May 2025

United Asian Bond Fund

Why Invest?

• **Investment-grade (IG) focus:** The United Asian Bond Fund - SGD is actively managed with a focus on Investment Grade (IG) bonds. In the current volatile market, a preference for IG bonds could potentially reduce the volatility and enhance the risk-return profile of the Fund.

• **Attractive dividend payout:** For Class A SGD Dist (Hedged), the current distribution policy is 4.5 per cent per annum, paid out monthly, which may be suitable for investors who are seeking regular income[1].

• **Country Diversification:** The Fund has a smaller allocation to Chinese and Korean bonds compared to its benchmark, as spreads for Chinese and Korean bonds have tightened this year, making them relatively more expensive. Instead, the Fund is well diversified across the Asia and ASEAN regions, such as Indonesia and Malaysia.

• **Lower interest rate risk:** Relative to IG bonds in the US, the duration of Asian IG bonds tends to be shorter. This means lower sensitivity to changes in interest rates.

May 2025 Portfolio Performance

The United Asian Bond Fund – SGD	-0.84 per cent[2]
Benchmark: JP Morgan Asia Credit Index Investment Grade Total Return	-1.13 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 -0.84 per cent for May 2025 versus the benchmark of -1.13 per cent.

The outperformance was mainly due to credit spread tightening as well as income. Year to date, the Fund returned -3.21 per cent versus the benchmark of -3.06 per cent.

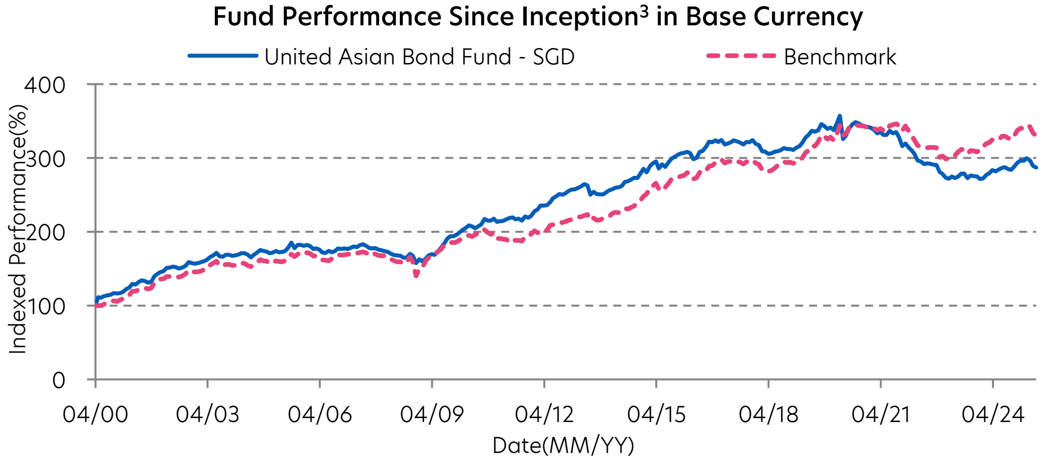
Portfolio Positioning

We continue to stay up in credit quality while aiming to diversify across various markets, maintaining our preference for defensive sectors with resilient balance sheets, credits with leading market shares and of systemic importance. Instead, we continue to focus on corporate bonds with improving fundamentals and credit spread compression.

The Fund will: 1) Assess the relative value of bonds in the portfolio; 2) Focus on companies that have good access to capital markets and have defensive business models; 3) Benchmark duration along the curve relative to the benchmark to capture potential curve steepening; 4) Focus on credit spread compression by selecting corporates with improving fundamentals that have attractive yields/spreads but are not captured in their current pricing.

[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)



Past performance is not necessarily indicative of future performance.

Fund performance is calculated on a NAV to NAV basis.

