

Enjoy the continuous flow
of steady income

Fixed Income Funds



uobam.com.sg/fixedincome



Outstanding Achiever Award, Singapore Fixed Income



Right By You

The Mystic Knot consists of six infinity symbols and signifies endless good fortune.



About fixed income

Fixed income is a type of investment that provides regular income. Also known as bonds, they come in many forms such as Treasury bills (T-bills), government bonds (such as Singapore Savings Bonds) and corporate bonds issued by companies.

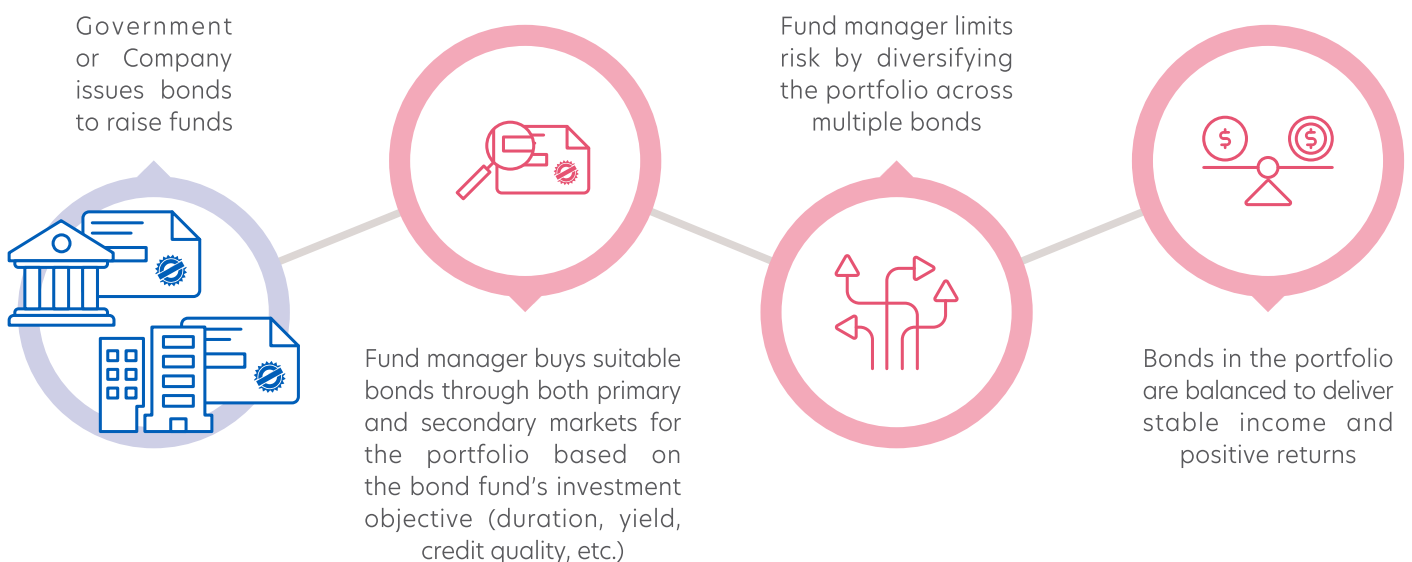
What is a bond fund?

Bond funds are collective instruments that invest in a large number of bond securities issued by governments and/or companies.

By doing so, the fund is essentially lending money to the issuers and in return, it receives regular interest payments. These enable the fund to pay dividends to the fund's investors on a regular basis.

Bond funds can also sell the bonds in its portfolio at or before maturity to recover its original capital or at a profit.

How do bond funds work?



Benefits of a bond fund



Regular income

Fixed interest payments are paid at regular intervals. Plus it is non-taxable.¹



Stable returns

Bond fund values can rise or fall, but tend to provide more stable returns than equity funds.



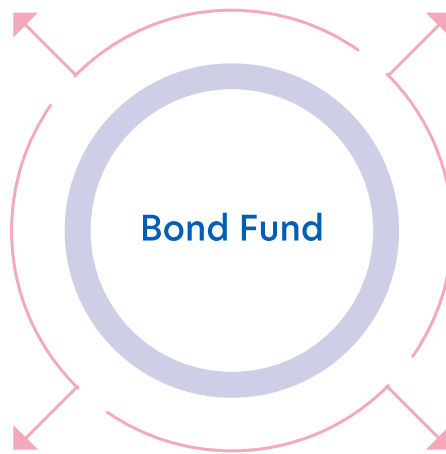
Accessibility

Unlike for bonds, the minimum capital required for a bond fund can be as little as \$1.



