April 2025

United Asian High Yield Bond Fund

Why Invest?

• **Flexible duration:** The United Asian High Yield Bond Fund – A SGD Dist Hedged (the "Fund") maintains a nimble effective duration positioning of 2.85 years as of April 2025. This allows the Fund to be more resilient to interest rate changes and policy repercussions.

• **Attractive dividend payout:** For Class SGD Dist, the current distribution policy is 7.0 per cent per annum, paid out monthly, which may be suitable for investors who are seeking regular income[1].

• **China's fading dominance:** The proportion of Mainland China-based issues is around a fifth of the Asian high-yield market in July 2024, compared to when Chinese property high yields comprised a third of the market, and China overall made up over half the market in 2019.

• **Diversification opportunities:** Currently, the geographic spread has widened considerably with markets like Hong Kong, Macao, India and the Philippines featuring more prominently among the Top 10 largest Asian issuers of high-yield bonds.

April 2025 Portfolio Performance

The United Asian High Yield Bond Fund – A SGD Dist (Hedged)	-2.88 per cent[2]
Benchmark: J.P. Morgan Asia Credit Index (JACI) Non-Investment Grade Total Return Index	-4.49 per cent

Source: Morningstar, Performance from 31 March 2025 to 30 April 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 -5.35 per cent (Class SGD Acc) for April 2025 versus the benchmark of -4.49 per cent. The underperformance was mainly due to the overweight in the Oil & Gas and Commodity sectors. Year to date, the Fund returned -4.97 per cent (Class SGD Acc) versus the benchmark of -3.09 per cent.

Portfolio Positioning

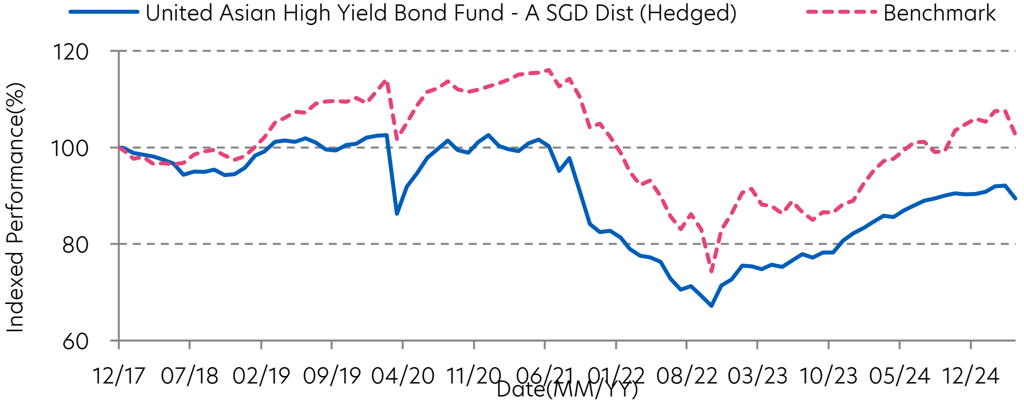
We remain defensive in China's High-Yield Real Estate, though we have started to invest in some of the better quality names with access to capital markets. We continue to stay up in credit quality, maintaining our preference for issuers with solid fundamental or good access to diversified funding sources and thus, lesser refinancing risks.

The Fund will continue to: 1) Be prudent when deploying cash, overweighting shorter-dated high-yielding papers with more certainty of refinancing/repayment; 2) Focus on companies/industries that have good access to the capital market and better fundamentals; 3) Have a 60/40 approach, where 60 per cent of the portfolio is buy and hold and 40 per cent is for tactical allocation; and 4) Strategic positioning for the years ahead is to ensure stable, risk-adjusted returns.

[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 A SGD Dist (Hedged))

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: J.P. Morgan Asia Credit Index (JACI) Non-Investment Grade Total Return Index.

Source: Morningstar. Performance as at 30 April 2025, SGD basis, with dividends and distributions reinvested, if any.

