



## 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 3.10 per cent as of December 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<sup>1</sup>.
- 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.
- 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.

## December 2025 Portfolio Performance

The United SGD Fund- A (Acc) SGD	+0.05 per cent <sup>2</sup>
Benchmark: 6-month Compounded Singapore Overnight Rate Average	+0.12 per cent

Source: Morningstar, Performance from 30 November 2025 to 31 December 2025 in SGD terms

<sup>2</sup> Fund performance is on a Net Asset Value ("NAV") basis, with dividends and distributions reinvested (if any).

## Performance Review

The Fund was almost flat in December 2025, delivering a year-to-date performance of +3.58 per cent.

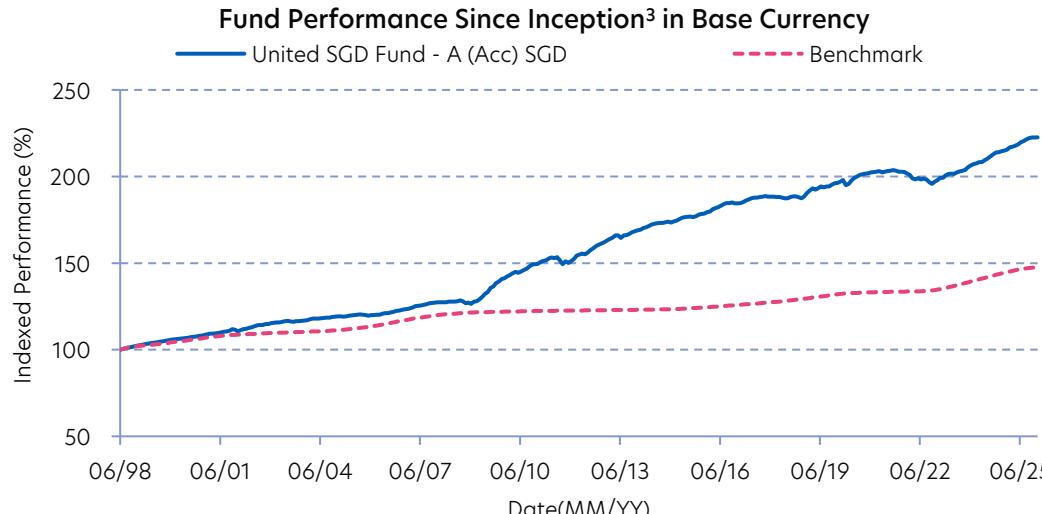
## Portfolio Positioning

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.

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.

<sup>1</sup> 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 December 2025, SGD basis, with dividends and distributions reinvested, if any.

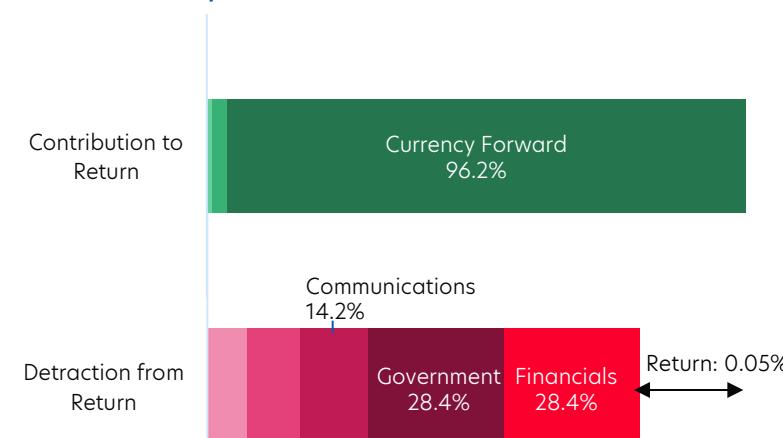
<sup>3</sup> The United SGD Fund - A (Acc) SGD (ISIN Code: SG9999001382) was inception on 19 June 1998.

