

April 2024

United Income Focus Trust



Why Invest?

- **Attractive and regular income:** The United Income Focus Trust - SGD Acc (the "Fund") aims to achieve a robust income stream by tapping into multiple uncorrelated sources of return and income. For share class SGD Dist, the current distribution policy is 5.50 per cent per annum, paid out monthly¹.
- **Income stream is secured with an all-weather strategy:** The Fund's robust multi-asset allocation strategy invests in a broad spectrum of global assets (traditional and alternative), which allows the Fund to build resilience in riding out economic peaks and troughs while aiming to provide regular and smoother returns.
- **Disciplined multi-layered downside risk control:** The additional layers of downside risk control, such as volatility-based signals, and momentum-based signals, are built into the Fund to ensure yield and to limit the investment downside during a market downturn.
- **Capitalise on the expertise of sub-manager:** Wellington Management is one of the world's oldest and largest sub-advisors of active mutual funds and has Assets Under Management (AUM) of over US\$1 trillion as of the end of April 2024.

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.

April 2024 Portfolio Performance

The United Income Focus Trust - SGD Acc	-0.92 per cent ²
Benchmark: 35 per cent MSCI World Index (USD Hedged), 5 per cent MSCI Emerging Markets Index (Unhedged), 25 per cent Bloomberg Global Aggregate Corporate Index (USD Hedged), 15 per cent Bloomberg Global High Yield Index (USD Hedged) and 20 per cent FTSE World Government Bond 10+ Years Index (USD Hedged)	-1.35 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

The Fund returned -1.8 per cent (gross, in US Dollars) in April 2024, bringing year-to-date performance to +1.7 per cent and since inception annualised performance to +4.5 per cent.

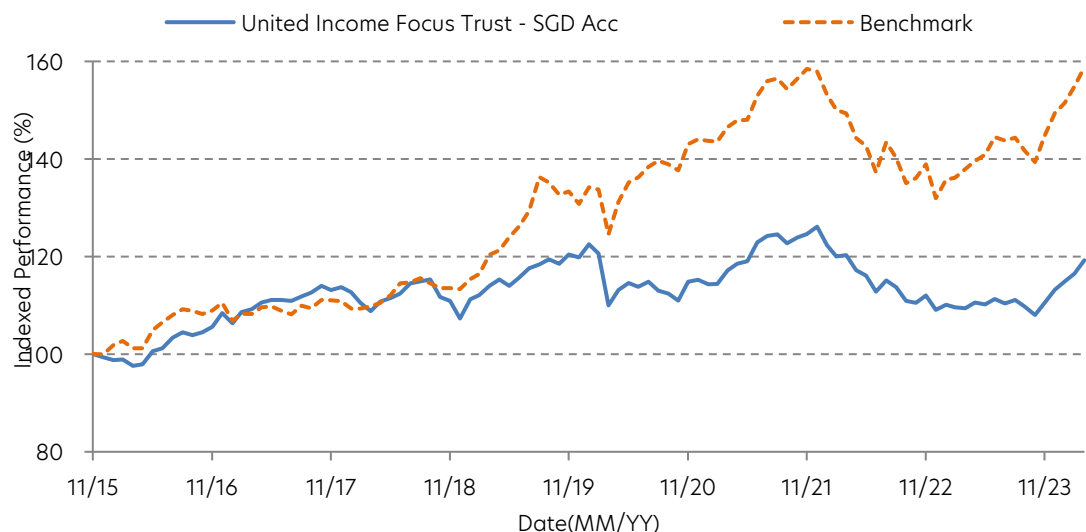
Weakness was driven by global equities (-1.0 per cent), global fixed income (-0.9 per cent) and active asset allocation (-0.1 per cent) to a lesser extent.

Within global equities, the US was a key detractor as solid economic growth, a robust labour market, and higher-than-anticipated inflation reduced expectations for interest-rate cuts in 2024. On a sector level, real estate and information technology led losses while partly offset by gains in energy and utilities.

Within global fixed income, investment-grade credit was the largest detractor on the back of yields rising in response to a delayed start to interest rate cuts by major central banks. Both our equity and duration hedges contributed to gains in April 2024. Lastly, active asset allocation pulled back modestly in April 2024 as a result of our long US equity position.

Performance (Class SGD Acc)

Fund Performance Since Inception³ in Base Currency



Past performance is not necessarily indicative of future performance.

Fund performance is calculated on a NAV to NAV basis.

Benchmark: Since Inception - 14 Jan 2020 - 25 per cent MSCI All Country World Index and 75 per cent FTSE World Government Bond 10+ Years Index (Hedged); 15 Jan 2020 - present: 35 per cent MSCI World Index (USD Hedged), 5 per cent MSCI Emerging Markets Index (Unhedged), 25 per cent Bloomberg Global Aggregate Corporate Index (USD Hedged), 15 per cent Bloomberg Global High Yield Index (USD Hedged) and 20 per cent FTSE World Government Bond 10+ Years Index (USD Hedged).

