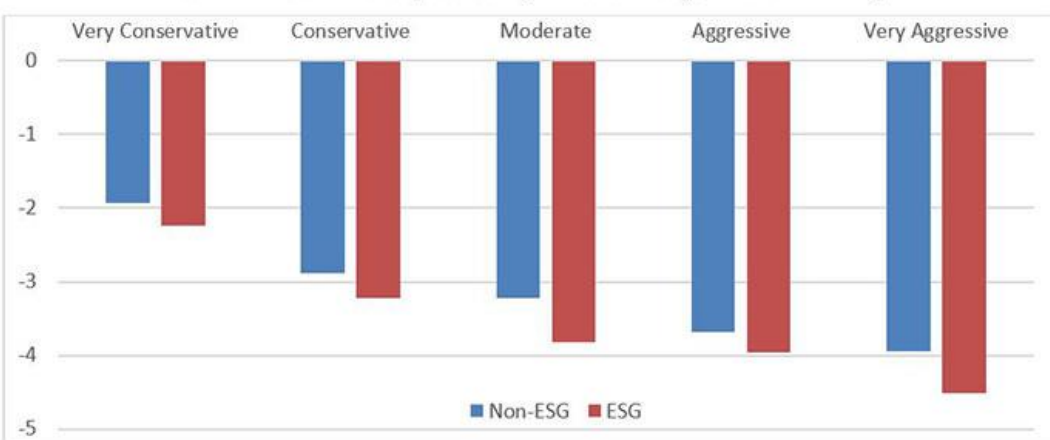
Q1 2022 Market Review

As at 31 March 2022, UOBAM Robo-Invest, UOB Asset Management's robo-adviser on the Singtel Dash app, had portfolios that delivered returns of between -1.9 percent and -4.5 percent since inception, ranging from the Very Conservative portfolio to the Very Aggressive portfolio. The Environmental, Social and Governance (ESG) portfolios and non-ESG portfolios saw largely similar performances since inception.

Non- ESG and ESG portfolio performance (% in SGD terms)



Source: UOBAM, 21 December 2021 to 31 March 2022. Performance on a Net Asset Value basis, before subscription fees. Past performance of the portfolio or UOBAM and any past performance, prediction, projection or forecast on the economy or markets are not necessarily indicative of the future or likely performance of the portfolio or UOBAM. Returns are calculated on a single pricing basis.

ESG Portfolios

- The Very Conservative portfolio posted -1.9 percent return for the quarter mainly due to negative contributions from Asian and global bonds.
- The Conservative portfolio suffered losses due to the higher exposure to Singapore bonds and REITs.
- The Moderate portfolio had an allocation to US equities and Asian equities that negatively impacted performance.
- The Aggressive and Very Aggressive portfolios had an allocation to US equities and Asian equities that negatively impacted performance. The REITs exposure also weighed on performance. However, the allocation to global equities helped to offset some losses.

Non-ESG Portfolios

- The Very Conservative portfolio posted -2.2 percent return for the quarter mainly due to negative contributions from Asian bonds.
- The Conservative portfolio had a higher allocation to Asian equities and REITs exposure which weighed on performance.
- The Moderate and Aggressive portfolios also saw their allocation to Asian equities and REITs weigh on performance.
- The Very Aggressive portfolio had an allocation to global equities that helped to offset losses.

Q2 2022 Market Outlook & Portfolio Strategy

Federal Funds Futures are predicting as many as nine rate hikes by the US Federal Reserve (Fed) this year. This is the most aggressive tightening by the agency since 1994, and such expectations will likely keep the bond market under pressure.

However, some of this may already have been priced into the market. And while the Fed is committed to tame inflation, it will be mindful of the growth risk. High borrowing costs tend to slow consumer demand and corporate investments. The Russia-Ukraine conflict, sanctions and higher energy prices may also start taking a heavier toll on global and US economies.

As such, the Fed may choose to pause after a few rate hikes and wait for confirmation from economic data. If this plays out, and current fears of an overly aggressive Fed fail to materialise, we may see a relief rally in the bond market.

In the longer term, while 1Q 2022 was an anomaly where global bonds proved more volatile than equities, we do not see this to be the new norm. We would expect asset class performance to revert to their historic trends. As such, we continue to maintain our asset allocation framework, including our exposure to developed and emerging market government bonds, as a potential source of above-deposit returns and for diversification purposes.

We encourage you to take this opportunity to review your investment objective and portfolio. Should you require any assistance, please do not hesitate to contact us at UOBAMSupport@uobgroup.com.

likely performance of the Fund or UOBAM. The value of any Fund and the income from them, if any, may fall as well as rise, and may have high volatility due to the investment policies and/or portfolio management techniques employed by the Fund. Investments in any Fund 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 subsidiaries, associates or affiliates ("UOB Group") or distributors of the Fund. Market conditions may limit the ability of the platform to trade and investments in non-Singapore markets may be subject to exchange rate fluctuations. 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 respective Fund's prospectus. The UOB Group may have interests in the Funds 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. Notwithstanding the digital advisory services that will be provided to you through UOBAM Robo-Invest, **you may wish to seek advice from a financial adviser before making a commitment to invest with UOBAM Robo-Invest, and in the event that you choose not to do so, you should consider carefully whether investing through UOBAM Robo-Invest is suitable for you**. Any reference to any specific country, financial product or asset class is used for illustration or information purposes only and you should not rely on it for any purpose. We will not be responsible for any loss or damage arising directly or indirectly in connection with, or as a result of, any person acting on any information provided in this document. Services offered by UOBAM Robo-Invest are subject to the UOBAM Robo-Invest Terms and Conditions.

UOB Asset Management Ltd Co. Reg. No. 198600120Z