Turning Tides:
2025 Currency Moves and Market Realignment in Asia-Pacific Fixed Income

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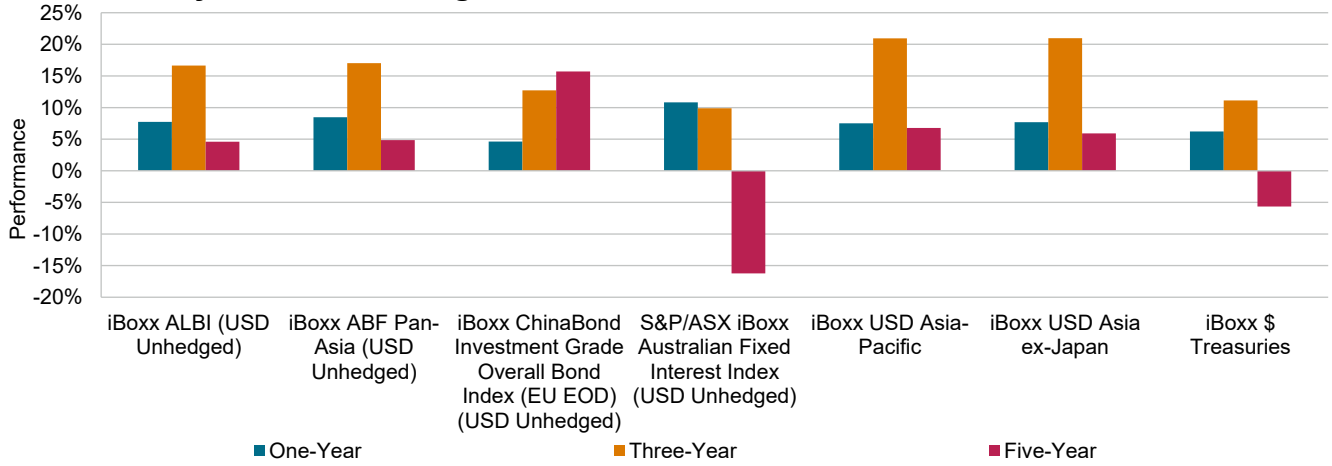
Overview

In 2025, Asia-Pacific economies remained resilient, delivering stronger-than-expected growth despite persistent geopolitical tensions and tariff headwinds. Throughout the year, central banks in the region remained highly vigilant, closely monitoring a broad spectrum of economic indicators to ensure their policy decisions were both timely and effective.

Many responded to signs of economic weakness with stimulative rate cuts, while others paused as inflationary pressures resurfaced. Most Asia-Pacific markets experienced at least two rate cuts, whereas the Bank of Japan took a divergent path, implementing two rate hikes and pushing interest rates to levels not seen in 30 years to curb inflation.

Exhibit 1: Key Asia-Pacific Regional Index Performance



Source: S&P Dow Jones Indices LLC. Data as of Dec. 31, 2025. Index performances based on total return in USD. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

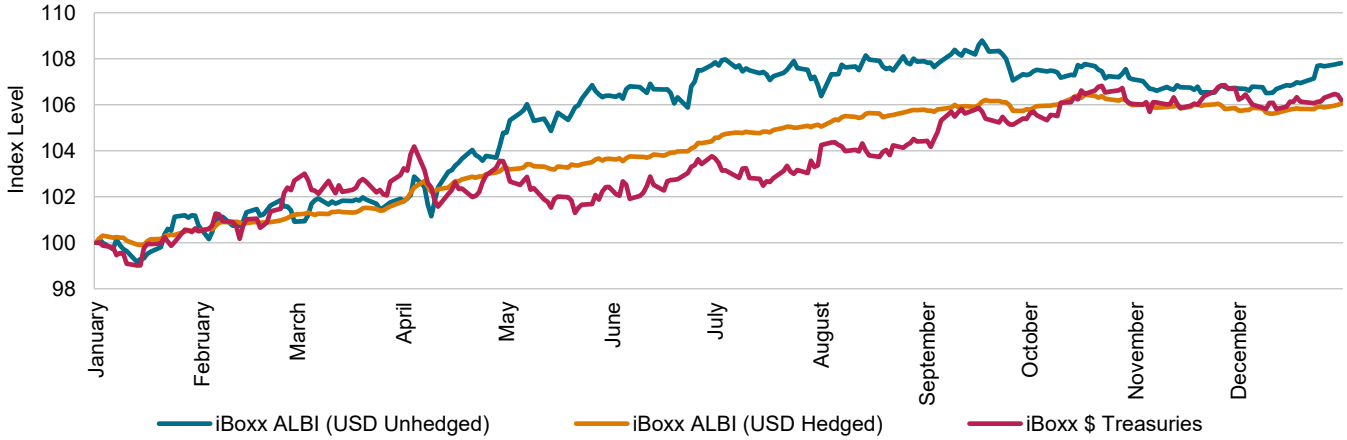
Over the past five years, Asia-Pacific bond markets have broadened and deepened, shaped by evolving currency dynamics, shifting interest rates and changing economic conditions. Both issuers and investors have become increasingly strategic, carefully balancing currency, duration, credit quality and carry considerations to navigate the region's dynamic and complex environment.

Among local currency multi-market indices, the iBoxx ABF Pan-Asia (which consists of government and quasi-sovereign bonds) outperformed iBoxx ALBI (which consists of additional government bonds such as India and offshore RMB, as well as corporate bonds from select markets from one-, three- and five-year timeframes). Over a five-year period, in USD unhedged terms, the iBoxx ChinaBond Investment Grade Overall Index and S&P/ASX iBoxx Australian Fixed Interest Index exhibited contrasting performance patterns: CNY bonds gained 15.71%, while AUD bonds lost 16.22%. However, as the Australian dollar rebounded against the U.S. dollar in 2025, AUD bonds (in USD unhedged terms) posted double-digit gains (10.82%) compared to CNY's 4.63%.