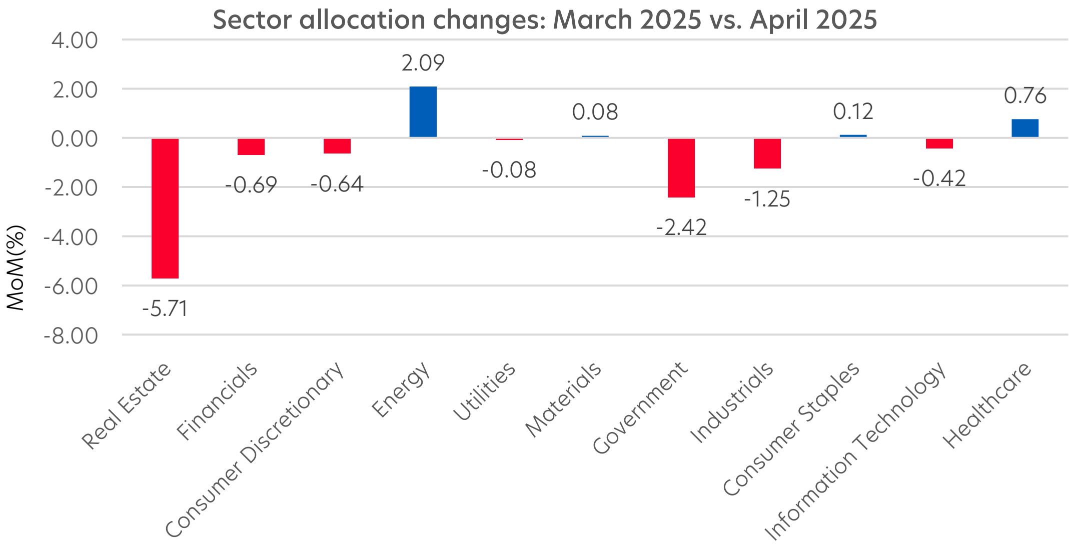
	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	-2.88	4.51	5.02	-0.54	-1.51
Fund (Charges applied^)	-5.80	1.38	3.95	-1.14	-1.91
Benchmark	-4.49	5.18	3.31	-0.46	0.36

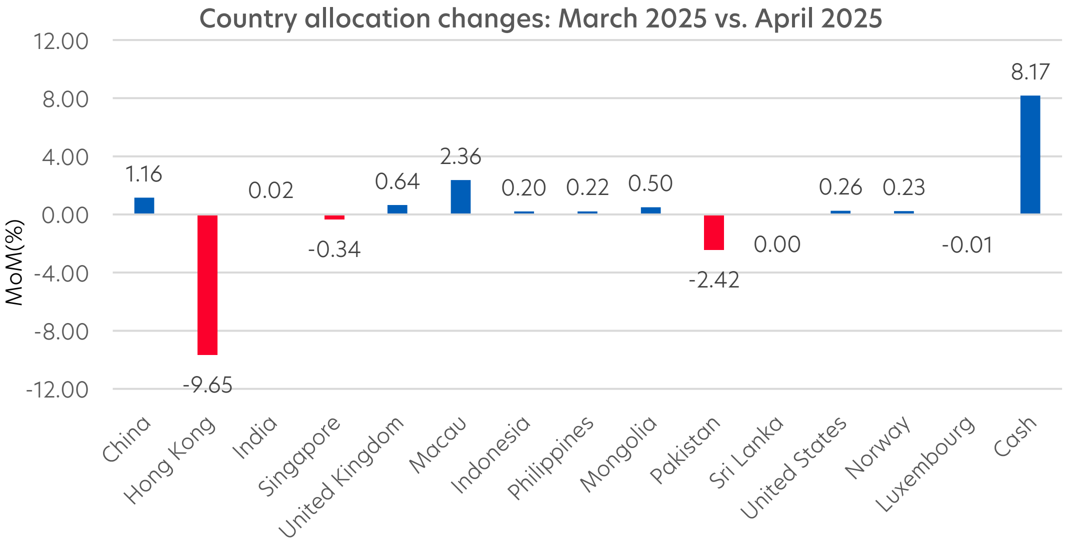
Source: Morningstar. Performance as at 30 April 2025, SGD basis, with dividends and distributions reinvested, if any. Performance figures for 1 month till 1 year show the per cent change, while performance figures above 1 year show the average annual compounded returns. Benchmark: J.P. Morgan Asia Credit Index (JACI) Non-Investment Grade Total Return 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.