Source: Morningstar. Performance as at 30 April 2024 2024, SGD basis, with dividends and distributions reinvested, if any.

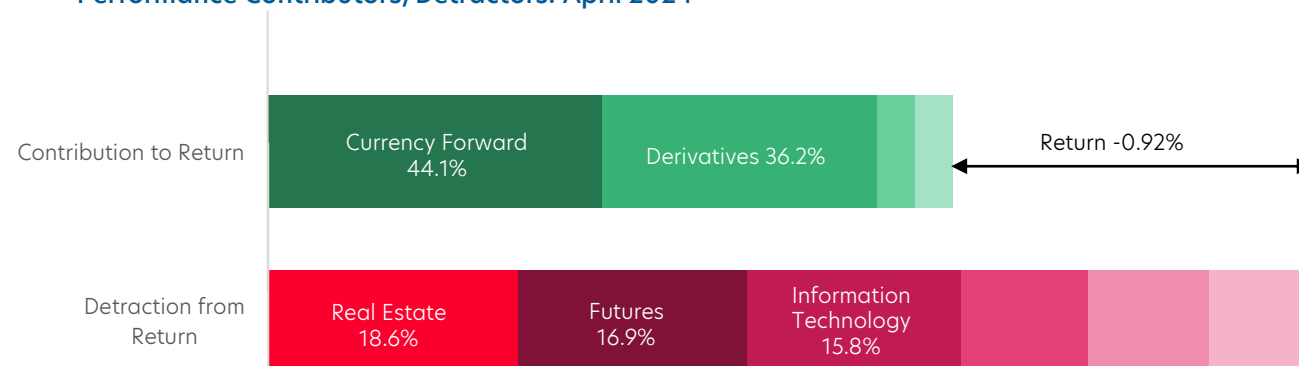
³ The United Income Focus Trust - SGD Acc (ISIN Code: SG9999014542) and SGD Dist (ISIN Code: SG9999014559) were incepted on 30 November 2015.

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

	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	-0.92	6.79	-0.11	0.48	2.00
Fund (Charges applied [^])	-5.88	1.45	-1.81	-0.54	1.38
Benchmark	-1.35	12.22	1.92	5.25	5.47

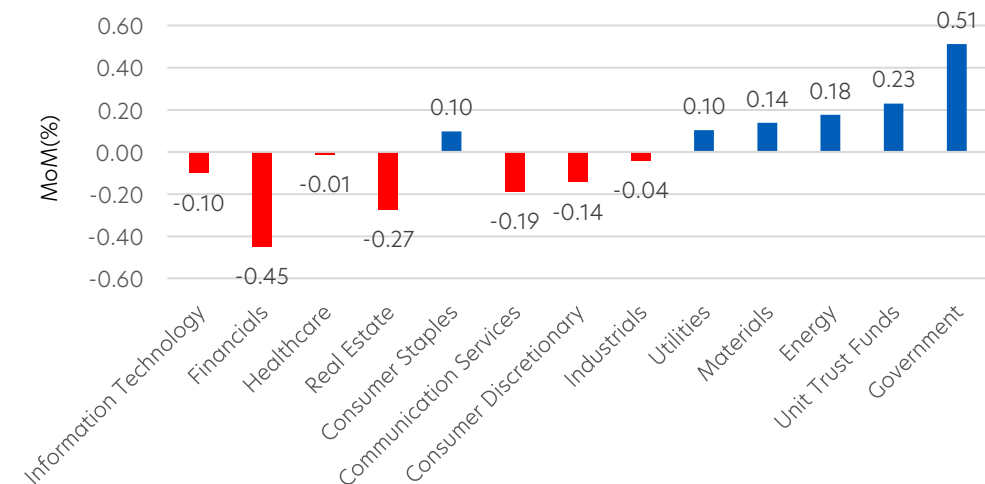
Source: Morningstar. Performance as at 30 April 2024 2024, SGD basis, with dividends and distributions reinvested, if any. Performance figures for 1 month till 1 year show the per cent change, while performance figures above 1 year show the average annual compounded returns. Benchmark: Since Inception - 14 Jan 2020 - 25 per cent MSCI All Country World Index and 75 per cent FTSE World Government Bond 10+ Years Index (Hedged); 15 Jan 2020 - present: 35 per cent MSCI World Index (USD Hedged), 5 per cent MSCI Emerging Markets Index (Unhedged), 25 per cent Bloomberg Global Aggregate Corporate Index (USD Hedged), 15 per cent Bloomberg Global High Yield Index (USD Hedged) and 20 per cent FTSE World Government Bond 10+ Years Index (USD Hedged). 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