For USD-denominated bond indices, the iBoxx USD Asia-Pacific Index outperformed the iBoxx USD Asia ex-Japan Index across one-, three- and five-year periods. This outperformance was driven by the eligibility of USD-denominated bonds from Japan, Australia and New Zealand, which diluted the weight of China and thereby mitigated the impact of the China real estate crisis. Notably, the past five years also saw a contraction in the iBoxx USD Asia ex-Japan universe—from more than USD 1.4 trillion at its peak in 2021 before the property crisis to USD 0.99 trillion as of year-end 2025—as more Asian issuers diversified their funding sources by issuing in other currencies (such as offshore RMB). The iBoxx USD Asia-Pacific Index, on the other hand, ended the year at USD 1.6 trillion in notional value.

A Deeper Dive into Asian Local Bond Markets

Exhibit 2: 2025 Asian Local Currency Bond Performance – Overall

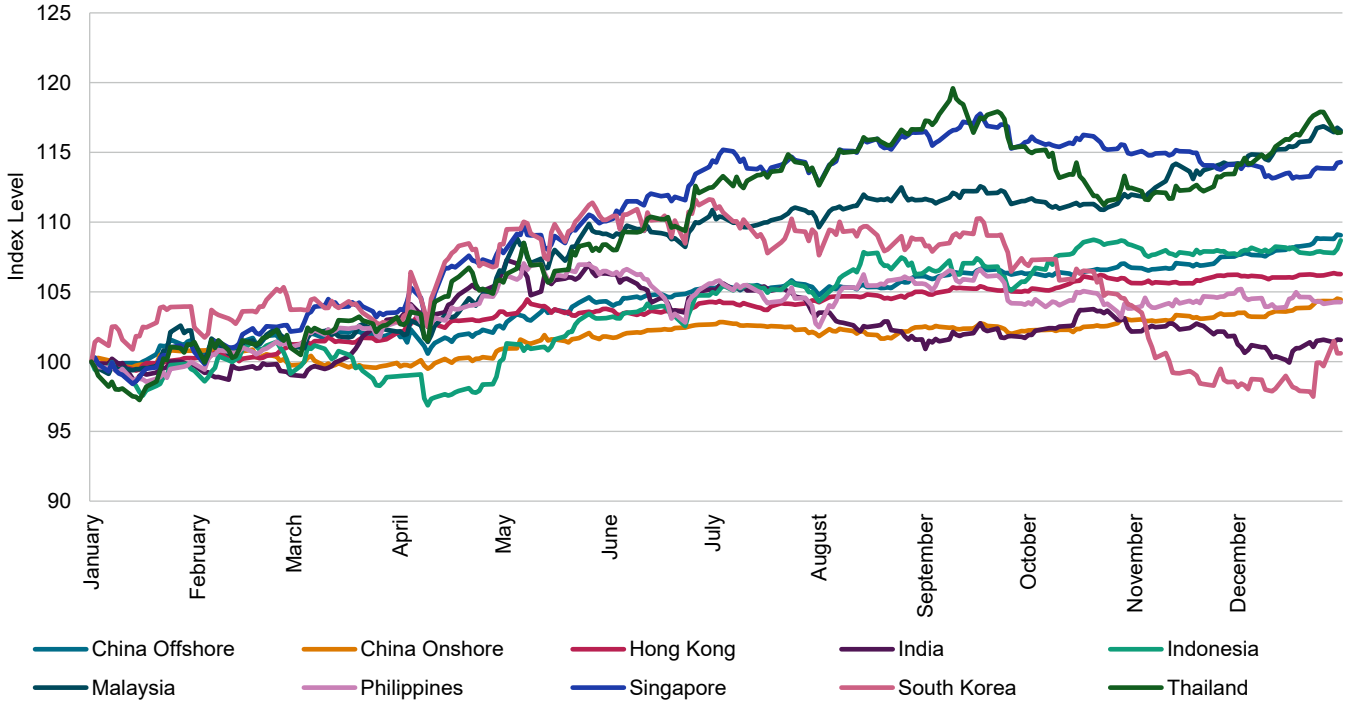


Source: S&P Dow Jones Indices LLC. Data as of Dec. 31, 2025. Indices were rebased to 100 on Dec. 31, 2024. Overall index performance based on total return in USD. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

In the first half of 2025, Asian local currency bonds—as represented by iBoxx ALBI (USD unhedged)—significantly outperformed U.S. Treasuries (as measured by the iBoxx $ Treasuries). This divergence was primarily driven by a weakening U.S. dollar, precipitated by an aggressive rate-cutting stance that pulled down front-end Treasury yields. Conversely, Asian interest rates remained relatively stable, as regional central banks were under less pressure to ease policy rapidly. Consequently, investors favored Asian markets to participate in stable yields and benefit from currency appreciation against the U.S. dollar.

The second half of 2025 was a different narrative, with U.S. Treasuries regaining dominance over Asian local currency bonds. The U.S. Federal Reserve delivered 75 bps of cuts in H2, fueling a dovish rally in Treasuries. While key Asian markets like Hong Kong and the Philippines matched this easing (also cutting 75 bps) and saw their own yields compress, the decisive factor was risk sentiment. Escalating global trade frictions triggered a "flight to safety," prompting investors to pivot back to the traditional haven of U.S. dollar and Treasuries. This ultimately drove the outperformance of iBoxx $ Treasuries relative to iBoxx ALBI (in USD unhedged teams) in the second half of the year.

