

September 2026

United Asian High Yield Bond Fund

UOB Asset Management

Why Invest?

• **Flexible duration:** The United Asian High Yield Bond Fund – A SGD Dist Hedged (the "Fund") maintains a nimble effective duration of 2.82 years as of September 2026. 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].

• **Technical factors supportive of Asia High yield:** Issuance remains well below pre-China property correction levels, resulting in a constrained supply backdrop. Investor demand continues to chase a much smaller universe of bonds, helping to keep spread supported.

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

September 2026 Portfolio Performance

The United Asian High Yield Bond Fund – A SGD Dist (Hedged)	-0.97 per cent[2]
Benchmark: J.P. Morgan Asia Credit Index (JACI) Non-Investment Grade Total Return Index	-0.95 per cent

Source: Morningstar, Performance from 31 August 2026 to 30 September 2026 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 -0.78 per cent (Class USD Acc) in September 2026, versus the benchmark's -1.36 per cent (in USD).

The outperformance (Class USD Acc) was driven by credit selection, including an underweight position in New World Development, which saw a massive price drop in September 2026.

Portfolio Positioning

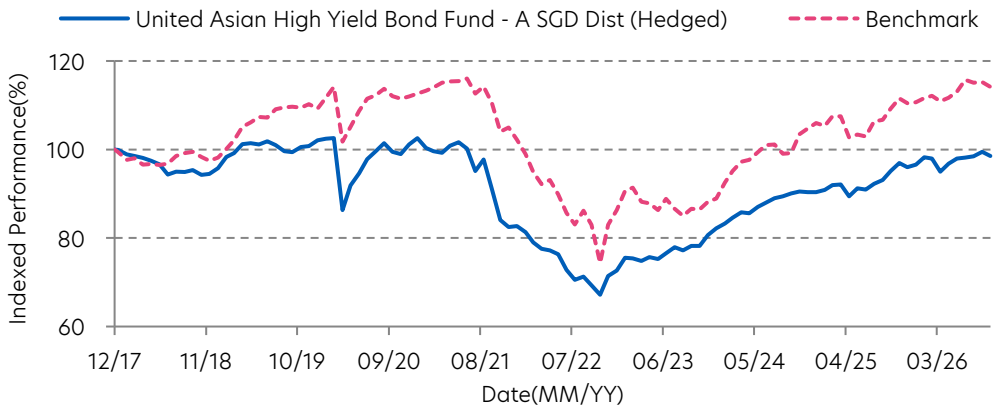
We continue to prioritise coupon returns while aiming to diversify across various markets and continue to favour higher-quality, more liquid credits with strong balance sheets, predictable cash flows, and reliable access to capital markets.

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 September 2026, SGD basis, with dividends and distributions reinvested, if any.

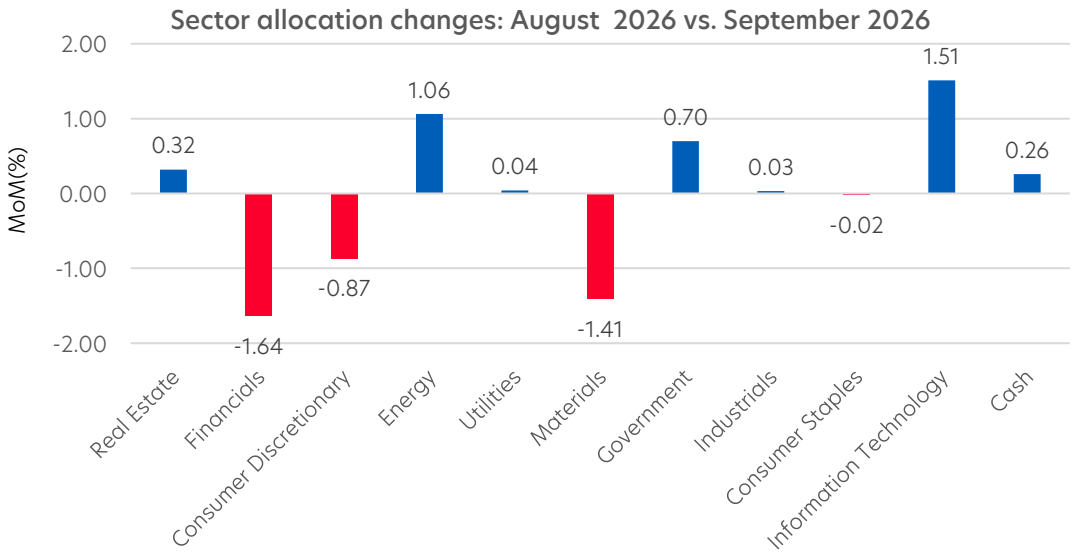
	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	-0.97	3.59	7.99	1.59	-0.17
Fund (Charges applied^)	-3.95	0.49	6.89	0.97	-0.52
Benchmark	-0.95	4.55	9.65	0.66	1.52

