March 2025

United Asia Pacific Real Estate Income Fund

UOB Asset Management

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 income[1].

• **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.

March 2025 Portfolio Performance

The United Asia Pacific Real Estate Income Fund – SGD Acc	+2.31 per cent[2]
Benchmark: FTSE EPRA Nareit Asia Pacific Index	+0.60 per cent

Source: Morningstar, Performance from 28 February 2025 to 31 March 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 +2.31 per cent in March 2025. This was largely attributed to overweight positioning and positive stock selection in Japan. In contrast, the overweight in Australia did not benefit the Fund as the domestic market was a key laggard against Asian REIT peers.

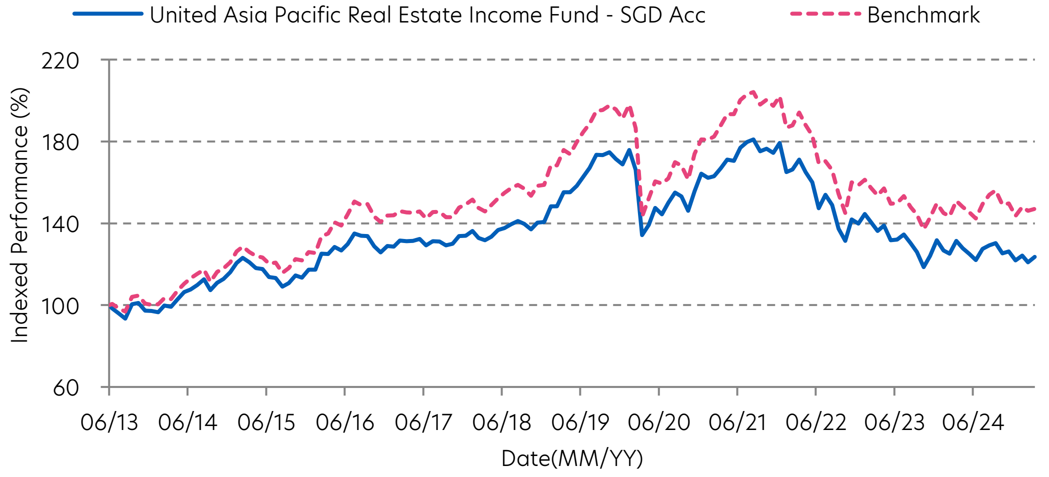
Portfolio Positioning

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 turn constructive on Japan as risk/reward on a relative basis has improved amid a global trade slowdown. We are selective on Hong Kong with a focus on value stocks.

[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)

Since Inception[3] Performance in Base Currency



Past performance is not necessarily indicative of future performance.

Fund performance is calculated on a NAV to NAV basis.

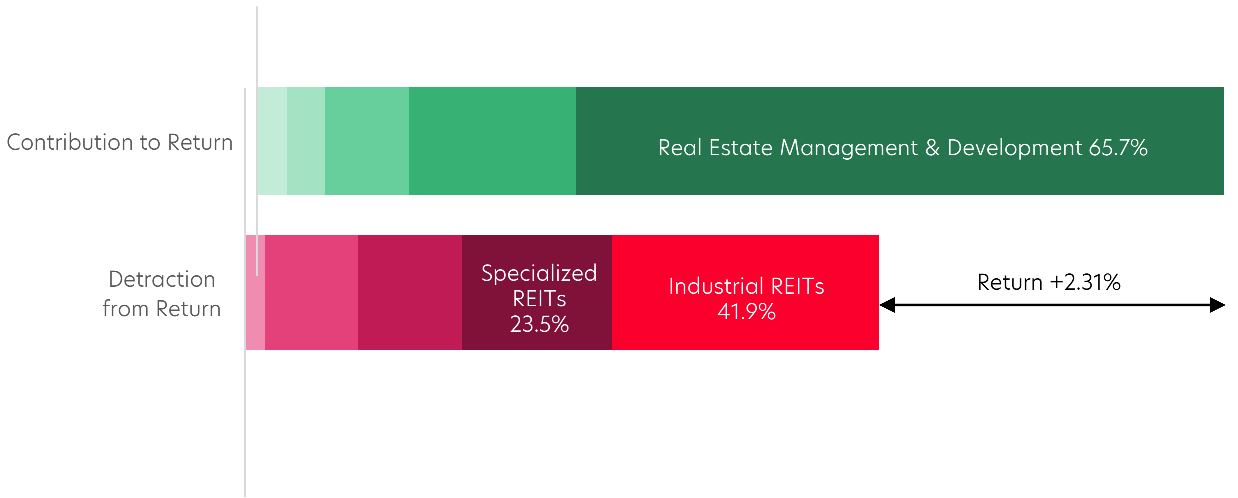
Benchmark: Since inception – 30 June 2022: S&P Asia Pacific REITs Index. 1 July 2022– Present: FTSE EPRA Nareit Asia Pacific Index