Exhibit 3: 2025 Asian Local Currency Bond Performance – Single Markets



Source: S&P Dow Jones Indices LLC. Data as of Dec. 31, 2025. Indices were rebased to 100 on Dec. 31, 2024. Overall index performance based on total return in USD. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

In USD unhedged terms, Malaysia (16.63%), Thailand (16.44%) and Singapore (13.77%) emerged as the top Asian performers. All three had double-digit gains, significantly outpacing the 6.21% from U.S. Treasuries. The primary driver was currency strength, as these markets

recorded the highest appreciation against the U.S. dollar within the iBoxx ALBI universe in 2025.

Conversely, while Indonesia led in local currency terms with a robust 12.64%, currency weakness dragged its unhedged USD performance down to 8.74%.

China Onshore (the world's second-largest bond market and the heaviest weight in iBoxx ALBI) increased 8.81%. India, the highest yielding bond market in the index at year-end 2025, posted a modest 1.52% gain in USD unhedged terms.

Exhibit 4: FX Impact on Asian Currencies

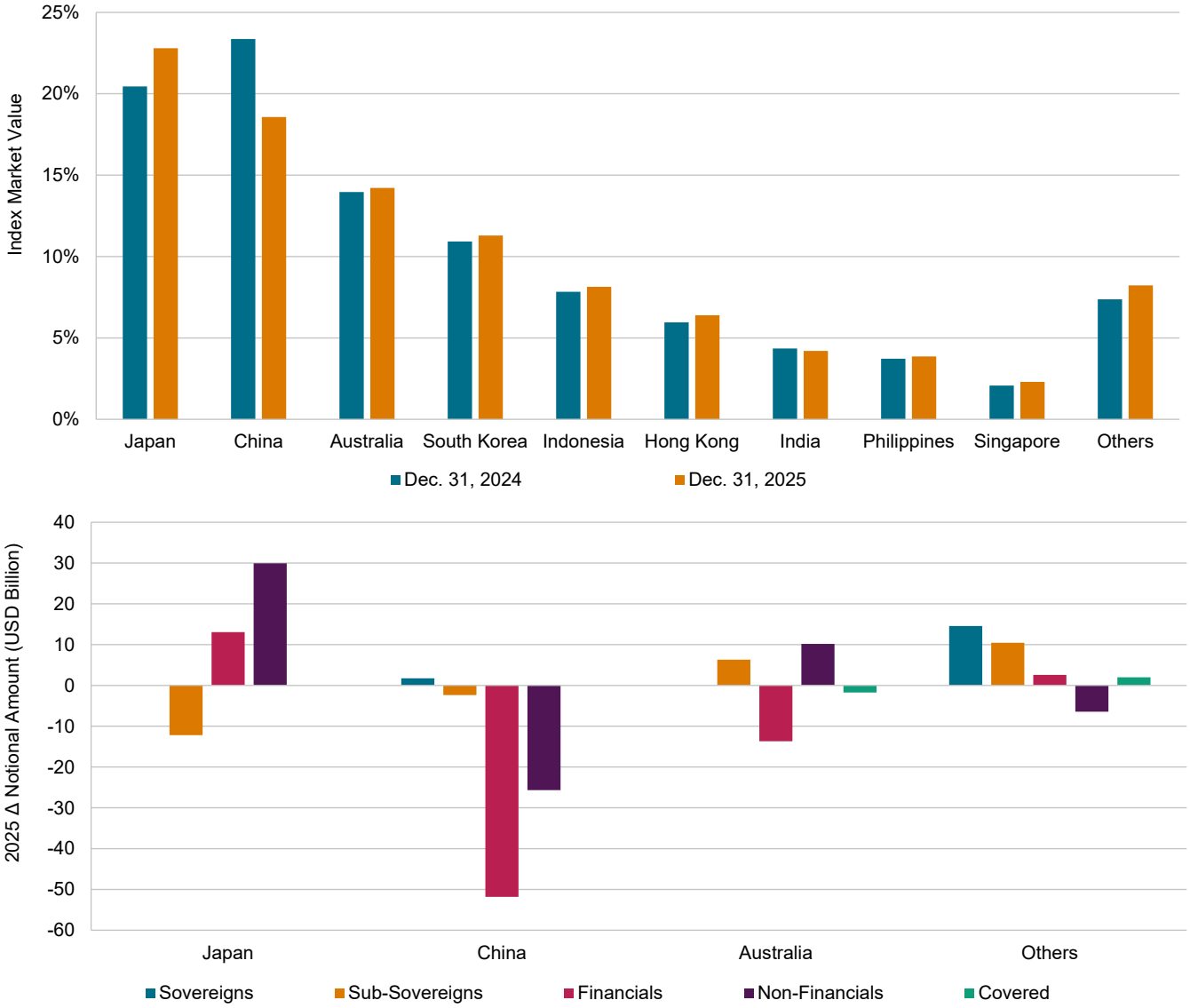
Currency	FX Gain (or Loss) H1 2025 (%)	FX Gain (or Loss) Full-Year 2025 (%)
CNY	2.33	4.92
CNH	1.92	4.39
HKD	-1.15	-0.27
INR	0.11	-5.09
IDR	-0.91	-3.92
MYR	6.45	10.81
PHP	2.79	-1.78
SGD	7.19	6.11
KRW	9.29	2.16
THB	5.39	8.85

Source: S&P Dow Jones Indices LLC. Data as of Dec. 31, 2025. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 4 highlights the critical role FX can play in the Asian local currency bond segment. While this asset class offers structural diversification away from the U.S. dollar, it inherently carries currency risk. The year 2025 illustrated this volatility perfectly: while almost every regional currency appreciated against the U.S. dollar in the first half (with the notable exceptions of HKD and IDR), the U.S. dollar rally in the second half of the year caused most markets to surrender some, or even all, of those earlier gains.

