March 2026

United SGD Fund

UOB Asset Management

Why Invest?

• **High quality bonds with attractive yield pick-up:** The United SGD Fund – A (Acc) SGD (the “Fund”) has an average credit rating of BBB and an investment grade allocation of 98 per cent. The Fund’s weighted average yield-to-maturity is 3.27 per cent as of March 2026.

• **Attractive dividend payout:** For Class S SGD Dist, the current distribution policy is 5.0 per cent p.a., paid out monthly, which may be suitable for investors who are seeking regular income[1].

• **Strong Fundamentals:** Defaults on Asian credits declined in 2025 and are expected to fall further in 2026, primarily due to the resolution of distressed Chinese property high-yield names. Overall credit metrics are improving across Asia Investment-grade, with rating upgrades outpacing downgrades in recent quarters.

• **Laddered investment strategy:** The Fund uses a laddered strategy to lock in yields in a falling-interest-rate environment. It involves buying bonds that mature at staggered future dates. Lower interest rates in the coming years mean the Fund’s newer bonds will tend to carry a lower yield. However, its existing bond holdings will continue to provide elevated yields.

March 2026 Portfolio Performance

The United SGD Fund– A (Acc) SGD	-0.50 per cent[2]
Benchmark: 6-month Compounded Singapore Overnight Rate Average	+0.10 per cent

Source: Morningstar, Performance from 28 February 2026 to 31 March 2026 in SGD terms

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

Performance Review

The Fund returned -0.50 per cent in March 2026 and was flat year-to-date (YTD).

Overall returns were negatively impacted by an increase in the 2-year US Treasury (UST) yields.

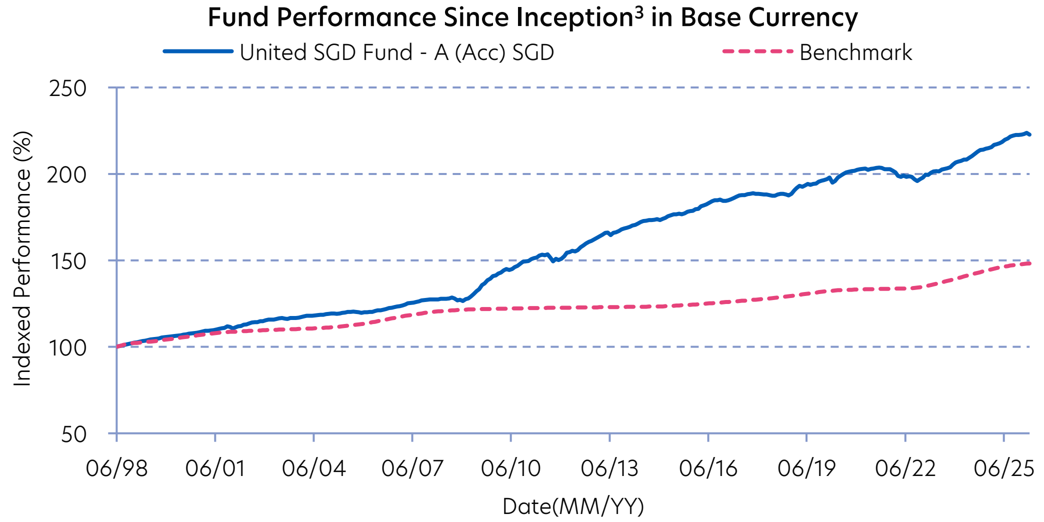
Portfolio Positioning

We continue to prioritise coupon returns while aiming to diversify across various markets. Our focus remains on defensive sectors with resilient balance sheets, credits with leading market shares and of systemic importance, such as utilities, telecommunications, consumer goods, insurance, and government-related entities.

The Fund will continue to: 1) Invest in bonds maturing/callable/puttable on rolling three years for the purpose of return enhancement; 2) Focus on companies that have good access to capital markets and have defensive business models; 3) Pursue active relative-value opportunities across diverse currency-denominated bonds; 4) Hedge foreign currency risk to the Singapore Dollar; and 5) Maintain 1-3 per cent cash for liquidity.

[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 (Acc) SGD)



Past performance is not necessarily indicative of future performance.

Fund performance is calculated on a NAV to NAV basis.