Portfolio diversification

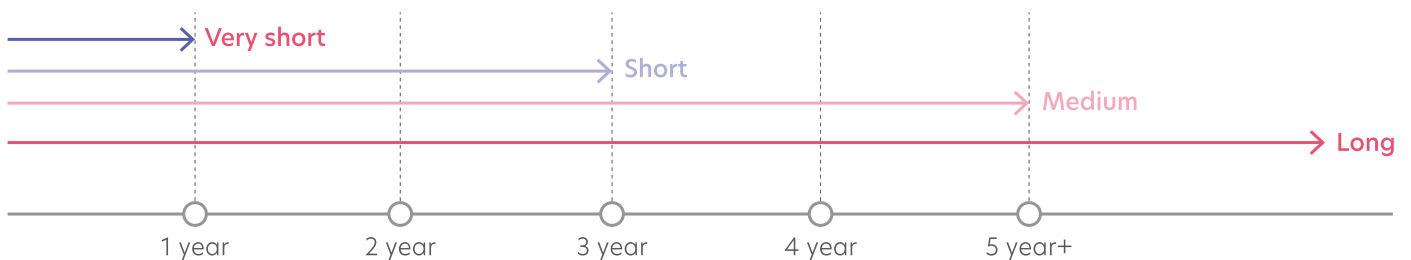
Help to reduce the impact of a bond default by holding a portfolio of bonds.



Considerations when selecting a bond fund

1. Average duration

Bond funds come with various maturities or durations:



Less sensitive = More stable

More sensitive = Less stable

The shorter the duration of a bond fund, the less sensitive it is to changes in interest rates and thus can offer more stable returns compared to longer duration funds. Typically, in a rising rate environment, shorter duration bonds may outperform longer duration bonds. Conversely, as interest rates and bond prices are inversely correlated, when interest rates come down, there is a greater probability for longer duration bonds to gain more than shorter duration bonds.

¹ Income earned is not taxable in Singapore and many other Asian countries.

2. Average credit quality

Bond fund portfolios will tend to hold bonds with different credit ratings. Investment-grade bond funds hold bonds that, on average, are rated 'BBB-' or higher on the Standard & Poor's and Fitch credit rating scale. The annual default rate of an investment-grade bond is on average less than 0.2% (1981 - 2021).²

Investment grade bonds can include government or corporate bonds.

Government bonds are usually seen as being more creditworthy than corporate bonds as they are backed by the government and have a lower chance of default.

Non-investment grade bonds generally come with a higher risk but can offer potentially higher yields.

3. Currency

Given that bond funds generally offer stable and modest returns, exchange rates can help or hinder final returns. To lower the exchange rate risks, you may want to choose a fund that has a base currency aligned to your primary currency needs.

Why UOB Asset Management (UOBAM) for Fixed Income?



Locally-embedded expertise

UOBAM Fixed Income team leverages insights from our network of local analysts and partners across all major developed and Asian markets.

Consistent investment approach

The two key principles i.e. fundamental bottom-up research and a disciplined top-down strategy drive our fixed income approach irrespective of the market or portfolio manager.

Multiple award winners

UOBAM's Fixed Income team and individual funds have won multiple industry awards over the years. The United SGD Fund alone has won over 20 awards and most recently the prestigious Benchmark Outstanding Achiever Award³.

Leader in augmented intelligence

Our Fixed Income team references machine learning models within its current security selection and risk management process.

Sustainability is part of our DNA














UOBAM began its ESG integration in 2017. Today, its ESG ratings are referenced across all funds, including those within UOBAM's fixed income range.

² Source: S&P Global Ratings, April 2022

³ Please refer to uobam.com.sg/awards for the latest list of UOBAM awards.

Bond funds by UOBAM

We offer several bond funds geared to different risk appetites.