USD Asia-Pacific Markets

Exhibit 5: Market Breakdown and Notional Changes Post-Rebalance in 2025



Source: S&P Dow Jones Indices LLC. Data from Dec. 31, 2024, to Dec. 31, 2025. Past performance is no guarantee of future results. Charts are provided for illustrative purposes.

Japan emerged as a core anchor in the USD Asia-Pacific segment as China's weight declined. Year-to-date, Japan's weight within the iBoxx USD Asia-Pacific Index increased 2.35%, as seen in Exhibit 5, driven by USD 76.5 billion in new notional issuance—almost USD 27 billion more than in 2024—and Japan now accounts for 29% of total new issuances. In contrast, China's weight declined by 2.35% to 18.46% in 2025, nearly halved from its 35.81% share at the end of 2021. Most other markets also saw increases in their respective weights within the index.

As shown in the Exhibit 5, Chinese issuers—particularly in the corporate sector—opted not to refinance their USD-denominated bonds maturing in 2025. This trend is likely attributable to lower funding costs available in CNY and CNH, supported by renewed activity in the offshore RMB (CNH) market.

Conversely, Japanese corporate issuers, especially those in the non-financial sector, increased their USD-denominated bond issuance despite elevated USD policy rates. This was primarily due to favorable cross-currency basis dynamics and curve shape on a swap basis, which made USD funding more attractive. Strong demand from investors also supported this trend, as most new issuances came from investment grade Japanese corporates with robust balance sheets and lower debt-to-equity ratios. This surge in Japanese issuance has helped offset the decline in Chinese USD bond supply.

In Australia, the third-largest market within the index, financials issuers reduced issuances while allowing maturing USD debt to roll off due to domestic AUD funding conditions being more favorable. This reduction was partially offset by increased issuance from non-financial corporates, predominantly in the mining and oil & gas sectors. These issuers typically exhibit greater sensitivity to global commodity price cycles and have significant USD-linked revenues and expenditures, hence their preference for USD-denominated funding.

The iBoxx USD Asia-Pacific Index posted a YTD gain of 7.52% and a three-year gain of 20.94% in 2025. Even as spreads narrowed broadly, Asia-Pacific USD high yield bonds offered a yield of 7.75% as of the end of 2025 and outperformed other segments, achieving a notable YTD gain of 9.07% and a three-year gain of 28.40%. Within investment grade, sovereign bonds delivered the strongest performance, posting 8.19% in 2025 compared to 7.37% in investment grade corporates. Duration moderately increased across most indices, with high yield seeing the largest increase (0.40 years). For a detailed breakdown of performance and changes in 2025, please refer to Exhibit 6.

Exhibit 6: Performance of the iBoxx USD Asia-Pacific Index and Its Subindices

Index	Δ YTD Returns (%)	Δ 3-Year Returns (%)	Market Value (USD Billions)	Yield (%)	Δ	Spread (bps)	Δ	Duration (Years)	Δ	Number of Bonds	Δ
USD Asia-Pacific	7.52	20.94	1573	5.07	-0.57	93	-14	3.78	0.17	2239	-71
Investment Grade	7.34	20.10	1406	4.87	-0.56	70	-14	3.94	0.15	1964	-64
Sovereigns IG	8.19	16.76	158	4.96	-0.46	51	-17	6.40	-0.19	145	5
Sub-Sovereigns IG	6.76	17.84	208	4.52	-0.58	44	-11	3.46	0.10	276	6
Corporates IG	7.37	21.10	1022	4.92	-0.57	80	-14	3.69	0.19	1531	-76
High Yield	9.07	28.40	166	7.75	-1.31	392	-73	2.50	0.40	275	-7
Japan	7.13	20.38	359	4.89	-0.42	96	13	3.42	0.18	406	43
Australia	7.40	21.85	225	5.09	-0.47	92	-6	4.10	0.35	255	8
New Zealand	6.65	19.27	19	4.23	-0.85	58	-13	2.21	-0.18	29	4
China	6.82	18.63	290	4.91	-0.71	75	-31	3.12	0.31	523	-133
USD Asia-Pacific ex-China	7.68	21.86	1282	5.10	-0.55	96	-11	3.93	0.08	1716	62
USD Asia ex-Japan	7.69	20.98	969	5.14	-0.62	92	-23	3.88	0.16	1549	-126
USD ASEAN	8.18	20.93	274	5.28	-0.42	85	-14	5.86	-0.04	356	10

Source: S&P Dow Jones Indices LLC. Data as of Dec. 31, 2025. Index performance based on total return in USD. Yield refers to Annual yield in percent. Spread refers to Annual spread to benchmark curve in bps. Duration refers to Annual modified duration. Past performance is no guarantee of future results. Table is provided for illustrative purposes.
The "USD Asia Pacific" refers to the "iBoxx USD Asia-Pacific Index." "Investment Grade" refers to the "iBoxx USD Asia-Pacific Investment Grade Index." "Sovereigns IG" refers to the "iBoxx USD Asia-Pacific Sovereigns Investment Grade Index." "Sub-Sovereigns IG" refers to the "iBoxx USD Asia-Pacific Sub-Sovereigns Investment Grade Index." "Corporates IG" refers to the "iBoxx USD Asia-Pacific Corporates Investment Grade Index." "High Yield" refers to the "iBoxx USD Asia-Pacific High Yield Index." "Japan" refers to the "iBoxx USD Asia-Pacific Japan Index." "Australia" refers to the "iBoxx USD Asia-Pacific Australia Index." "New Zealand" refers to the "iBoxx USD Asia-Pacific New Zealand Index." "China" refers to the "iBoxx USD Asia-Pacific China Index." The "USD Asia-Pacific ex-China" refers to the "iBoxx USD Asia-Pacific ex-China Index." The "USD Asia ex-Japan" refers to the "iBoxx USD Asia-Pacific ex-Japan Index." The "USD Asean" refers to the "iBoxx USD ASEAN Index."