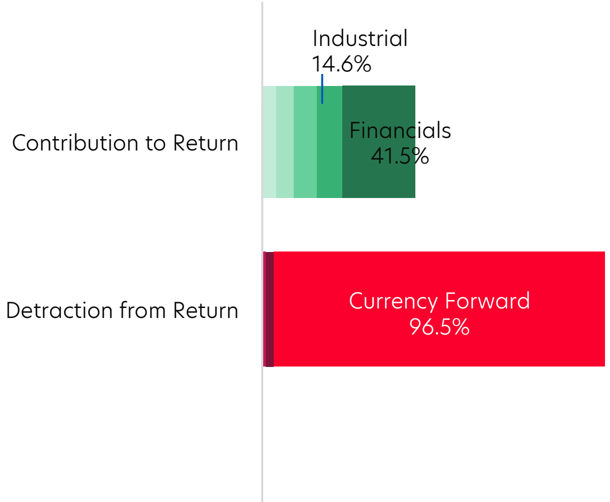
Benchmark: Since inception – 2 May 2021: 6-month SIBID rate; 3 May 2021 – 7 Apr 2022: 12-month Bank Deposit Rate; 8 Apr 2022 – Present: 6-month Compounded Singapore Overnight Rate Average.

Source: Morningstar. Performance as at 31 March 2026, 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	-0.50	2.49	3.51	1.85	2.92
Fund (Charges applied^)	-2.49	0.44	2.82	1.44	2.85
Benchmark	0.10	1.84	2.98	2.14	1.43

Source: Morningstar. Performance as at 31 March 2026, 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 – 2 May 2021: 6-month SIBID rate; 3 May 2021 – 7 Apr 2022: 12M Bank Deposit Rate; 8 Apr 2022 – Present: 6-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.

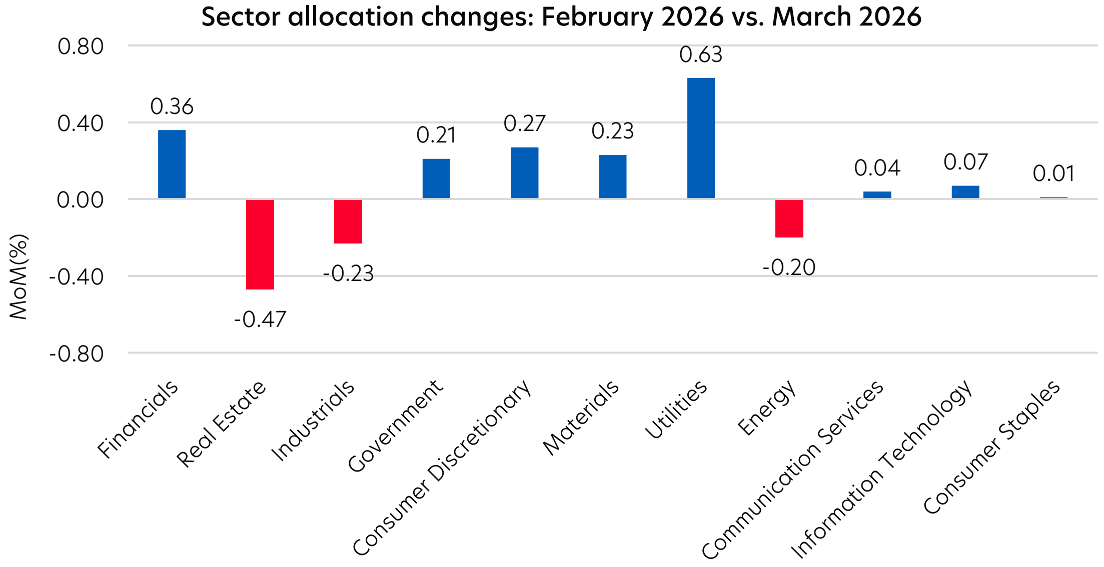
Contributors/Detractors to Fund's -0.50% Return

