

## Semi-Annual Report: NDC Stable Income Fund

### Investment Manager's Report : H1' 2025

#### Investment Objective

The NDC Stable Income Fund aims to generate stable income and long-term capital growth through:

- Core Investments: High-quality, income-generating REITs and dividend equities.
- Supplementary Allocations: ETFs, fixed income, and other yield-generating assets.
- Risk Mitigation: A flexible long-short strategy to manage downside risks.
- Income Focus: Targeting consistent quarterly dividend distributions.

#### Fund Performance Review – H1' 2025

In the first half of 2025, the NDC Stable Income Fund delivered a robust net return of +7.17%, significantly outperforming its benchmark return of +0.38% (50% MSCI World Index, 50% FTSE EPRA NAREIT). Including dividend payouts of \$0.22 per unit, the total gross return reached +9.73%, underscoring the Fund's ability to generate both capital appreciation and income.

#### Monthly Performance Attribution

Date	NAV	NAV%	BM %	Dividend Payout	NAV + Dividend	NAV + Divd %	Expenses %	Gross NAV (before expenses)
Jan-25	8.245	0.23%	2.35%	-	8.245	0.23%	-0.42%	0.65%
Feb-25	8.356	1.34%	0.59%	-	8.356	1.34%	-0.35%	1.70%
Mar-25	8.359	0.03%	-5.52%	1.32%	8.372	1.35%	-0.41%	1.76%
Apr-25	8.456	1.17%	-1.74%	-	8.456	1.17%	-0.35%	1.52%
May-25	8.673	2.57%	4.04%	-	8.673	2.57%	-1.84%	4.41%
Jun-25	8.832	1.83%	0.66%	* 1.25%	8.844	3.07%	-0.38%	3.45%
<b>H1'25</b>		<b>7.17%</b>	<b>0.38%</b>	<b>2.56%</b>		<b>9.73%</b>	<b>-3.75%</b>	<b>13.49%</b>

\* minimal accrued dividend payment by August

- **January (+0.23%):** A cautious start to the year amid mixed macro signals; cash holdings buffered volatility.
- **February (+1.34%):** Positive sentiment from early earnings season and mild inflation data.
- **March (+1.35%):** Dividend payout of 1.32% supported returns; financial and industrial sectors despite Trump's tariff noise.
- **April (+1.17%):** Market rotation into defensives benefited portfolio holdings.
- **May (+2.57%):** Broad rally driven by tariff reduction announcements between the U.S. and China.
- **June (+3.07%):** Strongest month, boosted by dividend inflow (1.25%) and expectations of Q4 Fed rate cuts, plus Trump confirming trade deal with China.

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**Total H1 NAV Return: +7.17%**

**Total Dividend Payout: +2.56%**

**Total Return (NAV + Dividend): +9.73%**

**Benchmark Return: +0.38%**

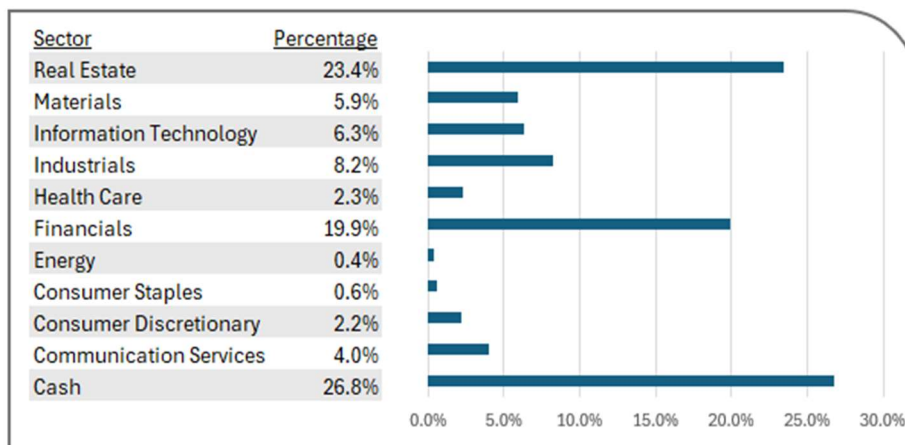
### Expense Impact & Gross Performance

Gross NAV return before expenses was +13.49%. Total expenses for H1 2025 amounted to -3.75%, reflecting ongoing fund management, custody, and operational costs. The improvement is attributed to:

- More efficient execution from new brokerage partnerships
- Reinvestment of cash into short-dated money market instruments

### Portfolio Analysis

As of 30<sup>th</sup> June 2025:



### Top Contributors:

- ST Engineering (+74.5%, +4.13% contribution): Benefited from defence contracts and resilient earnings.
- SGX (+58.5%, +2.99%): Continued capital market strength and dividend reliability supported gains.
- Softbank (+29.4%, +0.78%): Rebound in tech investment sentiment added upside.
- Other Positive Names: DBS, Delta Electronics (Thailand), AIMS APAC REIT.

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### Key Detractors:

- Mapletree Logistic Trust (-29.4%, -1.41%) and Frasers Logistics (-19.6%, -1.08%): Hurt by persistent REIT sector weakness.
- Adobe (-16.7%, -0.38%) and Pfizer (-25.0%, -0.41%): Valuation corrections and lacklustre outlooks weighed on prices.
- Sasseur REIT (-19.6%, -0.74%): Struggled amid China consumer softness.

### Portfolio Strategy Update

We are actively repositioning the portfolio to enhance quality, income, and resilience:

- Financials: Increasing weight in banks and insurers with strong balance sheets, especially during pullbacks.
- Industrials: Focusing on growth-oriented names less sensitive to Fed policy.
- Technology: Selectively adding high-growth tech stocks with strong revenue visibility.
- Regional Diversification: Expanding exposure to quality dividend stocks in Japan, Thailand, Australia, and Hong Kong.
- Cash Optimization: Investing idle cash into overnight or short-term money market instruments for enhanced yield.

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### Market Outlook: H2 2005

- U.S.: S&P 500 forecasted to rise 9%, driven by strong earnings and policy clarity under President Trump.
- Europe: Expected 9-10% gains due to attractive valuations and earnings momentum.
- Asia: Accelerating on the back of AI-driven capital investments and rising domestic consumption in China and India.

While expectations for a Fed rate cut in Q4 remain, sticky inflation could delay action. The Fund will stay cautious on interest rate-sensitive assets like REITs and rotate toward financials, industrials, and selected tech names expected to benefit from long-term growth themes.

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### Portfolio Management Outlook

We maintain a balanced approach, focusing on:

- Financials & Dividend Stocks: Banks, insurance companies, and diversified financials in Japan, Thailand, Australia and Hong Kong.
- Real Estate Services Firms: Pivoting partially our traditional REITs to companies with higher growth potential or REITs that focus on data centre (growing demand).
- Selective Growth Stocks: Positioning in tech and innovative firms with strong revenue growth.

We continue to focus on high-quality stock selection, cost efficiency, and prudent risk management to achieve attractive risk-adjusted returns and consistent dividend payouts.

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