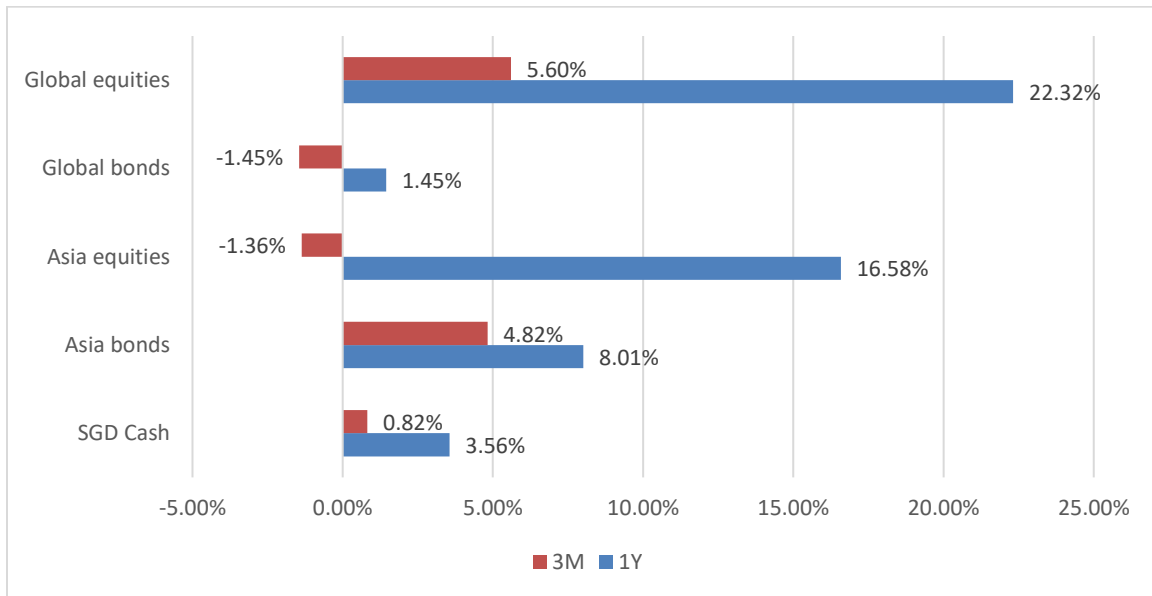




## Q4 2024 Market developments

- Global equities in US dollar terms fell slightly in the fourth quarter after three strong quarters but was positive in Singapore dollar terms on the back of US dollar appreciation.
- Global bonds also fell as US treasury yield rose over the quarter.
- Asian equities fell as China's stimulus package failed to live up to investors' expectations.

### Asset class performance (% in SGD terms)



Source: FactSet/Bloomberg. Performance as at 31 December 2024.

Indices used as follows:

Global Equities	MSCI All Country World Index (ACWI);
Global Bonds	Bloomberg Global Aggregate Index;
Asian Equities	MSCI AC Asia ex Japan Index; and
Asian Bonds	J.P.Morgan Asia Credit (JACI) Investment Grade Index on a Net Asset Value basis;
SGD Cash	3M Singapore Overnight Rate Average (SORA)

Please note that there are limitations to the use of such indices as proxies for the past performance in the respective asset classes. The historical performance presented should not be used as a proxy for the future or likely performance.

Global equities fell slightly in the fourth quarter of the year after three strong quarters. US equities rose as post-election optimism ignited investors' animal spirits. Equities performance was driven by expectations of business-friendly policies – including corporate tax cuts – and regulatory easing following Trump's election win.

Other regions did not fare as well. European equities fell due to lackluster economic growth as well as political uncertainties. The Euro also weakened against the US dollar as the US Federal Reserve (Fed) is expected to slow down its pace of rate cut vs the European Central Bank (ECB). Asian equities fell as China's stimulus package failed to live up to investors' expectations. Economic data such as retail sales and industrial profits missed expectations, underscoring the state of China's sluggish economy. Likewise, Japan equities were muted on the back of lingering political and policy uncertainties, as well as concerns over Trump's policies and potential tariffs.

Global bonds ended the quarter lower as US government bond yields rose. The Fed cut rates and brought the overnight borrowing rate down to 4.25% - 4.5%. However, the shorter-term US 2 Year Treasury yield rose from 3.7% to 4.2%, while the US 10 Year Treasury yield rose from 3.8% to 4.6%. These reflected investors' concern about the widening fiscal deficit and potential inflation from trade tariffs under Trump's administration. Rate cut expectations have also reduced as economic growth remains resilient.

