

Why Invest?

- **Inflation hedge:** The United SGD Fund - A (Acc) SGD (the "Fund") has generated an annualised return of 2.88 per cent since its inception in 1998, providing a good hedge against inflation. While periods of interest rate rises may cause mark-to-market risk for bond funds, this effect will be evened out when the bonds mature.
- **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 income¹.
- **Laddered investment strategy:** By doing so, the Fund is able to ride the momentum of rising interest rates while keeping duration short. A laddered strategy means capital from the Fund's matured bonds is continuously re-invested into higher-yielding, shorter-dated bonds. The Fund has an effective duration of 1.19 years as of April 2024.
- **Weathering market downturns:** The Fund has exposure to short-duration high-quality credits. In the midst of market instability, the Fund represents a good defensive asset by offering downside protection while still being able to generate a decent level of income.



- **Highly rated:** The Fund currently holds a Morningstar four-star rating as of 30 April 2024.

Portfolio Positioning

Short-dated bonds continue to offer good carry and risk rewards. With the interplay between higher levels of interest rates and slower growth, or even recession risks, this creates a potentially wide range of outcomes. Hence we continue to maintain our preference for defensive positioning in quality credits with leading market positions of systemic importance and in defensive sectors. We continue to stay up in credit quality, maintaining our preference for defensive sectors with resilient balance sheets, credits with leading market shares and of systemic importance.

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 Singapore Dollar.

April 2024 Portfolio Performance

The United SGD Fund- A (Acc) SGD	+0.00 per cent ²
Benchmark: 6-month Compounded Singapore Overnight Rate Average	+0.30 per cent

Source: Morningstar, Performance from 31 March 2024 to 30 April 2024 in SGD terms

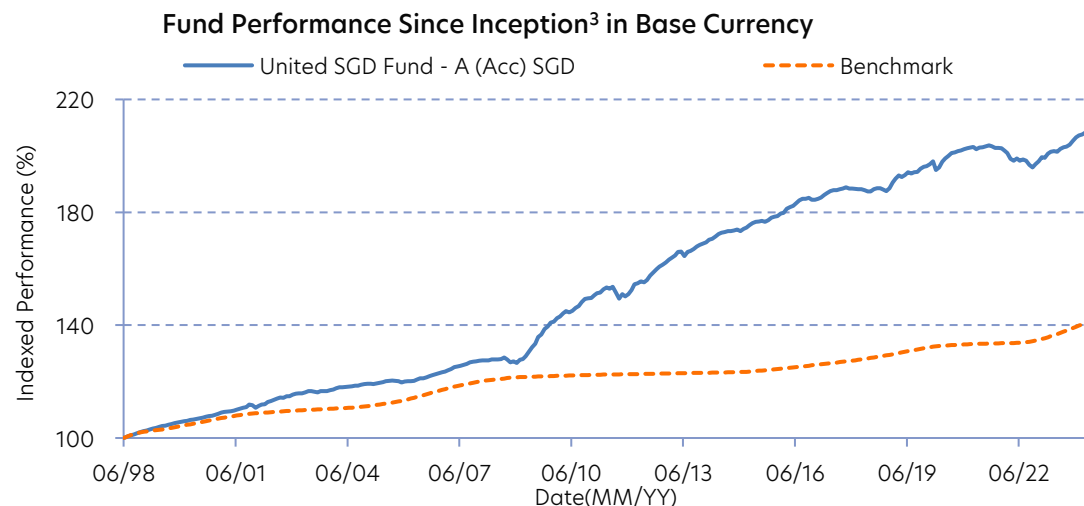
² Fund performance is on a Net Asset Value ("NAV") basis, with dividends and distributions reinvested (if any).

Performance Review

In April 2024, the Fund's return was flat. The overall return was from coupon interest but offset by the lower valuation of bonds due to higher interest rates.

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)



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 2024, SGD basis, with dividends and distributions reinvested, if any.

