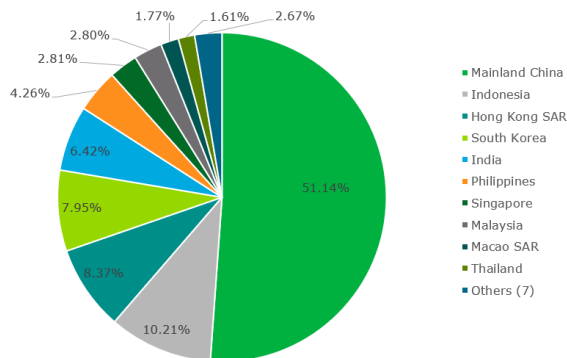


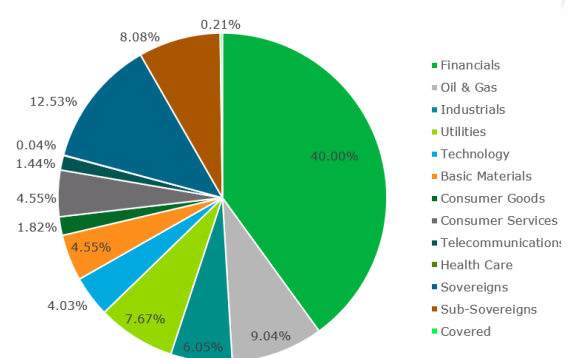
iBoxx USD Asia ex-Japan Monthly Commentary

July 2021 Rebalance

iBoxx USD Asia ex-Japan Market Breakdown



iBoxx USD Asia ex-Japan Sector Breakdown



Duration Changes

	30 Jun 21	01 Jul 21
Overall	4.43	4.44
Cambodia	2.56	2.56
China	3.52	3.51
Hong Kong	4.41	4.46
India	3.76	3.76
Indonesia	7.97	8.05
Macao	3.09	3.06
Malaysia	8.27	8.18
Mongolia	2.28	2.28
Pakistan	4.17	4.32
Papua New Guinea	5.27	5.27
Philippines	6.70	6.67
Singapore	4.93	4.92
South Korea	3.51	3.58
Sri Lanka	2.92	2.92
Taiwan	5.25	5.26
Thailand	7.18	7.16
Vietnam	3.17	3.17

* Duration is semi-annual modified duration.

The overall index duration moved slightly higher to 4.44 years post rebalance. Some markets with large duration changes included Indonesia (+0.08 years), Malaysia (-0.09 years) and South Korea (+0.07 years).

Malaysia expanded its notional base by USD 47.5 billion of long-dated bonds, after 3 of its bonds, with combined notional of USD 750 million, were either called or repurchased last month.

South Korea added 6 new bonds, all A-rated or above, with a total notional of USD 3.2 billion. Five of these bonds are short to medium-dated while the remaining one matures beyond 2041.

Sixty-two new bonds entered the index in July. Mainland China, Hong Kong SAR and Indonesia added 48 new issuances, making up over 236 billion (or 76%) of the new notional.

Of the 27 bonds removed from the rebalance:

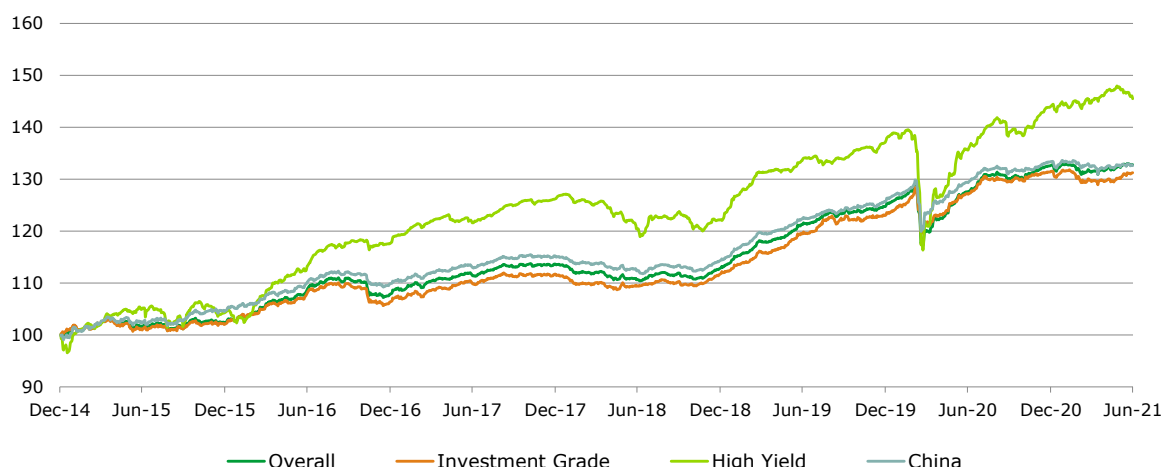
- two (from the same issuer in the China real estate sector) were traded flat
- five were called
- eight were redeemed or repurchased (either partially or in whole) and became ineligible for the index

