June 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 3.46 per cent as of June 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 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.

• **Navigating Inflation:** Moving into 2025, Singapore's interest rates continue to decline, and growth stays resilient, but inflation remains relatively sticky. The Fund benefits as corporate bonds tend to perform better than government bonds. As a result, the Fund returned 4.49 per cent over the last 12 months, well ahead of inflation and fixed deposit rates.

June 2025 Portfolio Performance

The United SGD Fund- A (Acc) SGD	+0.55 per cent[2]
Benchmark: 6-month Compounded Singapore Overnight Rate Average	+0.20 per cent

Source: Morningstar, Performance from 31 May 2025 to 30 June 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 returned +0.55 per cent in June 2025, or +2.23 per cent year-to-date. Returns were driven by both coupon income and a decline in interest rates.

Portfolio Positioning

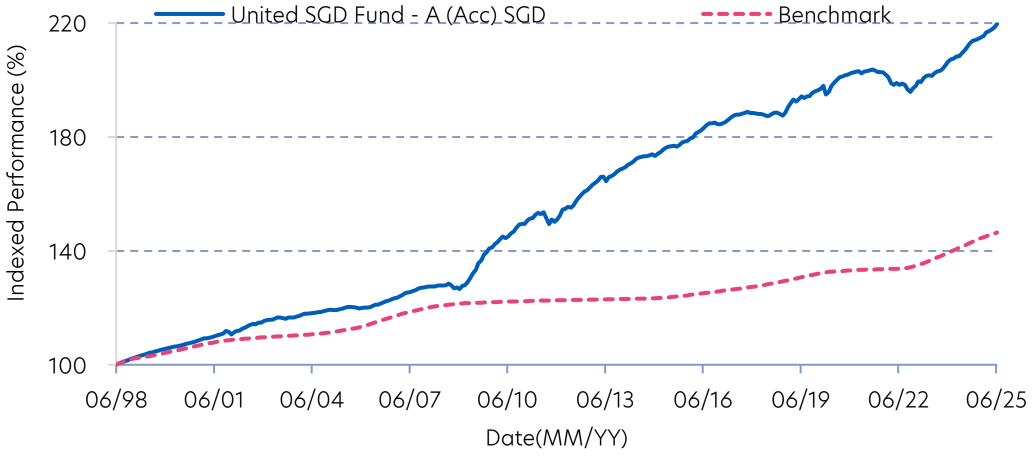
We continue to prioritise coupon returns while aiming to diversify across various markets. Our focus remains on defensive sectors such as Utilities, Telecommunications, Consumer goods, Insurance, and Government-related entities, with resilient balance sheets, credits with leading market shares and of 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.

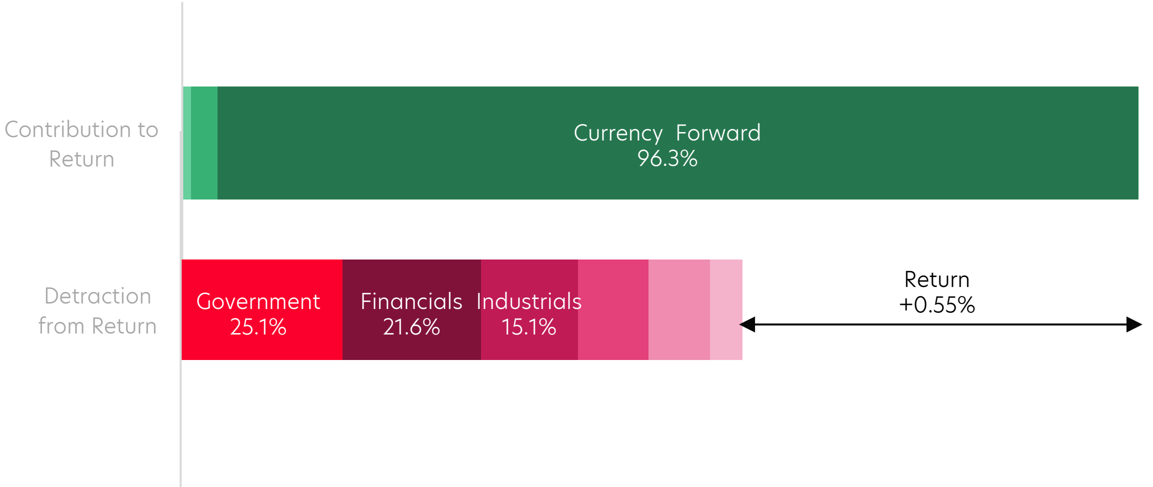
Benchmark: Since inception – 2 May 2021: 6-month SIBID rate; 3 May 2021 – 7 Apr 2022: 12-month Bank Deposit Rate; 8 Apr 2022 – Present: 6-month Compounded Singapore Overnight Rate Average.