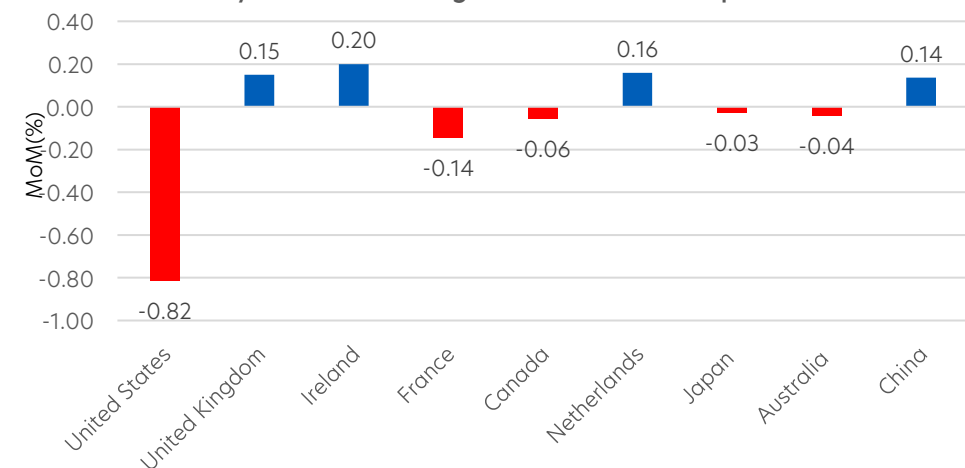


Portfolio Changes

Sector allocation changes: March 2024 vs April 2024



Country allocation changes: March 2024 vs April 2024



Source: UOBAM

Portfolio Review

Analyst Insights

We think the positive sentiment can be sustained as economic growth and corporate earnings continue to surprise on the upside. Fundamentals and policy support a risk-on tilt and we have a moderately overweight view of risk assets. **Within equities**, we retain our slightly overweight view as the improving global economic environment should support valuations and continued earnings expansion, despite more measured rate-cut expectations. On a regional basis, we favour Japan over Europe. Within Japan, we maintain our moderate overweight stance as the structural story remains strong, with strong price and economic momentum supporting the market. We have moved our view on European equities from neutral to slightly underweight ahead of potential earnings weakness in the coming months. We have reduced our moderate overweight view on the US to neutral as US inflation has been higher than expected. As for China, we shifted from a slight underweight to a neutral position due to a stabilizing economy and stock market reforms that may lead to an upside surprise.

Within defensive fixed income, we are now modestly overweight. With more recent upside data surprise, this has driven further market repricing, with markets now pricing in less than 2 cuts versus the US Federal Reserve's (Fed's) projected 3 cuts by the end of 2024. Risks appear more balanced now given that aggressive rate cut expectations have been squeezed out. This provides us with an opportunity to gradually increase our duration at more attractive levels on the back of the disinflation theme with slowing wage growth. We have closed out our Europe over US duration trade as the divergence between the regions has played out. On a relative basis, we are now neutral across all regions. We retain our modest overweight stance on investment grade credit on the back of easing credit conditions, expected policy rate cuts, lower inflation pressure, and solid growth. As for growth fixed income, we have a slightly overweight view as spreads are likely to remain range-bound with carry being the primary return driver.

During this volatile period, we have focused on risk management to help mitigate downside risks. With yields drifting higher in January 2024, we added duration hedges in anticipation of further rate rises in the near term. We had also added equity hedges intra-month when geopolitical tensions rose in the Middle East and led risk assets to sell off. As of the end of April 2024, we have closed the equity hedges as tensions have subsided. We believe our approach will allow us to de-risk quickly as markets become more challenged, while allowing us to re-risk efficiently to capture periods of recovery. Finally, we believe this market environment to be supportive of security selection and active management.

Market Review

Global equities declined in April 2024. Higher-than-anticipated US inflation, along with the relative strength in the US economy, tempered market expectations for imminent rate cuts by the US Federal Reserve (Fed). Most major central banks held interest rates steady while signalling different paths to policy normalization. Most global sovereign bond yields ended sharply higher in April 2024. US inflation data prompted investors to dial back Fed rate cut expectations, which impacted financial markets broadly. Global credit outperformed duration-equivalent government bonds as spreads tightened.

Investment Objective

The investment objective of the United Income Focus Trust aims to provide regular income to investors with a secondary focus on capital appreciation over the medium to long term by investing globally in a diverse set of traditional and alternative asset classes. The investment universe of the Fund will be broad, encompassing traditional asset classes (for example, equities and fixed income securities) and alternative asset classes (for example, real estate investment trusts, convertibles, preferred securities and currencies).

Fund Information

Base Currency	Fund Size	Fund Manager
SGD	SGD 443.11 mil	Wellington

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