# UOBAM Invest Digital Adviser (Individuals)

## Q4 2024 Highlights

### Portfolio returns (%)

Portfolios	3M	1Y
Very Conservative	2.5%	7.1%
Conservative	2.8%	8.6%
Moderate	3.6%	11.1%
Aggressive	4.0%	14.6%
Very Aggressive	6.5%	22.6%
Global Market Indices		
SGD Cash	0.8%	3.6%
Global Bonds	-1.5%	1.5%
Asia Bonds	4.8%	8.0%
Global Equities	5.6%	22.3%
Asia Equities	-1.4%	16.6%

Performance as at 31 December 2024. Indices used: SGD cash - 3M Singapore Overnight Rate Average (SORA), Global bonds - Bloomberg Global Aggregate Index on a Net Asset Value basis, Asia bonds - J.P. Morgan Asia Credit (JACI) Investment Grade Index, Global equities - MSCI All Country World Index, Asia equities - MSCI AC Asia ex Japan Index

## What happened in 4Q24?

- Rate cut expectations have reduced as economic growth remained resilient
- China's economy remained sluggish despite stimulus measures, with weak retail sales and industrial profits
- Political uncertainties weighed on global economic sentiment, particularly in Asia and Europe



## How did the markets perform?



- Global equities declined slightly in Q4 after strong gains earlier this year
- Global bond prices dipped as US government bond yields rose
- Asian equities fell as economic data and stimulus efforts disappointed investor expectations

## Looking ahead

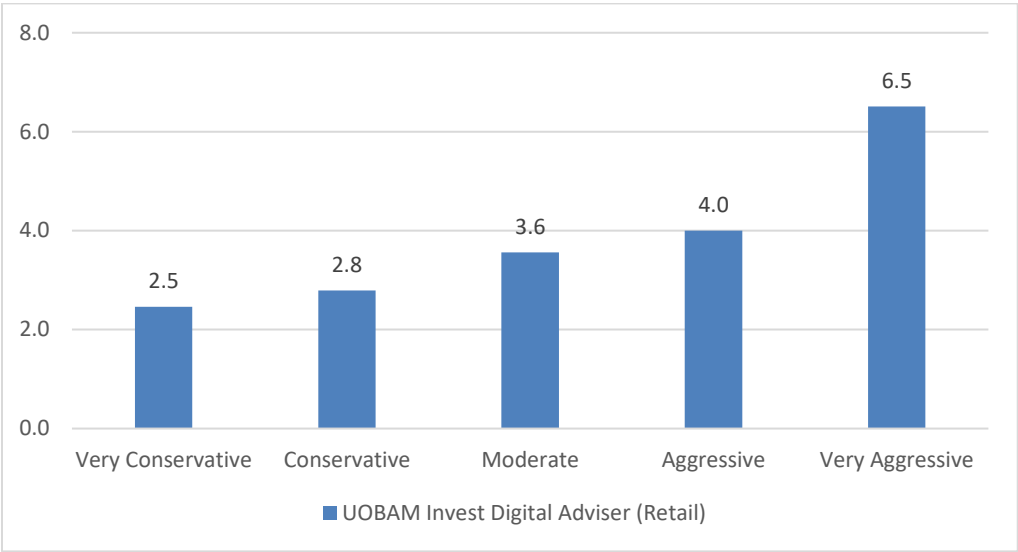
- We are positive on global equities, supported by strong economic and earnings growth in 2025
- We prefer short-duration bonds due to limited yield pick-up and higher risk at the long end
- We recommend investors to stay invested for the long term



# Portfolio performance

- As of 31 December 2024, UOBAM Invest portfolio returns for the fourth quarter, ranged between 2.5 percent to 6.5 percent.

