

June 2025

United Asia Pacific Real Estate Income Fund



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. We stay constructive on Japan as risk/reward on a relative basis has improved. We are selective on Hong Kong with a focus on value stocks.

June 2025 Portfolio Performance

United Asia Pacific Real Estate Income Fund – SGD Acc	+1.51 per cent ²
Benchmark: FTSE EPRA Nareit Asia Pacific Index	+2.37 per cent

Source: Morningstar, Performance from 31 May 2025 to 30 June 2025 in SGD terms

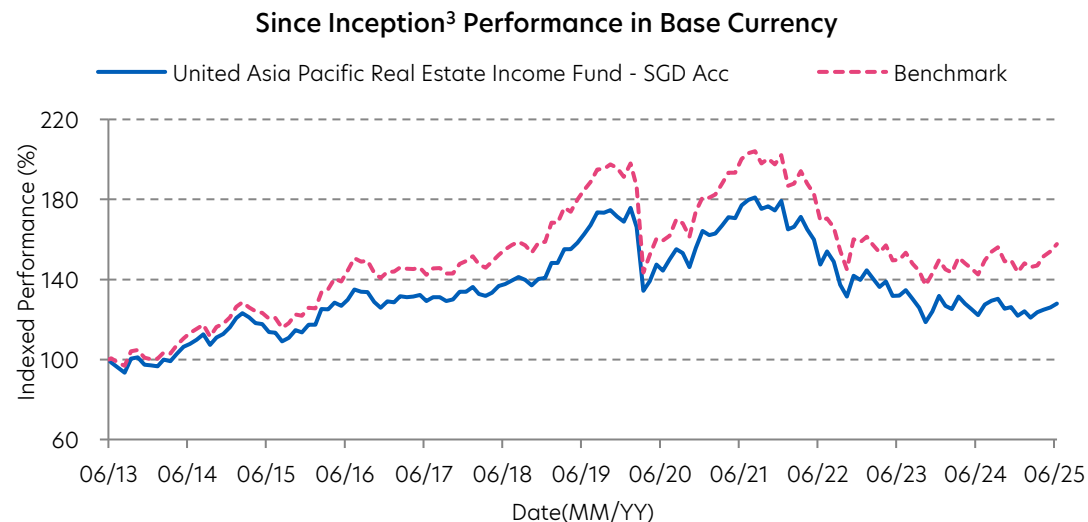
² Fund performance is on a Net Asset Value ("NAV") basis, with dividends and distributions reinvested (if any).

Performance Review

The Fund returned 1.51 per cent in June 2025, trailing the benchmark, which rose 2.37 per cent. This was largely attributed to underweight in Industrial REITs and Retail REITs which outperformed other sub-sectors. Positive stock selection in Japan provided some offset.

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)



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

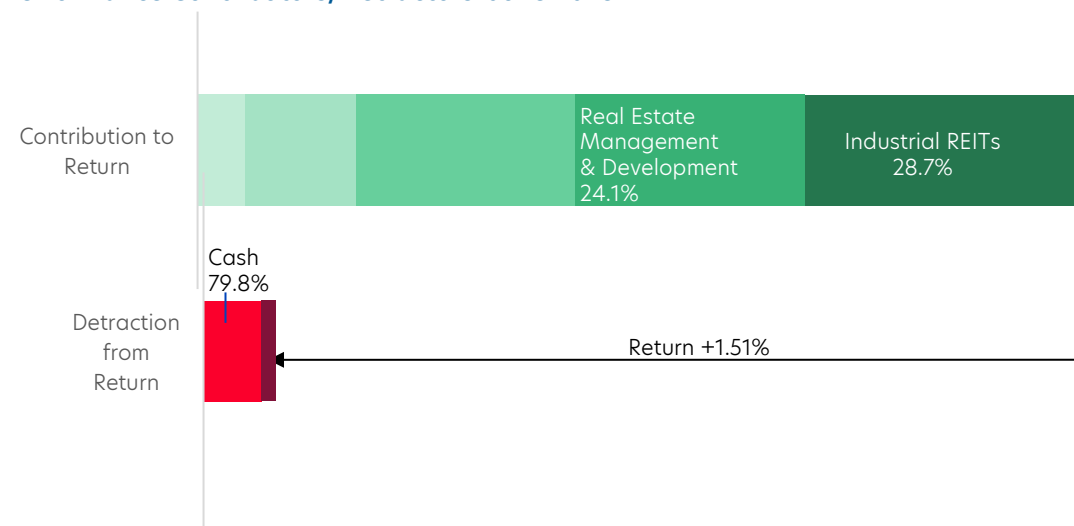
³ The United Asia Pacific Real Estate Income Fund – SGD Acc (ISIN Code: SG9999009997) and SGD Dist (ISIN Code: SG9999010052) were inceptioned on 17 June 2013.