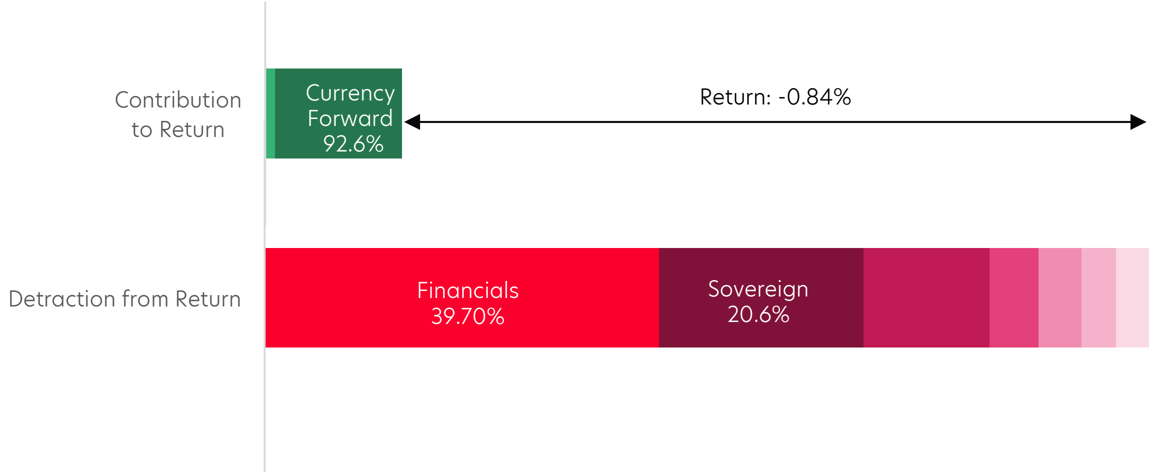
Benchmark: Apr 00 – Jul 03: JP Morgan Emerging Markets Bond Index Global Constrained Asia; Aug 03 – Dec 06: JP Morgan Asia Bond Total Return Composite; Jan 07 –3 Apr 22: JP Morgan Asia Credit Index Total Return Composite: 4 Apr 22 – Present: JP Morgan Asia Credit Index Investment Grade Total Return

Source: Morningstar. Performance as at 31 May 2025, 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	-0.84	0.93	-0.58	-3.32	3.84
Fund (Charges applied^)	-3.82	-2.10	-1.58	-3.91	3.71
Benchmark	-1.13	1.58	1.67	-0.66	4.86

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: Apr 00 – Jul 03: JP Morgan Emerging Markets Bond Index Global Constrained Asia; Aug 03 – Dec 06: JP Morgan Asia Bond Total Return Composite; Jan 07 –3 Apr 22: JP Morgan Asia Credit Index Total Return Composite: 4 Apr 22 – Present: JP Morgan Asia Credit Index Investment Grade Total Return. 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.

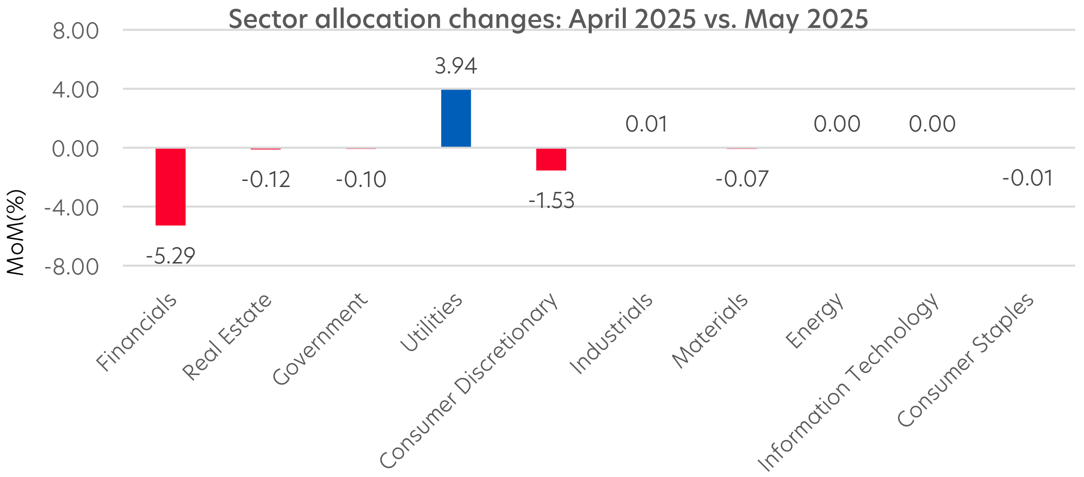
Performance Contributors/Detractors: May 2025

