

Dec 2024

# United SG Dynamic Income Fund



## Why Invest?

- **Integration of analyst research and artificial intelligence machine learning (AIML) techniques:** The Fund applies UOB Asset Management's (UOBAM) AI-Augmentation@UOBAM framework. This framework harnesses technology to add value to the analysts' decision-making and uncovers hidden investment opportunities by optimising stock selection and allocation.
- **Attractive dividend payout:** For Class A SGD Dist, the current distribution policy is 6.0 per cent per annum, paid out monthly, which may be suitable for investors who are seeking regular income<sup>1</sup>.
- **Mixed asset strategy:** The Fund capitalises on opportunities across five asset classes - Singapore real estate income trusts (SREITs), Singapore equities, Asia equities, Singapore bonds and Singapore money market instruments.
- **Dynamic asset allocation:** The Fund is rebalanced quarterly based on AI-based analyses. As of end-Dec 2024, the Fund has shifted its asset allocation to 35% Singapore equities, 20% Singapore bonds, 20% Asia equity, 10% Singapore REITs, 10% money market funds and 5% cash.

## December 2024 Portfolio Performance

United SG Dynamic Income Fund A SGD Acc	-0.29 per cent <sup>2</sup>
Benchmark: Singapore Overnight Rate Average (SORA) Index +2%	0.40 per cent

Source: Morningstar, Performance from 30 November 2024 to 31 December 2024 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

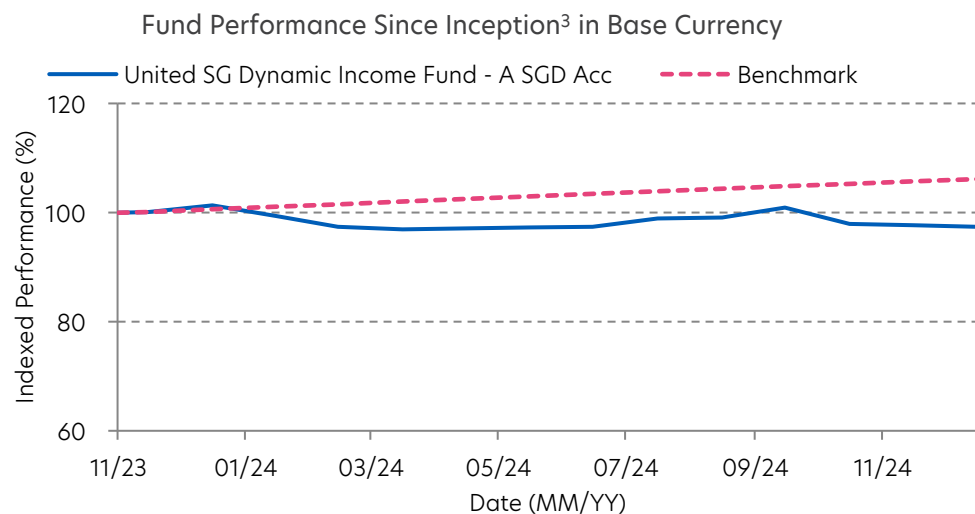
The Fund underperformed the reference benchmark in December 2024, largely attributable to overweight on Singapore REITs which underperformed other asset classes. The fund's underweight on Asia equities also weighed on performance as Asia equities turned best performing asset class this month. This was partially offset by gains from overweight on Singapore equities which rallied.

## Portfolio Positioning

We cut Singapore money market instruments to underweight and increased exposure to equities as recommended by the AI asset allocation model. We reduced weight on Singapore REITs but raised Singapore equities and Asia equities to overweight. The model which is based on a combination of macro, fundamental and technical factors to determine the best asset combination to achieve the best risk-adjusted returns is in alignment with our more positive outlook on risk assets, notably on equities. Singapore market could relatively outperform the broader Asia equities market given its more defensive characteristics.

<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 SGD Acc)



Past performance is not necessarily indicative of future performance.

Fund performance is calculated on a NAV to NAV basis.

Benchmark: SORA Index + 2%

Source: Morningstar. Performance as at 31 December 2024, SGD basis, with dividends and distributions reinvested, if any.

