

BOSWM ASIAN INCOME FUND

QUARTERLY REPORT
For the financial period from
1 April 2025 to 30 June 2025

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FUND INFORMATION
As At 30 June 2025

Name Of Fund (Feeder)	: BOSWM Asian Income Fund
Manager Of Fund	: BOS Wealth Management Malaysia Berhad 199501006861 (336059-U)
Name Of Target Fund	: Lion Capital Funds II – Lion-Bank of Singapore Asian Income Fund
Investment Manager Of Target Fund	: Lion Global Investors Limited (198601745D)
Sub-Investment Manager Of Target Fund	: Bank of Singapore Limited (197700866R)
Launch Date	: Class MYR – 12 January 2017 Class MYR BOS – 12 September 2019 Class USD BOS – 12 September 2019 The Fund will continue its operations until terminated as provided under Part 11 of the Deed.
Category Of Fund	: Mixed assets – feeder fund (wholesale)
Type Of Fund	: Growth and income [□]
Investment Objective	: BOSWM Asian Income Fund aims to provide capital growth and income [□] in the medium* to long term* by investing in the Target Fund – Lion Capital Funds II – Lion-Bank of Singapore Asian Income Fund. [□] Income is in reference to the Fund's distribution, which will be in the form of cash or units. [*] Medium term is defined as a period of one to three years, and long term is a period of more than three years.
Performance Benchmark	: Nil – The Fund does not have a performance benchmark assigned.
Distribution Policy	: Subject to the availability of income, distribution of income will be on a quarterly basis.
Fund Size	: Class MYR – 0.95 million units Class MYR BOS – 14.75 million units Class USD BOS – Nil

FUND PERFORMANCE**For The Financial Period From 1 April 2025 To 30 June 2025****Market And Fund Review***Review Of The Lion Capital Funds II – Lion-Bank Of Singapore Asian Income Fund
(Target Fund Of BOSWM Asian Income Fund)***April 2025**

Market overview:

While the economic outlook remained murky, the odds that trade tariffs had hit a peak have increased gradually since Liberation Day. Though there will still be difficult to quantify economic effects ahead, the odds of a United States (US) recession have begun receded by the beginning of May 2025 though uncertainty remains high. The portfolio remains overweight in China and Singapore. The Chinese government is very likely to support its domestic economy in the face of trade disruptions while Singapore equities is expected to outperform due to the country's strong fundamentals that have led some to consider it a safe-haven.

Markets did a rollercoaster ride of significant amplitude after the Liberation Day tariffs. Trading was chaotic, with volatility exploding and US assets getting hit hardest as markets believed tariffs would disadvantage the US more than the rest of the world. 'End of US Exceptionalism' trade entailed selling US dollars, US equities and US Treasuries (UST) and the market did the trade with such ferocity that President Donald Trump eventually held back on enacting reciprocal tariffs on its trading partners for 90 days (with the main exception of China). US equities and credit spreads tightened significantly, though US dollars continued to sell off and US long dated yields remain elevated.

J.P. Morgan Asia Credit Index (JACI) generated a total return of -0.03% in April 2025. Index spreads were wider while Treasury yields were lower. Investment Grade (IG) spreads widened 11 basis points (bps) while High Yield (HY) spreads tightened by 14 bps. Higher beta countries like Sri Lanka and Pakistan sold off while countries with longer duration issuances like Indonesia, Malaysia and Philippines outperformed.

Going into May 2025, credit risk premium has tightened back in significantly from the wide they reached in the immediate reaction to the tariff announcement as even the reciprocal tariffs on China have been put on hold. Certain HY issuers now present rather good value which have not been seen in a while. The target fund will continue to rebalance selectively into some of these.

Portfolio asset allocation:

The current target fund allocation as of end April 2025 is 52.0% in equities, 45.7% in fixed income, and the balance 2.3% in cash.

Portfolio update:

Month-to-Date (YTD) Contributors:

- Viz-a-viz the benchmark, the equity outperformance for MTD was concentrated in the China and Singapore markets, as the portfolio's aggregate holdings in these markets fell less than the market.

Month-to-Date (YTD) Detractors:

- Korea, Malaysia, Thailand, and Taiwan contributed broadly similarly to negative relative performance in April 2025.
- These were due to a combination of under-allocation (Korea and Malaysia), as well as weak stock selection (the rest).

Year-to-Date (YTD) Contributors:

- The top market contributors to relative performance for YTD are the Philippines and Singapore, followed by Thailand and Taiwan.

Year-to-Date (YTD) Detractors:

- The top detractors to relative performance YTD include Indonesia and Korea. Poor stock selection was a common reason for both; but Indonesia suffered from overallocation while Korea was impacted by under-allocation.
- China was one of the best performing equity markets in Asia year-to-date. While the target fund was Overweight there, stock selection posed a challenge due to the narrow breadth of outperforming stocks in the market vs the more diversified holdings of the target fund.