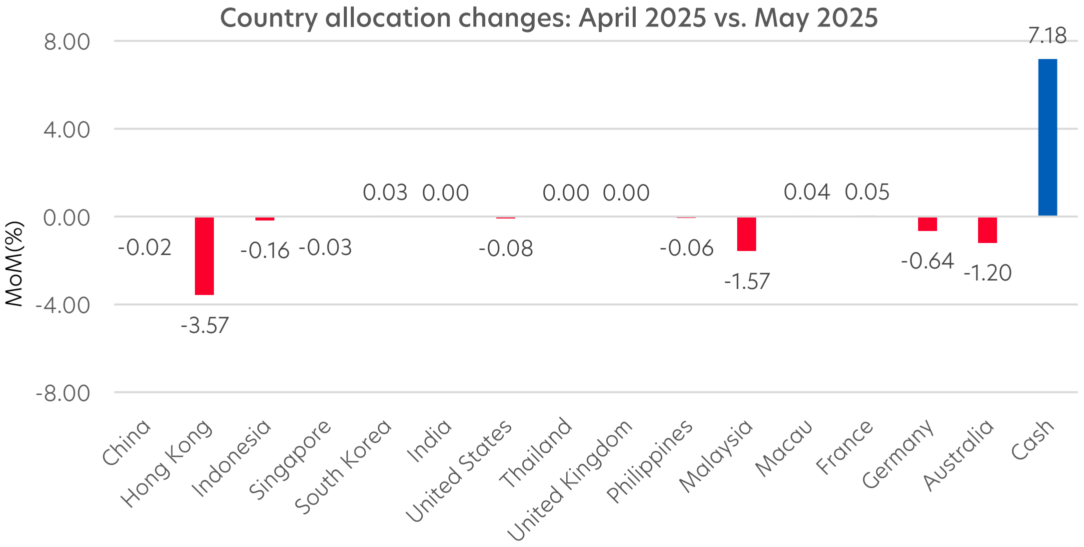


[3] The United Asian Bond Fund- SGD (ISIN Code: SG9999001416) was incepted on 5 April 2000.

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

Portfolio Changes





Source: UOBAM

Portfolio Review

Analyst Insights

The new positions we added to the portfolio in May 2025 were quality Corporate Credit in the Financial sector.

As shown on the left charts, the biggest increase in the sector allocation changes for May 2025 was in Utilities (+3.94 per cent), while the biggest decrease was in Financials (-5.29 per cent). In terms of country allocation changes, the Fund has the biggest decrease in Hong Kong (-3.57 per cent) for May 2025.

Market Review

Government bond yields jumped across many markets, as US fiscal concerns, resilient US data, and the patient stance from the US Federal Reserve (Fed) overshadowed the prospect of Supplementary Leverage Ratio (SLR) relaxation for US banks. The 2-year and 10-year US Treasuries (USTs) yields closed at 3.9 per cent (+29 basis points (bps)) and 4.4 per cent (+24bps) respectively in May 2025. The Federal fund futures now price in two rate cuts in 2025, from up to four cuts in April 2025.

Investors' sentiment improved on the back of easing trade/tariff concerns, decent US technology earnings, and People's Bank of China (PBOC) policy easing. The JP Morgan Asia Credit Index (JACI) Investment Grade credit spread tightened to 118bps (-15bps) as investors added to positions.

The primary activity of Asia G3 currency bond picked up slightly, with US$13 billion (April 2025: US$12 billion, May 2024: US$16 billion) bonds priced. This brings year-to-date supply to US$94 billion (+39 per cent). The biggest issuers in May 2025 were China Construction Bank Corporation (CCB, US$1.5 billion), Industrial and Commercial Bank of China Limited, Singapore Branch (ICBCAS, US$1.3 billion) and PT Pertamina Hulu Energi (PERHUL, US$1 billion).

Tariff headlines will continue to be a major factor affecting the direction of Asia credit spreads, though market focus will likely gradually shift towards economic data. Any potential retreat of global risk sentiment in a scenario of weakened US growth or a stagflation scenario is likely to present the biggest risk to credit markets currently. That said, coupon carry across Asia credit remains reasonable.

Investment Objective

The investment objective of the United Asian Bond Fund seeks to provide stable current income and capital appreciation by investing primarily in debt securities issued by Asian corporations, financial institutions, governments and their agencies (including money market instruments).

Fund Information

Base Currency	Fund Size	Fund Manager
SGD	SGD 43.90 mil	Melvin Chan

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