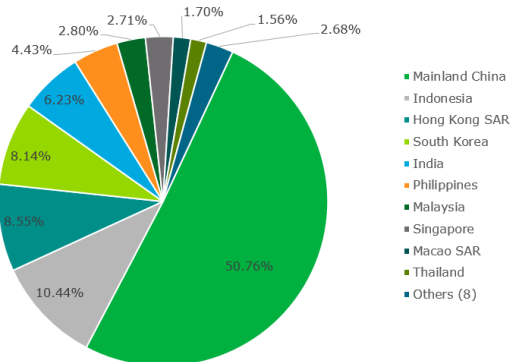


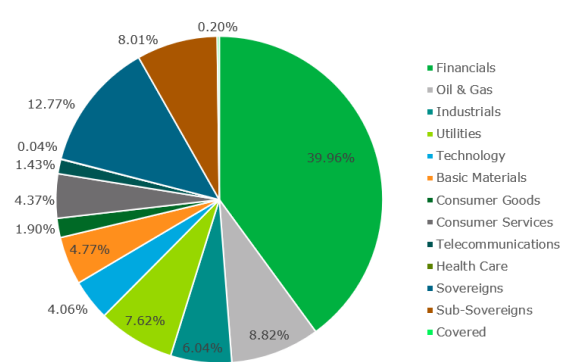
iBoxx USD Asia ex-Japan Monthly Commentary

September 2021 Rebalance

iBoxx USD Asia ex-Japan Market Breakdown



iBoxx USD Asia ex-Japan Sector Breakdown



Duration Changes

	31 Aug 21	01 Sep 21
Overall	4.49	4.52
Cambodia	2.49	2.49
China	3.51	3.53
Hong Kong	4.43	4.43
India	3.76	3.86
Indonesia	8.15	8.16
Macao	3.58	3.54
Malaysia	8.30	8.36
Mongolia	3.39	3.39
Pakistan	4.43	4.44
Papua New Guinea	5.11	5.10
Philippines	7.07	7.06
Singapore	4.90	5.66
South Korea	3.58	3.58
Sri Lanka	3.17	3.16
Taiwan	5.10	5.09
Thailand	7.08	7.04
Vietnam	3.02	3.02

* Duration is semi-annual modified duration.

Thirty-four new bonds entered the index in September. Mainland China and India added 29 new issuances, making up over USD 12.4 billion (or close to 45%) of the new notional.

Of the 23 bonds removed from the rebalance:

- Eight (5 from China and 1 each from India, Indonesia and Singapore) were either called, redeemed or repurchased
- One bond from Grand Century Limited, a subsidiary of Suning Appliance Group in the China consumer services sector, was traded flat

Four fallen angels and one rising star, all from China, were captured this month. Three of the four fallen angels are issued by a subsidiary of China Huarong Asset Management Co. Ltd.

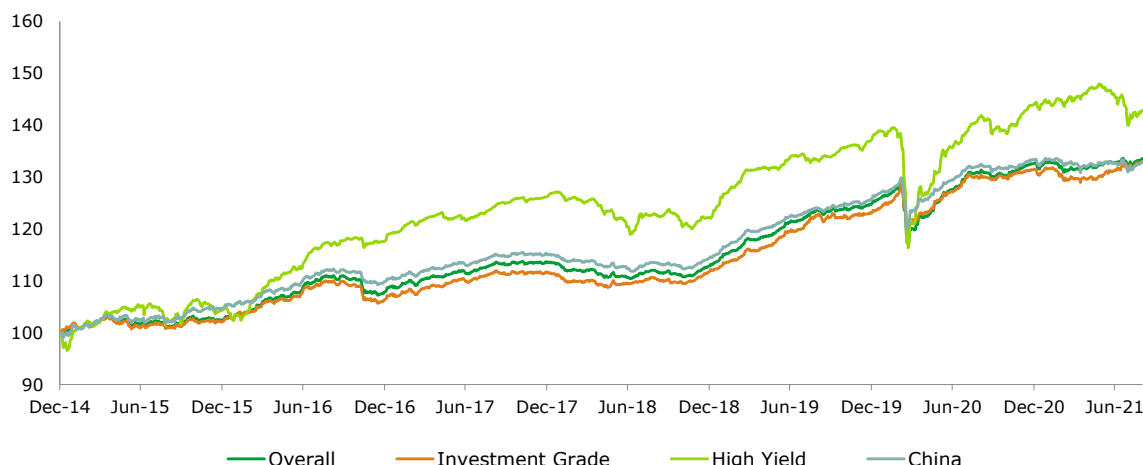
Please refer to the Appendix for a breakdown of this month's insertions and deletions, and a list of fallen angels and rising stars recognised in 2021.