May 2025**Market overview:**

By the end of May 2025, it appears that the peak of trade tariffs uncertainty may be behind the Investment Manager of Target Fund, largely due to accommodations agreed between the United States (US) and China. Though there will still be difficult to quantify economic effects ahead, odds of a US recession have begun to recede. However, geopolitical risks continue to flare with the latest Middle Eastern tensions. The effect will largely be through the energy sector. The portfolio remains overweight in China and Singapore. The Chinese government is very likely to support its domestic economy in the face of trade disruptions while Singapore equities is expected to outperform due to the country's strong fundamentals that have led some to consider it a safe-haven.

'End of US Exceptionalism' trades continued to work in fixed income space as the US dollar continued to weaken together with rising Treasury yields. This is happening despite President Donald Trump suspending higher tariffs for China until August 2025. The market turned its focus on Trump's Big Beautiful Bill and markets begin worrying that deficits will continue to be at elevated levels for a long time. Moody's downgraded US to Aa' from AAA and though most portfolios will not need to sell Treasuries as Standard & Poor's and Fitch already had US at AA+ rating, the downgrade nonetheless captured the post-Covid zeitgeist of structurally higher government deficits.

J.P. Morgan Asia Credit Index (JACI) generated a total return of 0.36% in May 2025. Index spreads were tighter while Treasury yields were higher. Investment Grade spreads tightened by 15 basis points (bps) while High Yield (HY) spreads tightened by 32 bps. Higher beta countries like Sri Lanka, Pakistan and Vietnam outperformed while lower beta countries like Singapore, Malaysia and Taiwan underperformed.

Asian credit continued to be resilient and should remain resilient as long as the theme of 'End of US Exceptionalism' continues. However, if high tariffs remain after the suspension period, the Investment Manager of Target Fund believe a global slowdown is likely and that may lead to wider credit spreads. They think HY is in a sweet spot and will endeavor to find HY issuers with value.

Portfolio asset allocation:

The current target fund allocation as of end May 2025 is 52.4% in equities, 43.1% in fixed income, and the balance 4.5% in cash.

Portfolio update:

Month-to-Date (MTD) Contributors:

- The target fund remained overweight in equity and underweight in fixed income.
- In equities, the Philippines and China were the key positive contributors to relative performance in the month, due to both positive stock selection as well as market allocation.

Month-to-Date (MTD) Detractors:

- On the other hand, Taiwan was the only negative contributor to relative performance, as a result of stocks that lagged the local market.

Year-to-Date (YTD) Contributors:

- The majority of the target fund's year-to-date underperformance came from equities. Within equities, the Philippines, Singapore and Thailand were the greatest contributor to relative performance. In the case of Philippines, it was superior stock selection. For Singapore, it was appropriate over allocation.

Year-to-Date (YTD) Detractors:

- Indonesia, Korea and Hong Kong were the largest detractors year-to-date. For all three markets, inappropriate allocation selection was to blame.

June 2025

Market overview:

End of United States (US) Exceptionalism' trades misfired in June 2025 as S&P rose to all-time highs while Treasuries rallied. Only US dollars (USD) failed to get a bid with President Trump's threat to name a 'shadow' Federal Reserve (Fed) chair who will only cut rates likely weighing on the minds of USD investors. Waiting for inflation to show up in the short run seems to be like 'waiting for Gadot' and markets have turned their focus to the glacially slowing labour market for signs of weakness. Even though Germany's Dax index is not at all-time highs, the front-loaded fiscal spending plans for 2025 and 2026 means Germany's growth will likely be more exceptional than previously forecast and European Central Bank (ECB) will not be in a hurry to cut rates.

J.P. Morgan Asia Credit Index (JACI) generated a total return of 1.16% in June 2025. Index spreads were wider while Treasury yields were lower. Investment grade (IG) spreads widened 2 basis points (bps) while high yield (HY) spreads widened by 6bps. Higher beta countries like Sri Lanka and Pakistan outperformed while China and Hong Kong underperformed.

It has been risk-on for the Asian credit space since President Trump called a pause on tariff a week after Liberation Day. Credit spread has traded within narrow range while volatility is driven more by the Investment Manager of Target Fund interest rates movements. This is likely to continue unless President Trump throws another spanner in the works as new supply remains scarce. HY bonds appear fully valued but still offer attractive coupon carry.

Portfolio asset allocation:

The current Fund allocation as of end June 2025 is 55.0% in equities, 42.2% in fixed income, and the balance 2.8% in cash.

Portfolio update:

Asian markets continue to improve in the month of June 2025 with most markets performing well. Local currency strength remains one of the contributors as investors demand more local currencies. Taiwan and South Korea had one of the best performances with the Taiwan currency helping total performance as it appreciates against the US dollar (USD). The Fund's Taiwan exposure performed in line with the Taiwanese market in June 2025. Korea was the other star performer in Asia. Not all countries are equal and Emerging Asia were the weakest market as Indonesia, Philippines and Thailand came in negative for the month. China was steady in June, having been one of the best markets in 2025.

Overall, the Investment Manager of Target Fund are overweight Equities as Asian equities benefitted from US shifting policies and threats of Tarriff resulting in investments moving to the region. China has also grown in importance as the second largest economy in the world, leading in innovation, especially in artificial intelligence (AI).

