

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 1.06 years as of November 2023.
- 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.

Investment Objective

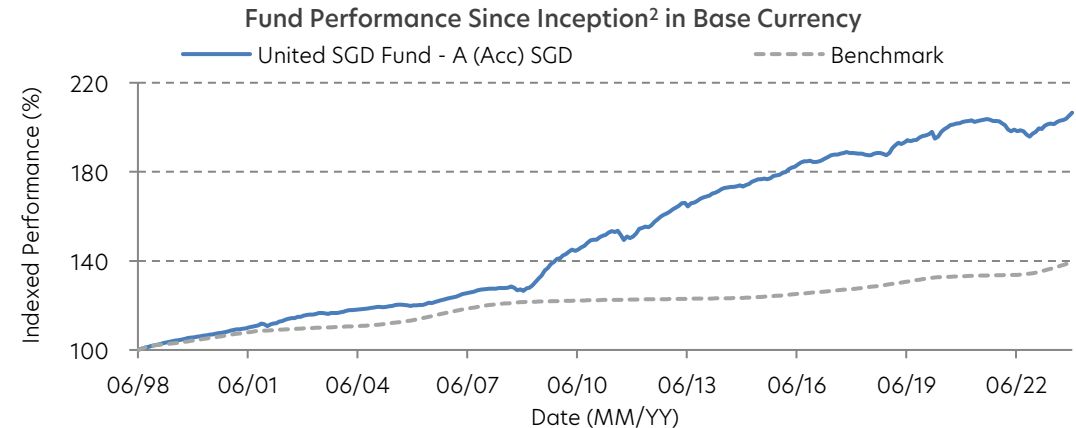
The investment objective of the United SGD Fund is to invest substantially all its assets in money market and short-term interest-bearing debt instruments and bank deposits with the objective of achieving a yield enhancement over Singapore dollar deposits.

Fund Information

Morningstar Rating	Base Currency	Fund Size	Fund Manager
★★★★★	SGD	SGD 1647.54 mil	Joyce Tan



Historical Performance



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 2023, SGD basis, with dividends and distributions reinvested, if any.

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.

² The United SGD Fund - A (Acc) SGD (ISIN Code: SG9999001382) was inception on 19 June 1998.

One Month Portfolio Performance

The United SGD Fund - A (Acc) SGD returned +0.59 per cent in December 2023 in Singapore dollar (SGD) terms against the benchmark which returned +0.31 per cent. Fund performance is on a Net Asset Value ("NAV") basis, with dividends and distributions reinvested (if any).

Source: Morningstar, Performance from 30 November 2023 to 31 December 2023 in SGD terms

Performance (Class SGD)					
	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	0.59	4.32	0.68	1.84	2.88
Fund (Charges applied [^])	-1.42	2.23	0.01	1.43	2.80
Benchmark	0.31	3.44	1.54	1.49	1.31

Source: Morningstar. Performance as at 31 December 2023, 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.

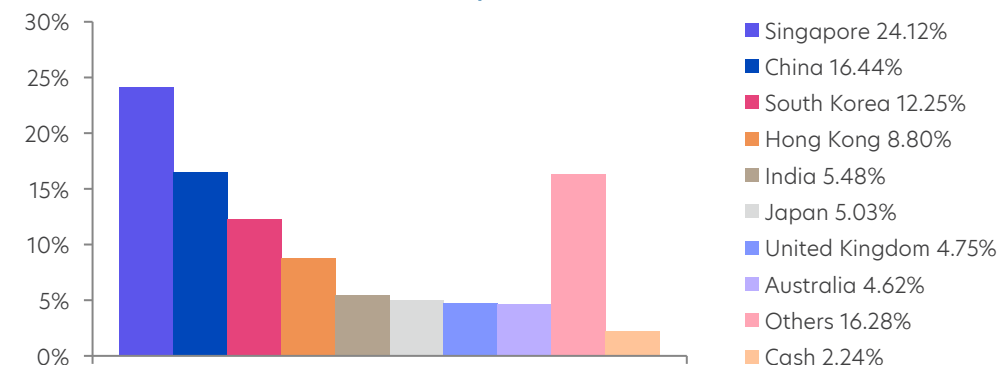
Portfolio Review

The Fund's positive return in December 2023 was mainly attributed to the positive yield curve and income returns.

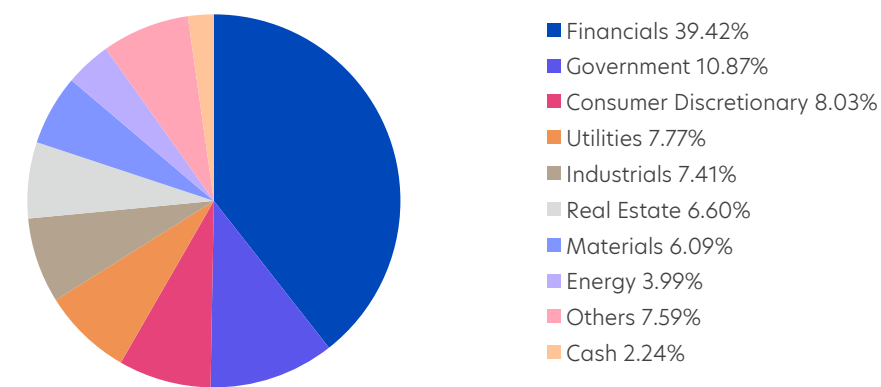
All statistics quoted in the write-up are sourced from Bloomberg as at 31 December 2023 unless otherwise stated.

Portfolio Characteristics

Country Allocation



Sector Allocation



Source: Morningstar, as of 31 December 2023

Market Review

Government bonds: Govies rallied strongly in December 2023, post a dovish Federal Open Market Committee (FOMC) meeting as the market piled into expectation of multiple rate cuts in 2024 on the back of global “goldilocks” data. The US Federal Reserve (Fed) left the fed funds rate unchanged at 5.25-5.5 per cent for the third consecutive meeting. While policymakers pencilled in no further interest-rate hikes in their projections, the surprise was that officials now see 75 basis points (bps) of cuts in 2024. The 2-year and 10-year US Treasury (UST) yields closed at 4.25 per cent (-43bps) and 3.88 per cent (-45bps) respectively in December 2023. Elsewhere, the US Dollar (USD) weakened (US Dollar Index (DXY) -2.1 per cent) and oil prices fell (West Texas Intermediate (WTI) oil price -6.7 per cent, and Brent oil price -7.0 per cent). However, other commodities were generally resilient (including iron ore price of +8.1 per cent, copper price of +1.0 per cent, and gold price of +1.3 per cent).

Corporate bonds: On the credit front, China's A1 credit rating outlook was downgraded to negative from stable by the rating agency Moody's in December 2023, amidst rising debt concerns and a deepening property rout. This also resulted in the change of credit rating outlook on eight Chinese banks (including the Big Four), a string of local government financing vehicles (LGFV) and government-linked corporates that were also downgraded to negative. Nonetheless, JP Morgan Asia Credit Index (JACI) Investment Grade credit spreads tightened to 148bps (-7bps) on overall buoyant sentiment. The primary issuance of Asia ex-Japan G3 currency bonds (bonds issued denominated in US Dollars, Japanese Yen, or Euros) was just US\$1.63 billion of bonds priced in December 2023 (November 2023: US\$11.4 billion, December 2022: US\$2.6 billion). Year-to-date supply was US\$128.4 billion (-19 per cent year-on-year (y/y)), while 58 per cent of total issuances came from China's local state-owned enterprise (SOE) issuers.

Outlook and Positioning

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.

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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