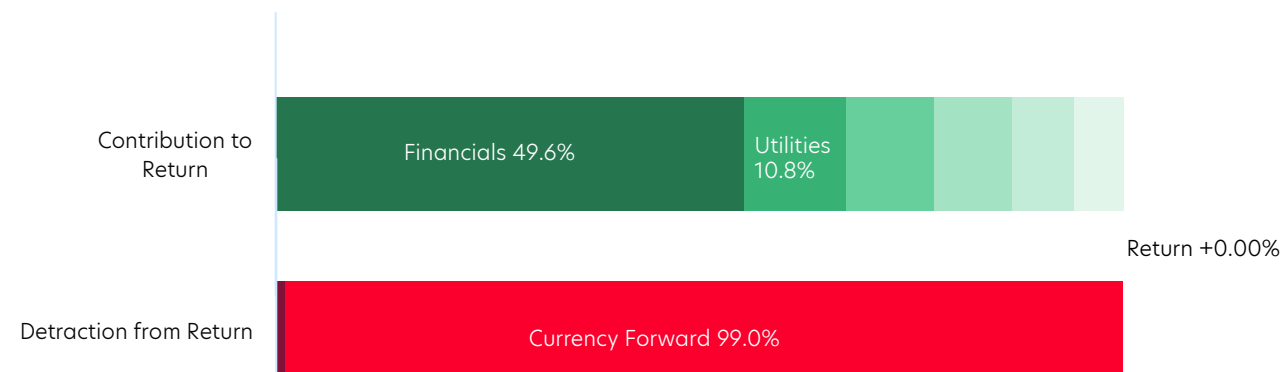
³ The United SGD Fund - A (Acc) SGD (ISIN Code: SG9999001382) was incepted on 19 June 1998.

All statistics quoted in the write-up are sourced from Bloomberg as at 30 April 2024 unless otherwise stated.

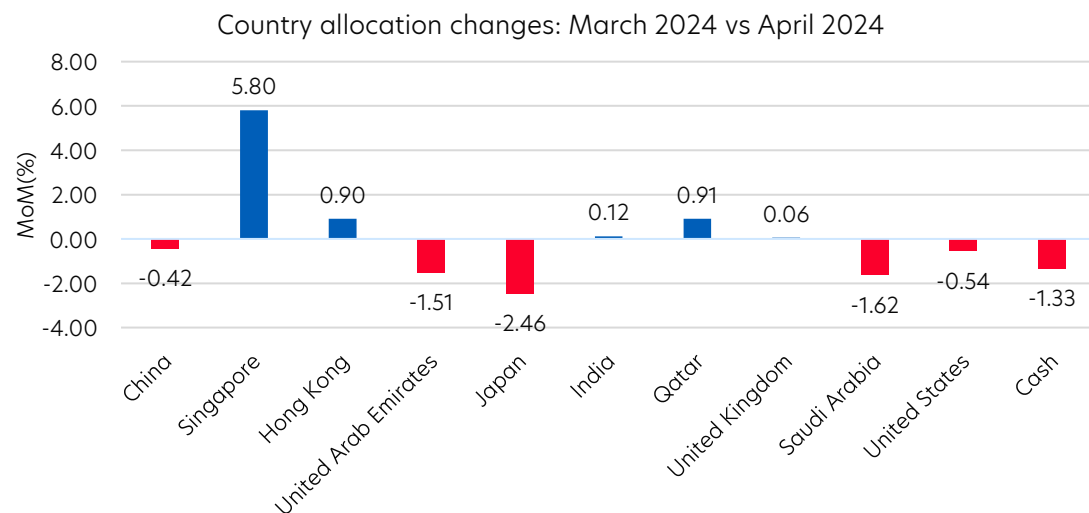
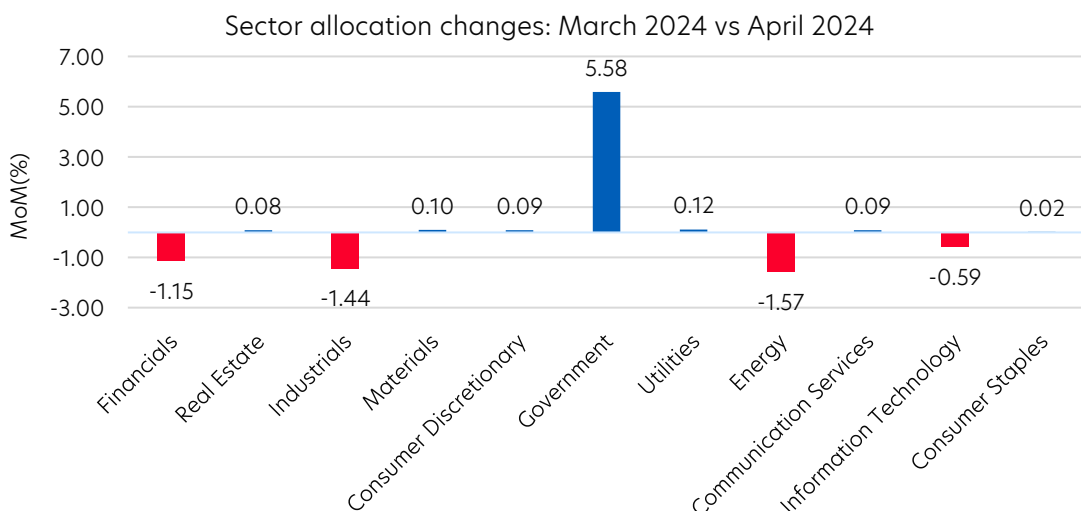
	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	0.00	3.38	0.96	1.59	2.88
Fund (Charges applied [^])	-2.00	1.32	0.28	1.18	2.80
Benchmark	0.30	3.67	1.89	1.60	1.34