Equities underperformed the market as the Fund was underweight South Korea and the Investment Manager of Target Fund selection in Philippines did not do as well in the month. Selection effect in China was also slightly negative compared to the country's performance. They remain overweight in Singapore as investors continue to view the country as a safer investment, especially during global volatility and policy shift in the United States (US).

The Investment Manager of Target Fund are constructive in Asia and see the region positively. Interest rates have been dropping which bodes well for asset pricing. The strength of local currency has helped in translated performance in USD. Governments in Asia are still able to increase spending if needed to help the economy along.

Fund Returns

	Total Returns	
	Class MYR	Class MYR BOS
1.1.2025 To 31.3.2025	2.09%	2.17%
1.4.2025 To 30.6.2025	-0.59%	3.82%
1 Year's Period (1.7.2024 To 30.6.2025)	-2.33%	6.40%
3 Years' Period (1.7.2022 To 30.6.2025)	6.71%	4.84%
5 Years' Period (1.7.2020 To 30.6.2025)	-0.78%	-4.37%
Financial Year-To-Date (1.1.2025 To 30.6.2025)	1.49%	6.07%
Since Investing Date To 30.6.2025	6.88%	-1.91%

Note:

- BOSWM Asian Income Fund Class MYR – Launch/investing date: 12.1.2017
- BOSWM Asian Income Fund Class MYR BOS – Launch/investing date: 12.9.2019
- BOSWM Asian Income Fund Class USD BOS – Launch/investing date: 12.9.2019

Source: Lipper, Bloomberg

Asset Allocation**As At 30 June 2025**

Collective Investment Scheme:	
Lion Capital Funds II – Lion-Bank of Singapore	93.12%
Asian Income Fund USD Class C (Distribution)	
and/or USD Class C (Accumulation)	

Cash And Liquid Assets	6.88%
	<u>100.00%</u>

Income Distribution

Nil

Net Asset Value (NAV) Per Unit

(as at 30 June 2025)

Class MYR	RM0.9981
Class MYR BOS	RM0.9430
Class USD BOS	-

Significant Changes In The State Of Affairs Of The Fund

Nil

UNAUDITED STATEMENT OF FINANCIAL POSITION
As At 30 June 2025

	30.6.2025
	RM
Assets	
Investments	13,831,499
Interest receivable	41
Tax recoverable	3,892
Other receivables	26,794
Financial derivatives	491,265
Cash and cash equivalents	519,933
Total Assets	<u>14,873,424</u>
Liabilities	
Amount due to Manager	6,027
Other payables	13,941
Total Liabilities	<u>19,968</u>
Net Asset Value Of The Fund	<u>14,853,456</u>
Equity	
Unitholders' capital	18,624,808
Accumulated losses	<u>(3,771,352)</u>
Net Asset Value Attributable To Unitholders	<u>14,853,456</u>
Total Equity And Liabilities	<u>14,873,424</u>

UNAUDITED STATEMENT OF FINANCIAL POSITION (continuation)
As At 30 June 2025

	30.6.2025
	RM
Net Asset Value Attributable To Unitholders	
- Class MYR	947,599
- Class MYR BOS	13,905,857
	<u>14,853,456</u>
Number Of Units In Circulation (Units)	
- Class MYR	949,453
- Class MYR BOS	14,747,508
Net Asset Value Per Unit (MYR)	
- Class MYR	0.9981
- Class MYR BOS	0.9430

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
For The Financial Period From 1 April 2025 To 30 June 2025

	1.4.2025 to 30.6.2025 RM
Investment Income	
Interest income	3,593
Net gain on investments	
- Financial derivatives	207,109
Net unrealised gain on changes in value of financial assets at fair value through profit or loss	326,052
	<u>536,754</u>
Expenses	
Audit fee	2,148
Tax agent's fee	790
Manager's fee	18,274
Trustee's fee	1,426
Administration expenses	5,378
	<u>28,016</u>
Net Income Before Taxation	508,738
Taxation	<u>(183)</u>
Net Income After Taxation, Representing Total Comprehensive Income For The Period	<u><u>508,555</u></u>
Total Comprehensive Income	<u>508,555</u>
Total Comprehensive Income Is Made Up As Follows:	
Realised Income	182,503
Unrealised Income	326,052
	<u><u>508,555</u></u>

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INSTITUTIONAL UNIT TRUST ADVISERS (IUTA)

For more details on the list of appointed IUTA (if any), please contact the Manager. Our IUTA may not carry the complete set of our funds. Investments made via our IUTA may be subject to different terms and conditions.

IMPORTANT NOTICES

Beware of phishing scams

Kindly be alert of any email or SMS that requires you to provide your personal information and/or to login to your account via an unsolicited link. Do not click on email links or URLs without verifying the sender of the email. Please ensure the actual internet address is displayed i.e. www.boswm.com.my

If you suspect your account may be compromised and/or would like to seek clarification, please contact us as above.

Update of particulars

Investors are advised to furnish us with updated personal details on a timely basis. You may do so by downloading and completing the Update of Particulars Form available at www.boswm.com.my, and email to ContactUs@boswm.com. Alternatively, you may call us as above.