Source: Morningstar. Performance as at 30 June 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	0.55	4.49	3.48	1.99	2.96
Fund (Charges applied^)	-1.46	2.40	2.79	1.58	2.88
Benchmark	0.20	3.19	3.07	1.98	1.42

Source: Morningstar. Performance as at 30 June 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.

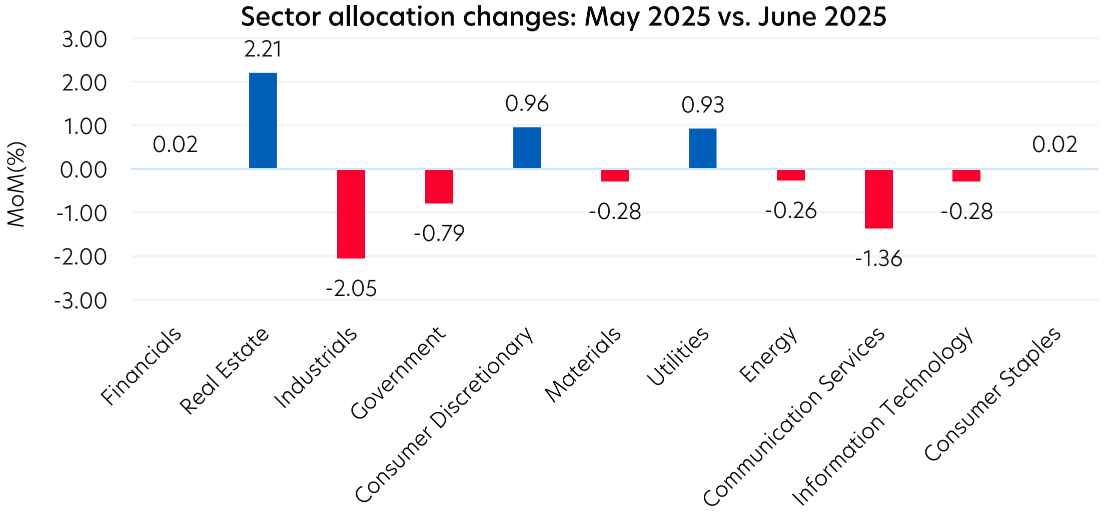
Performance Contributors/Detractors: June 2025

