

May 2025

United Asia Pacific Real Estate Income Fund



Why Invest?

- **Emerging opportunities in the Asia Pacific (APAC) real estate:** Opportunity to leverage the structural and secular growth in key APAC real estate markets including Japan and Australia.
- **Stable income and returns:** A good investment tool for investors seeking regular income. REITs are required to distribute at least 90 per cent of its taxable income as dividends to its shareholders annually.
- **Attractive dividend payout:** For Class SGD Dist, the current distribution policy is 4.5 per cent p.a., paid out monthly, which may be suitable for investors who are seeking regular income¹.
- **Lower rates improve REITs profitability:** A REIT's structure is typically more geared compared to other types of business models. All things equal, cheaper financing costs should boost REITs' bottom line and distribution growth.
- **Balance of defensive and growth REITs:** The United Asia Pacific Real Estate Income Fund – SGD Acc (the "Fund") invests in a diversified portfolio of REITs with resilient assets through the property cycle. They help generate a steady rental stream during the cyclical downturn and asset capital values during an upcycle.

Portfolio Positioning

We retain a positive bias towards Singapore and Australia's real estate and REITs markets. We think Singapore offers relative defensiveness on the back of more favourable property supply and demand dynamics. Australia remains one of our preferred markets, given the above-trend earnings growth profile. We stay constructive on Japan as risk/reward on a relative basis has improved. We are selective on Hong Kong with a focus on value stocks.

May 2025 Portfolio Performance

The United Asia Pacific Real Estate Income Fund – SGD Acc	+0.91 per cent ²
Benchmark: FTSE EPRA Nareit Asia Pacific Index	+1.60 per cent

Source: Morningstar, Performance from 30 April 2025 to 31 May 2025 in SGD terms

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

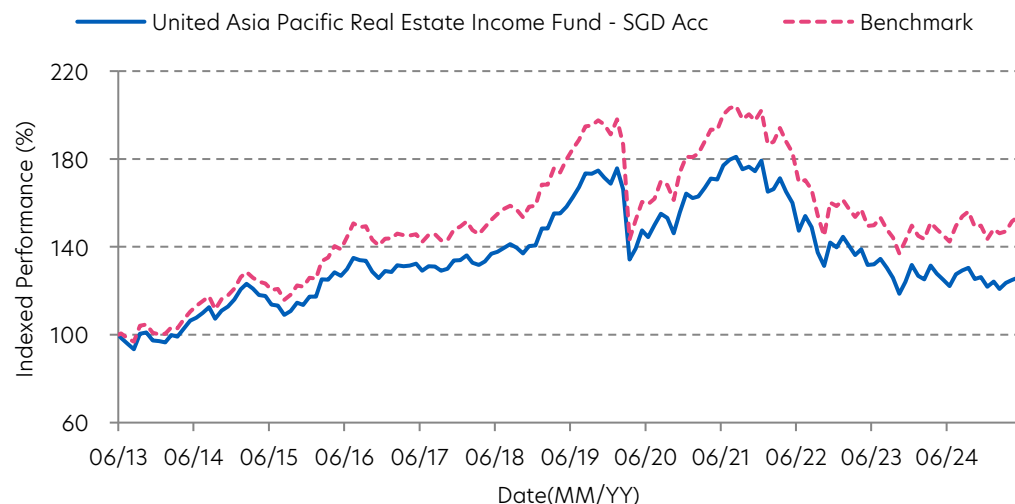
Performance Review

The Fund returned 0.91 per cent in May 2025, trailing the benchmark, which rose 1.6 per cent. This was largely attributed to overweight in Retail REITs, which lagged other sub-sectors and stock selection in Australian REITs. This was partially offset by gains in Diversified REITs.

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.

Performance (Class SGD Acc)

Since Inception³ Performance 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 - 30 June 2022: S&P Asia Pacific REITs Index. 1 July 2022- Present: FTSE EPRA Nareit Asia Pacific Index

Source: Morningstar. Performance as at 31 May 2025, SGD basis, with dividends and distributions reinvested, if any.

