September 2024

United Income Focus Trust

UOB Asset Management

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 monthly[1].

• **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 September 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.

September 2024 Portfolio Performance

The United Income Focus Trust - SGD Acc	0.00 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)	+0.18 per cent

Source: Morningstar, Performance from 31 August 2024 to 30 September 2024 in SGD terms

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

Performance Review

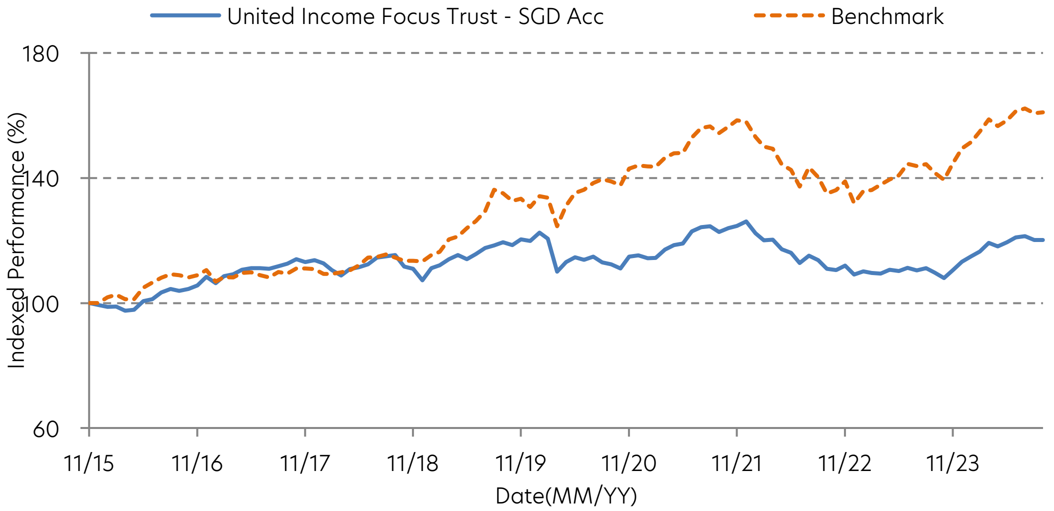
The Fund returned +1.9 per cent (gross, in USD) in September 2024, bringing year-to-date performance to +10.9 per cent and since inception annualised performance to +5.3 per cent. Positive returns were driven by global equities (+1.2 per cent), and global fixed income (+0.9 per cent) while modestly offset by active asset allocation (-0.1 per cent).

Within global equities, the US was a key driver amid beliefs of oversold conditions, a 50 basis points (bps) interest-rate cut by the US Federal Reserve (Fed), and some encouraging economic indicators that supported views that the economy remains healthy. Most sectors generated positive returns, led by real estate and utilities while energy and healthcare detracted modestly.

Within global fixed income, investment grade and emerging market debt were the top contributors on the back of falling yields and compressing spreads. Lastly, active asset allocation pulled back slightly as a result of a modest underweight to China equities.

Performance (Class SGD Acc)

Fund Performance Since Inception[3] in Base Currency



Past performance is not necessarily indicative of future performance.

Fund performance is calculated on a NAV to NAV basis.