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

	Cumulative Performance (%)	Annualised Performance (%)			
	1 month	1 Year	3 Years	5 Years	Since Inception
Fund NAV to NAV	1.51	4.81	-4.60	-2.39	2.07
Fund (Charges applied [^])	-3.57	-0.43	-6.22	-3.38	1.64
Benchmark	2.37	10.66	-2.39	-0.23	3.85

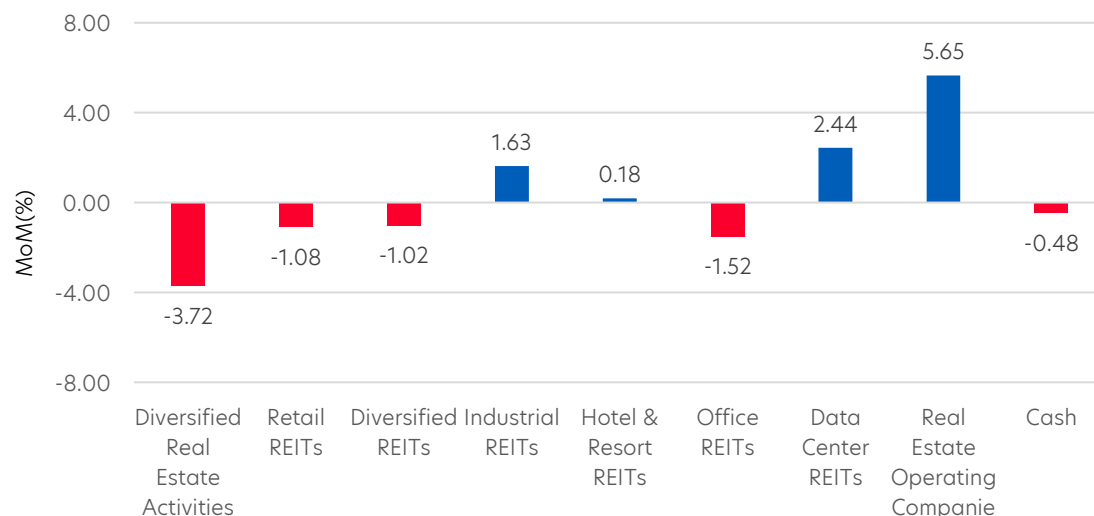
Source: Morningstar. Performance as at 30 June 2025, SGD basis, with dividends and distributions reinvested, if any. Performance figures for 1 month till 1 year show the per cent change, while performance figures above 1 year show the average annual compounded returns. Benchmark: Since inception – 30 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: June 2025