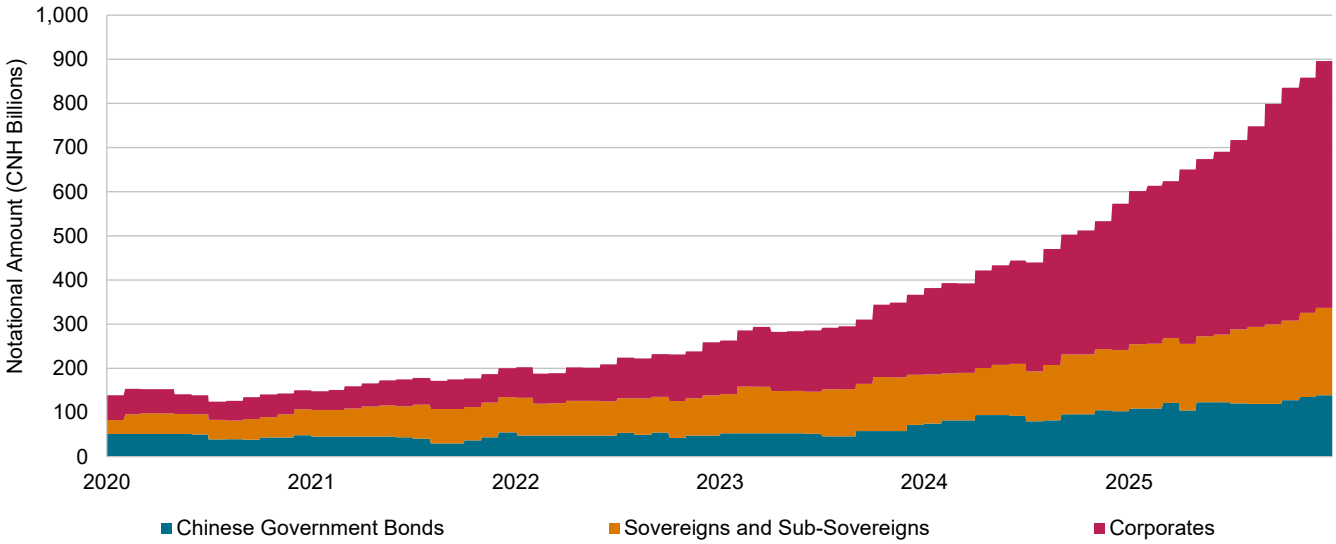
Dim Sum Bonds

During the early 2010s, the Dim Sum bond market experienced a surge in prominence, driven by global demand for renminbi exposure at a time when direct access to China's onshore market was heavily restricted. International issuers and investors flocked to the CNH market, leveraging the familiar clearing infrastructure of Hong Kong's Central Moneymarkets Unit (CMU) to bypass these onshore barriers, driving adoption in the offshore RMB bond market.

In the latter half of the 2010s, the landscape shifted as China sought to incentivize international investors by opening its capital markets, launching CIBM Direct in 2016 and Bond Connect in 2017. With the ability to tap into the vastly deeper liquidity and wider issuer base of the

onshore (CNY) market directly, the strategic necessity of the offshore (CNH) market faded, causing issuance volumes to dwindle.

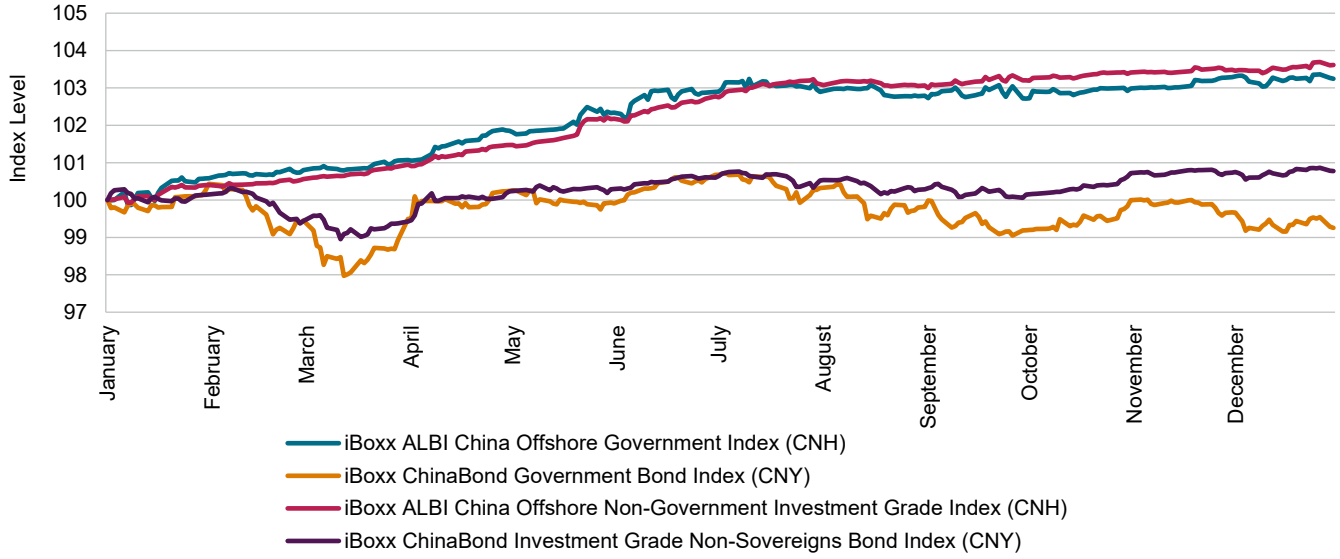
Exhibit 7: (Re)Emergence of Dim Sum Debt