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

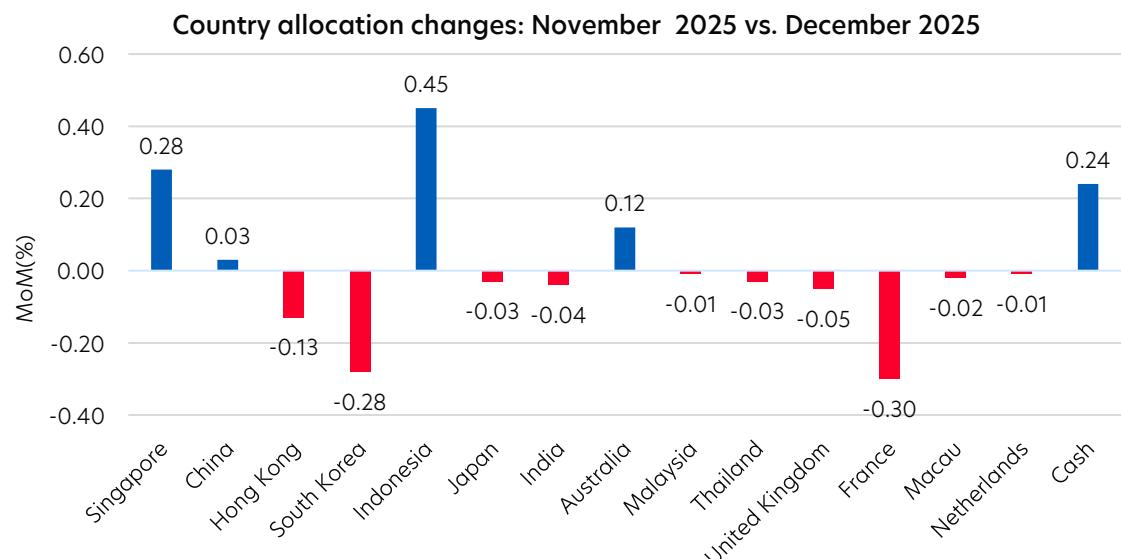
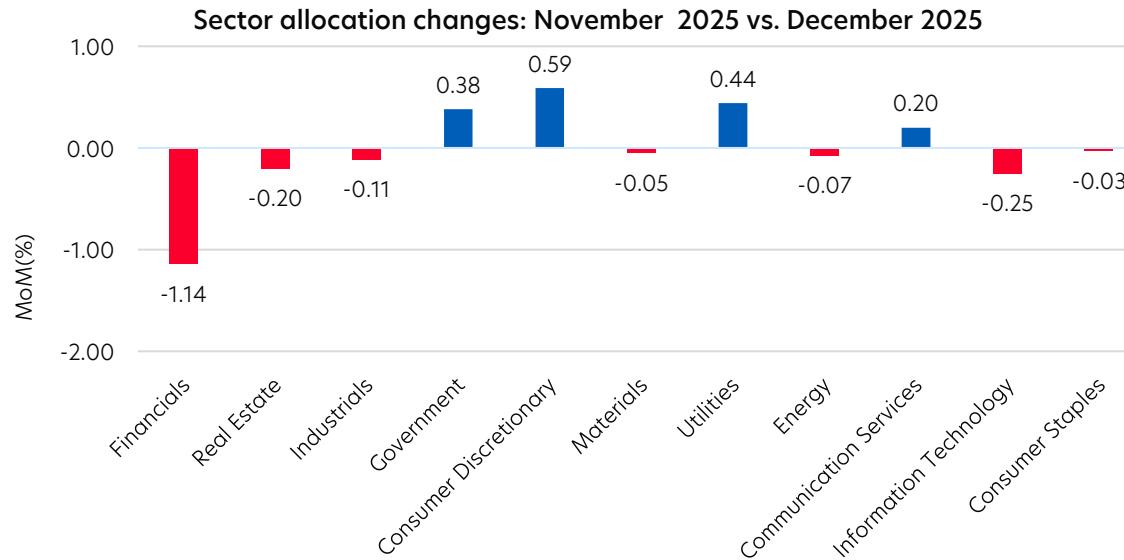
	Cumulative Performance (%)	Annualised Performance (%)				
		1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	0.05	3.58	3.99	1.93	2.95	
Fund (Charges applied <sup>4</sup> )	-1.96	1.51	3.29	1.52	2.87	
Benchmark	0.12	2.29	3.12	2.11	1.43	

Source: Morningstar. Performance as at 31 December 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. <sup>4</sup>Includes the effect of the current subscription fee that is charged, which an investor might or might not pay.

## Performance Contributors/Detractors: December 2025



## Portfolio Changes



## Portfolio Review

### Analyst Insights

The new positions we added to the portfolio in December 2025 were Monetary Authority of Singapore Bills that mature within the next 3 months. Meanwhile, we sold positions in the Non-cyclical Consumer, Communications, Financials, and Utilities sectors.

As shown in the left charts, the biggest decrease in the sector allocation changes was in Financials (-1.14 per cent). On the contrary, the largest increment was in Consumer Discretionary (+0.59 per cent). In terms of country allocation changes, the Fund has the highest decline in France (-0.30 per cent) and the highest increase in Indonesia (+0.45 per cent) for December 2025.

## Market Review

US Treasuries (UST) bear-steepened (long-term interest rates rose faster than short-term interest rates) in December 2025, with the 2-year UST yield closing at 3.47 per cent (-2 basis points (bps)) and the 10-year UST yield at 4.17 per cent (+15 bps). The Federal Reserve (Fed) cut the federal funds rate by 25 bps to 3.75 per cent, while its dot plot indicates one additional cut in 2026, another in 2027, and a hold through 2028. The rise in 10-year UST yields was driven by holiday-season liquidity constraints and a higher term premium amid policy uncertainty. The Fed's 2026 projections point to growth accelerating to 2.3 per cent, unemployment remaining steady at 4.4 per cent, and core Personal Consumption Expenditures (PCE) inflation easing to 2.5 per cent.

Credit spreads on the Asia investment-grade bonds tightened in December 2025, driven primarily by higher-beta issuers as investors continued to seek coupon carry. In contrast, Chinese credits underperformed, weighed down by activity data for November 2025 that broadly missed market expectations amid persistent weakness in the property sector on top of China Vanke debt troubles and a largely uneventful Central Economic Work Conference, which signalled a more measured easing stance compared to 2024.

The JP Morgan Asia Credit Index (JACI) Investment Grade credit spreads tightened to 102bps (-10bps), which helped to offset the UST selloff. The primary issuance of Asia ex-Japan G3 currency slowed ahead of the end of 2025, with just US\$2 billion of bonds priced (November 2025: US\$28 billion, December 2024: US\$5 billion). This takes a full year supply to US\$218 billion (+23 per cent year-on-year (y/y)). Notable issuers in December 2025 were MINMET (China Minmetals Corporation, US\$1.2 billion), CHDXCH (Chengdu Xingcheng Investment Group, US\$445 million), AGRBK (Agricultural Bank of China, US\$300 million) and BCHINA (Bank of China Limited, US\$300 million).

With spreads hovering near historical lows and all-in yields remaining low, we see limited opportunities in Asia credits. The portfolio strategy will focus on carry opportunities and identifying relative value through switch trades.

## 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 3,482.48 mil	Joyce Tan



### Important Notice and Disclaimers

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