BOS WEALTH MANAGEMENT
A subsidiary of Bank of Singapore

BOSWM ASIAN INCOME FUND

QUARTERLY REPORT
For the financial period from
1 January 2025 to 31 March 2025

CONTENTS

FUND INFORMATION
As At 31 March 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 could 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 January 2025 To 31 March 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)

<u>**January 2025**</u>

Market overview:
While the initial tariff announcements by the new Trump administration appeared less severe than initially feared, the likelihood that more measures lie just around the corner will continue to dog the market in the Investment Manager of Target Fund's view. Meanwhile, the release of a new Artificial Intelligence (AI) reasoning model by little known Chinese AI company Deepseek a few days ahead of the Lunar New Year caused seismic tremors in global equities. The knee-jerk reaction it created was unwarranted in their view. In the longer run, AI should benefit Asia considering its irreplaceable position as a key semiconductor supplier. Asian credits remained mostly unscathed from all the tariff talks in the opening month of 2025. Risk assets quickly recovered from the Deepseek reveal as well as Trump's trade negotiations involving tariffs on Columbia, Mexico, Canada and China.

The J.P. Morgan Asia Credit Index (JACI) generated a total return of 0.46% in January 2025. Index spreads were tighter while Treasury yields were lower. Investment Grade (IG) spreads tightened 1bps while High Yield (HY) spreads widened by 13bps. There was broad risk-on as the month ended, with high-beta countries like Sri Lanka and Pakistan outperforming while Hong Kong underperformed due to worries about corporates with real estate exposure in Hong Kong. The Investment Manager of Target Fund expect greater volatility in 2025 as Trump headlines and policy play out. With credit premium at historically tight levels, they expect rate volatility to drive total return for the IG segment of the Asian Credit market. The HY market does present some opportunities for attractive coupon accrual but they will have to be selective about the single name exposures as certain sectors like Chinese property still remains in distress.

Portfolio asset allocation:
The current target fund allocation as of end January 2025 is 51.4% in equities, 46.4% in fixed income, and the balance 2.2% in cash.

Portfolio update:

Year-to-Date (YTD) Contributors:

- Despite being marginally underweight in Taiwan, strong stock selection, in the semiconductor sector, led to this market contributing positively to overall portfolio relative performance.
- Underweights in certain ASEAN markets, notably Malaysia and Thailand, plus positive stock selection in Indonesia also contributed to relative performance.

Year-to-Date (YTD) Detractors:

- January 2025 was a strong month for equities, led by Korea and Singapore equities. The portfolio's underweight in Korean equities detracted. Meanwhile, Singapore equities' strong gains in the month was caused by the disproportionate return of one stock which was not held by the portfolio and this held back the portfolio's return.
- Chinese equities was another major detractor of performance in January 2025. This was due to unrelated, uncorrelated single stock factors that was not offset fully by positive contributors.

<u>**February 2025**</u>

Market overview:

The most important driver of asset prices in February was excitement around China's artificial intelligence (AI) industry, specifically the notion that China is on par or even ahead of the rest of the world in AI. A rare meeting between China's President and China's tech industry leader added to this narrative. This theme has more room to bloom, in Investment Manager of Target Fund view. Market corrections caused by trade tariff impacts may be an opportunity for the portfolio to optimise for this theme. February 2025 saw the global risk markets pulling back in a major way due to the uncertainty generated by the many headlines from the new Trump administration. Tariff threats have been issued to many countries and to many industries (automotives, pharmaceuticals, semiconductors). Elon Musk's Department of Government Efficiency (DOGE) also added to the uncertainty by creating job uncertainty for many government workers at a time when US economic data seems to be slowing. Worries about a slowdown in US growth could cause a rally in US rates.

