



**BOS WEALTH
MANAGEMENT**

A subsidiary of Bank of Singapore

BOSWM ASIAN INCOME FUND

QUARTERLY REPORT

**For the financial period from
1 July 2025 to 30 September 2025**

CONTENTS

Fund Information	2
Fund Performance	
Market And Fund Review	3
Fund Returns	
Asset Allocation	
Income Distribution	
Net Asset Value (NAV) Per Unit	
Significant Changes In The State Of Affairs Of The Fund	
Financial Statements	
Unaudited Statement Of Financial Position	9
Unaudited Statement Of Comprehensive Income	11

FUND INFORMATION

As At 30 September 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 – 0.85 million units Class MYR BOS – 14.75 million units Class USD BOS – Nil

FUND PERFORMANCE

For The Financial Period From 1 July 2025 To 30 September 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)

July 2025

Market overview:

J.P. Morgan Asia Credit Index (JACI) generated a total return of 0.63% in July 2025. Index spreads were tighter while Treasury yields were higher. Investment Grade (IG) spreads tightened 10 basis points (bps) while High Yield (HY) spreads tightened by 11bps. Higher beta countries like Sri Lanka and Pakistan continued to outperform while China and Hong Kong continued to underperform.

August 2025 started with a shocking payrolls report (massive downward revisions to prior months' print) which pulls the next couple of Consumer Price Index (CPI) prints further into the spotlight if that was possible. If the feed through into price pressures intensifies from the current tepid level, it would add to the complexities of issues facing the US Federal Reserve (Fed). For the moment, the market is convinced of the downside risk to the United States (US) economy and has already priced in almost 100% certainty of easing in September 2025. Risk markets are, however, less convinced. Asian credit, in particular the HY sector, still seems to be riding a strong tailwind from very strong technical as supply has been lacking. No change in strategy for the target fund.

With many of the trade negotiations completed, uncertainty has diminished. In most instances, the final tariff rates were materially lower than those unveiled on 'Liberation Day'. It appears that markets will accept that the glass is 'half-full' instead of 'half-empty'. In such circumstances, the Investment Manager of Target Fund expect equity markets, including those in Asia, to remain well supported. While the all-important deal with China is yet finalised – the truce has in fact been extended into November 2025 – it remains the only country with leverage against the US. This is one reason the target fund remains over allocated there.

Portfolio asset allocation:

The current target fund allocation as of end July 2025 is 56.1% in equities, 42.0% in fixed income, and the balance 1.9% in cash.

Portfolio update:

Month-to-Date (MTD) Contributors:

- The Target Fund outperformed its benchmark in July 2025 with contributions from both equities and fixed income.
- China was a material contributor to this for both equities and fixed income. Taiwan also contributed for equities, as did Korea for fixed income.

Month-to-Date (MTD) Detractors:

- Thailand and Philippines were minor detractors for equities in the month. The Thailand market was as significant outperformer in the region and the target fund was under-allocated in that market.

Year-to-Date (YTD) Contributors:

- The target fund lags its benchmark year to July 2025, net of fees. The target funds' fixed income allocation has outperformed through this period.
- Within equities, which had underperformed overall, China, Singapore and Thailand had contributed on a relative basis, due to over-allocation in the former two and stock selection in the latter.

Year-to-Date (YTD) Detractors:

- Korean equities had been the highest detractor, due to both under-allocation as well as poor stock selection. This is followed by Indonesia with similar causes.

August 2025

Market overview:

J.P. Morgan Asia Credit Index (JACI) generated a total return of 1.22% in August 2025. Index spreads were wider while United States Treasury (UST) yields were lower. Investment Grade (IG) spreads widened 4 basis points (bps) while High Yield (HY) spreads tightened by 11bps. Hong Kong outperformed led by New World Development on rumours of equity injection by the Cheng family which was later denied.

On the macroeconomic front, US Federal Reserve (Fed) Chair Jerome Powell turned dovish at August 2025's Jackson Hole after a very weak non-farm payroll and possibly after much jawboning from President Donald Trump. Credit investors appeared to be convinced that the Fed cutting cycle will begin in earnest in September 2025 and long duration credits were sought after. While the Investment Manager of Target Fund expect yields on the short end of the US curve to be capped by rate cut expectations, the long end of the curve may become even more unsettled as market perceived the interference from the President Donald Trump's administration as undermining the Central Bank's independence and credibility. Risk sentiment meanwhile remains buoyant with almost no letting up in the buying interest. September 2025 has begun with a bonanza of new issuance which will assuage some of this demand. The target fund will participate wherever it makes sense.

