April 2025

United SGD Fund

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 3.77 per cent as of April 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 4.55 per cent over the last 12 months, well ahead of inflation and fixed deposit rates.

• **Highly rated:** The Fund currently holds a Morningstar four-star rating as of 30 April 2025.

April 2025 Portfolio Performance

The United SGD Fund– A (Acc) SGD	+0.24 per cent[2]
Benchmark: 6-month Compounded Singapore Overnight Rate Average	+0.22 per cent

Source: Morningstar, Performance from 31 March 2025 to 30 April 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 +0.24 per cent in April 2025, or +1.30 per cent year-to-date. While returns were driven by coupon income and lower interest rates, this was partially offset by the widening of credit spreads.

Portfolio Positioning

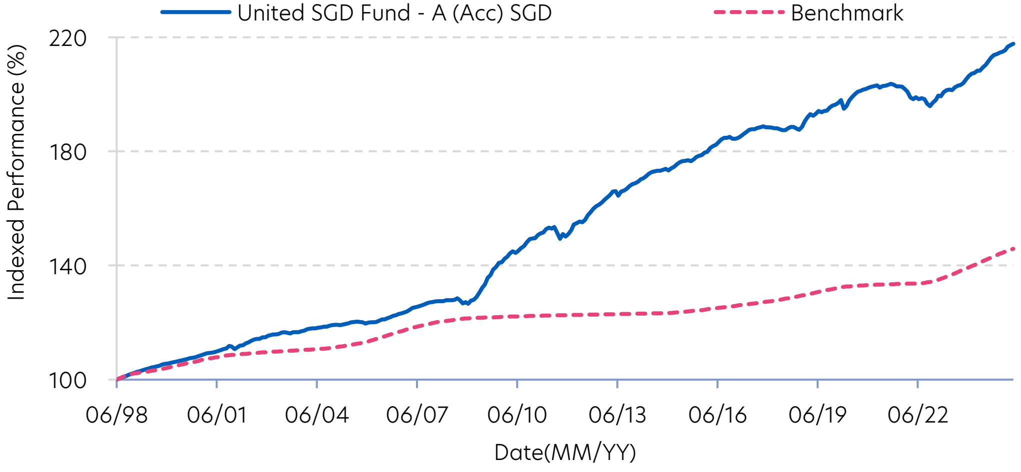
We continue to prioritise coupon returns while aiming to diversify across various markets. Our focus remains on defensive sectors such as Utilities, Telecommunications, Consumer goods, Insurance, and Government-related entities, with resilient balance sheets, credits with leading market shares and of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

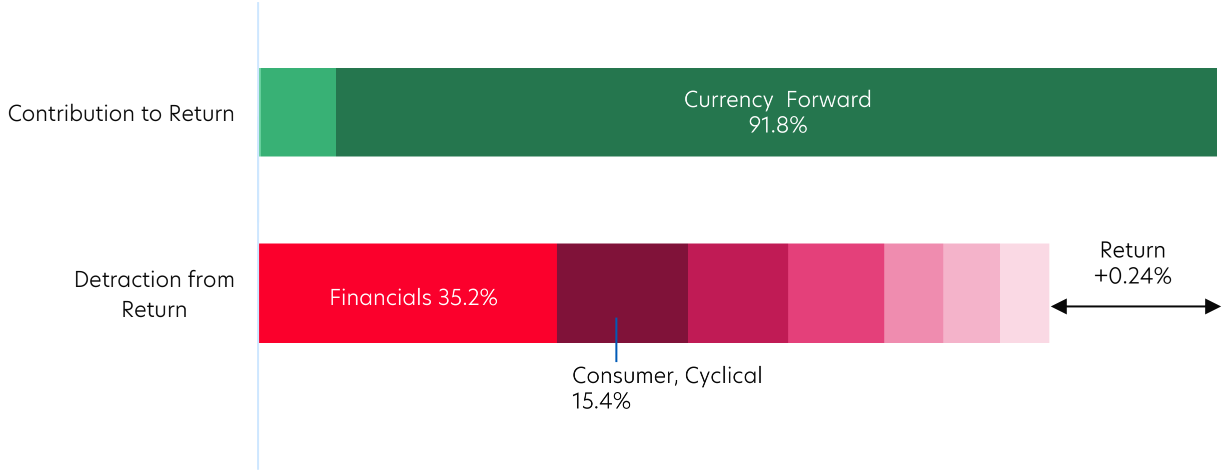
Benchmark: Since inception – 2 May 2021: 6-month SIBID rate; 3 May 2021 – 7 Apr 2022: 12-month Bank Deposit Rate; 8 Apr 2022 – Present: 6-month Compounded Singapore Overnight Rate Average.