						
Risk Level	Conservative	Conservative	Moderate	Moderate	Moderate	Moderately aggressive
Bond Fund Name	United SGD Money Market Fund	United SGD Fund 	United Smart Sustainable Singapore Bond Fund	United Singapore Bond Fund	United Asian Bond Fund	United Sustainable Credit Income Fund
Objective	Aims to provide a return which is comparable to Singapore dollar short-term deposits.	Aims at achieving yield enhancement over Singapore dollar deposits, while seeking capital preservation.	Aims to achieve balance between generating stable income and capital appreciation while incorporating sustainability considerations and Environmental, Social and Governance (ESG) factors.	Aims to maximise returns over the longer term.	Aims to provide stable current income and capital appreciation.	Aims to achieve income with the prospect of capital growth.
Invests in	Liquid and high-quality, short-term debt securities and money market instruments.	Mainly global investment-grade bond.	Mainly in fixed income instruments focusing on Singapore.	Mainly in Singapore bonds denominated in Singapore dollars and foreign currencies.	Mainly in debt securities issued by Asian corporations, financial institutions, governments and their agencies (including money market instruments).	Multi-sector fixed income instruments.
Credit Rating⁴	AAA	A-	BBB+	A+	BBB+	BBB
Effective Duration⁴	0.23 years	0.99 years	2.68 years	7.99 years	2.46 years	5.00 years
Distribution Payout⁵	-	4.0% p.a. (Class A SGD Dist) 5.0% p.a. (Class A USD Dist) (Class S Dist)	3.75% p.a. (Dist Classes only)	3.5% p.a. (Dist Classes only)	4.5% p.a. (Dist Classes only)	5.0% p.a. (Dist Classes only)
Distribution Frequency⁵	-	Monthly	Monthly	Quarterly	Monthly	Monthly
						

In general, the lower the average credit quality of a bond fund, the higher the risks of defaults and price volatility. Similarly, a bond fund with a longer average duration will tend to be more volatile than one with a shorter duration.

⁴ Source: UOBAM, as of 31 December 2023

⁵ 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 Funds' prospectus.

Important notice and disclaimers

This document is for general information only. It does not constitute an offer or solicitation to deal in units in the Fund ("Units") or investment advice or recommendation and was prepared without regard to the specific objectives, financial situation or needs of any particular person who may receive it. The information is based on certain assumptions, information and conditions available as at the date of this document and may be subject to change at any time without notice. No representation or promise as to the performance of the Fund or the return on your investment is made. **Past performance of the Fund or UOB Asset Management Ltd ("UOBAM") and any past performance, prediction, projection or forecast of the economic trends or securities market are not necessarily indicative of the future or likely performance of the Fund or UOBAM.** The value of Units and the income from them, if any, may fall as well as rise. Investments in Units involve risks, including the possible loss of the principal amount invested, and are not obligations of, deposits in, or guaranteed or insured by United Overseas Bank Limited ("UOB"), UOBAM, or any of their subsidiary, associate or affiliate ("UOB Group") or distributors of the Fund. The Fund may use or invest in financial derivative instruments and you should be aware of the risks associated with investments in financial derivative instruments which are described in the Fund's prospectus. The UOB Group may have interests in the Units and may also perform or seek to perform brokering and other investment or securities-related services for the Fund. Investors should read the Fund's prospectus, which is available and may be obtained from UOBAM or any of its appointed agents or distributors, before investing. **You may wish to seek advice from a financial adviser before making a commitment to invest in any Units, and in the event that you choose not to do so, you should consider carefully whether the Fund is suitable for you. Applications for Units must be made on the application forms accompanying the Fund's prospectus.**

Distributions will be made in respect of the Distribution Classes of the Fund. Distributions are based on the net asset value (NAV) per unit of the relevant Distribution Class as at the last business day of the calendar quarter or month. The making of distributions is at the absolute discretion of UOBAM and that distributions are not guaranteed. The making of any distribution shall not be taken to imply that further distributions will be made. UOBAM reserves the right to vary the frequency and/or amount of distributions. Distributions from fund may be made out of income and/or capital gains and (if income and/or capital gains are insufficient) out of capital. Investors should also note that the declaration and/or payment of distributions (whether out of income, capital gains, capital or otherwise) may have the effect of lowering the NAV of the relevant fund. Moreover, distributions out of capital may amount to a reduction of part of your original investment and may result in reduced future returns. Please refer to www.uobam.com.sg and Fund's prospectus for more information.

This advertisement has not been reviewed by the Monetary Authority of Singapore.

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