Source: S&P Dow Jones Indices LLC. Data as of Dec. 31, 2025. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

As illustrated in Exhibit 7, issuance momentum accelerated sharply from 2023 onward, marking a broad-based resurgence across all sectors, as represented by iBoxx ALBI China Offshore. This revival was primarily catalyzed by the diverging interest rate environments of the U.S. and China. With the Federal Reserve aggressively hiking rates (2022-2024) while the PBOC eased policy to support the economy, CNH funding costs dropped significantly below USD rates. Consequently, issuers—including Chinese corporates and increasingly international corporations accustomed to USD markets—pivoted to the CNH market to refinance maturing USD debt. On the demand side, investors were incentivized by the yield premium CNH bonds offered over their onshore CNY counterparts, while also valuing the opportunity to diversify away from pure onshore exposure. Together, these drivers fueled a sustained surge in issuance volumes that continues today.

Exhibit 8: Performance of Offshore and Onshore RMB Bonds in 2025



Source: S&P Dow Jones Indices LLC. Data as of Dec. 31, 2025. Indices were rebased to 100 on Dec. 31, 2024. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

Exhibit 8 illustrates the performance divergence between government and investment grade corporate bonds in the CNY and CNH markets during 2025. Driven by the superior carry (yield) available offshore, CNH bonds significantly outperformed their onshore counterparts.

In the government sector, the iBoxx ALBI China Offshore Government Index (CNH) gained 3.30%, standing in contrast to the 0.74% decline of the onshore iBoxx ChinaBond Government Bond Index (CNY). A similar trend was observed in the non-government space: the iBoxx ALBI China Offshore Non-Government Investment Grade Index (CNH) rose 3.63%, outperforming the 0.79% gain of the iBoxx ChinaBond Investment Grade Non-Sovereigns Bond Index (CNY).

Exhibit 9 provides a snapshot view on the yield and duration profile of the corresponding indices as of Dec. 31, 2025.

Exhibit 9: Yield and Duration Profiles of Offshore and Onshore RMB Bonds in 2025

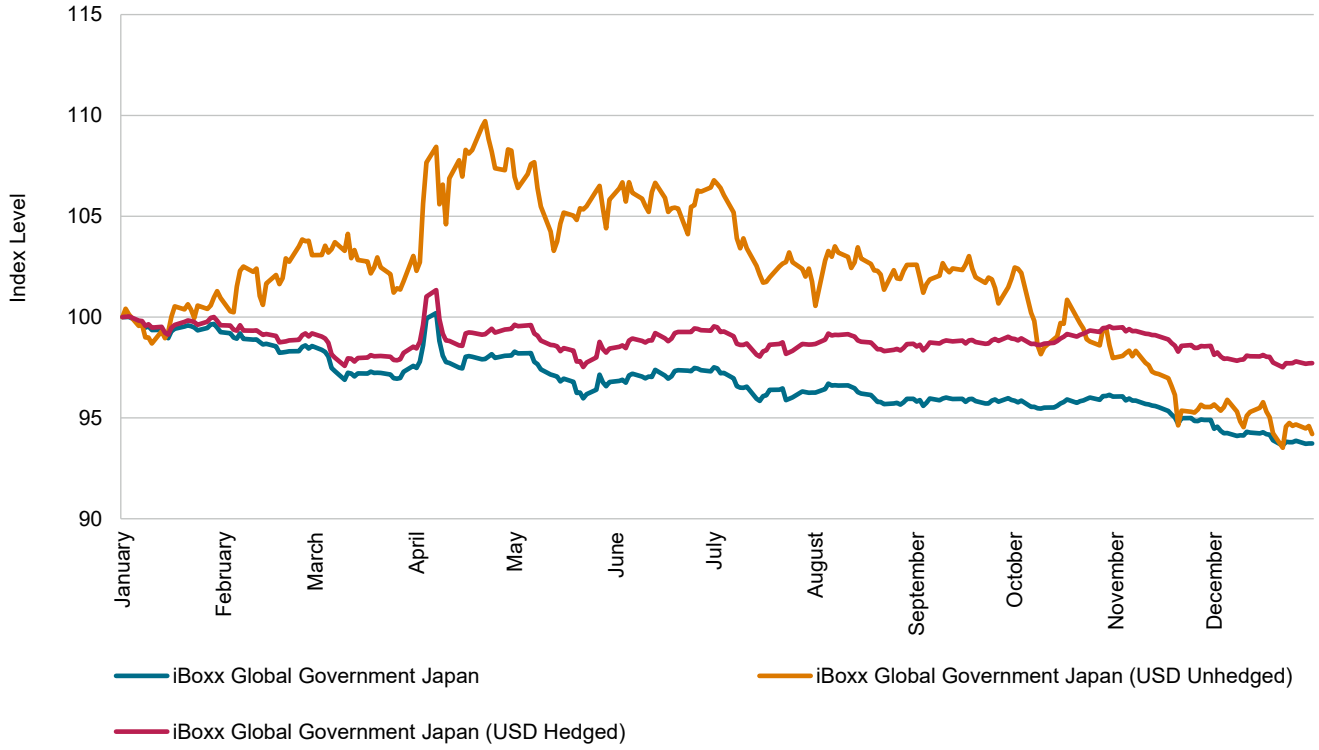
Index	Yield (%)	Duration (Years)
iBoxx ALBI China Offshore Government Index (CNH)	1.70	3.71
iBoxx ChinaBond Government Bond Index (CNY)	2.05	7.69
iBoxx ALBI China Offshore Non-Government Investment Grade Index (CNH)	2.32	3.32
iBoxx ChinaBond Investment Grade Non-Sovereigns Bond Index (CNY)	1.91	4.33