The J.P. Morgan Asia Credit Index (JACI) generated a total return of 1.73% in February 2025. Index spreads were tighter while Treasury yields were lower. Investment Grade (IG) spreads widened 2 basis points (bps) while High Yield (HY) spreads tightened by 15 bps. Greater China credit outperformed as President Xi's handshake with Alibaba's Ma Yun led markets to forget that it had earlier thought China was 'uninvestable'. The rally in credit was fairly broad-based, with higher beta and longer duration countries both outperforming as well. Asian credit risk premium has remained fairly stable despite the volatile rates. The Investment Manager of Target Fund expect this resilience to remain in the short run as demand remains buoyant with the all-in yield level still attractive. The target fund will rebalance into HY but selectively into more stable credit which does not have short-run liquidity/refinancing needs.

Portfolio asset allocation:
The current target Fund allocation as of end February 2025 is 52.0% in equities, 45.5% in fixed income, and the balance 2.5% in cash.

Portfolio update:
Month-to-Date (MTD) Contributors:
- Positive contributors to relative performance from equities in February 2025 were all from allocation decisions, such as the overweight in the Philippines, as well as the underweight in Thailand and Malaysia.

Month-to-Date (MTD) Detractors:
- Indonesia was the worst performing Asian market in February 2025 by a wide margin and the portfolio's overweight there detracted significantly, accounting for half the underperformance for the month.
- Meanwhile, China and Hong Kong were the best performing markets by a significant margin but while the portfolio were in aggregate overweight these markets, weak stock selection contributed to the other half of the equity underperformance.

Year-to-Date (YTD) Contributors:
- The under allocation in Taiwan and Thailand equities were the key contributors to relative performance, though positive stock selection also added.
- Meanwhile, the omission of Malaysian equities and strong stock selection in Philippines also helped.

Year-to-Date (YTD) Detractors:
- Though the portfolio was overweight China, the best performing market year-to-date, its more diversified holdings kept it from matching the market's returns.
- The over-allocation of Indonesian equities, the worst performing market, was also a key detractor from relative performance, as was the under-allocation to Korean equities.

March 2025

Market overview:
The investment outlook has become more uncertain compared to three months ago due to the numerous tariffs US President Trump has unleashed on the world. The frequent changes in US trade policies compound the uncertainty. Simultaneously, China's decision to face up to President Trump has escalated tariffs to level that essentially cuts trade between the two countries. The portfolio remains overweight China and Singapore – which are key calls. 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. J.P. Morgan Asia Credit Index (JACI) generated a total return of 0.09% in March 2025. Index spreads were wider while Treasury yields were lower. Investment Grade (IG) spreads widened 18 bps while High Yield spreads widened by 15 bps. Greater China credit continued to outperform while higher beta countries like Sri Lanka and Pakistan sold off. Indonesian credits sold off as investors feared that President Prabowo's government had taken more steps towards authoritarianism and that the credible finance minister, Sri Mulyani Indrawati, would be replaced.

The broad-based global tariffs announced on Liberation Day came as a shock to risk markets in terms of its scale and breath. Markets have quickly gone into a risk-off mode as the street try to price the stagflationary outlook that is likely to unfold if there is no walk-back on the tariffs announced or if retaliatory measures announced by US trade partners unleash a full-fledged global trade war. The rates rally has not been enough to cushion the credit risk spread decompression. At the macro level, it appears that certain Asian economy such as Vietnam and Cambodia are the hardest hit in terms of the tariffs imposed. But there is limited direct exposure to trade in the credits the Investment Manager of Target Fund hold in the target fund. The target fund has been selective in the issuers they hold and will likely sit pat to ride out the volatility in the near term.

Portfolio asset allocation:
The current target fund allocation as of end March 2025 is 52.7% in equities, 47.1% in fixed income, and the balance 0.3% in cash.

Portfolio update:

Month-to-Date (MTD) Contributors:

- Both equities and fixed income achieved superior returns in the month, especially the former, where country allocation such as the overweight in China and Singapore especially contributed to relative performance.
- In other markets, such as Hong Kong, Thailand and Singapore, strong stock selection further contributed to overall equity outperformance.

Month-to-Date (MTD) Detractors:

- Only Korea (among equity markets) contributed to negative relative performance in the month, mostly due to stock selection.