Source: Morningstar. Performance as at 31 March 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	2.31	-5.96	-10.28	-1.64	1.82
Fund (Charges applied^)	-2.81	-10.66	-11.79	-2.64	1.38
Benchmark	0.60	-2.61	-8.85	0.50	3.32

Source: Morningstar. Performance as at 31 March 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: March 2025

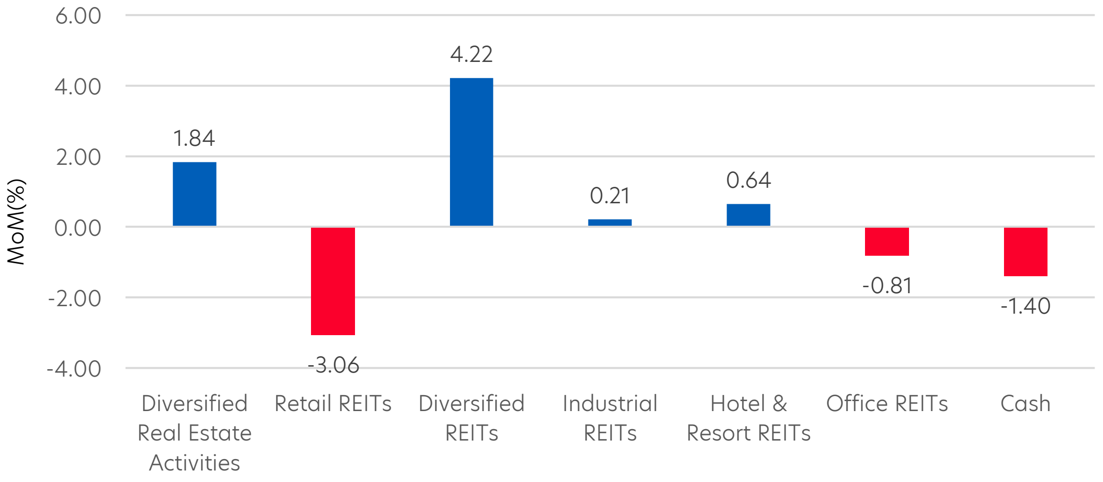


[3] The United Asia Pacific Real Estate Income Fund – SGD Acc (ISIN Code: SG9999009997) and SGD Dist (ISIN Code: SG9999010052) were incepted on 17 June 2013.