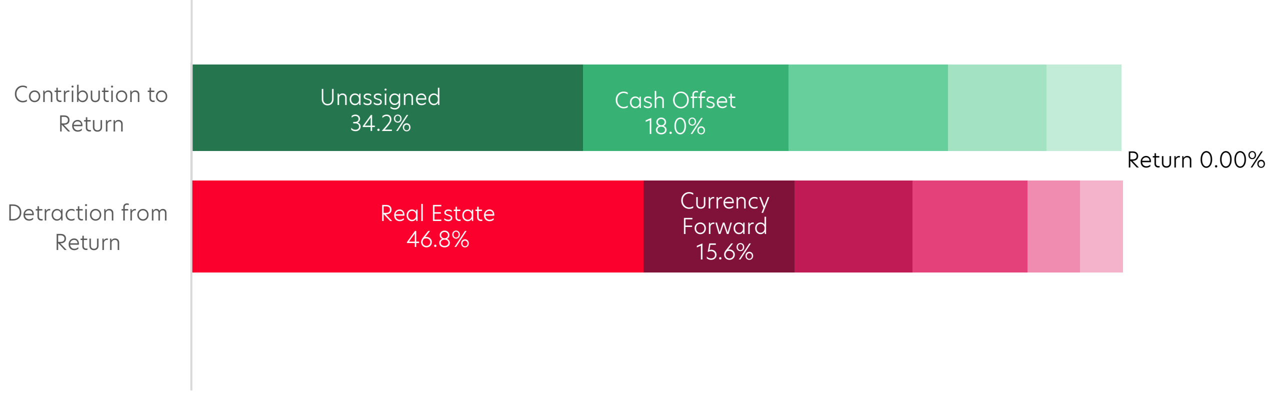
Benchmark: Since Inception – 14 Jan 2020 – 25 per cent MSCI All Country World Index and 75 per cent FTSE World Government Bond 10+ Years Index (Hedged); 15 Jan 2020 – present: 35 per cent MSCI World Index (USD Hedged), 5 per cent MSCI Emerging Markets Index (Unhedged), 25 per cent Bloomberg Global Aggregate 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 September 2024 2024, SGD basis, with dividends and distributions reinvested, if any.

	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	0.00	9.49	-0.71	0.12	2.10
Fund (Charges applied^)	-5.00	4.01	-2.39	-0.90	1.51
Benchmark	0.18	13.65	1.41	3.56	5.54

Source: Morningstar. Performance as at 30 September 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.

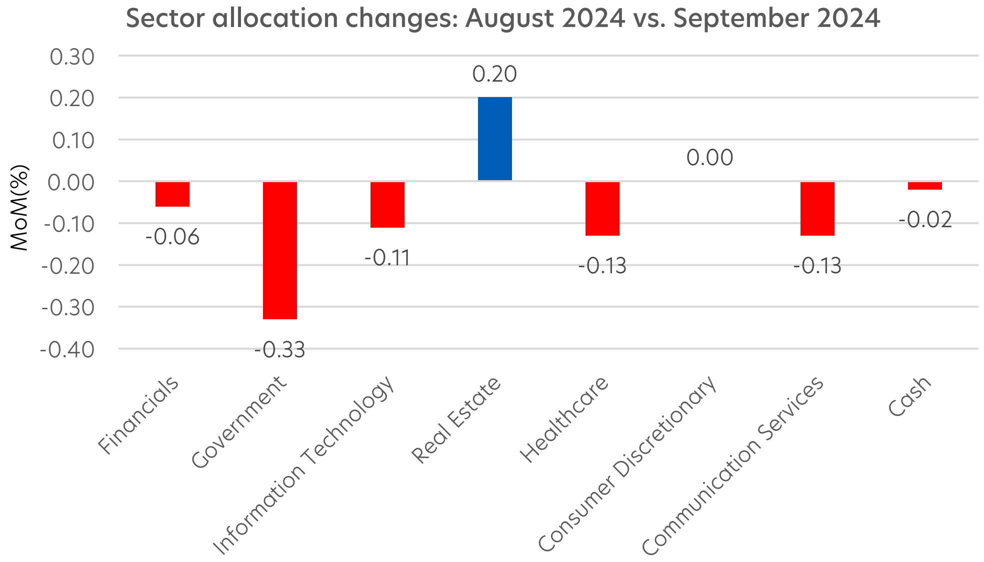
Performance Contributors/Detractors: September 2024

