August 2025

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 2.95 per cent as of August 2025.

• **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].

• **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.

• **A recession hedge:** The consequences of President Trump's tariff policies may start to become more evident over the next few months. Any potential retreat in the global risk sentiment will likely lend further support to the SGD bond market across all sectors as investors look to achieve above-inflation yields and positive returns at lower market risk.

August 2025 Portfolio Performance

The United SGD Fund– A (Acc) SGD	+0.47 per cent[2]
Benchmark: 6-month Compounded Singapore Overnight Rate Average	+0.17 per cent

Source: Morningstar, Performance from 31 July 2025 to 31 August 2025 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 delivered a return of +0.47 per cent in August 2025, bringing the year-to-date performance to +3.06 per cent.

Overall returns were held up by coupon income and lower US Treasury (UST) yields.

Portfolio Positioning

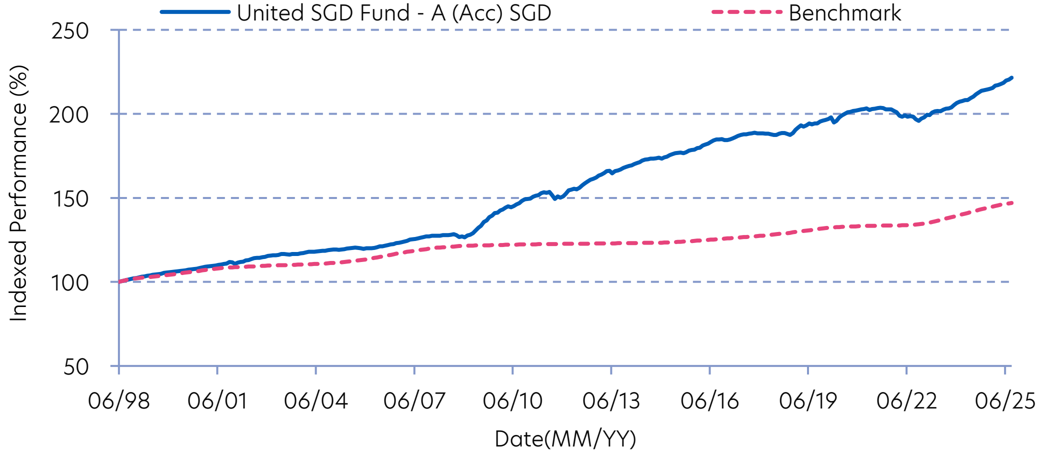
We continue to prioritise coupon returns while aiming to diversify across various markets. Our focus remains on defensive sectors such as Utilities, Telecommunications, Consumer goods, Insurance, and Government-related entities, with resilient balance sheets, credits with leading market shares and of systemic importance. Overall, we favour financials over non-financial corporates based on their strong fundamentals and attractive valuations.

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

[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)

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.

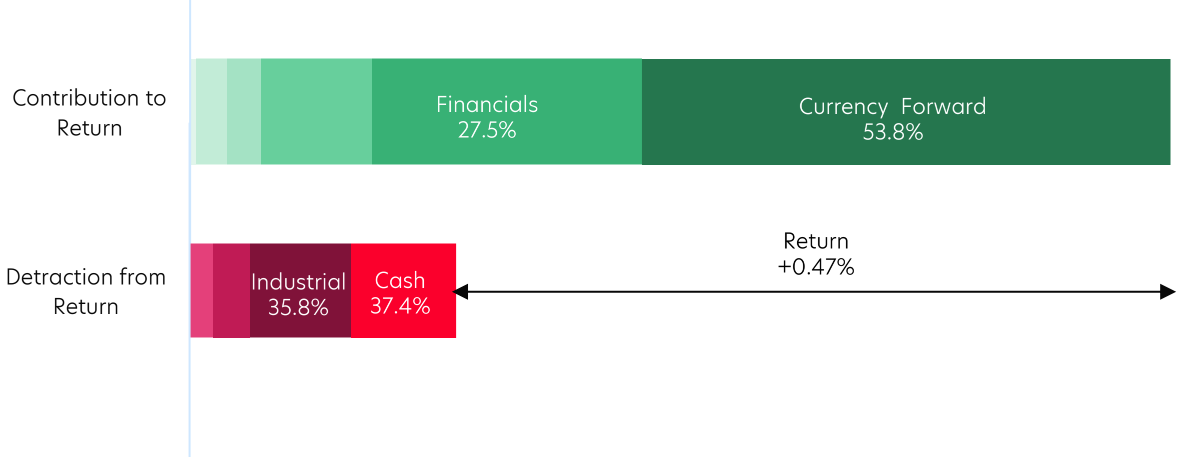
Benchmark: Since inception – 2 May 2021: 6-month SIBID rate; 3 May 2021 – 7 Apr 2022: 12-month Bank Deposit Rate; 8 Apr 2022 – Present: 6-month Compounded Singapore Overnight Rate Average.

