

United Asian High Yield Fund – USD Class

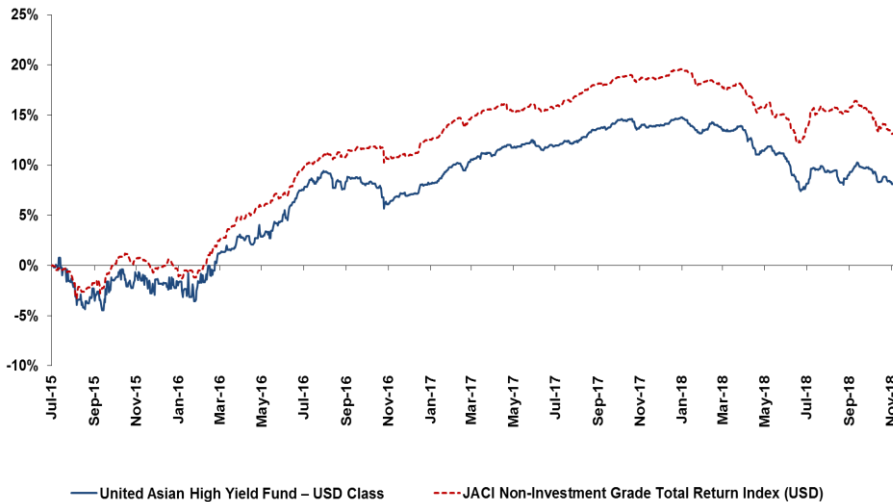
November 2018

All data expressed as at 31 October 2018 unless otherwise stated

FUND OBJECTIVE & STRATEGY

The Fund seeks to provide investors with income and capital appreciation by investing in the United Asian High Yield Bond Fund (the "Target Fund") which has an investment focus on high yield fixed income securities. The Fund will be investing a minimum of 90% of the Fund's Net Asset Value ("NAV") in the Target Fund at all times.

PERFORMANCE CHART SINCE LAUNCH



Source: UOBAM(M)

FUND PERFORMANCE DATA (NAV-NAV PRICES)

	1 Month	3 Months	6 Months	1 Year	Since Launch (Annualised)	YTD
United Asian High Yield Fund – USD Class	0.23%	-0.69%	-2.65%	-4.43%	2.52%	-4.72%
Benchmark	0.02%	-1.90%	-1.61%	-4.27%	3.84%	-4.56%

Note: Benchmark - JACI Non-Investment Grade Total Return Index (USD)
Source: UOBAM(M)

CALENDAR YEAR RETURNS

	2016	2017
United Asian High Yield Fund – USD Class	9.08%	6.50%

HISTORICAL INCOME DISTRIBUTION

	Distribution (sen per unit)	Yield
6 December 2016	3.2	5.99%
13 June 2017	0.79	1.50%
19 January 2018	1.58	2.97%

Source: UOBAM(M)

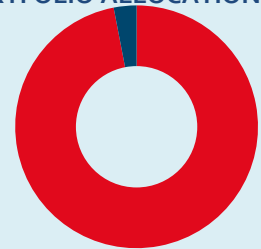
Note: The yield of the distributions are calculated based on the total dividend payout / the day before distribution NAV.

TOP 10 HOLDINGS OF THE TARGET FUND

BAOXIN AUTO FINANCE I LT	4.43%
BUKIT MAKMUR MANDIRI	3.30%
PB INTERNATIONAL BV	3.28%
GLOBAL PRIME CAPITAL	3.21%
CHINA SCE GRP HLDGS LTD	3.19%
RONSHINE CHINA	3.15%
INDO ENERGY FINANCE II	3.11%
NEW METRO GLOBAL LTD	3.11%
CHINA MINMETALS CORP 3	2.89%
SUNAC CHINA HOLDINGS LTD	2.87%

Source: UOBAM

PORTFOLIO ALLOCATION



Collective Investment Scheme	96.97%
Cash	3.03%
Total	100.00%

Source: UOBAM(M)