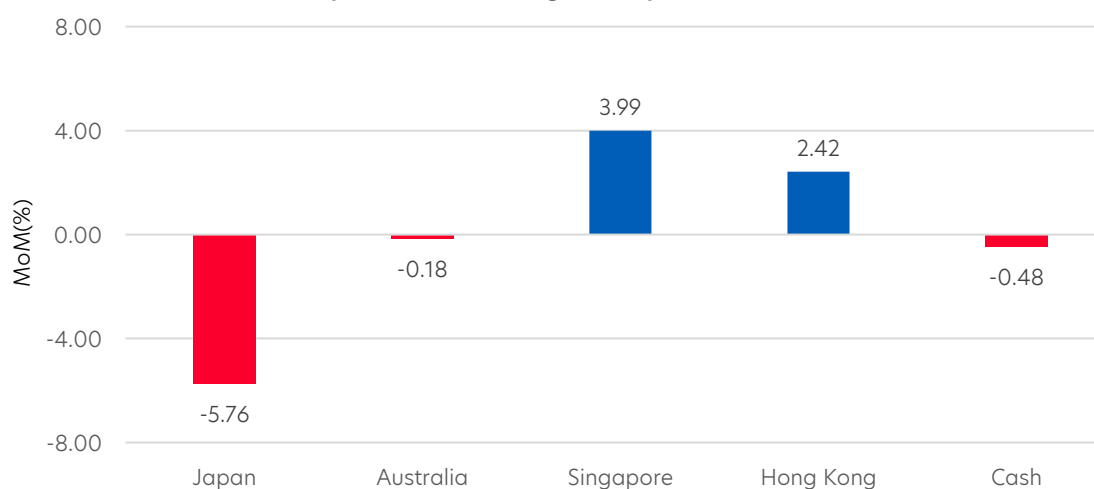


Portfolio Changes

Sector allocation changes: May 2025 vs. June 2025



Country allocation changes: May 2025 vs. June 2025



Source: UOBAM

Portfolio Review

Analyst Insights

Asian REITs and the real estate sector rose 2.37 per cent in June 2025, bringing gains to +9.73 per cent year-to-date (YTD). However, divergence in performance was notable across key underlying markets.

Whilst the REITs asset class is not immune to macro slowdown concerns following Trump's tariffs announcement, we expect the REIT asset class to be relatively resilient compared to other sectors, given the reliability of its earnings stream and dividend-paying characteristics. Overall outlook for REITs is still conducive, though certain REIT sub-sectors may withstand a recessionary/ stagflationary environment better. We remain selective with a focus on earnings resilience amid a slowing global growth backdrop.

As shown on the left charts, the biggest decrease in the sector allocation changes for June 2025 was in Diversified Real Estate Activities (-3.72 per cent). On the contrary, the largest increment was in Retail Estate Operating Company (+5.65 per cent). In terms of country allocation changes, the Fund had the most decline in Japan (-5.76 per cent) and the highest increase in Singapore (+3.99 per cent) for June 2025.

Market Review

Asian equity markets (MSCI Asia ex-Japan Index, SGD terms) gained 4.75 per cent in June 2025, outperforming global equities, which rose 3.1 per cent (MSCI All Country World Index, SGD terms). Equity markets climbed higher on easing Iran-Israel geopolitical risks, continued trade tension relief and speculation over US interest rate cuts. In Asia, Korea, Taiwan, and Hong Kong led, whilst the Association of Southeast Asian Nations (ASEAN) underperformed. Korea staged a post-general election relief rally after President Lee was elected. Taiwan benefited from improved investor sentiment on cloud demand and Artificial Intelligence (AI) capital expenditure-related stocks, while the decline in HIBOR (Hong Kong Inter-bank Offered Rate) and a strong pipeline of Initial Public Offering (IPO) listings boosted Hong Kong domestic market performance.

Asia real estate and REITs gained +2.37 per cent in June 2025, though there was a clear divergence among the markets. Hong Kong REITs +5.7 per cent was the top-performing market, largely owing to a decline in HIBOR. Singapore REITs bounced off +4.4 per cent from oversold levels, boosted by declining SORA (Singapore Overnight Rate Average) and 10-year Monetary Authority of Singapore (MAS) bond yields (-24 basis points (bps) month-on-month (m/m)), outperforming both the Straits Times Index +1.8 per cent and MSCI Singapore Index +0.8 per cent. Australia REITs were a key laggard despite market expectations of the next rate cut from the Reserve Bank of Australia (RBA) in July 2025. Japan REITs underperformed due to the rate hike policy uncertainty of the Bank of Japan.

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

Morningstar Rating
★★★

Base Currency
SGD

Fund Size
SGD 16.93 mil

Fund Manager
Low Soo Fang



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