

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. On the contrary, we remain cautious about Japan as the upside to valuation is likely capped owing to the Bank of Japan's (BOJ) tightening bias. We are bearish on Hong Kong and remain selective as pockets of opportunities are slowly emerging.

January 2025 Portfolio Performance

The United Asia Pacific Real Estate Income Fund – SGD Acc	+1.91 per cent ²
Benchmark: FTSE EPRA Nareit Asia Pacific Index	+3.09 per cent

Source: Morningstar, Performance from 31 December 2024 to 31 January 2025 in SGD terms

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

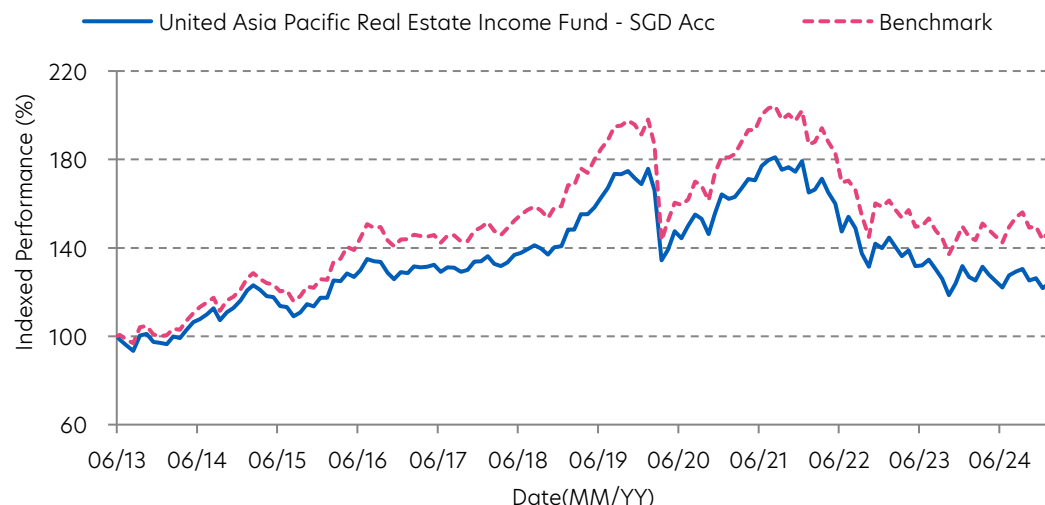
Performance Review

The Fund lagged the benchmark in January 2025. The underperformance was largely attributed to overweight positioning in selective Real estate development companies. By market, stock selection in Japan more than offset the drag from other markets.

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 January 2025, SGD basis, with dividends and distributions reinvested, if any.

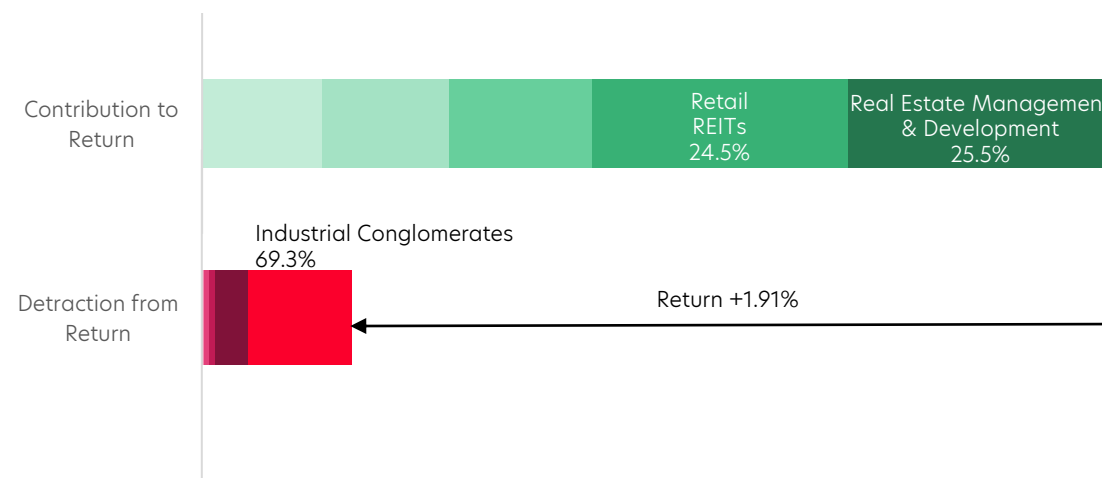
³ The United Asia Pacific Real Estate Income Fund - SGD Acc (ISIN Code: SG9999009997) and SGD Dist (ISIN Code: SG9999010052) were inception on 17 June 2013.

