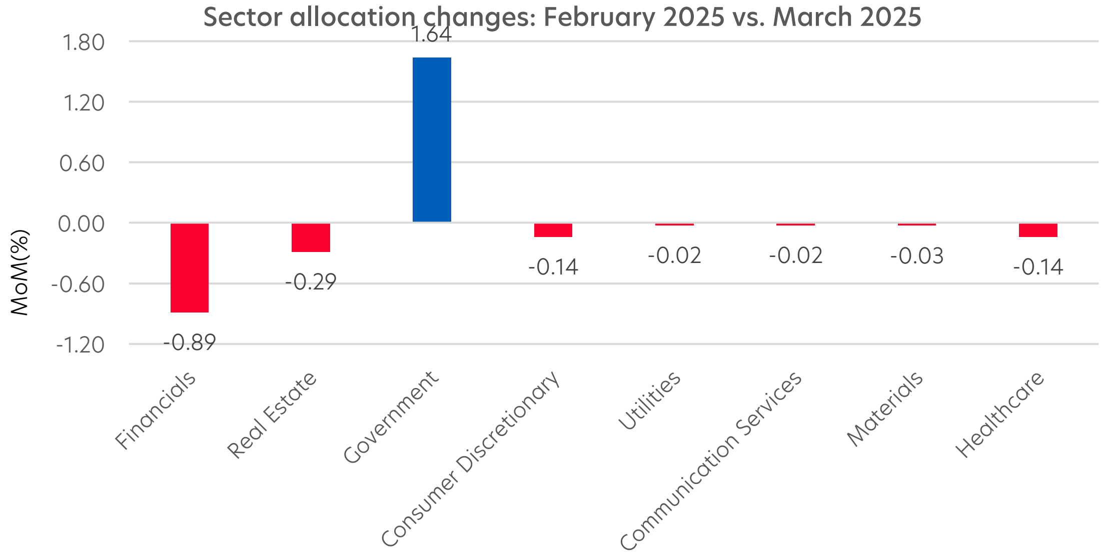
Performance Contributors/Detractors: March 2025

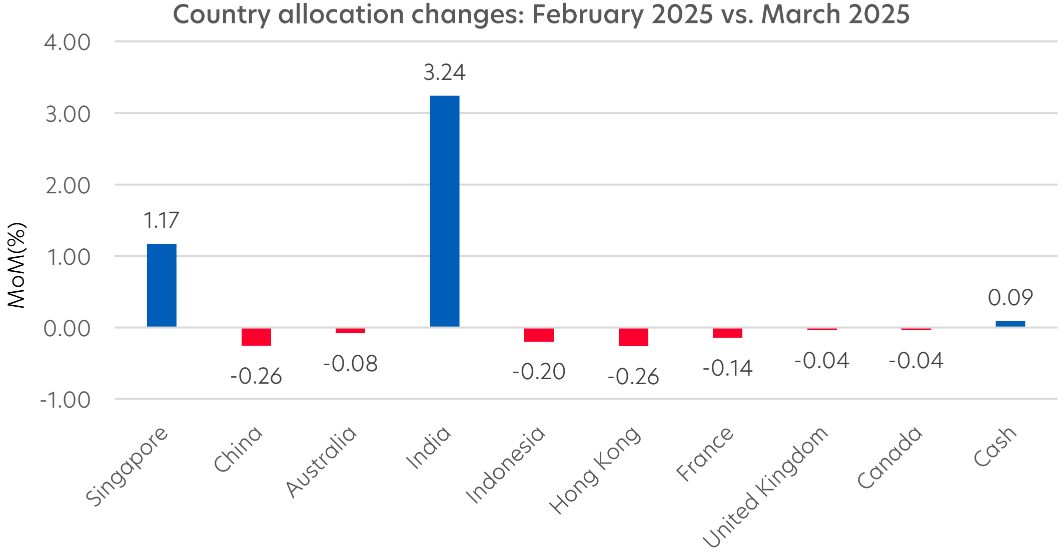


[3] The United Smart Sustainable Singapore Bond Fund Class A SGD Acc (Hedged) (ISIN Code: SGXZ18977330) was incepted on 26 October 2021.

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

Portfolio Changes





Source: UOBAM

Portfolio Review

Analyst Insights

The Fund has been adopting an overall defensive carry strategy and remains well-positioned. Looking at the credit spread, both the investment grade spread of Asia and its developed market peer had widened. Broad Asian credit spread currently trades at 194 basis points (bps), which was above its narrowest level of 167 bps within the 5-year historical period but remains at the tighter range. While its absolute yield remained attractive, hovering around close to around 0.40 per cent above its 5-year historical average. This continues to put Asian credit as the preferred asset class of many investors, especially the investment-grade names.

As shown on the left charts, the largest increment in the sector allocation changes for March 2025 was in Government (+1.64 per cent), and the largest decrement was in Financials (-0.89 per cent). In terms of country allocation changes, the Fund had the highest decline in China and Hong Kong (-0.26 per cent) and the highest increase in India (+3.24 per cent) in March 2025.