With regional, if not global, central banks very likely to remain on an easing stance (with perhaps the exception of the European Central Bank), a potential downtick in global growth, caused by a slowdown in global trade, is likely to be limited. Arguably, the most important consequence of this is continuing strong liquidity inflows into Asia, considering the seemingly entrenched view of a structurally weak US dollar. China and Singapore remain the preferred markets within the portfolio. In both markets, government policies are seen to be market supportive.

Portfolio asset allocation:

The current target fund allocation as of end August 2025 is 56.0% in equities, 42.3% in fixed income, and the balance 1.7% in cash.

Portfolio update:

Month-to-Date (MTD) Contributors:

- Singapore and Korea contributed positively to relative performance in the month of August 2025.
- In the former, Singapore Telecommunications, Parkway Life REIT and Sea Ltd were key contributors. Samsung Life and NCSOFT were the stocks that added to relative performance of Korean equities.

Month-to-Date (MTD) Detractors:

- The relative underperformance of China was the most significant factor behind the underperformance of equities.
- The sources of underperformance were diverse; no single stock accounted for a meaningful share of the total.

Year-to-Date (YTD) Contributors:

- Singapore, Thailand and Malaysia have contributed to relative outperformance year-till-date (August 2025).
- The source of Singapore's outperformance is over-allocation, while those for Thailand are superior stock selection and under-allocation. The portfolio was not invested in Malaysia, which is the reason for its positive relative performance contribution.

Year-to-Date (YTD) Detractors:

- Korea is the equity market that most detracted against the benchmark. This is caused by both under-allocation, particularly going into this year's Presidential election, as well as poor stock selection.
- Indonesia is just behind Korea in underperformance contribution. This is due to over-allocation, as well as poor stock selection in the face of government policies that were perceived to be detrimental to the economy.

September 2025

Market overview:

September 2025's Federal Open Market Committee (FOMC) was a sell the fact event as it turned out to be a hawkish cut. Even though two more cuts for 2025 were reflected in the median dot plots for a total of three cuts in 2025 (including September's cut), the dots were fairly balanced at 10-9 for 3 cuts versus 2 cuts and with only 2 out of the 9 voting for 1 more cut in 2025. The European Central Bank (ECB) was also marginally more hawkish at their September meeting with ECB Chair Christine Lagarde signalling that ECB was in a wait-and-see mode. With the looming US government shutdown, official data releases will be delayed. Therefore, private sector data may prove more important than usual in the coming weeks.

J.P. Morgan Asia Credit Index (JACI) generated a total return of 1.05% in September 2025. Index spreads were tighter while Treasury yields were lower. Investment Grade (IG) spreads tightened 12 basis points (bps) while High Yield (HY) spreads tightened by 30 bps. Higher beta countries like Pakistan and Sri Lanka outperformed while Hong Kong continued to outperform led by optimism the worst may be over for Hong Kong real estate credits.

JACI spreads are now at the tightest since 2007 but the Fed's rate cut seemed to have catalysed another bout of credit buying. The Investment Manager of Target Fund will focus on relative value trades rather than chasing risk in the current environment.

Portfolio asset allocation:

The current target fund allocation as of end September 2025 is 58.05% in equities, 40.45% in fixed income, and the balance 1.50% in cash.

Portfolio update:

Asian equities outperformed global equities in the risk-on market conditions of September 2025 and contributed to the solid performance of the target fund, driven largely by surging anticipation of policy rate cuts by the United States (US) Federal Reserve (Fed), relatively calm on the trade tariff front and continued softness of the US dollar. Within the Asian region, the export heavy North Asian markets of China, Korea and Taiwan outperformed while Association of Southeast Asian Nations (ASEAN) markets severely lagged. Singapore, Indonesia and the Philippines all chalked up negative returns in the period. Sectorally, consumer discretionary, communications services and the information technology sectors outperformed. Bullishness around the Artificial Intelligence (AI) theme was a key factor.