There were 4 fallen angels captured this month (all belonged to the China financial sector).

Please refer to the Appendix for a breakdown of this month's insertions and deletions, and a list of fallen angels and rising stars recognised in 2021.

June 2021 Performance

iBoxx USD Asia ex-Japan Total Return Index Levels



* Total return index level is rebased to 100 on 31 December 2014. Data as of 30 June 2021.

U.S. markets remained cautiously optimistic in June, with volatility stemming from concerns around inflation and central-bank policy. The U.S. economy continued to improve, as gauged by positive data, but at a pace inadequate to warrant the Fed to accelerate its bond purchase tapering timeline. Meanwhile, the U.S. treasury curve flattened as the 2s10s[†] spread narrowed 24 bps to 120 bps, and the dollar advanced higher.

Asian economies also exhibited positive momentum, with the regional IHS Markit PMI[‡] for May remaining above 50, which signals economic expansion. However, the risk appetite for USD Asia corporate bonds was mixed, where yield change was mostly driven by spread change for high yield bonds (+0.71% change in yield and +62 bps in spread), but not so for high grade.

This month the iBoxx Asia ex-Japan index gained 0.24%. Longer-dated investment grade bonds made strong gains, but the overall index return was largely dragged down by B and CCC-rated high yield bonds, which registered severe losses.

Sector Month-to-Date Performance

Sovereigns 0.60%	Sub-sovereigns 0.36%	Covered -0.04%	Corporates 0.17%	
Financials -0.52%	Oil & Gas 1.29%	Industrials 0.50%	Utilities 0.66%	Technology 1.34%
Basic Materials 1.14%	Consumer Goods 0.62%	Consumer Services 0.58%	Telecom 0.57%	Health Care 0.32%

China Sector Month-to-Date Performance

Sovereigns 0.56%	Non-Sovereigns -0.12%			
	Sub-sovereigns 0.36%	Corporates -0.14%		
		Non-Financials 1.06%	Financials -0.88%	
			Real Estate -2.70%	ex-Real Estate 0.56%

Within the top 7 markets (by market value) in the index, only China (-0.10%) returned a loss while all other markets performed well with Indonesia (+1.31%) leading the pack.

In the corporate space, Basic Materials, Oil & Gas and Technology sectors were the best performers. Financials is the only sector leading on the downside.

China USD bonds (-0.10%) continued their downward trend in 2021, after a small bounce in May. The June loss was solely contributed to by bonds in the China Real Estate sector, which declined 2.70%.

After a volatile first half of 2021, marked by a 1.20% drop in Q1 and a 1.13% rally in Q2, the overall index has returned 0.10% year-to-date and currently has a yield of 3.27%.

[†] 10-year treasury constant maturity minus 2-year treasury constant maturity spread data from FRED database

[‡] IHS Markit Asia excluding Japan Composite PMI reading is 54.0 for March, 54.8 for April and 53.2 for May.