[3] The United Asian High Yield Bond Fund- SGD Dist (ISIN Code: SG9999010029), SGD Acc (ISIN code: SG9999010011), A SGD Acc (Hedged) (ISIN Code: SG9999017628) and A SGD Dist (Hedged) (ISIN Code: SG9999017636) were incepted on 2 April 2013, 19 May 2015, 26 January 2018 and 18 December 2017 respectively.

All statistics quoted in the write-up are sourced from Bloomberg as at 30 April 2025 unless otherwise stated.

Portfolio Changes





Source: UOBAM

Portfolio Review

Analyst Insights

The new positions we added to the portfolio in April 2025 were Corporate Credit in the Sovereign sector. Meanwhile, we sold positions in the Real Estate and Consumer sectors.

As shown on the left charts, the biggest decrease in the sector allocation change for April 2025 was in Real Estate (-5.71 per cent), and the biggest increase was in the Energy sector (+2.09 per cent). In terms of country allocation changes, the Fund has the biggest decrease in Hong Kong (-9.65 per cent) and the biggest increase in Macau (+2.36 per cent) for April 2025.

Market Review

Government bonds: In April 2025, the US Treasuries (USTs) first rallied sharply on safe-haven bids post President Trump's reciprocal tariffs. However, gains quickly reversed amid tariff escalations with China, speculation of selling by foreign reserve managers, unwinding of leveraged long positions, and threats to the US Federal Reserve (Fed) independence. Calmer conditions returned after the 90-day reciprocal tariff pause as the USTs recovered alongside US equities and the US dollar index. The 2-year and 10-year UST yields closed at 3.6 per cent (-28 basis points (bps)) and 4.16 per cent (-4 bps) respectively. The federal fund futures were priced in four rate cuts in 2025.

Corporate bonds: The JP Morgan Asia Credit Index (JACI) Non-Investment Grade returned -4.36 per cent in April 2025 as the market turned risk-off with Trump's introduction of reciprocal tariffs. As investors turned cautious, trade-sensitive sectors such as the metal and mining sectors, and higher-risk emerging market sovereigns were more negatively impacted. Trade tensions escalated as China retaliated with tariffs on US goods and established a Renminbi (RMB) 500 billion relending facility for service consumption, and will be introducing new policies to help tariff-affected corporations. Tensions cooled down towards the end of April 2025 as both parties paused on further tariffs and calmer conditions returned. Thus far, the upcoming earnings season has not disappointed, barring Lifestyle International Holdings (Lifestyle International). The operator of the Hong Kong department store SOGO (Lifestyle International) announced the delay of its audited financial statements. China has also announced further stimulus to its economy, cutting its policy rate by 10 basis points (bps) and Reserve Requirement Ratio (RRR) by 50 bps following its April Politburo meeting.

Primary activity slowed significantly owing to the muted sentiment. For the month, a total of US$12 billion of Asia G3 currency bonds were issued (March 2025: US$34 billion, April 2024: US$9 billion), skewed towards investment grade, while high-yield primary was predominantly non-rated China Local Government Financing Vehicles (LGFVs). This brings year-to-date supply to US$82 billion (2024: US$51 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 High Yield Bond Fund is to seek to achieve a total return consisting of high income and capital appreciation by investing primarily in high yield fixed income or debt securities (including money market instruments) issued by Asian corporations, financial institutions, governments and their agencies.

Fund Information

Base Currency	Fund Size	Fund Manager
SGD	SGD 41.60 mil	Melvin Chan

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