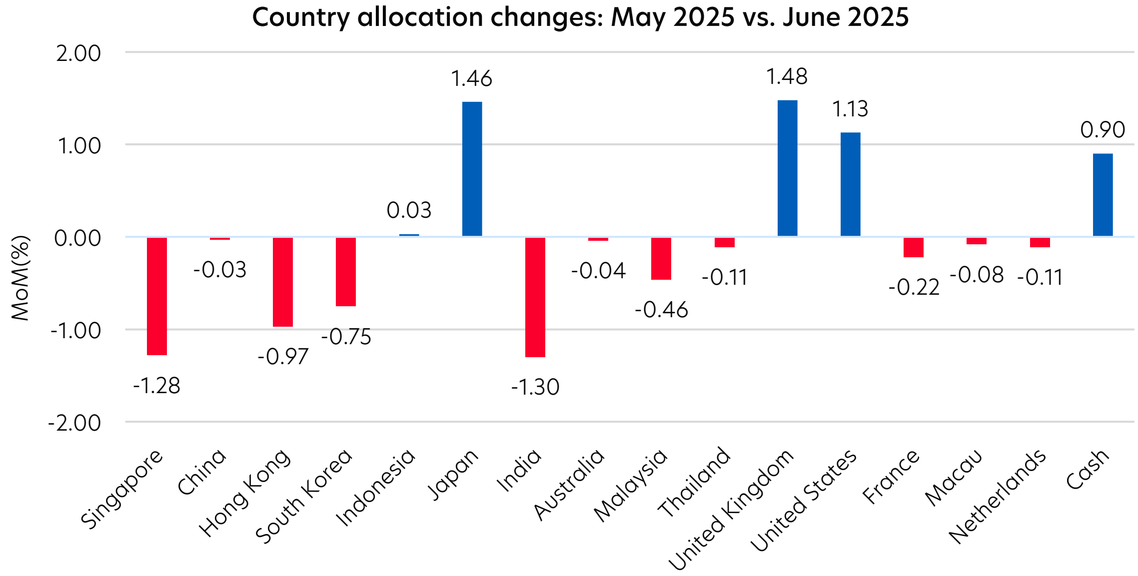


[3] The United SGD Fund – A (Acc) SGD (ISIN Code: SG9999001382) was incepted on 19 June 1998.

All statistics quoted in the write-up are sourced from Bloomberg as at 30 June 2025 unless otherwise stated.

Portfolio Changes





Source: UOBAM

Portfolio Review

Analyst Insights

The new positions we added to the portfolio in June 2025 were quality Corporate Credit in the Cyclical Consumer, Government 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 UK Financial and Indonesia Financial sectors.

As shown in the left charts, the biggest decrease in the sector allocation changes for June 2025 was in Industrials (-2.05 per cent). On the contrary, the largest increment was in Real Estate (+2.21 per cent). In terms of country allocation changes, the Fund has the highest decline in India (-1.30 per cent) and the highest increase in the United Kingdom (+1.48 per cent) for June 2025.

Market Review

Government Bonds: US Treasury (UST) yields declined in June 2025, as the market priced in more US Federal Reserve (Fed) rate cuts on the back of a benign May (2025) Personal Consumption Expenditure Price Index (PCE) report, dovish Fedspeak, and soft economic data. Meanwhile, the de-escalation of Middle East tensions and easing oil prices took some pressure off the long-end of the yield curve; the UST rally was further fuelled by the Fed's plan to reform the supplementary leverage ratio for large banks, which is expected to improve the liquidity and demand for UST. The 2-year and 10-year UST yields closed at 3.72 per cent (-18 basis points (bps)) and 4.23 per cent (-17bps) respectively.

Corporate Bonds: Asian credits were resilient despite geopolitical risks and a looming US tariff deadline on 9 July 2025. Investors stayed up in credit quality while short-dated carry is still popular. The JP Morgan Asia Credit Index (JACI) Investment Grade credit spread widened marginally to 120bps (+2bps) on new issue supply.

The primary activity of Asia G3 currency bond accelerated to US$22.2 billion in June 2025 (May 2025: US$13.3 billion, June 2024: US$19.3 billion). Notable new issues included Hyundai Capital America (HYNMTR, US$3.5 billion), MTR Corporation Limited (MTRC, US$3 billion), the Government of the Hong Kong Special Administrative Region of the People's Republic of China (HKINTL, US$1 billion), Hanwha Life Insurance Co., Limited (HLINSU, US$1 billion), Industrial Bank of Korea (INDKOR, US$1 billion) and State Power Investment Corporation (SPICPE, US$1 billion). These bring year-to-date total issuance to US$115.1billion, an increase of 32.6 per cent from US$86.8billion in 2024.

We expect Asian credit spreads to trade sideways over the near-term, muddling through US tariff headlines, geopolitical risks, and a data-dependent Fed. Any potential retreat of global risk sentiment in a scenario of weakened US growth or a stagflation scenario is likely to present the biggest risk to credit markets currently. We continue our positioning in defensive credits, diversified across countries and sectors for carry.

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 2,543.60 mil	Joyce Tan

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