Source: Morningstar. Performance as at 30 April 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	0.24	4.55	3.17	2.14	2.94
Fund (Charges applied^)	-1.77	2.46	2.47	1.73	2.86
Benchmark	0.22	3.39	2.95	1.92	1.41

Source: Morningstar. Performance as at 30 April 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.

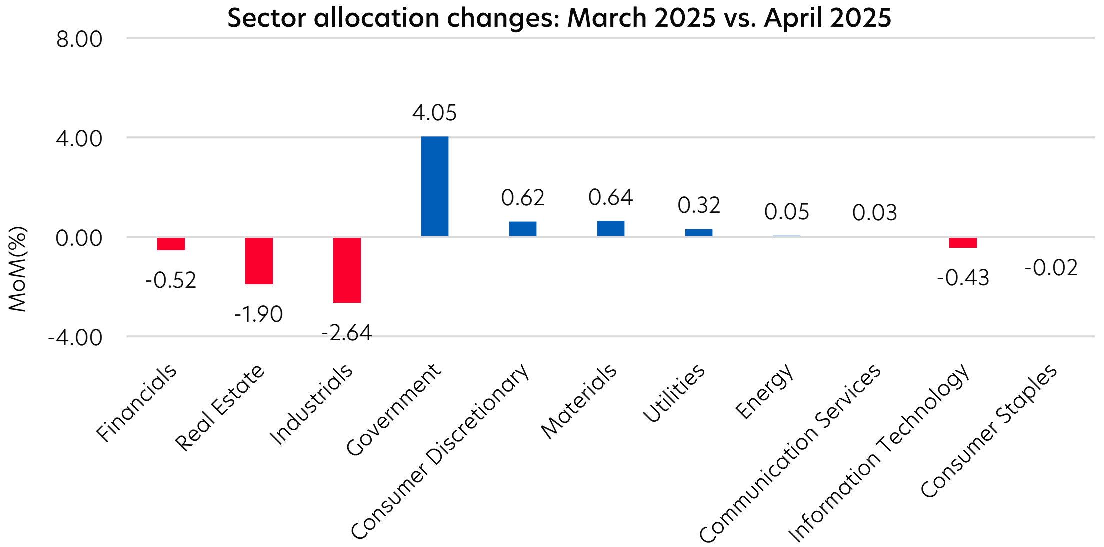
Performance Contributors/Detractors: April 2025