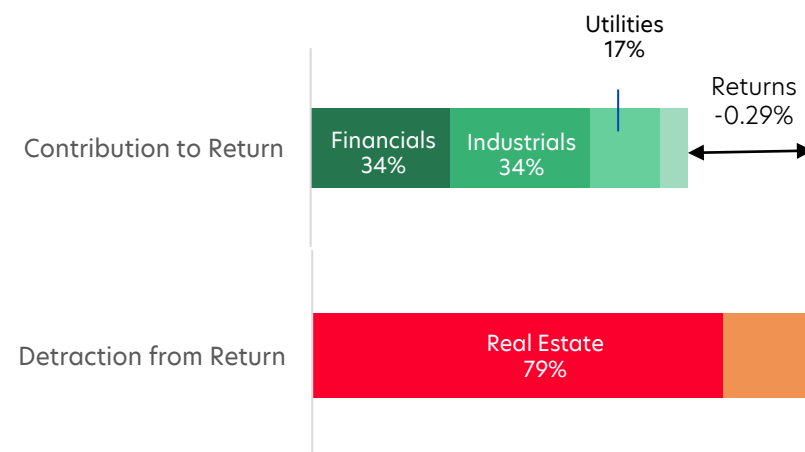
<sup>3</sup> The United SG Dynamic Income Fund – A SGD Acc (ISIN Code: SGXZ43160589) was inceptioned on 16 November 2023.

All statistics quoted in the write-up are sourced from Bloomberg as at 31 December 2024 unless otherwise stated.

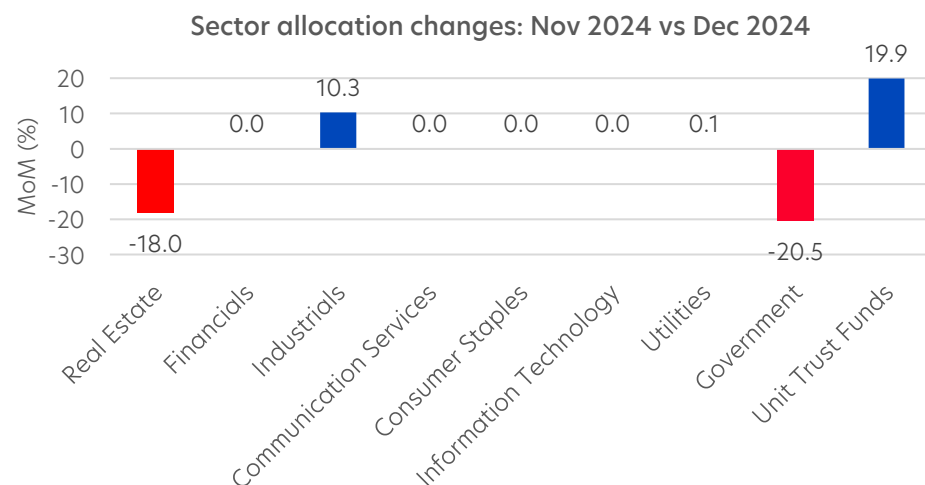
	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	-0.29	-3.84	-	-	-2.31
Fund (Charges applied <sup>^</sup> )	-3.28	-6.73	-	-	-4.92
Benchmark	0.40	5.52	-	-	5.53

Source: Morningstar. Performance as at 31 December 2024, 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. Since inception performance under 1 year is not annualized. Benchmark: Singapore Overnight Rate Average (SORA) Index +2%. Past performance is not necessarily indicative of future performance. <sup>^</sup>Includes the effect of the current subscription fee that is charged, which an investor might or might not pay.

### Performance Contributors/Detractors: June 2024



### Portfolio Changes



Source: UOBAM

### Portfolio Review

#### Analyst & AI Insights

The overweight on Singapore REITs and minimal exposure to Asia equities were major detractors this month as the former lagged while the latter rallied. The fund's exposure to Singapore equities (non-REITs) helped cushioned some of the impact.

### Market Review

Global equities market slipped -0.3% in December 2024 (MSCI ACWI Index, SGD terms) as it priced in US Fed's revised expectation for fewer rate cuts for 2025. The Fed's hawkish tone drove a strengthening in the US dollar and higher 10-year US and Singapore government bond yields which rose 12bps and 40bps MoM, respectively. Asia diverged and gained 2.2% (MSCI Asia ex Japan Index, SGD terms) led by China as policy makers shifted to a moderately loose monetary policy from a prudent stance in the past 14 years. Taiwan outperformed driven largely by improved sentiment on global tech/AI stocks. On the contrary, Korea lagged weighed down by ongoing political turmoil following President Yoon's unsuccessful martial law and subsequent impeachment. Singapore market outperformed Asean peers this month with both the STI and MSCI Singapore up 1.3% and 0.6% MoM, respectively. MSCI Singapore trailed the STI, weighed down by share price declines of Sea Ltd (-5.6%) and Grab Ltd (-4.8%). Notable sector laggards included Communications Services, Real Estate/REITs and Transportation. In contrast, Industrials, Financials and Consumer relative outperformed.

### Investment Objective

The investment objective of the United SG Dynamic Income Fund is to achieve a total return consisting of income and capital appreciation by primarily investing in Singapore.

### Fund Information

**Base Currency**

SGD

**Fund Size**

SGD 7.21 mil

**Fund Manager**

Paul Ho



## Important Notice and Disclaimers

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