The Investment Manager of Target Fund remain constructive on equities, and they see better risk-reward in Asia ex-Japan, where valuations remain relatively undemanding with resilient earnings fundamentals. This translates to a moderately overweight allocation to equities at the expense of a lower fixed income allocation. With the sharp move up in September 2025, which most likely reflects bullish expectations, they expect markets to remain volatile as the year progresses. Hence, they are looking to increase the overall defensiveness of the equity portfolio by recycling proceeds into lower beta segments. They continue to keep a lookout to increase exposures to more attractively valued segments.

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%
1.7.2025 To 30.9.2025	9.92%	9.80%
1 Year's Period (1.10.2024 To 30.9.2025)	14.23%	10.76%
3 Years' Period (1.10.2022 To 30.9.2025)	25.90%	30.21%
5 Years' Period (1.10.2020 To 30.9.2025)	7.27%	0.01%
Financial Year-To-Date (1.1.2025 To 30.9.2025)	11.56%	16.47%
Since Investing Date To 30.9.2025	17.48%	7.70%

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: BOS Wealth Management Malaysia Berhad

Asset Allocation

Collective Investment Scheme:

Lion Capital Funds II – Lion-Bank of Singapore Asian Income Fund
USD Class C (Distribution) and/or USD Class C (Accumulation)

As At 30 September 2025

95.75%

Cash And Liquid Assets

4.25%

100.00%

Income Distribution

Nil

Net Asset Value (NAV) Per Unit

(as at 30 September 2025)

Class MYR

RM1.0971

Class MYR BOS

RM1.0354

Class USD BOS

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Significant Changes In The State Of Affairs Of The Fund

Nil

BOSWM ASIAN INCOME FUND**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025**

	30.09.2025 RM
Assets	
Investments	15,508,845
Interest receivable	83
Tax recoverable	860
Other receivables	28,629
Financial derivatives	95,309
Cash and cash equivalents	585,943
Total Assets	<u>16,219,669</u>
Liabilities	
Amount due to Manager	6,213
Other payables	16,005
Total Liabilities	<u>22,218</u>
Net Asset Value Of The Fund	<u>16,197,451</u>
Equity	
Unitholders' capital	18,517,930
Accumulated losses	(2,320,479)
Net Asset Value Attributable To Unitholders	<u>16,197,451</u>
Total Equity And Liabilities	<u>16,219,669</u>

BOSWM ASIAN INCOME FUND**UNAUDITED STATEMENT OF FINANCIAL POSITION (CONT'D.)
AS AT 30 SEPTEMBER 2025**

	30.09.2025
	RM
Net Asset Value Attributable To Unitholders	
- Class MYR	928,903
- Class MYR BOS	15,268,548
- Class USD BOS	-
	<u>16,197,451</u>
Number Of Units In Circulation (Units)	
- Class MYR	846,695
- Class MYR BOS	14,747,508
Net Asset Value Per Unit (MYR)	
- Class MYR	1.0971
- Class MYR BOS	1.0354
Net Asset Value Per Unit In Respective Currencies	
- Class MYR	RM1.0971
- Class MYR BOS	RM1.0354

BOSWM ASIAN INCOME FUND**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 JULY 2025 TO 30 SEPTEMBER 2025**

	01.07.2025 to 30.09.2025 RM
Investment Income	
Interest income	3,683
Net gain on investments	
- Foreign exchange	(1,468)
- Financial derivatives	365,243
Net unrealised gain on changes in value of financial assets at fair value through profit or loss	<u>1,111,811</u> <u>1,479,269</u>
Expenses	
Audit fee	2,171
Tax agent's fee	1,098
Manager's fee	18,434
Trustee's fee	1,557
Administration expenses	<u>5,015</u> <u>28,275</u>
Net Income Before Taxation	1,450,994
Taxation	<u>(120)</u>
Net Income After Taxation, Representing Total Comprehensive Income for the Period	<u>1,450,874</u>
Total Comprehensive Income	<u>1,450,874</u>
Total Comprehensive Income Is Made Up As Follows:	
Realised Income	339,063
Unrealised Income	<u>1,111,811</u> <u>1,450,874</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 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 e-mail to ContactUs@boswm.com. Alternatively, you may call or email us as above.