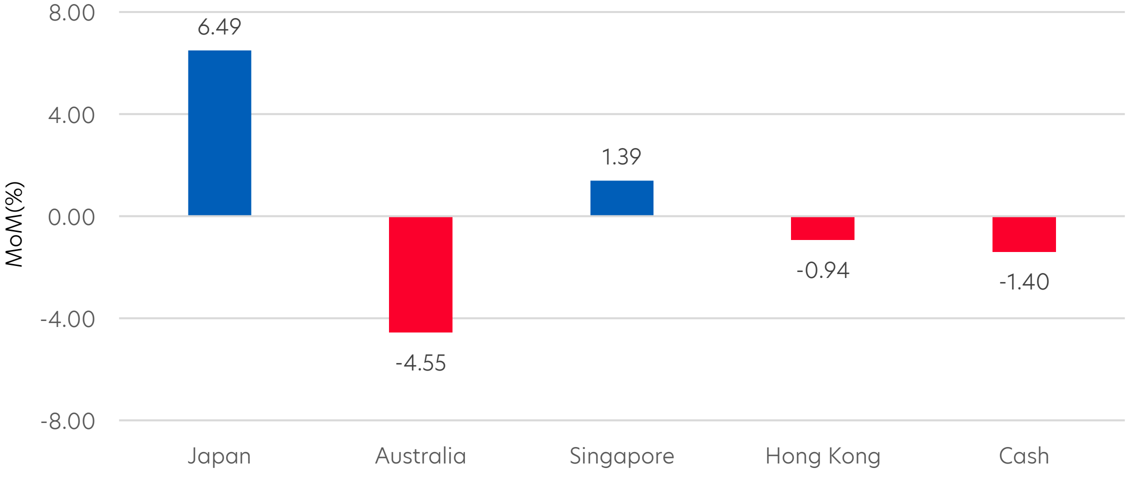
All statistics quoted in the write-up are sourced from Bloomberg as at 31 March 2025 unless otherwise stated.

Portfolio Changes

Sector allocation changes: February 2025 vs. March 2025



Country allocation changes: February 2025 vs. March 2025



Source: UOBAM

Portfolio Review

Analyst Insights

Key headwinds of high interest rates, which affected REITs globally between 2022-2024 dissipated in the second half of 2024. The REIT asset class rallied in the lead-up to the first rate cut by the US Federal Reserve (Fed) in September 2024, though it subsequently gave it all up over the final 3 months of 2024.

Asian REITs recorded a marginal increase year-to-date (YTD) and outperformed the broader Asia equities on a relative basis. We remain constructive on REITs given peaking financing costs. We see the potential of a sector re-rating as major central banks maintain an easing monetary cycle, along with mostly still supportive property-level fundamentals for REITs. Conditions supporting a healthy REITs sector earnings growth outlook are largely favourable, though certain segments and markets may enjoy better growth. We remain selective, with a focus on earnings resilience against a slowing global growth backdrop.

As shown on the left charts, the biggest decrease in the sector allocation changes for March 2025 was in Retail REITs (-3.06 per cent). On the contrary, the largest increment was in Diversified REITs (+4.22 per cent). In terms of country allocation changes, the Fund had the most decline in Australia (-4.55 per cent) and the highest increase in Japan (+6.49 per cent) for March 2025.

Market Review

Asian equity markets (MSCI Asia ex-Japan Index, SGD terms) declined by 0.4 per cent in March 2025 outperforming global equities which fell 4.4 per cent (MSCI All Country World Index SGD terms).

Asian equity markets were relatively resilient as a market correction was largely contained to US-centric risk-off. Investors were worried that President Trump's tariffs policy uncertainty would tip the US economy into a recession. China's equities inched higher following the China National People's Congress (NPC) meeting in March 2025 with a strong emphasis on innovation and AI. India equities rebounded as fund outflows stabilised. Asia real estate and REITs gained +2.4 per cent though there was a clear divergence among the markets. Singapore REITs bounced off from oversold levels boosted by declining Singapore Overnight Rate Average (SORA) and 10-year Monetary Authority of Singapore (MAS) bond yields, whilst Hong Kong REITs showed continued strength given the expectation of higher US rate cuts due to increased recession risks (Hong Kong Inter-bank Offered Rate (HIBOR) is closely correlated to US monetary policy). Japan REITs sustained its upward momentum (+1.2 per cent in JPY terms). In contrast, Australian REITs fell along with the decline in the ASX200 Index. Market expectation of a Reserve Bank of Australia (RBA) rate pause in April 2025 also weighed on yield-sensitive asset classes.

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

Base Currency	Fund Size	Fund Manager
SGD	SGD 18.34 mil	Low Soo Fang

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