Portfolio returns (% in SGD terms) 30 September 2024 – 31 December 2024

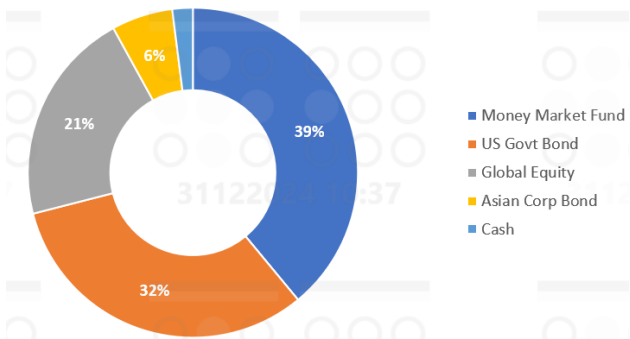


Source: Factset / UOBAM. Portfolio returns are for the period from 30 September 2024 to 31 December 2024.

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. Portfolio returns on the scheme is calculated on a single pricing basis.

1. Very Conservative portfolio

Period (as at 31 December 2024)	Portfolio Return (%)
3 months	2.5
6 months	2.7
1 year	7.1
Since Inception (26 July 2020), per annum	-0.5



Source: UOBAM as of 31 December 2024

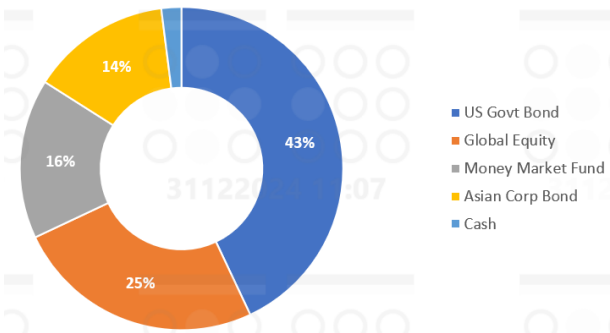
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For the three-month period ending 31 December 2024, this portfolio was up 2.5%. All asset classes had positive performance. The largest contributor was global equities while the smallest contributor was Asia investment grade bonds.

Over the one-year period, the portfolio gained 7.1%. The largest contributor was global equities while the smallest contributor was global investment grade bonds.

2. Conservative portfolio

Period (as at 31 December 2024)	Portfolio Return (%)
3 months	2.8
6 months	3.2
1 year	8.6
Since Inception (26 July 2020), per annum	2.0



Source: UOBAM as of 31 December 2024

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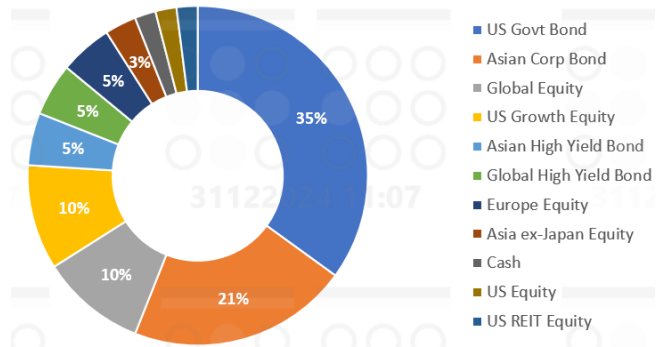
For the three-month period ending 31 December 2024, this portfolio was up 2.8%. The largest contributor was global equities while the largest detractor was Asia equities.

Over the one-year period, the portfolio gained 8.6%. The largest contributor was global equities while the smallest contributor was Europe equities.



### 3. Moderate portfolio

Period (as at 31 December 2024)	Portfolio Return (%)
3 months	3.6
6 months	4.0
1 year	11.1
Since Inception (26 July 2020), per annum	4.0



Source: UOBAM as of 31 December 2024

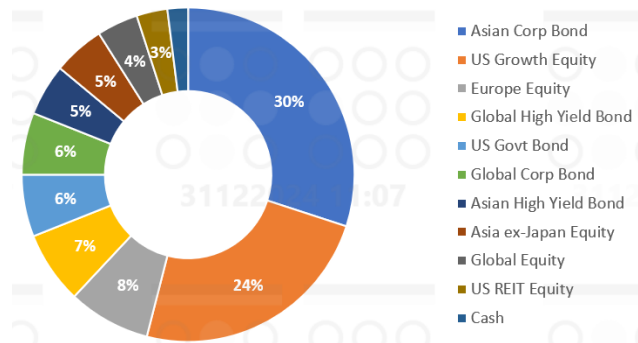
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For the three-month period ending 31 December 2024, this portfolio was up 3.6%. The largest contributor was US government bonds while the largest detractor was Europe equities.

Over the one-year period, the portfolio gained 11.1%. The largest contributor was US equities while US REITs detracted slightly.