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

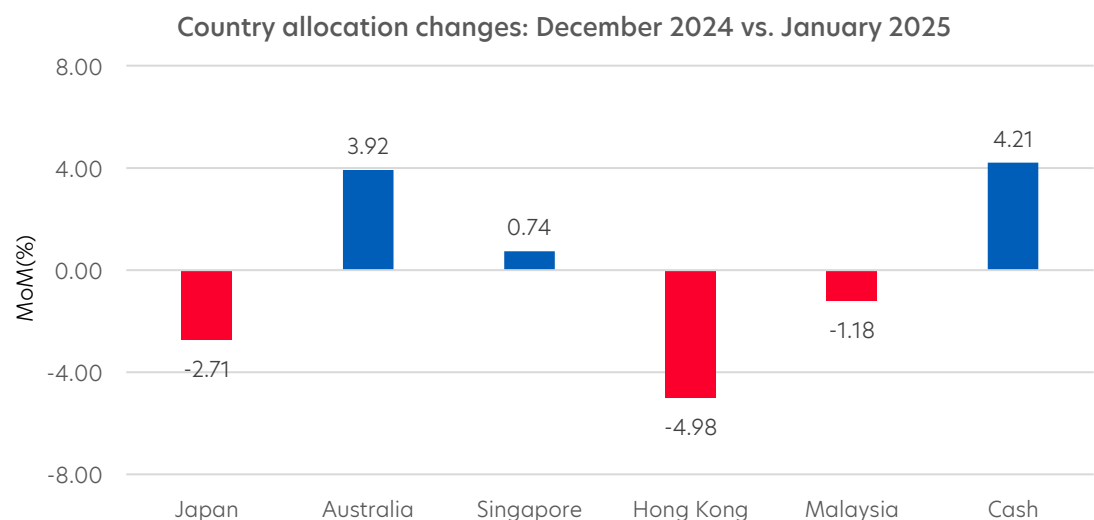
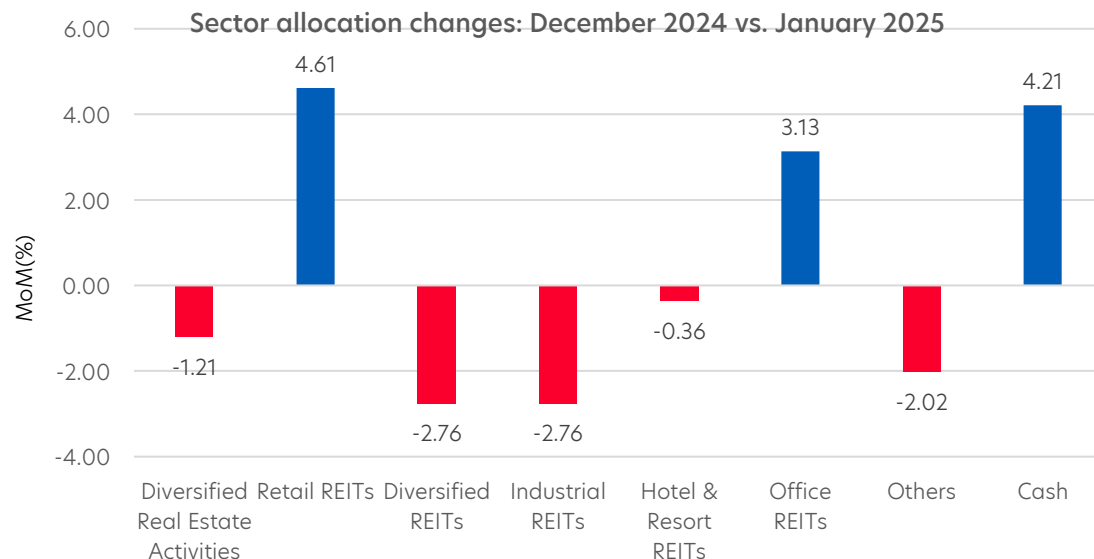
	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	1.91	-2.08	-9.06	-6.72	1.88
Fund (Charges applied [^])	-3.18	-6.98	-10.60	-7.67	1.43
Benchmark	3.09	2.13	-7.44	-5.65	3.43