SECTOR ALLOCATION OF THE TARGET FUND

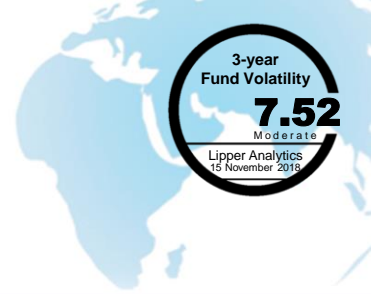
Real Estate	47.62%
Consumer Discretionary	15.13%
Materials	9.44%
Industrials	8.55%
Financials	4.76%
Consumer Staples	2.83%
Energy	2.64%
Utilities	2.04%
Government	1.55%
Health Care	1.43%
Cash	4.01%
Total	100.00%

Source: UOBAM

GEOGRAPHICAL ALLOCATION OF THE TARGET FUND

China	59.54%
Singapore	10.73%
Indonesia	6.48%
Netherlands	6.39%
Mongolia	3.92%
Thailand	2.64%
Mauritius	2.04%
United Kingdom	2.01%
Japan	1.39%
Hong Kong	0.86%
Cash	4.01%
Total	100.00%

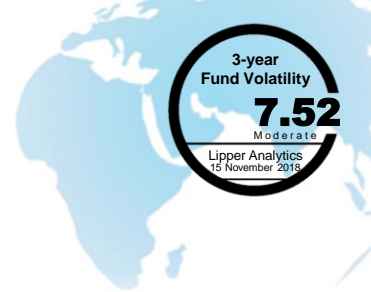
Source: UOBAM



United Asian High Yield Fund – USD Class

FUND DETAILS

LAUNCH DATE	1 July 2015
FINANCIAL YEAR END	31 May
CATEGORY/TYPE OF FUND	Wholesale (Feeder Fund) / Income & Growth
CLASS OF UNITS	USD Class
INITIAL OFFER PRICE	USD0.5000
UNITS IN CIRCULATION – USD CLASS	66,384.60
NET ASSET VALUE (“NAV”)	USD 32,429.59
NET ASSET VALUE - TOTAL FUND	RM 3,797,285.71
NAV PER UNIT	USD 0.4885
MINIMUM INITIAL INVESTMENT	USD 10,000
MINIMUM ADDITIONAL INVESTMENT	USD 1,000
TRUSTEE	Deutsche Trustees Malaysia Berhad
SALES CHARGE	Up to 3.00% of NAV per Unit
ANNUAL MANAGEMENT FEE	Up to 1.80% per annum of the NAV of the Fund
ANNUAL TRUSTEE FEE	Up to 0.06% p.a. of the NAV of the Fund, minimum of RM15,000 p.a.
BENCHMARK	J.P. Morgan Asia Credit Index (JACI) Non-Investment Grade Total Return Index (USD)
ASSET ALLOCATION	A minimum of 90% of the Fund’s NAV in the Target Fund. Up to 10% of the Fund’s NAV in liquid assets.
INVESTMENT MANAGER OF THE TARGET FUND	UOB Asset Management Ltd, Singapore



United Asian High Yield Fund – USD Class

HISTORICAL NAV (USD)

Highest	18/8/2016	0.5472
Lowest	2/10/2015	0.4778

Source: UOBAM(M)

TARGET FUND CHARACTERISTICS

Average Yield to Maturity	8.80% p.a.
Effective Duration	2.23 years
Average Portfolio Ratings	BB-
Number of Bond Issues	51

Source: UOBAM

BOND MARKET REVIEW

After another month of sharp sell-off in October, market started well with improved risk appetite in the new month as most were optimistic that tensions will somewhat ease upon the impending US/China meeting during G20 meeting at the end of November. However, even before the actual meeting, optimism moderated and prices started drifting lower as investors seemed less inclined to put on new positions amid thinner market liquidity towards year-end. Market was also concerned on the global economic softness observed especially in Europe and China, coupled with a highly anticipated hawkish stance from the US Federal committee in the coming December FOMC. Having said that, continued committed accommodative stance of Chinese officials and subdued new issuances had rendered some support to the market. Overall, 10-year US treasury yield fell by about 15bps to 2.99% as at end Nov'18 whereas 5-year US treasury also fell by 16bps to 2.81% within this same month. Meanwhile, the JP Morgan Asia credit non-investment grade spread was wider by 31bps to 610bps as at end Nov'18.

