June 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 2.66 years as of June 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, Mongolia, India and the Philippines featuring more prominently among the Top 10 largest Asian issuers of high-yield bonds.

June 2025 Portfolio Performance

The United Asian High Yield Bond Fund – A SGD Dist (Hedged)	-0.36 per cent[2]
Benchmark: J.P. Morgan Asia Credit Index (JACI) Non-Investment Grade Total Return Index	-0.42 per cent

Source: Morningstar, Performance from 31 May 2025 to 30 June 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 -1.40 per cent (Class SGD Acc) for June 2025 versus the benchmark of -0.42 per cent.

The underperformance was mainly due to the Hong Kong Property bonds in which the Fund is invested, which fell in tandem with New World Development Co. Limited (New World), as well as Philippine Real Estate. Year to date, the Fund returned -5.41 per cent versus the benchmark of -2.85 per cent.

Portfolio Positioning

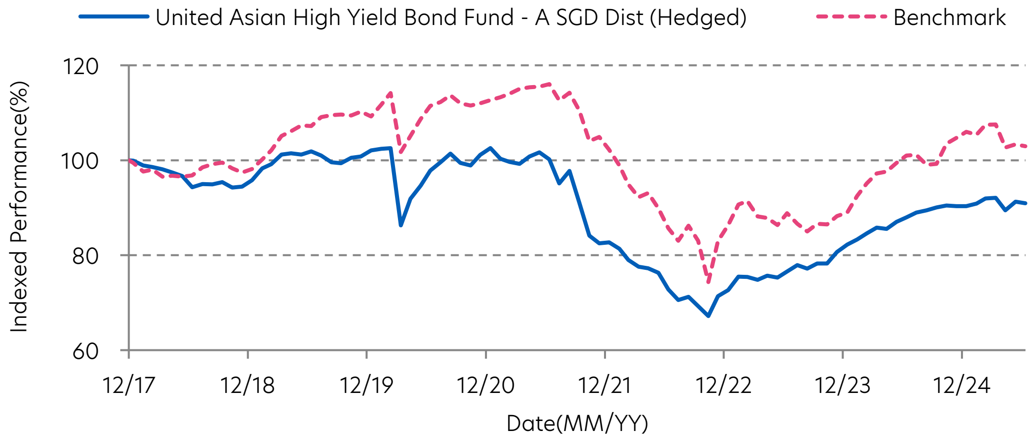
We remain defensive in China's High-Yield Real Estate, though we have started to invest in some of the better quality names with access to capital markets. We were also cautious in certain Hong Kong Property names, though we see the sell-off benefiting better-quality names. We continue to stay up in credit quality, maintaining our preference for issuers which have 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 June 2025, SGD basis, with dividends and distributions reinvested, if any.

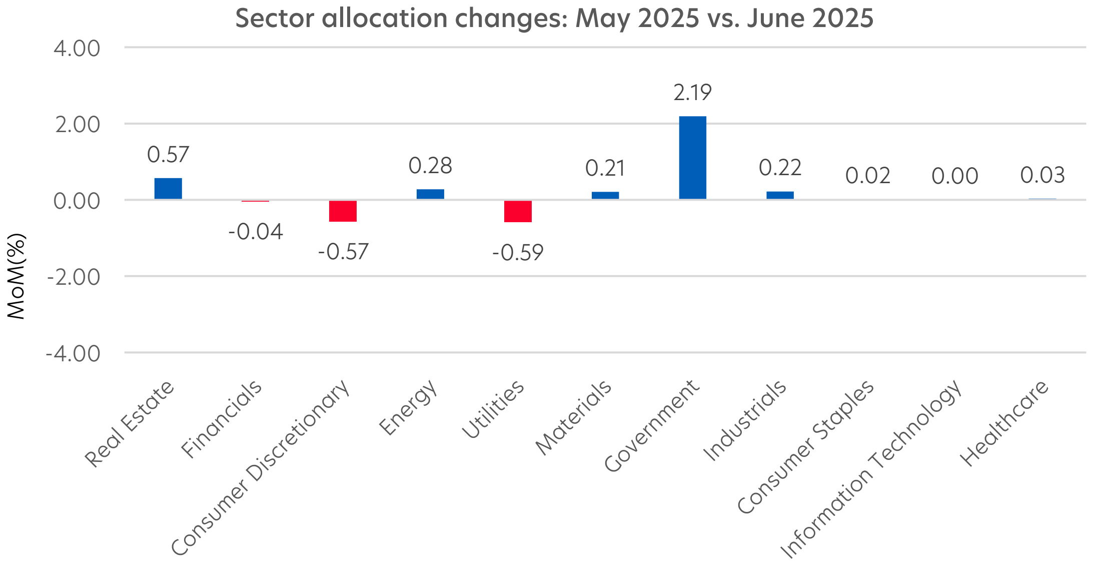
	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	-0.36	3.33	7.71	-1.46	-1.26
Fund (Charges applied^)	-3.35	0.23	6.62	-2.05	-1.65
Benchmark	-0.42	1.91	6.30	-1.58	0.39