Source: Morningstar. Performance as at 31 January 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: January 2025



Portfolio Changes



Source: UOBAM

Portfolio Review

Analyst Insights

Key headwinds of high interest rates which affected REITs globally between 2022-2024 dissipated in the second half of 2024. The REIT asset class rallied in the lead-up to the first rate cut by the US Federal Reserve (Fed) in September 2024, though it subsequently gave it all up over the final 3 months of 2024.

Nevertheless, we remain constructive on REITs given the peaking financing costs. We see the potential of a sector re-rating as major central banks maintain on an easing monetary cycle, along with mostly still supportive property-level fundamentals for REITs. Conditions supporting a healthy REITs sector earnings growth outlook are largely favourable though certain segments and markets may enjoy better growth. We remain selective, with a focus on earnings resilience against a slowing global growth backdrop.

As shown on the left charts, the biggest decrease in the sector allocation changes for January 2025 was in Industrial REITs and Diversified REITs (-2.76 per cent). On the contrary, the largest increment was in Retail REITs (+4.61 per cent). In terms of country allocation changes, the Fund had the most decline in Hong Kong (-4.98 per cent) and the highest increase in Australia (+3.92 per cent) for January 2025.

Market Review

Asian equity markets kicked off 2025 on a muted note at 0.5 per cent (MSCI All Country Asia Pacific Index, SGD terms) and diverged from global equities, which rose 2.4 per cent (MSCI All Country World Index, SGD terms). Most Asian equities declined (except Taiwan, South Korea and Singapore) amid higher US interest rates, a stronger US dollar and concerns over tariff restrictions over China. The MSCI China Index closed flat in January 2025 on the back of further Chinese government policy support using state-owned funds to boost the equities market, as well as a rally in domestic Artificial intelligence (AI) related names triggered by Chinese startup DeepSeek’s cheap AI model. In contrast, NVIDIA Corp and AI-exposed stocks globally were sold down on concerns over an AI stock bubble popping as DeepSeek stoked questions on the huge AI investments by big technology companies.

The 10-year US Treasury (UST) bond yield rose as much as 22 basis points (bps) intra-month (in January 2025) before reversing following softer US inflation data. This drove a +2.8 per cent rebound in Asian real estate and REITs (FTSE EPRA Nareit Developed Asia Index, SGD terms). Australia REITs continued its outperformance as the Reserve Bank of Australia (RBA) rate cut expectation was brought forward following soft inflation data. The performance of Japan REITs in the SGD term was boosted by the strengthening of the Japanese Yen as the BOJ raised its policy rate from 0.25 per cent to 0.5 per cent in January 2025. Singapore REITs staged a mild recovery after a meaningful pullback over the fourth quarter of 2024. Hong Kong REITs continued to struggle.

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

Base Currency

SGD

Fund Size

SGD 20.84 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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