Key Index Analytics

By Rating

	Index	Δ MTD	MV (Bn)	Yield (%)	Spread (bps)	Duration	No. of Bonds
Overall	229.09	0.24%	1352.80	3.27	198	4.43	2122
AAA	210.89	1.42%	10.75	2.18	43	8.62	14
AA	197.04	0.25%	85.20	1.61	45	4.56	140
A	213.06	0.69%	396.28	2.42	104	5.29	560
BBB	235.04	0.92%	551.44	3.11	175	5.03	825
BB	264.73	0.09%	175.36	4.62	399	2.14	322
B	302.40	-3.26%	114.14	10.90	1024	1.94	226
CCC	124.15	-5.53%	19.24	17.06	1627	2.29	34

By Maturity

	Index	Δ MTD	MV (Bn)	Yield (%)	Spread (bps)	Duration	No. of Bonds
Overall	229.09	0.24%	1352.80	3.27	198	4.43	2122
Year 0-1	163.72	-0.17%	170.62	5.61	554	0.48	316
Year 1-3	197.74	-0.50%	397.46	3.97	369	1.71	709
Year 3-5	233.41	-0.24%	338.85	3.00	231	3.49	532
Year 5-7	247.02	0.23%	130.46	2.98	193	5.02	189
Year 7-10	256.36	1.22%	165.36	2.85	149	7.13	225
Year 10+	312.41	2.81%	150.06	3.41	142	14.74	151

Rating & Maturity Month-to-Date Performance

	0 - 1 Yr	1 - 3 Yrs	3 - 5 Yrs	5 - 7 Yrs	7 - 10 Yrs	10+ Yrs	Overall
Investment Grade	0.36%	0.25%	0.15%	0.48%	1.36%	2.83%	0.78%
AAA	-0.03%	-0.16%	0.00%	1.89%	1.03%	3.97%	1.42%
AA	-0.02%	-0.12%	-0.26%	-0.23%	1.36%	3.42%	0.25%
A	0.05%	0.01%	-0.02%	0.14%	1.49%	3.33%	0.69%
BBB	0.75%	0.46%	0.36%	0.88%	1.28%	2.41%	0.92%
High Yield	-1.34%	-1.96%	-1.35%	-0.94%	-0.51%	-0.16%	-1.54%
BB	0.30%	0.01%	-0.01%	0.32%	0.67%	0.27%	0.09%
B	-1.86%	-4.05%	-4.11%	-1.22%	0.24%	-0.34%	-3.26%
CCC	-10.09%	-4.99%	-1.99%	-6.87%	-5.34%	0.00%	-5.53%

Top 7 Largest Markets Month-to-Date Change

	Δ MTD	ΔYield (%)	ΔSpread (bps)	ΔDuration
Mainland China	-0.10%	0.06%	6	0.05
Hong Kong SAR	0.76%	-0.11%	-8	-0.03
India	0.39%	-0.02%	-4	-0.03
Indonesia	1.31%	-0.12%	1	0.07
Singapore	0.64%	-0.03%	1	0.04
South Korea	0.09%	0.02%	-2	0
Philippines	0.66%	-0.05%	5	-0.06

By Mainland China Breakdown

	Jun 2021	Δ MTD	Δ YTD	Δ 3Y	MV (Bn)	Yield (%)	Spread (bps)	Duration	No. of Bonds
Mainland China	247.31	-0.10%	-0.59%	18.03%	691.81	3.62	251	3.52	1170
Sovereigns	163.03	0.56%	-0.85%	19.40%	17.63	1.59	27	5.80	13
Non-sovereigns	248.02	-0.12%	-0.58%	18.00%	674.19	3.71	261	3.46	1157
Sub-sovereigns	202.76	0.36%	0.65%	18.74%	25.23	1.90	79	4.02	41
Corporates	252.83	-0.14%	-0.63%	17.98%	648.96	3.79	269	3.43	1116
Financials	308.62	-0.88%	-1.74%	18.11%	395.58	5.27	455	2.36	752
Real Estate	352.15	-2.70%	-2.32%	22.32%	169.51	7.58	684	2.27	352
Non-Financials	224.47	1.06%	1.17%	17.86%	253.38	2.72	135	5.12	364
Investment Grade	219.51	0.82%	-0.29%	17.53%	506.71	2.74	154	4.18	798
High Yield	330.54	-2.52%	-1.38%	19.69%	185.10	9.36	887	1.70	372
Mainland China LGFV	124.16	0.47%	1.00%	18.35%	46.98	4.36	397	1.43	124
Investment Grade	122.57	0.77%	0.43%	16.39%	35.43	3.22	277	1.57	92
High Yield	125.82	-0.43%	2.83%	25.60%	11.55	9.59	943	1.02	32

Data as of 30 June 2021.

MV (Bn) refers to market value in billion. **Yield (%)** refers to semi-annual yield in percent.