Post rebalance, the overall index duration rose 0.03 to 4.52 years. Markets with the most noticeable change in duration were Singapore (+0.76 years) and India (+0.10 years).

In Singapore, Temasek Holdings issued 3 new bonds in August, with respective maturities of 10, 20 and 40 years, and a combined notional of USD 2.5 billion. Meanwhile, new mid to long-dated issuances from India that spanned multiple sectors were added to the index at an aggregated notional size of USD 4.0 billion.

August 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 31 August 2021.

The US economy continued to run hot in August. Positive economic data and strong corporate earnings results provided support to sentiment and valuations. While rising prices remained a recurring topic, Fed Chairman Jerome Powell reiterated comments about inflation being transitory. Furthermore, while no firm tapering timeline was announced at the Federal Reserve's annual economic symposium, the possibility of it starting by year-end was mentioned.

Asia's economies, on the contrary, lost momentum in July. The regional IHS Markit PMI[†] fell to 48.5 in July from 52.2 in June. In particular, China's economy saw its official composite PMI[‡] dropped to 48.9 in August from 52.4 in July. Chinese businesses came under pressure this month as they battled against COVID-19 outbreaks and restrictions, high input prices and declining exports.

Returns of USD bonds in Asia turned positive in August, with the iBoxx USD Asia ex-Japan index rallying +1.04%. The index yield fell 16 bps to 3.20% and its credit spread narrowed 22 bps to 203 bps.

This month, Asia USD corporates outperformed sovereigns by 0.33%. High grade (+0.76%) delivered gains across the A and BBB-rated segments. High yield (+2.05%) rebounded from last month, with the losses in the CCC and 0-1yr bucket attributed to bonds issued by the China Evergrande group, the heavily indebted property developer in China.

Sector Month-to-Date Performance

Sovereigns 0.84%	Sub-sovereigns 0.11%	Covered 0.01%	Corporates 1.17%		
Financials 1.83%	Oil & Gas 0.56%	Industrials 0.36%	Utilities 0.55%	Technology 0.15%	
Basic Materials 1.50%	Consumer Goods 0.36%	Consumer Services -0.09%	Telecom 0.30%	Health Care -0.13%	

China Sector Month-to-Date Performance

Sovereigns -0.11%	Non-Sovereigns 1.46%			
	Sub-sovereigns 0.01%	Corporates 1.51%		
		Non-Financials 0.19%	Financials 2.39%	
			Real Estate 2.42%	ex-Real Estate 2.37%

In the corporate space, Financials led the gains while Consumer Services and Health Care underperformed.

China USD bonds (+1.42%) rallied, with high yield outperforming high grade, returning 2.39% compared to 1.08%.

The China Real Estate sector (+2.42%) surged after falling for the past two months. At the end of August, bonds from China Evergrande group constituted less than 0.80% of the overall index or less than 0.41% of the China sub-index.

China LGFV (+0.88%) outperformed this month, with both its high grade (+0.46%) and high yield (+2.11%) segments yielding positive returns.

[†] IHS Markit Asia excluding Japan Composite PMI.

[‡] Composite PMI Output Index published by [National Bureau of Statistics of China](http://www.stats.gov.cn).

Key Index Analytics

By Rating

	Index	Δ MTD	MV (Bn)	Yield (%)	Spread (bps)	Duration	No. of Bonds
Overall	230.38	1.04%	1388.63	3.20	203	4.49	2188
AAA	211.86	0.06%	10.75	2.16	56	8.44	14
AA	198.45	-0.04%	86.95	1.52	48	4.59	142
A	215.02	0.20%	407.29	2.31	107	5.20	578
BBB	238.90	1.28%	578.07	2.90	165	5.12	862
BB	266.98	1.67%	178.47	4.69	412	2.24	336
B	284.97	3.40%	102.31	9.25	858	2.15	216
CCC	122.16	-0.61%	24.78	30.22	2960	2.05	40