Source: Morningstar. Performance as at 31 August 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	0.47	4.07	3.76	1.97	2.97
Fund (Charges applied^)	-1.54	1.99	3.06	1.56	2.89
Benchmark	0.17	2.93	3.15	2.04	1.43

Source: Morningstar. Performance as at 31 August 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 – 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.

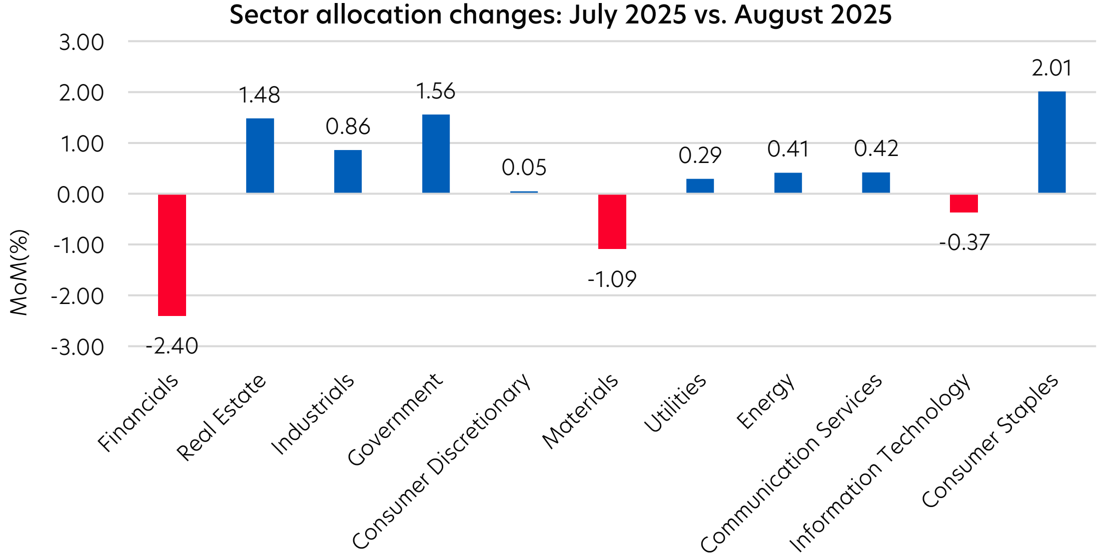
Performance Contributors/Detractors: August 2025