Market Review

Risk aversion remained the theme in March 2025. Despite a decision by the US Federal Reserve (Fed) Committee to keep the rate unchanged in the March meeting, looming tariff announcements (Liberation Day on 2 April 2025) were fanning recession fears and potential upwards pressure on inflation. Recent economic data was showing a resilient employment market and inflation prints, but investors were more forward-looking, focusing on the sentiment indicator, such as the weaker than expected US Conference Board's Consumer Confidence Index, which stood at 92.9 in March 2025, falling from 100.1 in the revised prior month. This led investors to either de-risk or be reluctant to extend risk as we head towards the end of March 2025 with such uncertainties. Overall, the 10-year US Treasury (UST) yield was unchanged at 4.21 per cent while the 5-year UST yield also fell by 7 bps to 3.95 per cent. On the Singapore front, economic data released in March 2025 affirmed the slowdown in growth. Singapore Electronics Purchasing Managers' Index (PMI) declined slightly to 51.0 in February 2025 (January 2025: 51.1), suggesting a loss in momentum given the rising risks of a global trade war and a decline in semiconductor exports. Industrial production was down to -1.3 per cent year-on-year (y/y) in February 2025 (January 2025: +8.0 per cent y/y), reflecting worsening electronics production. On the other hand, Non-oil Domestic Exports (NODX) grew +7.6 per cent y/y in February 2025 (January 2025: -2.1 per cent y/y), but due to base effects and were also lower than expected (+9.7 per cent y/y). Inflation softened further in February 2025, increasing the downside risk to the Monetary Authority of Singapore's (MAS') core inflation forecast of 1 to 2 per cent. Headline Consumer Price Index (CPI) fell to +0.9 per cent y/y in February 2025, versus +1.2 per cent y/y in January 2025, due to smaller increases in the food and private transport components. Core inflation fell to +0.6 per cent y/y in February 2025 (January 2025: +0.8 per cent y/y). Overall, the 5-year Singapore government securities (SGS) bond yield outperformed UST as it fell by 11bps to 2.52 per cent in March 2025.

On the Asia credit market, credit spreads widened substantially across investment grade and non-investment grade segments, with the riskier segment underperformed. Negative headlines from Hong Kong and Indonesia added woes to the de-risking flows. Hong Kong consumer name, REGH (RH International Finance Limited), a Hong Kong hotel operator, deferred its only outstanding perpetual bond coupon. Lifestyle International Holdings Limited, the operator of SOGO department stores, informed investors of delayed audit results. Whereas in Indonesia, the talks of fiscal trajectory challenges, rumoured resignation of well-respected Finance Minister Sri Mulyani Indrawati and wariness of the new sovereign wealth fund, Danantara, had dented the risk appetite for Indonesian assets, especially the domestic markets. On the supply technical front, the primary issuance market surged ahead of the tariff announcements in April 2025. Primary issuance in the SGD bond market increased substantially, mirroring what happened in the Asia-Pacific USD market. Notable issuances are largely from real estate issuers. Some of them were Allgreen Properties Limited issued a SGD 200 million 5-year bond at 3.16 per cent, and ESR-REIT issued a SGD 125 million Perpetual (Perp) callable 5-year bond at 5.75 per cent to retire its SGD 75 million Perp. City Development Limited issued a SGD 100 million 5-year bond at 3.058 per cent despite the recent executive chairman and CEO disagreement, and CapitaLand India Trust issued a SGD 200 million 5-year bond at 3.20 per cent. Whereas we also saw issuances from Financials, such as HSBC Holdings, issued another SGD800 million Additional Tier 1 (AT1) Perp callable 5-year at 5 per cent coupon. The new entrant to the SGD corporate space was US-based Data-Centre REIT Equinix Inc, rated at Baa2/BBB/BBB+ and issued SGD 500 million 5-year senior at 3.50 per cent, offering some concession versus the local benchmark names. Lastly, MAS also did a new SGD3.2 billion 5-year issuance at 2.61 per cent cut-off yield with a 2.4 book-to-cover ratio. Overall, the Asian credit spread performance was slightly positive due to the gains from a decline in underlying interest rates and yield carry. Credit spread was widening across both investment and non-investment grade as risk appetite diminished amid increased uncertainty ahead of the tariff announcement. In USD terms, the JP Morgan ESG Composite gained +0.04 per cent in March 2025. Specifically, the investment grade segment saw a gain of +0.02 per cent while the non-investment grade segment also saw a gain of +0.12 per cent.

Investment Objective

The investment objective of the United Smart Sustainable Singapore Bond Fund is seeking to provide stable income and capital appreciation over the medium to long term by investing predominantly in fixed income instruments focusing on Singapore. Investments will be selected following the Fund's investment focus and approach, which includes the consideration of Sustainability and Environmental, Social and Governance (ESG) factors.

Fund Information

Morningstar Rating	Base Currency	Fund Size	Fund Manager
★★★★★	SGD	SGD 7.84 mil	Koh Hwee Joo

Important Notice and Disclaimers

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