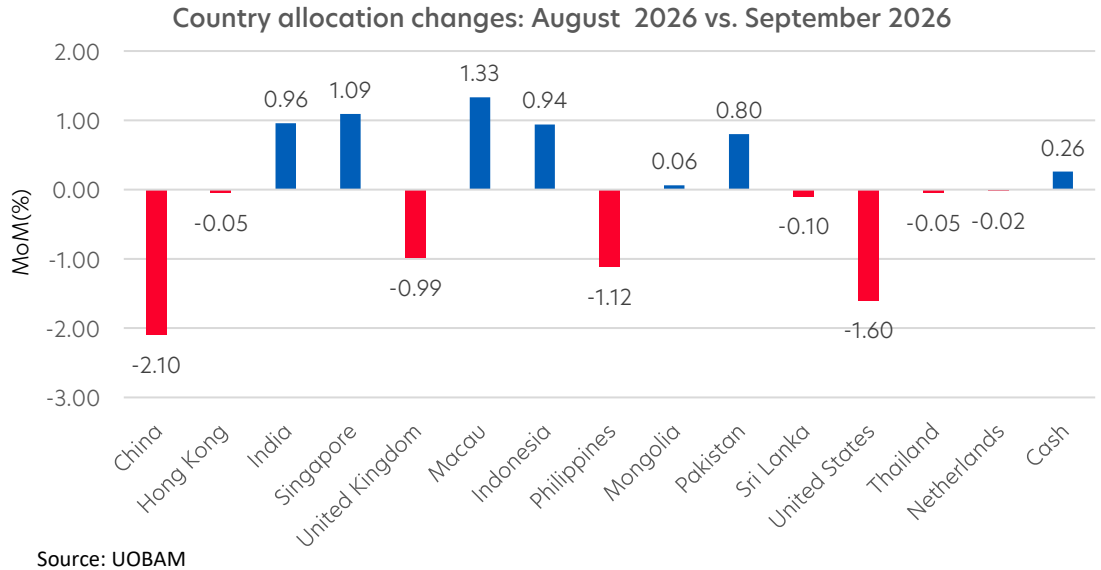
Source: Morningstar. Performance as at 30 September 2026, SGD basis, with dividends and distributions reinvested, if any. Performance figures for 1 month till 1 year show the per cent change, while performance figures above 1 year show the average annual compounded returns. Benchmark: J.P. Morgan Asia 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 September 2026 unless otherwise stated.

Portfolio Changes





Source: UOBAM

Portfolio Review

Analyst Insights

The new positions we added to the portfolio in September 2026 were Corporate Credit in the Quasi-sovereign, Sovereign, and TMT (Technology, Media, and Telecommunications) sectors. Meanwhile, we sold positions in the Financial sector.

As shown in the left-hand charts, the largest increase was in the Information Technology (+1.51 per cent), while the biggest decrease was in the Financials (-1.64 per cent). In terms of country allocation changes, the Fund has the biggest decrease in China (-2.10 per cent) and the biggest increase in Macau (+1.33 per cent) for September 2026.

Market Review

US Treasuries (USTs) experienced a sharp selloff in September 2026, as a hawkish Federal Reserve (Fed) and escalating tensions in the Middle East drove bond yields higher across the curve. The 2-year and 10-year UST yields rose 55 basis points (bps) and 53bps to 4.89 per cent and 5.28 per cent, respectively. The 10-year yield ended September 2026 at its highest level since 2002, underscoring significant repricing in the rates market and capping the worst monthly selloff of 2026.

The Federal Open Market Committee (FOMC) delivered a unanimous 25bps rate hike on 16 September 2026, raising the target range to 3.75 per cent-4.00 per cent - its first increase in nearly three years. While the move was widely anticipated, policymakers' guidance fuelled market expectations that rates would remain higher for longer, with investors increasingly pricing in additional rate hikes through end-2027.

Meanwhile, continued US strikes on Iran, described by President Trump as retaliation for Iranian mining activities in the Strait of Hormuz, together with renewed Houthi attacks along Yemen's Red Sea coast, added upward pressure to oil prices. Brent crude reached an intra-month high of US$108/bbl (barrel) following the seizure of the port of Mokha by Houthi forces.

Against this challenging backdrop, Asia ex-Japan G3 bond issuance remained resilient; US$20.8 billion in bonds were priced compared to US$17.9 billion in August 2026. However, issuance was significantly lower than the US$32.6 billion recorded in September 2025. Year-to-date issuance reached US$175.2 billion, marginally exceeding the US$172.5 billion raised over the corresponding period in the prior year. September's major issuers included PKSTAN (Pakistan 10-year Government Bond, US$3.0 billion), KDB (Korea Development Bank, US$2.0 billion), KOROIL (Korea National Oil Corporation, US$1.6 billion), and HYNMTR (Hyundai Capital America, US$1.5 billion).

Reflecting the cautious market tone, the **JPMorgan Asia Credit Index (JACI) Non-Investment Grade Index** returned -1.36 per cent in September 2026. Market weakness was driven in part by New World Development, which reported a fiscal year (FY) 2026 attributable loss of HKD28.1 billion following HKD18.3 billion of impairments and provisions related to the 11 Skies project. Meanwhile, Macau's August gross gaming revenue (GGR) declined 1.2 per cent year-on-year (y/y) to Macanese Pataca (MOP) 21.9 billion, leading to a broad sell-off across both New World Development and Macau gaming credits.

Higher risk-free rates have made all-in yields increasingly attractive; however, tight credit spreads continue to temper investor sentiment. We expect Asia High Yield credits to remain relatively stable, underpinned by solid corporate fundamentals, a higher spread buffer, and healthy balance sheets. Nevertheless, geopolitical risks and macroeconomic uncertainties warrant continued caution. As such, we remain defensively positioned while staying agile and opportunistic in identifying pockets of value across the market.

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 53.61 mil	Melvin Chan



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