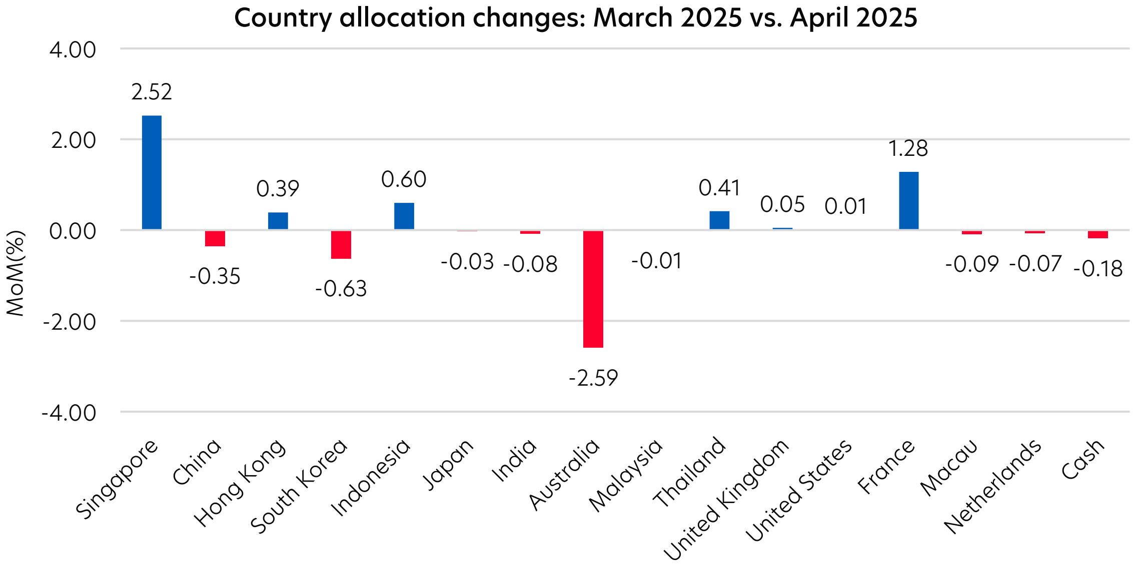


[3] The United SGD Fund – A (Acc) SGD (ISIN Code: SG9999001382) was incepted on 19 June 1998.

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

Portfolio Changes





Source: UOBAM

Portfolio Review

Analyst Insights

The new positions we added to the portfolio in April 2025 were quality Corporate Credit in the Financials, Basic Materials, Utilities and Industrial sectors. We also bought the Monetary Authority of Singapore Bills that mature in the next 3 months. Meanwhile, we sold positions in the Energy sector.

As shown in the left charts, the biggest decrease in the sector allocation changes for April 2025 was in Industrials (-2.64 per cent). On the contrary, the largest increment was in Government (+4.05 per cent). In terms of country allocation changes, the Fund has the highest decline in Australia (-2.59 per cent) and the highest increase in Singapore (+2.52 per cent) for April 2025.

Market Review

Government bonds: In April 2025, the US Treasuries (USTs) first rallied sharply on safe-haven bids post President Trump's reciprocal tariffs. However, gains quickly reversed amid tariff escalations with China, speculation of selling by foreign reserve managers, unwinding of leveraged long positions, and threats to the US Federal Reserve (Fed) independence. Calmer conditions returned after the 90-day reciprocal tariff pause as the USTs recovered alongside US equities and the US dollar index. The 2-year and 10-year UST yields closed at 3.6 per cent (-28 basis points (bps)) and 4.16 per cent (-4 bps) respectively. The federal fund futures were priced in four rate cuts in 2025.

Corporate bonds: The direction of Asia credit spreads has been dictated by news and developments regarding US trade tariffs, with heightened market volatility. With no further escalations, markets having recouped some recent losses, the Asia credit trading tone improved by the end of April 2025. Overall, the JP Morgan Asia Credit Index (JACI) Investment Grade credit spread widened to 133bps (+11bps) as investors de-risk amid tariff uncertainties.

Primary activity slowed with US$12 billion Asia G3 currency bond priced (March 2025: US$34 billion, April 2024: US$9 billion). This takes year-to-date supply to US$82 billion (2024: US$51 billion). Notable issuances included Agricultural Bank of China Limited New York Branch (AGRBK, US$800 million), Hong Kong International Qingdao Co Limited (HKIQCL, US$750 million), and STE Transcore Holdings, Inc. (STESP, US$750 million). Chinese local government State-Owned Enterprises (SOEs) continued dominating high-yield new issues.

Tariff headlines will continue to be a major factor affecting the direction of Asia credit spreads, though market focus will likely gradually shift towards economic data. 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. That said, coupon carry across Asia credit remains reasonable.

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 2,313.00 mil	Joyce Tan

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