By Maturity

	Index	Δ MTD	MV (Bn)	Yield (%)	Spread (bps)	Duration	No. of Bonds
Overall	230.38	1.04%	1388.63	3.20	203	4.49	2188
Year 0-1	163.90	0.49%	185.63	6.83	677	0.45	353
Year 1-3	196.64	1.00%	392.95	4.13	389	1.75	698
Year 3-5	234.58	1.21%	354.44	2.88	228	3.53	568
Year 5-7	251.26	1.50%	123.71	2.77	185	5.06	177
Year 7-10	260.43	0.96%	174.84	2.73	153	7.16	237
Year 10+	319.06	1.15%	157.06	3.32	149	14.89	155

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	0.54%	0.51%	0.62%	1.20%	0.93%	1.15%	0.76%
AAA	0.04%	0.04%	-0.16%	0.31%	-0.11%	0.27%	0.06%
AA	0.03%	0.03%	-0.10%	-0.10%	-0.24%	0.48%	-0.04%
A	0.11%	0.21%	0.12%	0.15%	0.16%	0.51%	0.20%
BBB	1.02%	0.76%	1.14%	2.36%	1.65%	1.64%	1.28%
High Yield	0.39%	2.13%	3.00%	2.82%	1.43%	0.61%	2.05%
BB	0.85%	1.62%	2.14%	2.19%	0.67%	-0.28%	1.67%
B	1.94%	3.33%	5.89%	3.37%	0.76%	0.89%	3.40%
CCC	-9.45%	0.30%	1.05%	5.52%	5.49%	0.00%	-0.61%

Top 7 Largest Markets Month-to-Date Change

	Δ MTD	ΔYield (%)	ΔSpread (bps)	ΔDuration
Mainland China	1.42%	-0.31%	-36	-0.03
Hong Kong SAR	0.18%	0.02%	-2	-0.06
India	1.40%	-0.28%	-34	-0.02
Indonesia	1.10%	-0.11%	-15	0.06
Singapore	0.17%	-0.03%	-9	-0.07
South Korea	0.03%	0.04%	-2	0
Philippines	1.03%	-0.09%	-18	0.40

By Mainland China Breakdown

	Aug 2021	Δ MTD	Δ YTD	Δ 3Y	MV (Bn)	Yield (%)	Spread (bps)	Duration	No. of Bonds
Mainland China	247.76	1.42%	-0.41%	17.01%	704.51	3.57	258	3.51	1202
Sovereigns	164.62	-0.11%	0.12%	20.92%	17.80	1.47	29	5.68	13
Non-sovereigns	248.42	1.46%	-0.42%	16.94%	686.71	3.66	267	3.45	1189
Sub-sovereigns	204.37	0.01%	1.44%	18.53%	24.83	1.78	79	3.98	39
Corporates	253.16	1.51%	-0.50%	16.89%	661.88	3.74	276	3.43	1150
Financials	307.91	2.39%	-1.96%	16.59%	401.68	5.23	460	2.36	771
Real Estate	336.52	2.42%	-6.66%	15.22%	161.96	9.01	835	2.32	353
Non-Financials	226.11	0.19%	1.91%	17.46%	260.20	2.65	142	5.07	379
Investment Grade	222.95	1.08%	1.27%	18.39%	523.95	2.49	141	4.12	822
High Yield	318.91	2.39%	-4.84%	13.44%	180.56	10.85	1042	1.71	380
Mainland China LGFV	126.12	0.88%	2.59%	17.60%	53.31	3.56	321	1.51	143
Investment Grade	123.71	0.46%	1.36%	15.63%	39.11	2.87	247	1.68	104
High Yield	130.05	2.11%	6.28%	24.18%	14.20	6.61	646	1.03	39

Data as of 31 August 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 – September 2021 Insertions