Source: S&P Dow Jones Indices LLC. Data as of Dec. 31, 2025. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

JPY Bonds

Historically, yield curve control (YCC) suppressed Japanese government bond (JGB) yields, keeping domestic interest rates near or below zero. Following the relaxation of these controls in 2024, the yield curve continued to steepen into 2025, particularly at the long end. This shift has drawn foreign capital into Japanese bonds, where investors positioned themselves for dual gains: gains from bonds and potential gains from yen appreciation.

Exhibit 10: Performance of JGBs in 2025

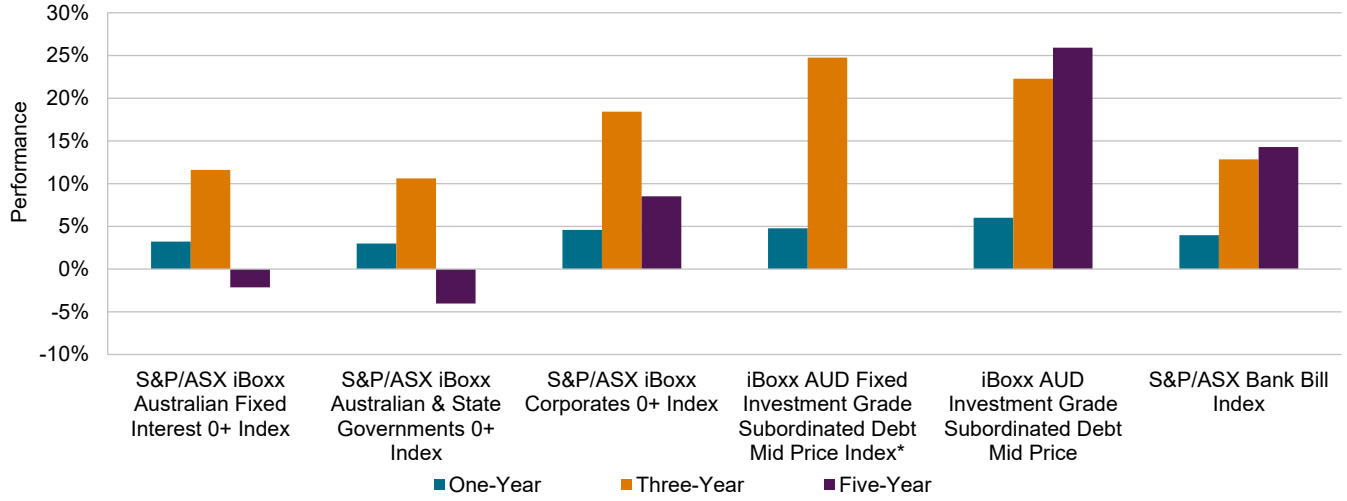


Source: S&P Dow Jones Indices LLC. Data as of Dec. 31, 2025. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

While FX tailwinds boosted performance in USD terms in H1 2025, these gains evaporated in the second half as the U.S. dollar strengthened. The dollar's rally effectively reduced the value of JPY-denominated assets when converted back to USD. By year-end 2025, JGBs—tracked by the iBoxx Global Government Japan index—fell 6.26% in local currency terms, while the index in USD unhedged terms fell 5.80%. This final convergence was striking, given that the performance gap between the two indices exceeded 10% in the first half of the year.

AUD Bonds

Exhibit 11: One-, Three- and Five-Year Performance of AUD Bond Indices in 2025



*The iBoxx AUD Fixed Investment Grade Subordinated Debt Mid Price Index was launched Nov. 28, 2025, and the index history starts from Aug. 31, 2022. Hence there is no data for the five-year period for this index.
Source: S&P Dow Jones Indices LLC. Data as of Dec. 31, 2025. The S&P/ASX iBoxx Australian Fixed Interest 0+ Index was launched Nov. 15, 2024. The iBoxx AUD Fixed Investment Grade Subordinated Debt Mid Price Index was launched Nov. 28, 2025, and the index history starts from Aug. 31 2022. All data prior to such date is back-tested hypothetical data. Index performance based on total return in AUD. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

The S&P/ASX iBoxx Australian Fixed Interest 0+ Index measures the performance of investment grade debt with a minimum amount outstanding of AUD 100 million, with Australian & state governments bonds making up approximately 80% of the overall index, while the corporates segment made up approximately 9% as of year-end 2025. The remaining 11% are from foreign sub-sovereigns bonds and covered bonds. Australian corporate bonds outperformed Australian & state governments bonds in 2025 (4.58% versus 2.99%) mainly due to the higher carry that corporate bonds offered. Following three rate cuts by the Reserve Bank of Australia (RBA), the overall index maintained an upward trajectory until October, when the Australian Consumer Price Index (CPI) rose above the RBA's inflation target band for the first time since mid-2024. This raised concerns about inflation resurging, causing the index to lose momentum and shed some of its earlier gains, ultimately closing 2025 with a more modest gain of 3.21%. On the cash benchmark front, the S&P/ASX Bank Bill Index posted a gain of 3.97% with the index yields coming down from 4.36% to 3.62% following three 25 bps rate cuts from the RBA.