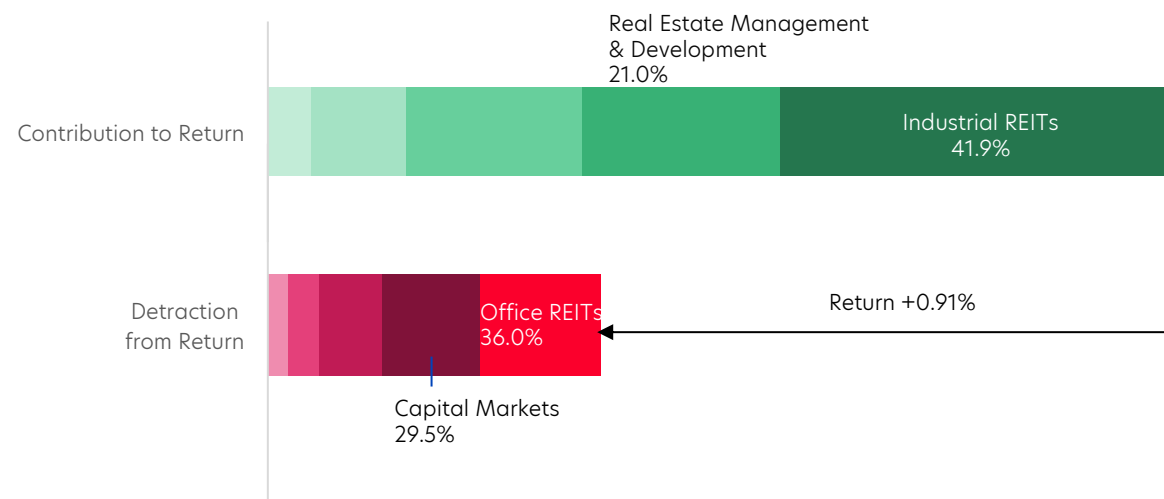
³ The United Asia Pacific Real Estate Income Fund - SGD Acc (ISIN Code: SG9999009997) and SGD Dist (ISIN Code: SG9999010052) were inceptioned on 17 June 2013.

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

	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	0.91	0.86	-7.64	-3.09	1.96
Fund (Charges applied [^])	-4.13	-4.19	-9.20	-4.08	1.52
Benchmark	1.60	5.97	-5.57	-0.82	3.68

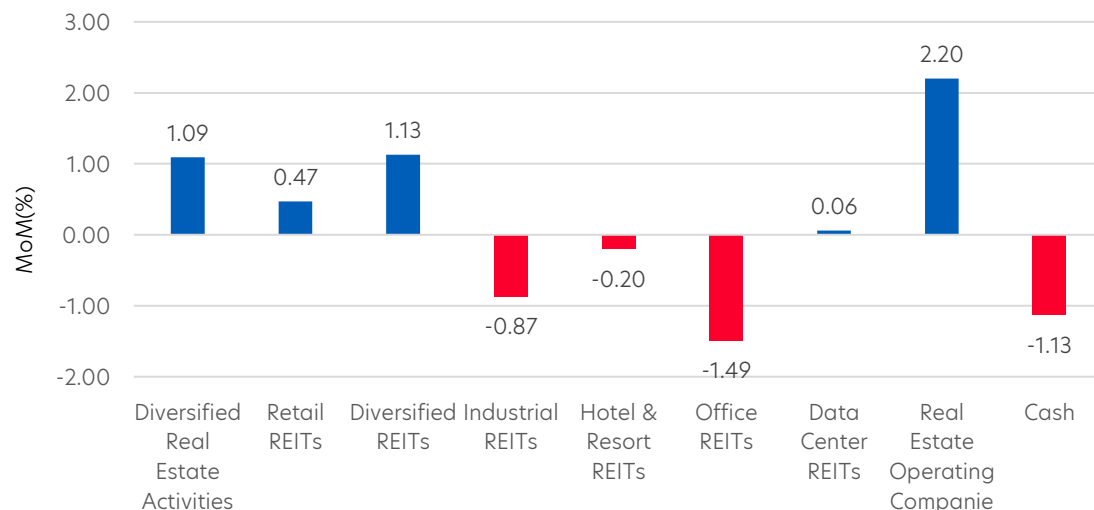
Source: Morningstar. Performance as at 31 May 2025, SGD basis, with dividends and distributions reinvested, if any. Performance figures for 1 month till 1 year show the per cent change, while performance figures above 1 year show the average annual compounded returns. Benchmark: Since inception - 30 June 2022: S&P Asia Pacific REITs Index. 1 July 2022- Present: FTSE EPRA Nareit Asia Pacific Index. 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: May 2025