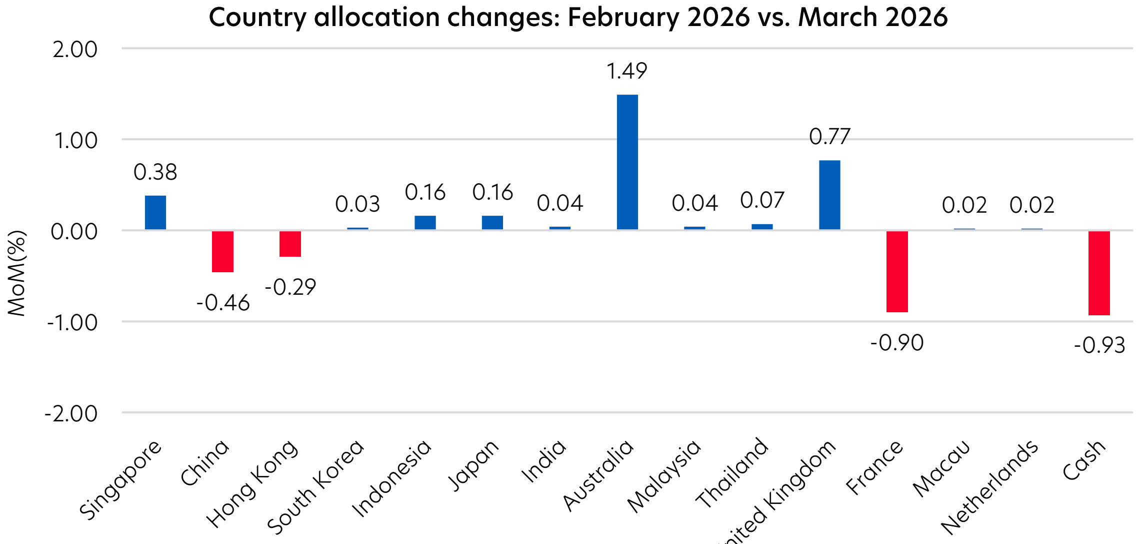


[3] The United SGD Fund – A (Acc) SGD (ISIN Code: SG9999001382) was incepted on 19 June 1998.

All statistics quoted in the write-up are sourced from Bloomberg as at 31 March 2026 unless otherwise stated.

Portfolio Changes





Source: UOBAM

Portfolio Review

Analyst Insights

The new positions we added to the portfolio in March 2026 were in the Cyclical Consumer, Financial, Industrials and Utilities sectors. Meanwhile, we sold positions in the Basic Materials, Energy, Financials and Industrials sectors.

As shown in the charts on the left, the biggest decrease in sector allocation was in Real Estate (-0.47 per cent). Meanwhile, the largest increment was in Utilities (+0.63 per cent). In terms of country allocation changes, the Fund has the highest decline in France (-0.90 per cent) and the highest increase in Australia (+1.49 per cent) for March 2026.

Market Review

In March 2026, **US Treasuries (UST)** experienced a bear flattening (short-term interest rates rose faster than long-term rates) post the outbreak of the US-Iran war on 28 February 2026. Surging energy prices and inflation fears prompted the market to aggressively reprice monetary policy expectations across global central banks. The selloff eased in late March 2026 as the market shifted its focus to demand destruction and Federal Reserve (Fed) Chair Powell downplayed near-term inflation risk. Market currently prices in 10 basis points (bps) of rate cuts in 2026 (February 2026: -60bps). The 2-year and 10-year UST yields closed at 3.79 per cent (+42bps) and 4.32 per cent (+38bps) respectively.

The **JP Morgan Asia Credit Index (JACI) Investment Grade spreads** remained flat at 111bps, underpinned by the region's strong credit fundamentals, technical tailwinds from persistent net negative supply, and supportive local funding conditions, despite Asia's heavy reliance on imported energy from the Middle East. While BBB-rated credits in more energy-shock-exposed countries, such as Indonesia, the Philippines, India, and South Korea, experienced some credit spread widening, overall sentiment remained measured, supported by reinvestment demand from bond maturities in March 2026 and continued buy-on-dip interest.

Primary market issuance in Asia ex Japan G3 currencies slowed to US$10.6 billion in March 2026 (February 2026: US$14.5 billion; March 2025: US$32.2 billion), amid higher US interest rates and heightened market volatility. This brings the total YTD issuance to US$55.3 billion, compared with US$67.7 billion over the same period in 2025. Notable issuers were HYNMTR (Hyundai Capital America, US$2 billion), LGENSO (LG Energy Solution, Ltd., US$1.6 billion), KOROIL (Korea National Oil Corporation, US$1.2 billion) and ICBCAS (Industrial and Commercial Bank of China Limited, US$1 billion).

The situation in the Middle East remains highly uncertain, alongside other market risks including Artificial Intelligence (AI) disruption, private credit stress, and volatile US policy. Notably, spread decompression following the US-Iran conflict has been modest relative to past sell-offs, though further escalation could still trigger additional downside. Against this backdrop, we continue to favour quality carry, focusing on issuers with strong balance sheets, predictable cash flows, and disciplined sector selection.

Heightened volatility is creating opportunities for portfolio optimisation through selective, value-enhancing relative-value switches, including selective participation in high-quality new issues priced at meaningful concessions to secondary curves and exposure to AUD-denominated bonds offering attractive coupon carry and diversification benefits.

Investment Objective

The investment objective of the United SGD Fund is to invest substantially all its assets in money market and short-term interest-bearing debt instruments and bank deposits with the objective of achieving a yield enhancement over Singapore dollar deposits.

Fund Information

Morningstar Rating	Base Currency	Fund Size	Fund Manager
★★★	SGD	SGD 3,508.79 mil	Joyce Tan

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