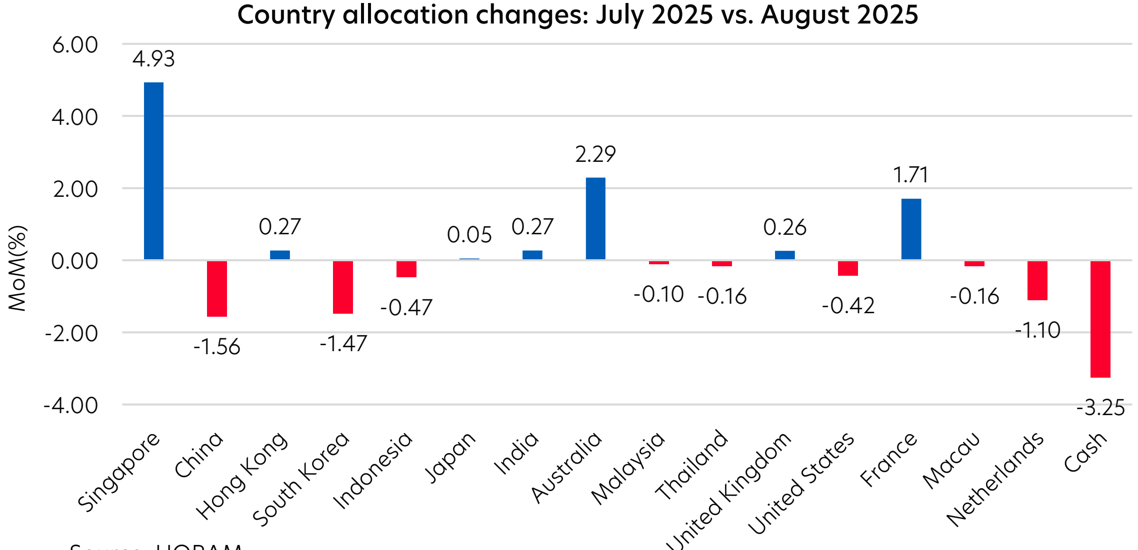


[3] The United SGD Fund – A (Acc) SGD (ISIN Code: SG9999001382) was incepted on 19 June 1998.

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

Portfolio Changes





Source: UOBAM

Portfolio Review

Analyst Insights

The new positions we added to the portfolio in August 2025 were quality Corporate Credit in the Cyclical and Non-cyclical Consumer, Energy and Financial sectors. We also bought the Monetary Authority of Singapore Bills that mature within the next 3 months. Meanwhile, we sold positions in the Communications, Industrials and Utilities sectors.

As shown in the left charts, the biggest decrease in the sector allocation changes for August 2025 was in Financials (-2.40 per cent). On the contrary, the largest increment was in Consumer Staples (+2.01 per cent). In terms of country allocation changes, the Fund has the highest decline in China (-1.56 per cent) and the highest increase in Singapore (+4.93 per cent) for August 2025.

Market Review

Government Bonds: US Treasuries (USTs) bull steepened (the short-end of the yield curve falls faster than the long-end, steepening the yield curve) in August 2025 after a weak July payroll report and Chair Powell's dovish tilt at the Jackson Hole Symposium boosted rate cut bets and supported a front-end rally. Meanwhile, the long end of the yield curve came under pressure amid President Trump's criticism of the US Federal Reserve (Fed) 's independence. Tariff headlines were mixed with the US extending the truce with China by ninety days and progressing toward a deal with the European Union (EU), but tightening export controls on advanced technology and chips. The 2-year and 10-year UST yield closed at 3.62 per cent (-34 basis points, bps) and 4.23 per cent (-15bps) respectively.

Corporate Bonds: The JP Morgan Asia Credit Index (JACI) Investment Grade credit spread widened marginally to 114bps (+3bps). The primary new issues of Asia G3 ex-Japan currency moderated to US$13 billion in August 2025 (July 2025: US$15 billion, August 2024: US$12 billion). This brings year-to-date (YTD) issuance at US$146 billion (2024: US$113 billion), +29 per cent year-on-year (y/y). The notable new issues in August 2025 were DBSSP (DBS Group Holdings Limited, US$2 billion), TEMASE (Temasek Financial (I) Limited, US$1.5 billion), OCBCSP (Oversea-Chinese Banking Corporation Limited, US$1 billion), WYNMAC (Wynn Macau, Limited, US$1 billion), CHINAM (China Merchants Bank Co., Limited. Hong Kong Branch, US$600 million), MUTHIN (Muthoot Finance Limited, US$600 million), BOCAVI (BOC Aviation (USA) Corporation, US$500 million), HENANG (Henan Water Conservancy Investment Group Co., Limited, US$500 million) and SWIRE (Swire Pacific MTN Financing (HK) Limited, US$500 million).

With the market pricing in more Fed rate cuts and credit spreads hovering at historical tight, we prefer to stay up in credit quality as the market continues to muddle through rhetoric of trade wars, and a data-dependent Fed. Any potential retreat of global risk sentiment in a scenario of weakened US growth or a stagflation scenario would likely present the biggest risk to credit markets.

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

Base Currency	Fund Size	Fund Manager
SGD	SGD 2,998.46 mil	Joyce Tan

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