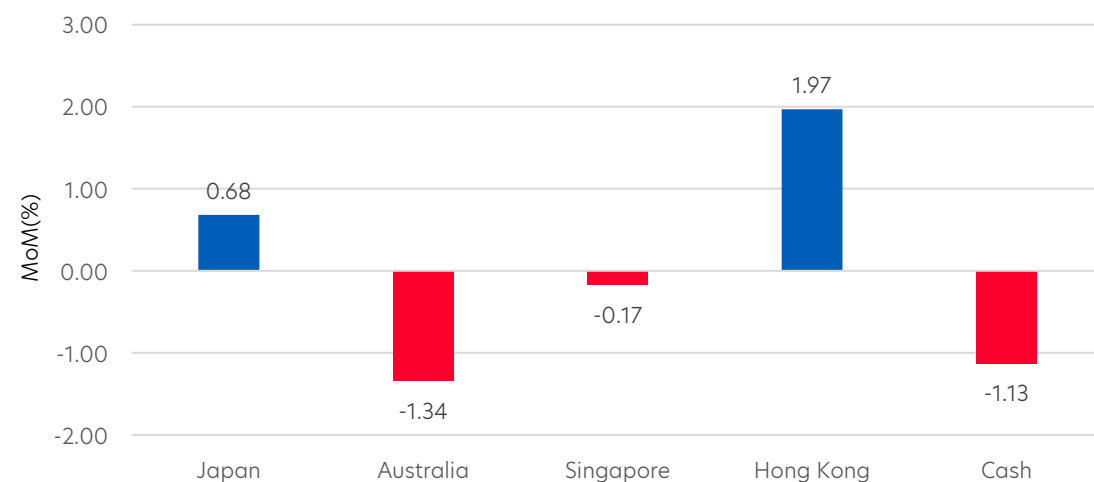


Portfolio Changes

Sector allocation changes: April 2025 vs. May 2025



Country allocation changes: April 2025 vs. May 2025



Source: UOBAM

Portfolio Review

Analyst Insights

Asian REITs and the real estate sector rose 1.7 per cent in May 2025, bringing gains to +7.2 per cent year-to-date (YTD). However, divergence in performance was notable across key underlying markets.

Whilst the REITs asset class is not immune to macro slowdown concerns following Trump's tariffs announcement, we expect the REITs asset class to be relatively resilient compared to other sectors, given the reliability of its earnings stream and dividend-paying characteristics. The overall outlook for REITs remains conducive, although certain REIT sub-sectors may fare better in a recessionary or stagflationary environment. We remain selective with a focus on earnings resilience amid a slowing global growth backdrop.

As shown on the left charts, the biggest decrease in the sector allocation changes for May 2025 was in Office REITs (-1.49 per cent). On the contrary, the largest increment was in Retail Estate Operating Company (+2.20 per cent). In terms of country allocation changes, the Fund had the most decline in Australia (-1.34 per cent) and the highest increase in Hong Kong (+1.97 per cent) for May 2025.

Market Review

Asian equity markets gained +4.1 per cent (MSCI Asia ex-Japan Index, SGD terms) in May 2025 broadly in line with global equities +4.6 per cent (MSCI All Country World Index, SGD terms) on easing US-China trade tensions, which soured later on after fresh US restrictions/sectoral tariffs announcements. The Association of Southeast Asian Nations (ASEAN) was mixed, as the more trade-exposed Singapore and Indonesia outperformed their peers. The 10-year US Treasury bond yield surged by more than +30 basis points (bps) before retracing to 4.4 per cent (+24 bps in May 2025) amid concerns of reduced demand for developed market treasuries. Asian currencies strengthened overall against the US dollar, notably the Taiwanese Dollar (TWD) +12.8 per cent and Korean Won (KRW) +3.9 per cent. Japanese Yen (JPY) was an outlier, weakening month-on-month (m/m) due to doubts on the Bank of Japan's (BOJ's) commitment to rate hikes and increased Japanese Government Bond (JGB) volatility.

APAC real estate and REITs rose +1.7 per cent but trailed broader equity markets amid a more risk-on market environment. Australia REITs were the top-performing REIT market (+4.3 per cent) m/m as the dovish comments from the Reserve Bank of Australia on global growth risk fueled expectation for a potential rate cut in early July 2025. Japan REITs were flat at -0.3 per cent (+1.7 per cent in JPY terms), weighed down by uncertainty on BOJ's policy and JPY depreciation. Hong Kong REITs suffered as new fund inflows gravitated towards domestic cyclicals/beta names and Initial Public Offerings (IPOs). Singapore REITs fell -1.5 per cent m/m as investors rotated away from defensives.

Investment Objective

The investment objective of United Asia Pacific Real Estate Income Fund is to seek total return consisting of income and capital appreciation over the medium to long term by investing primarily in Real Estate Investment Trusts (REITs) listed in the Asia Pacific region (including Japan, Australia and New Zealand).

Fund Information

Morningstar Rating
★★★

Base Currency
SGD

Fund Size
SGD 16.84 mil

Fund Manager
Low Soo Fang



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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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