Issue	MKT	Rating	Notional (MM)
AHTRHK 1.62% 2026-08-26	CHN	A	400
BIDU 1.63% 2027-02-23	CHN	A	300
BIDU 2.38% 2031-08-23	CHN	A	700
CDXJCD 3.7% 2024-08-05	CHN	BB*	300
CHMETL 3.5% Perp	CHN	BBB	600
CJIANT 1.38% 2024-08-25	CHN	A	500
GEMDAL 4.95% 2024-08-12	CHN	BB	480
HENINV 2.2% 2024-08-25	CHN	A	300
ICBCIL 1.25% 2024-08-02	CHN	A	450
ICBCIL 1.75% 2026-08-02	CHN	A	550
ICBCIL 2.65% 2031-08-02	CHN	A	250
JIANYU 5.7% 2023-06-04	CHN	BB*	287
PINGIN 2.85% 2031-08-12	CHN	BBB	550
PINIFL 2.5% 2024-08-27	CHN	BBB*	300
PUTSTA 4.7% 2024-04-23	CHN	BB	265
SDGOLD 2.4% 2024-08-25	CHN	BBB	300
SDGOLD 2.8% 2026-08-25	CHN	BBB	300
SIDEVE 2.8% 2026-08-18	CHN	A	400
SXUCI 2.5% 2026-08-19	CHN	BBB	700
YANGOG 12.5% 2024-01-04	CHN	B	250
ZHHFGR 4.25% Perp	CHN	BBB	250
ACMSOL 4.7% 2026-08-10	IND	BB*	334
ADSEZ 3.83% 2032-02-02	IND	BBB	300
ADSEZ 5% 2041-08-02	IND	BBB	450
AZUPOE 3.58% 2026-08-19	IND	BB	414
FIHUCN 5% 2028-02-26	IND	BB*	500
FRETAI 5.6% 2025-01-22	IND	CC	500
HDFCB 3.7% Perp	IND	BB	1,000
RJINTL 2.88% 2031-08-12	IND	BBB	500
TEMASE 1.63% 2031-08-02	SGP	AAA	750
TEMASE 2.38% 2041-08-02	SGP	AAA	750
TEMASE 2.75% 2061-08-02	SGP	AAA	1,000
KOMIPW 1.25% 2026-08-09	KOR	AA	300
KBANK 4% Perp	THA	BB	350

iBoxx USD Asia ex-Japan Overall – September 2021 Deletions

Issue	MKT	Rating	Notional (MM)
BJCONS 5.75% 2021-08-20	CHN	BBB*	600
CDBI 2.25% 2021-08-02	CHN	A	500
CHALUM 4% 2021-08-25	CHN	BBB	800
CHIOIL 4.63% 2022-04-20 [^]	CHN	BB	350
CHNAAR 4.9% 2021-08-22	CHN	B*	300
DEXICN 12.88% 2021-08-06	CHN	B	258
FUFENG 5.88% 2021-08-28	CHN	BBB	255
GSHIAV 6.25% 2021-08-02	CHN	BBB	500
HPDLF 7.5% 2022-06-27 [^]	CHN	B	492
JIAYUA 13.75% 2023-02-18 [^]	CHN	B	328
KWGPPO 7.88% 2021-08-09	CHN	BB	350
LOGPH 7.5% 2021-08-27	CHN	BB	300
ORIEAS 2.38% 2021-08-30	CHN	A	650
RONXIN 11.25% 2021-08-22	CHN	BB	565
SNAGRP 7.5% 2021-09-11 [†]	CHN	CCC*	600
SUNSHI 10% 2023-02-11 [^]	CHN	B	250
WHREST 5.7% 2021-08-09	CHN	BBB	500
YANGOG 12.5% 2021-09-24 [^]	CHN	B	285
AZUPOE 5.5% 2022-11-03 [^]	IND	BB	500
IOCLIN 5.63% 2021-08-02	IND	BBB	500
ABMMIJ 7.13% 2022-08-01 [^]	IDN	B	350
RWLVCA 4.63% 2029-04-16	MYS	BBB	1,000
MARBLI 5.3% 2022-06-20 [^]	SGP	BB	500

* Implied rating

[^] Issue was either called, exchanged, redeemed, or repurchased[†] Trading flat

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
31/07/2021	HBSPIN 4.125% 2031-05-18	IND	BBB*	BB
31/08/2021	HRINTH 4.5%	CHN	BBB	BB
31/08/2021	HRINTH 4%	CHN	BBB	BB
31/08/2021	HRINTH 2.875%	CHN	BBB	BB
31/08/2021	XIANGY 4.5% 2023-01-30	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
31/07/2021	OLAMSP 4.375% 2023-01-09	SGP	BB*	BBB*
31/08/2021	DFINVH 7% 2022-10-17	CHN	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
31/07/2021	Proven Glory Capital Ltd	XS1567423501	1000
31/07/2021	Proven Glory Capital Ltd	XS1567423766	500
31/07/2021	Proven Honour Capital Limited	XS1233275194	1000
31/07/2021	Proven Honour Capital Limited	XS1401816761	2000

* Implied rating