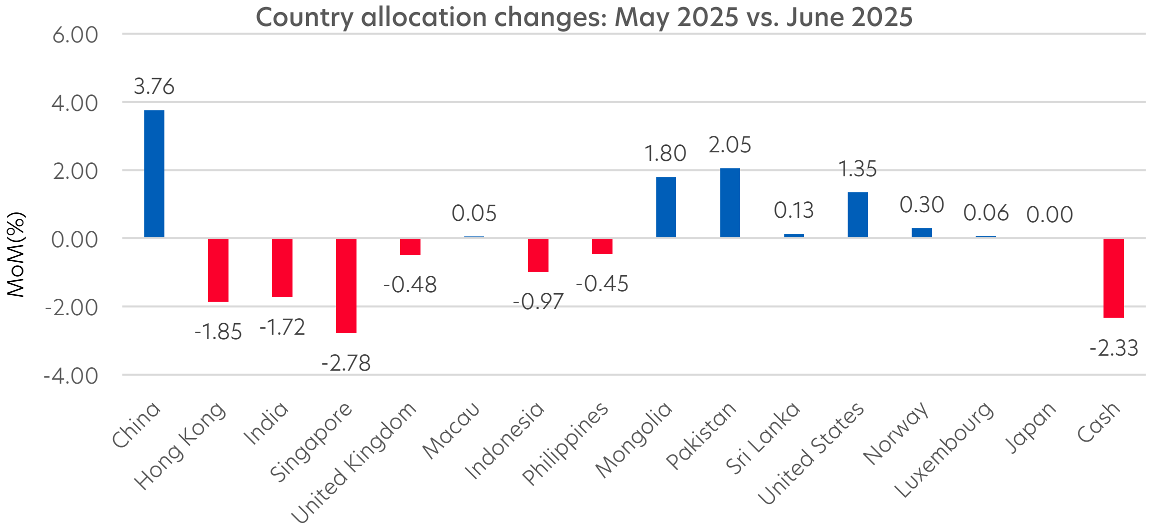
Source: Morningstar. Performance as at 30 June 2025, SGD basis, with dividends and distributions reinvested, if any. Performance figures for 1 month till 1 year show the per cent change, while performance figures above 1 year show the average annual compounded returns. Benchmark: J.P. Morgan Asia Credit 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 June 2025 unless otherwise stated.

Portfolio Changes





Source: UOBAM

Portfolio Review

Analyst Insights

The new positions we added to the portfolio in June 2025 were Corporate Credit in the Quasi-Sovereign, Sovereign, Oil and Gas, Real Estate, Transport and Financial sectors. Meanwhile, we sold positions in the Consumer and Quasi-Sovereign sectors.

As shown in the left charts, the biggest increase was in the Government sector (+2.19 per cent). In terms of country allocation changes, the Fund has the biggest decrease in Singapore (-2.78 per cent) and the biggest increase in China (+3.76 per cent) for June 2025.

Market Review

US Treasury (UST) yields declined in June 2025, as the market priced in more US Federal Reserve (Fed) rate cuts on the back of a benign May (2025) Personal Consumption Expenditure Price Index (PCE) report, dovish Fedspeak, and soft economic data. Meanwhile, the de-escalation of Middle East tensions and easing oil prices took some pressure off the long-end of the yield curve; the UST rally was further fuelled by the Fed's plan to reform the supplementary leverage ratio for large banks, which is expected to improve the liquidity and demand for UST. The 2-year and 10-year UST yields closed at 3.72 per cent (-18 basis points (bps)) and 4.23 per cent (-17bps) respectively.

The JP Morgan Asia Credit Index (JACI) Non-Investment Grade returned -0.42 per cent due to New World Bonds tanking further, after its announcement to defer coupons for its perpetual bonds, as well as the inability to fully secure its bank loans. China's Property market had some positive developments as China stepped in to support the housing sector by utilising the housing provident fund. Seazen Group Limited managed to successfully price a US$300 million bond, making it the first private sector China Property company to come to the market in 2 years.

Given weak market sentiment in the Asia High Yield market in June 2025, there were only a couple of prints, with the bulk of them in Investment Grade.

We expect Asian credit spreads to trade sideways over the near term, muddling through US tariff headlines, geopolitical risks, and a data-dependent US Federal Reserve (Fed). 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. In Asia High Yield, the market will likely be watching the New World Saga before risk sentiment starts to improve.

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 42.16 mil	Melvin Chan

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