#### 4. Aggressive portfolio

Period (as at 31 December 2024)	Portfolio Return (%)
3 months	4.0
6 months	4.9
1 year	14.6
Since Inception (26 July 2020), per annum	6.5



Source: UOBAM as of 31 December 2024

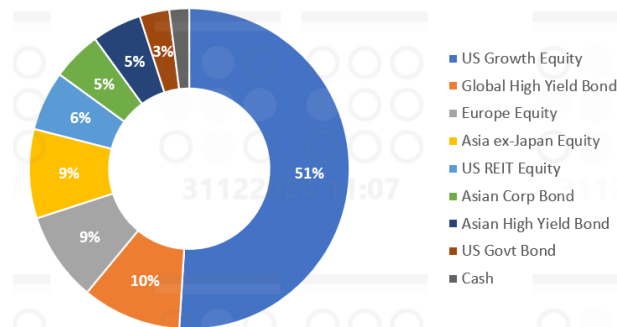
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For the three-month period ending 31 December 2024, this portfolio was up 4.0%. The largest contributor was US growth equities while the largest detractor was Europe equities.

Over the one-year period, the portfolio gained 14.6%. The largest contributor was US equities while US REITs detracted slightly.

## 5. Very Aggressive portfolio

Period (as at 31 December 2024)	Portfolio Return (%)
3 months	6.5
6 months	6.7
1 year	22.6
Since Inception (26 July 2020), per annum	8.5



Source: UOBAM as of 31 December 2024

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For the three-month period ending 31 December 2024, this portfolio was up 6.5%. The largest contributor was US growth equities while the largest detractor was Europe equities.

Over the one-year period, the portfolio gained 22.6%. The largest contributor was US growth equities while US REITs detracted slightly.

## Looking ahead

- We expect a healthy combination of continued growth and moderating inflation
- The Trump administration will likely adopt policies that are supportive of US growth but could stall further inflation improvements
- Investors appear more confident about further global expansion and corporate earnings growth, and is expected to increase risk taking

Going into 2025, we expect economic growth in most regions to be modest and inflation to be under control. Investors appear more confident about further global expansion and corporate earnings growth, fuelled by interest rate normalisation and the US consumer. Further rate cuts in 2025 could bring the US Fed Funds rate down to about 4 percent and US bond yields should range between 4.25 - 4.75 percent. The Trump administration's adoption of policies such as trade tariffs and tax cuts could support US growth but stall further inflation improvements. Nonetheless, we think this inflation and interest rate backdrop is better than in 2024 and should still be supportive of both equities and fixed income.

For equities, we are still positive as economic and earnings growth look strong for 2025. The US consumer is robust, China stabilisation policies create a floor on growth and the outlook for emerging markets (EM) has been steadily improving. Moreover, the manufacturing cycle is rebounding and interest rates cut should be positive for EM.

Furthermore, after two years of strong global equity market returns, it now appears that most investors are less averse to risk taking and investing in equities. The risk to markets is that most of Trump's stated policies around tax cuts, immigration and tariffs are likely to be inflationary. As central banks are still battling inflation, any upward pressure could result in higher interest rates and growth risks. Another key issue is equity valuations. US equities have been on the high side of their valuation ranges for several years. We are concerned that these higher valuations make the market more vulnerable and imply that future returns could be more modest than in the past.

For fixed income, we remain slightly more hawkish given our higher-for-longer thesis, and we think that there is a risk of fewer than two rate cuts for 2025. Nevertheless, we note that central bank actions globally will not be uniform. Overall, we prefer to stay short duration as the pickup in yield offered by the long end does not compensate investors enough for the likely higher volatility. Our view is that potential pro-growth policies passed by the incoming Trump administration will likely extend the economic cycle. As such, we see a case for a steepening of the yield curve. Sector-wise, we are underweight government bonds and slightly more positive on credits for higher carry. For high yield bonds, growth has slowed enough that we have turned more neutral after being overweight for most of 2024.

We are mindful that global geopolitical and economic risks remain. Tensions in the Middle East continue to be highly elevated and pose the threat of spiralling into a broader regional war. The US/China tensions are likely to remain high-strung following Trump's election win. We expect the global economy to continue to expand but recession risks will rise as the cycle are prolonged and

matures. We continue to monitor the situation closely and stand ready to adjust the portfolio if these risks become more problematic.

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](mailto:UOBAMSupport@uobgroup.com).

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