Year-to-Date (YTD) Contributors:

- Through the first quarter of 2025, equities underperformed while fixed income outperformed.
- Within equities, Thailand and Taiwan contributed the most to relative performance as the portfolio was underallocated in these markets, which registered some of the worst performance across the region.
- On the other hand, strong stock selection in the Philippines and Thailand added to relative performance of the equity slice in the three months.

Year-to-Date (YTD) Detractors:

- While the portfolio was overweight China in the period, the narrow breadth of stocks with outsize returns meant that the more diversified holdings of the portfolio contributed to relative underperformance.
- Meanwhile, the overweight in Indonesia and the poor stock selection in Korea also lead to negative relative performance. Indonesia fell victim to domestic politics while the Korean market rebounded from last year’s underperformance.

Fund Returns

	Total Returns	
	Class MYR	**Class MYR BOS**
1.1.2025 To 31.3.2025	2.09%	2.17%
1 Year's Period (1.4.2024 To 31.3.2025)	0.26%	4.29%
3 Years' Period (1.4.2022 To 31.3.2025)	3.87%	-6.82%
5 Years' Period (1.4.2020 To 31.3.2025)	11.32%	3.67%
Financial Year-To-Date (1.1.2025 To 31.3.2025)	2.09%	2.17%
Since Investing Date To 31.3.2025	7.51%	-5.52%

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 31 March 2025
Collective Investment Scheme:	
Lion Capital Funds II – Lion-Bank of Singapore Asian Income Fund USD Class C (Distribution) and/or USD Class C (Accumulation)	96.58%
Cash And Liquid Assets	3.42%
	100.00%

Income Distribution

Nil

Net Asset Value (NAV) Per Unit

(as at 31 March 2025)

Class MYR	RM1.0039
Class MYR BOS	RM0.9081
Class USD BOS	-

Significant Changes In The State Of Affairs Of The Fund

Nil

UNAUDITED STATEMENT OF FINANCIAL POSITION
As At 31 March 2025

	31.3.2025 RM
Assets	
Investments	13,854,257
Interest receivable	99
Tax recoverable	3,892
Other receivables	26,630
Financial derivatives	142,456
Cash and cash equivalents	338,073
Total Assets	14,365,407
Liabilities	
Amount due to Manager	5,846
Other payables	14,660
Total Liabilities	20,506
Net Asset Value Of The Fund	14,344,901
Equity	
Unitholders' capital	18,624,810
Accumulated losses	(4,279,909)
Net Asset Value Attributable To Unitholders	14,344,901
Total Equity And Liabilities	14,365,407

UNAUDITED STATEMENT OF FINANCIAL POSITION (continuation)
As At 31 March 2025

	31.3.2025 RM
Net Asset Value Attributable To Unitholders	
- Class MYR	953,093
- Class MYR BOS	13,391,808
- Class USD BOS	-
	14,344,901
Number Of Units In Circulation (Units)	
- Class MYR	949,453
- Class MYR BOS	14,747,508
Net Asset Value Per Unit (MYR)	
- Class MYR	1.0039
- Class MYR BOS	0.9081

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
For The Financial Period From 1 January 2025 To 31 March 2025

	1.1.2025 to 31.3.2025 RM
Investment Income	
Interest income	3,233
Net loss on investments	
- Financial assets at fair value through profit or loss	8,824
- Foreign exchange	14,375
- Financial derivatives	(648,141)
Net unrealised gain on changes in value of financial assets at fair value through profit or loss	945,702
	323,993
Expenses	
Audit fee	1,935
Tax agent's fee	712
Manager's fee	15,647
Trustee's fee	1,409
Administration expenses	4,311
	24,014
Net Income Before Taxation	299,979
Taxation	3,770
Net Income After Taxation, Representing Total Comprehensive Income for the Period	303,749
Total Comprehensive Income	303,749
Total Comprehensive Income Is Made Up As Follows:	
Realised loss	(641,953)
Unrealised income	945,702
	303,749

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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.