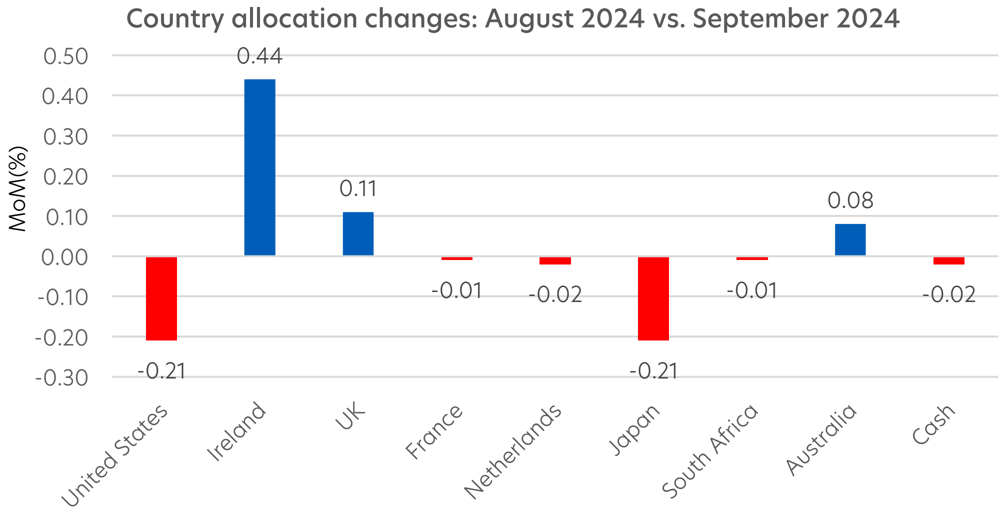


[3] The United Income Focus Trust – SGD Acc (ISIN Code: SG9999014542) and SGD Dist (ISIN Code: SG9999014559) were incepted on 30 November 2015.

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

Portfolio Changes





Source: UOBAM

Portfolio Review

Analyst Insights

Our base case is a soft landing with steady economic growth and low recession risk. We expect most central banks globally to loosen monetary policy over the next 12 months and are of the view that inflation will continue to trend downwards. That said, we do expect bouts of volatility to continue which may present opportunities for long-term investors.

We remain optimistic about **equities** as we believe that the fundamental strength of companies coupled with steady economic growth and largely controlled inflation will support robust earnings growth and equity valuations. That said, we opt for a moderate view on global equities given that markets anticipated the Fed’s move, growth is slower, and geopolitical risks loom. We continue to expect the equity rally to broaden beyond the mega-cap technology names, helped along by the Fed’s “commitment” to preserving growth. Given pricey US valuations and concentration risk, we prefer Japanese and US equities, over Europe and China. In Japan, we have moved from neutral to modest overweight as the recent volatility and technical sell-off are allowing us to lean into Japanese equities at more attractive levels. We believe the structural case for Japanese equities, including an improving macro backdrop and corporate reforms, remains largely intact. Within the US, prices may be challenged in the next three to six months on the back of third-quarter earnings and election outcomes which has led us to cut our slight overweight to neutral. As for Europe, earnings expectations and growth trajectory are improving which has allowed us to reduce our modest underweight stance. As for China, recent monetary stimulus in China has led us to trim our modest underweight stance, but we remain cautious given cyclical and structural headwinds persist along with weakness in the property market. In the current environment, we see a wide range of potential outcomes for emerging markets ex-China. Within **defensive fixed income**, we remain neutral as we believe current yield levels are sensible and reflect a healthy economy with falling inflation and a cooling labour market, which should give central banks plenty of headroom to cut rates. On a relative basis, we are neutral across all regions. We maintain a neutral posture on investment grade credit given tighter valuations. 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. Finally, we believe this market environment to be supportive of security selection and active management. Against this backdrop, income investors will be best served through a highly diversified portfolio of multi-asset and income-producing assets that can be dynamically adjusted as market conditions evolve.

Market Review

Global equities rose in September 2024. Stocks fell sharply at the beginning of September 2024 after declines in some mega-cap technology stocks and signs of a cooling US economy rippled across the globe and stoked concerns about the state of the global economy. However, stocks rebounded following a sizable 50bps interest-rate cut by the US Fed and a more forceful Chinese stimulus that bolstered market sentiment. Most global sovereign yields moved lower as the yield curve steepened across developed markets. Global credit outperformed duration-equivalent government bonds as spreads tightened in September 2024. Within the securitized sectors, commercial mortgage-backed and asset-backed securities outperformed, while agency mortgage-backed securities underperformed duration-equivalent government bonds, respectively.

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 396.59 mil	Wellington

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