Spread (bps) refers to semi-annual spread to benchmark curve in basis point. **Duration** refers to semi-annual modified duration.

Appendix

iBoxx USD Asia ex-Japan Overall – July 2021 Insertions

Issue	MKT	Rating	Notional (MM)
AACTEC 2.63% 2026-06-02	CHN	BBB	300
AACTEC 3.75% 2031-06-02	CHN	BBB	350
AGRBK 0.7% 2024-06-17	CHN	A	500
AGRBK 1.25% 2026-06-17	CHN	A	500
BCLMHK 1.13% 2024-06-18	CHN	A	500
CAPG 6.2% 2026-03-24	CHN	B	346
CHALUM 2.13% 2026-06-03	CHN	A	800
CHEVBK 0.84% 2024-06-15	CHN	BBB	600
CHINAM 1.38% 2024-06-02	CHN	BBB	600
CHIOIL 4.7% 2026-06-30	CHN	BB	400
CHSCOI 3.4% Perp	CHN	BBB	500
CQNANA 4.56% 2026-06-10	CHN	BBB	350
CSFCO 1.13% 2024-06-10	CHN	BBB	500
CSPLIN 3.8% 2022-11-14	CHN	BBB	500
EHOUSE 7.6% 2023-06-10	CHN	BB	300
GCLNE 10% 2024-01-30	CHN	BB*	512
GRPCIN 3.35% 2026-06-01	CHN	BBB	560
GSHIAV 3.5% 2024-06-10	CHN	BBB	400
GZJKTZ 3.4% 2024-06-18	CHN	BB*	270
HLBCNH 11% 2023-03-24	CHN	B	350
HONGQI 6.25% 2024-06-08	CHN	BB	500
INDUBK 0.88% 2024-06-10	CHN	BBB	600
JINKE 6.85% 2024-05-28	CHN	B	325
JIUJDV 3.45% 2024-06-01	CHN	BBB	300
KAISAG 11.65% 2026-06-01	CHN	B	300
PCPDC 4.75% 2022-03-09	CHN	BB*	316
PCPDC 5.13% 2026-06-18	CHN	BB*	800
SDECDI 2.4% 2026-06-03	CHN	A	500
SHAGAN 3.3% 2024-06-01	CHN	BBB	300
SHUION 5.5% 2026-06-29	CHN	BB*	400
SINOCL 6.25% 2023-06-22	CHN	BBB	500
SKYFAM 13% 2023-12-16	CHN	B	292
SUNSHI 7.88% 2024-09-04	CHN	B	290
TPHL 5.55% 2024-06-04	CHN	B	400
ZHPRHK 7.1% 2024-09-10	CHN	B	340
BJAFHO 1.9% 2026-03-23	HKG	A	300
BOCOMI 1.75% 2026-06-28	HKG	A	500
CKINF 4.2% Perp	HKG	BBB	300
CKPFIN 0.75% 2024-06-30	HKG	A	250
CKPFIN 1.38% 2026-06-30	HKG	A	350
HZFYCT 3.2% 2026-06-25	HKG	BBB	328

iBoxx USD Asia ex-Japan Overall – July 2021 Insertions

Issue	MKT	Rating	Notional (MM)
LIHHK 4.8% 2026-06-18	HKG	BB*	350
NWDEVL 4.13% Perp	HKG	BBB*	1,200
TTMTIN 4.35% 2026-06-09	IND	B	425
WPROIN 1.5% 2026-06-23	IND	A	750
ICBPIJ 3.4% 2031-06-09	IDN	BBB	1,150
ICBPIJ 4.75% 2051-06-09	IDN	BBB	600
INDOIS 1.5% 2026-06-09	IDN	BBB	1,250
INDOIS 2.55% 2031-06-09	IDN	BBB	1,000
INDOIS 3.55% 2051-06-09	IDN	BBB	750
RHBCMK 1.66% 2026-06-29	MYS	A	500
TNBKM 4.85% 2028-11-01	MYS	BBB	750
MVMOFB 9.88% 2026-04-08	MDV	B	300
PAKWNP 7.5% 2031-06-04	PAK	B	500
SMCGL 5.45% Perp	PHL	BB*	600
GLPSP 4.6% Perp	SGP	BB	300
EIBKOR 0.63% 2024-06-29	KOR	AA	750
EIBKOR 1.13% 2026-12-29	KOR	AA	750
EIBKOR 2.5% 2041-06-29	KOR	AA	500
HATELE 3.88% 2023-08-13	KOR	A	300
KEBHNB 1.25% 2026-12-16	KOR	A	600
SHINCA 1.38% 2026-06-23	KOR	A	300

