United CIO Income Fund

March 2025

How did the Fund perform?

The United CIO Income Fund – Class A SGD Dist (Hedged) (the "Fund"), declined 1.53%[1] in March 2025, outperforming its composite benchmark, which fell 2.33%.

	1-month	3-month	6-month	1-year	Year to Date	Since Inception
Fund	-1.53	0.24	-1.13	3.09	0.24	1.15
Fund (Charges applied^)	-6.45	-4.77	-6.07	-2.07	-4.77	-0.02
Benchmark	-2.33	-0.66	-0.89	4.32	-0.66	3.50*

[1] Source: Morningstar, as of 31 March 2025, in SGD terms, based on Class A SGD Dist (Hedged), with dividends and distributions (if any) reinvested. The above table performance figures for 1 month till 1 year show the % change, while performance figures above 1 year show the average annual compounded returns. Past performance is not indicative of future performance. Class A SGD Dist (Hedged) Inception Date: 12 November 2020. Benchmark: Inception – 3 May 2022: No benchmark, 4 May 2022 – 5 March 2023: 50% MSCI AC World Index and 50% Bloomberg Barclays Global Aggregate Index, 6 March 2023 – Present: 45% MSCI AC World Index, 50% Bloomberg Barclays Global Aggregate Index and 5% SORA 1M Compounded.

^Includes the effect of the current subscription fee that is charged, which an investor might or might not pay.

**Since Inception Benchmark Returns are from the date the benchmark was incorporated on 04 May 2022.*

The Fund outperformed its benchmark led by positive sub-asset class allocation within equities and positive currency effects, however, overall asset allocation detracted from performance. Overall asset allocation detracted from performance as equities underperformed bonds, and the fund was overweight to equities during the month. Equity sub-asset class allocation contributed positively to performance as allocations to gold miners, European and Asian equities offset weakness in US mega-cap companies. Lastly, the depreciation of the US dollar during the month lowered the performance of the benchmark, contributing to the overall outperformance for March.

Fund adjustments: During the month, we increased our exposure to bonds and trimmed our equity exposure to improve the resilience of the portfolio amid concerns over Trump's tariffs. We added to gold miners after taking profit last month and increased our allocation to China equities due to increasing government support for the private sector. This was funded by reducing our allocation to US equities (mega-cap companies and energy) as this outlook is clouded by US policy uncertainty. We increased our allocation to fixed income via the Lombard Odier Asia Value Bond Fund as Asian bonds appear attractive due to the high overall all-in yields. Lastly, we tactically reduced our allocation to Japanese equities by taking profit on the Next Funds Topix Banks ETF. These were some of the adjustments made during the month:

Key Buys	Rationale
LO Asian Value Bond Fund	Asia bonds appear attractive due to the high overall all-in yields.
VanEck Gold Miners ETF	Re-entry following profit taking in February. Gold prices remain supported by strong demand and geopolitical uncertainty.
iShares MSCI China ETF	Government stance has recently turned more supportive to private sector.

Key Sells	Rationale
Invesco S&P 500 Top 50 ETF	Reducing US overweight due to policy uncertainty
SPDR S&P US Energy Select ETF	Economic uncertainty and OPEC production likely to pose as headwind to oil prices.
NF TOPIX Banks ETF	Profit taking

At the end of March 2025, the top ten holdings of the United CIO Income Fund are as follows[2]:

Holdings	(%)
Cash	10.30%
iShares 5-10 Year Investment Grade Corp Bond ETF	5.05%
PIMCO Capital Securities Fund	4.81%
iShares USD Short Duration Corp Bond UCITS ETF	4.76%

iShares MSCI ACWI UCITS ETF	4.63%
PIMCO GIS Income Fund	4.52%
Neuberger Berman Strategic Income	4.48%
iShares Global Corp Bond UCITS ETF	4.43%
iShares NASDAQ 100 UCITS ETF	4.27%
iShares S&P 500 Financials Sector UCITS ETF	4.11%

Source: UOB Asset Management, 31 March 2025

[2] The Fund is rebalanced on a regular basis to ensure that the asset allocation is aligned to the views of the fund manager. Thus, the underlying funds selected here are subject to changes depending on the manager's discretion.

What happened in March 2025?

Global equities fell in March amid market unrest fueled by the rising threat of US tariffs and the possible escalation into a global trade war which would negatively impact economic growth. Most major regions performed poorly with US equities being the largest underperformer, while Europe, Japan and Asian equities delivered less negative returns. Long-end developed government bond yields moved sharply higher amid renewed tariff-driven inflation worries. Global credit bonds underperformed duration-equivalent government bonds as credit spreads widened.

What to expect going forward?

We anticipate elevated market volatility in the near and medium term, exacerbated by softening economic data, heightening geopolitical tensions, and global trade policy uncertainty. Trump's policies in later part of 2025, such as tax cuts and deregulation, may help support US economic growth though this may be counterbalanced by tariff-inflicted inflationary pressures.

What is the Fund's strategy?

In anticipation of heightened market volatility in the near term, we reduced our equity allocation, increased our allocation to fixed income assets and held higher levels of cash.

Within geographical regions, we increased the allocation to Europe to neutral as the region shows signs of economic stabilisation, policy easing from the European Central Bank (ECB) and potential for increased fiscal spending. We maintained our overweight exposure to China as we maintain our constructive view on the market within the technology and internet space where sentiment has been buoyed by improving shareholder returns and more recently increased support from the central government. This was funded by reducing our allocation to US equities due to uncertainty regarding Trump's policies.

Within our sector allocation, we continue to be defensively positioned, increasing our allocation to gold miners as gold prices would be supported by continued strong demand and geopolitical uncertainty. We also maintained our allocation to the healthcare sector through medical devices ETF.

Within our fixed income portfolio, high quality fixed income remains an important stabiliser within the portfolio to cushion against recession risk. The elevated all-in yields remain attractive and are likely to continue provide income to the portfolio. We remain tactically underweight to duration as we anticipate some stickiness in inflation which may be exacerbated by Trump's tariffs implementation.

We continue to be active in our asset allocation and duration management and would adjust the portfolio according to changes in the macro environment.

All statistics quoted in the write-up are sourced from Bloomberg as of 31 March 2025 unless otherwise stated.

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