Source: Morningstar. Performance as at 30 April 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. 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 2024



Portfolio Changes



Source: UOBAM

Portfolio Review

Analyst Insights

The new positions we added to the portfolio in April 2024 were quality Corporate Credit in the Hong Kong Financials and South Korean Cyclical Consumer sectors. We also bought the Monetary Authority of Singapore Bills that mature in the next 2 months. Meanwhile, we sold position in the Indonesia Financials.

As shown on the left charts, the biggest decrease in the sector allocation changes for April 2024 was in Energy (-1.57 per cent). On the contrary, the largest increment was in Government (+5.58 per cent). In terms of country allocation changes, the Fund has the highest decline in Japan (-2.46 per cent) and the highest increase in Singapore (+5.80 per cent) for April 2024.

Market Review

Government bonds: US Treasury (UST) bonds were sold off amid sticky US inflation, decent global activity indicators, and a more patient stance from Federal Open Market Committee (FOMC) members. The 2-year and 10-year UST ended at 5.04 per cent (+42 basis points, bps) and 4.68 per cent (+48bps) respectively in April 2024 as market players continued to pare back the US Federal Reserve (Fed) rate cuts expectations in 2024.

The futures market priced slightly above one 25bps rate cut for 2024 and towards year-end, a sharp reversal from the seven cuts expected at the beginning of 2024. While the latest FOMC meeting unanimously left the Fed funds target range static at 5.25-5.50 per cent, the chair of the Fed Jerome Powell opined that “gaining such confidence will take longer than previously expected” to ease monetary policy. However, he downplayed the possibility of a hike saying that “we don’t see evidence supporting that conclusion”.

Corporate bonds: JP Morgan Asia Credit Index (JACI) Investment Grade credit spreads continued to tighten to 120bps (-10bps) as investors bought bonds to redeploy funds from maturities. The issuances of Asia ex-Japan G3 currency bonds (bonds issued in US Dollars, Japanese Yen, or Euros) dipped to US\$10.2 billion in April 2024 compared to US\$13.7 billion in March 2024 (April 2023: US\$5.8 billion). Total issuances were US\$52.5 billion year-to-date, compared to US\$53.7 billion year-on-year (y/y). Notable issuers included CK Hutchison Holdings Limited (US\$2 billion), LG Electronics (US\$800 million) and Melco Resorts and Entertainment Limited (US\$750 million). South Korean issuers continued to dominate, such as Kookmin Bank (US\$600 million), Hana Bank (US\$600 million) and Korea Ocean Business Corporation (US\$600 million).

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

SGD

Fund Size

SGD 1678.95 mil

Fund Manager

Joyce Tan



Important Notice and Disclaimers

Distributions will be made in respect of the Distribution Classes of the Fund. Distributions are based on the NAV per unit of the relevant Distribution Class as at the last business day of the calendar month or quarter. 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 a 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 net asset value (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 the Fund's prospectus for more information.

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