* Implied rating

iBoxx USD Asia ex-Japan Overall – July 2021 Deletions

Issue	MKT	Rating	Notional (MM)
AGRBK 2.5% 2021-06-21	CHN	A	500
CHCONS 2.7% 2021-06-14	CHN	A	500
COGARD 4.75% 2023-01-17 [^]	CHN	BBB	625
COGARD 4.75% 2023-09-28 [^]	CHN	BBB	650
COGO 4.88% 2021-06-01	CHN	BBB	500
DAFAPG 12.88% 2021-07-11 [^]	CHN	B	300
EVERRE 6.25% 2021-06-28	CHN	B	1,473
GWTH 14.25% 2023-01-09 [^]	CHN	B	255
HRINTH 3.25% 2021-06-03	CHN	BBB	900
ICBCAS 2.5% 2021-06-16	CHN	A	400
JIAZHO 10.88% 2022-06-18 [^]	CHN	B	310
JINKE 8.38% 2021-06-20	CHN	B	300
KAISAG 7.88% 2021-06-30	CHN	B	346
SDBC 2.13% 2021-06-01	CHN	A	1,000
THSCPA 7.95% 2021-08-15 [†]	CHN	CCC*	400
THSCPA 6.95% 2022-06-18 [†]	CHN	CCC*	550
TPHL 7.63% 2022-02-21 [^]	CHN	B	500
YANTZE 2.3% 2021-06-02	CHN	A	500
YLLGSP 5.88% 2022-01-23 [^]	CHN	B	450
ZHPRHK 8.65% 2023-01-21 [^]	CHN	B	420
CWAHK 5.25% 2022-02-07 [^]	HKG	BB	300
LIHHK 4.25% 2022-10-16 [^]	HKG	BB*	300
AXSBIN 2.88% 2021-06-01	IND	BB	500
GJTLIJ 8.38% 2022-08-10 [^]	IDN	CCC	250
PWONIJ 5% 2024-02-14 [^]	IDN	BB	250
TBLAIJ 7% 2023-01-24 [^]	IDN	B	250
HYNMTR 2.45% 2021-06-15	KOR	BBB	600

[^] Issue was either called, redeemed, repurchased, or partially repurchased

[†] Trading flat

* Implied rating

iBoxx USD Asia ex-Japan Overall – Fallen Angels in 2021

Index Rebalance	Issue	MKT	Past Rating	Current Rating
31/12/2020	HBCITY 5.2% 2021-12-10	CHN	BBB*	BB*
31/12/2020	HZLJDV 5.3% 2022-12-04	CHN	BBB*	BB*
31/12/2020	SZCONS 4.6% 2022-09-05	CHN	BBB*	BB*
31/01/2021	SKENER 4.125% 2023-07-13	KOR	BBB	BB
31/03/2021	YUNINV 6.25% 2022-03-05	CHN	BBB	CCC*
30/04/2021	HRINTH 4.25%	CHIN	BBB	BB
30/06/2021	ZHYUBK 5.6%	CHN	BBB*	B*
30/06/2021	KMCMIN 6.2% 2022-06-27	CHN	BBB	BB
30/06/2021	DLDETA 5.95% 2022-07-29	CHN	BBB	BB
30/06/2021	ZYAMCL 4.2% 2022-11-29	CHN	BBB	BB

iBoxx USD Asia ex-Japan Overall – Rising Stars in 2021

Index Rebalance	Issue	MKT	Past Rating	Current Rating
31/12/2020	HACWAM 6.2% 2022-04-24	CHN	BB*	BBB*
31/12/2020	TBIGIJ 4.25% 2025-01-21	IDN	BB	BBB

iBoxx USD Asia ex-Japan (Restricted) – Bonds excluded from index due to U.S. Executive Order 13959

Index Rebalance	Issuer	ISIN	Notional (MM)
31/01/2021	Semiconductor Manufacturing International Corp	XS2101828452	600

* Implied rating