PERFORMANCE REVIEW OF TARGET FUND

For the month of November, the Fund outperformed the benchmark. From country exposure perspective, our overweight in China and underweight in HK was the major performance contributor. In terms of frontier market, our underweight in both Pakistan and Sri Lanka contributed positively to November's return as well. In terms of sector allocation, overweight in Real Estate (including off-benchmark bonds) and Consumer as well as underweight in Sovereign and Financial have been the key contributors to performance in November. As for security selection, top performers in November were SUNAC 7.35 2021, TPHL 10.95 2020 and SHIMAO 6.375 2021 while the underperformers were REDPRO 7.2018, MINMET 3.75 PERP and VEDLN 6.375 2022. The Fund held cash averaging 4.71% for the month.

OUTLOOK AND STRATEGY OF TARGET FUND

Moving ahead, we are inclined to stay invested and focused on defensive carry strategy. Although there seems to be a silver lining to US/China troubled ties as negotiation resumed, it remains a tricky issue to be discussed and fully resolved. Any resolution may likely be gradual with compromises along the way which may in turn, bring noises and volatility to the market. Adding to this, the testing of peaks in global economic data will also be another important focal point on our radar. On the other hand, new issuance pipelines are likely to be sized to demand while Chinese officials continue to encourage ease of financial condition. This thus, help to ensure smooth digestion of the credit bond market supply as issuers look to pace out their new issuances accordingly. Weighing all alongside the attractive bond valuation, it remains a good reason for many to stay invested so as to gather high carry. Credit bonds remain a favourable asset class with carry to cushion against the rising interest rate and yet enjoy the healthy global growth with inflation staying benign and low. Having said that, credit selection remains paramount so as to cruise through this period of rising idiosyncratic risk.

Overall, we inclined to stay invested as Asia non-investment grade segment offers a much higher carry and yet minimal impact from rising US interest rate. We believe the need for yield remains while credit differentiation is paramount. On the duration strategy, we will be staying broadly neutral in overall duration. That said, we may engage in tactical duration positioning.

IMPORTANT NOTICE AND DISCLAIMERS

Based on the fund's portfolio returns as at 15 November 2018, the Volatility Factor (VF) for this fund is 7.52 and is classified as "Moderate" (source: Lipper). "Moderate" includes funds with VF that are above 6.615 but not more than 8.710. The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC. This factsheet is prepared by UOB Asset Management (Malaysia) Berhad (219478-X). It is not intended to be an offer invitation to subscribe or purchase any securities. The information contained herein has been obtained sources believed in good faith to be reliable; however, no guarantee is given in its accuracy or completeness. Past performance of the Fund is not an indicative of its future performance. You should seek your own financial advice from an appropriately licensed adviser before investing. Qualified Investors are advised to read and understand the contents of **United Asian High Yield Fund Replacement Information Memorandum** ("Information Memorandum") dated 14 July 2016, which has been registered with the Securities Commission Malaysia, and the **United Asian High Yield Fund Product Highlights Sheet** ("Product Highlights Sheet") dated 8 September 2016, which has been lodged with the Securities Commission Malaysia, who takes no responsibility for its contents, before investing. The Product Highlights Sheet is available and that investors have the right to request for a Product Highlights Sheet. For copies of the Information Memorandum and Product Highlights Sheet, please visit UOB Asset Management (Malaysia) Berhad or its authorized distributors' offices to obtain a copy. Any issue of units to which the Information Memorandum relates will only be made on receipt of an application form referred to and accompanying a copy of the Information Memorandum. You should be aware that investments in the Fund carry risks. An outline of some of the risks is contained in the Information Memorandum and Product Highlights Sheet. The specific risks associated to the Fund include risk of passive strategy, risk of not meeting the Fund's investment objective, and currency risk as contained in the Information Memorandum and Product Highlights Sheet. The specific risks related to the Target Fund are foreign exchange and currency risk, political risk, derivatives risk, liquidity risk, fixed income securities risk, counterparty risk, broker risk, risk of use of rating agencies and other third parties and securities lending and repurchase transactions risk. Unit prices and income distribution, if any, may rise or fall. Please consider the fees and charges involved before investing. Neither UOB Asset Management (Malaysia) Berhad nor its authorised distributors or agents guarantees any returns on the investments.