Exhibit 12: Performance of AUD Bond Indices

Index	2025 Performance (%)	Market Value (AUD Billions)	Δ	Yield (%)	Δ	Spread (bps)	Δ	Duration (Years)	Δ	Number of Bonds	Δ
S&P/ASX iBoxx Australian Fixed Interest 0+ Index	3.21	1711	122	4.91	0.32	30	-3	4.71	-0.09	872	57
S&P/ASX iBoxx Australian & State Governments 1-5 Index	3.08	469	1	4.32	0.31	12	2	2.76	-0.08	42	3
S&P/ASX iBoxx Australian & State Governments 5-10 Index	3.15	555	67	4.82	0.32	24	-3	6.18	-0.21	58	0
S&P/ASX iBoxx Australian & State Governments 10+ Index	1.99	225	13	5.29	0.33	30	-6	9.65	-0.48	47	1
S&P/ASX iBoxx Corporates 1-5 Index	4.44	95	4	5.04	0.17	84	-14	2.54	-0.07	256	3
S&P/ASX iBoxx Corporates 5-10 Index	5.09	44	7	5.72	0.19	114	-17	5.50	-0.09	115	17
S&P/ASX iBoxx Corporates 10+ Index	5.57	3	3	6.47	0.16	130	-33	10.26	-0.53	9	4
S&P/ASX iBoxx Corporates High Yield 0+ Index	7.92	0.26	0	7.50	-0.26	357	-31	0.48	-0.86	1	0
S&P/ASX iBoxx Covered 0+ Index	4.04	7	-2	4.76	0.12	58	-12	1.79	0.25	18	-2
iBoxx AUD Fixed Investment Grade Subordinated Debt Mid Price Index	4.77	34	8	5.89	0.28	134	-6	4.29	-0.27	44	13
iBoxx AUD Investment Grade Subordinated Debt Mid Price	6.01	27	4	5.51	0.23	80	-15	0.15	0.00	30	6
iBoxx AUD Kangaroo Bonds Large Cap	3.66	191	20	5.03	0.34	63	-2	3.41	0.06	291	20
S&P/ASX Bank Bill Index	3.97	-	-	3.62	-0.74	-	-	0.13	0.01	-	-

Source: S&P Dow Jones Indices LLC. Data as of Dec. 31, 2025. The S&P/ASX iBoxx Australian Fixed Interest 0+ Index was launched Nov. 15, 2024. The iBoxx AUD Fixed Investment Grade Subordinated Debt Mid Price Index was launched Nov. 28, 2025. All data prior to such date is back-tested hypothetical data. Index performance based on total return in AUD. Past performance is no guarantee of future results. Table is provided for illustrative purposes and reflects hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

Yields increased across all AUD indices shown in Exhibit 12, with the exception of the S&P/ASX iBoxx Corporates High Yield 0+ Index and S&P/ASX Bank Bill Index, which saw a reduction in yields. Most indices experienced a tightening of spreads, reflecting improved credit conditions, while durations generally shortened in 2025, suggesting a shift toward shorter-term securities. Bond issuances increased across the board, as indicated by the

higher number of bonds in most categories, except for covered bonds, which saw a decline. For a detailed breakdown of returns and changes in 2025, please refer Exhibit 12.

Subordinated Debt: A Growing Source of Performance in Australia amid Regulatory Shifts

In late 2024, the Australian Prudential Regulation Authority (APRA) announced the phasing out of all AT1s (Bank Hybrids) by 2032, which means that banks must replace AT1s (hybrid supply of AUD 41.7 billion listed on ASX)[1] with T2s and CET1s by 2032. In 2025, there was a net reduction in AT1 supply and a rise in T2 supply in both floating- and fixed-rate debt. In response to this market shift, the iBoxx Fixed AUD Investment Grade Subordinated Debt Mid Price Index was launched in December 2025 to track the progress of this segment. This index is also the fixed-rate equivalent of the iBoxx AUD Investment Grade Subordinated Debt Mid Price Index. See Exhibit 13 for the key eligibility criteria for the indices.

With relatively higher yields and a regulatory push for banks to transition away from AT1s/hybrids, subordinated Tier 2 bonds have increasingly become an integral part of yield-seeking strategies. In 2025, the iBoxx AUD Investment Grade Subordinated Debt Mid Price Index gained 6.01% while its fixed-rate counterpart gained 4.77%. On a three- and five-year basis, both indices posted gains of more than 20%.

Exhibit 13: Introducing the iBoxx Fixed AUD Investment Grade Subordinated Debt Mid Price Index

Index Name	Main Bond Type	Minimum Amount Outstanding	Rating	Expected Remaining Life	Index History Start Date
iBoxx Fixed AUD Investment Grade Subordinated Debt Mid Price Index	Tier 2 subordinated fixed and fixed-to-float debt	AUD 300 million	Investment Grade	Expected remaining life of at least one month and less than or equal to 10 years. Newly issued bonds: minimum two years	Aug. 31, 2022
iBoxx AUD Investment Grade Subordinated Debt Mid Price Index	Tier 2 subordinated floating rate debt	AUD 500 million	Investment Grade	Expected remaining life of at least one month. Newly issued bonds: minimum two years	June 30,2016

Source: S&P Dow Jones Indices LLC. Data as of January 2026. Table is provided for illustrative purposes.

[1] "The ASX Hybrid Market Update," ASX, November 2025.

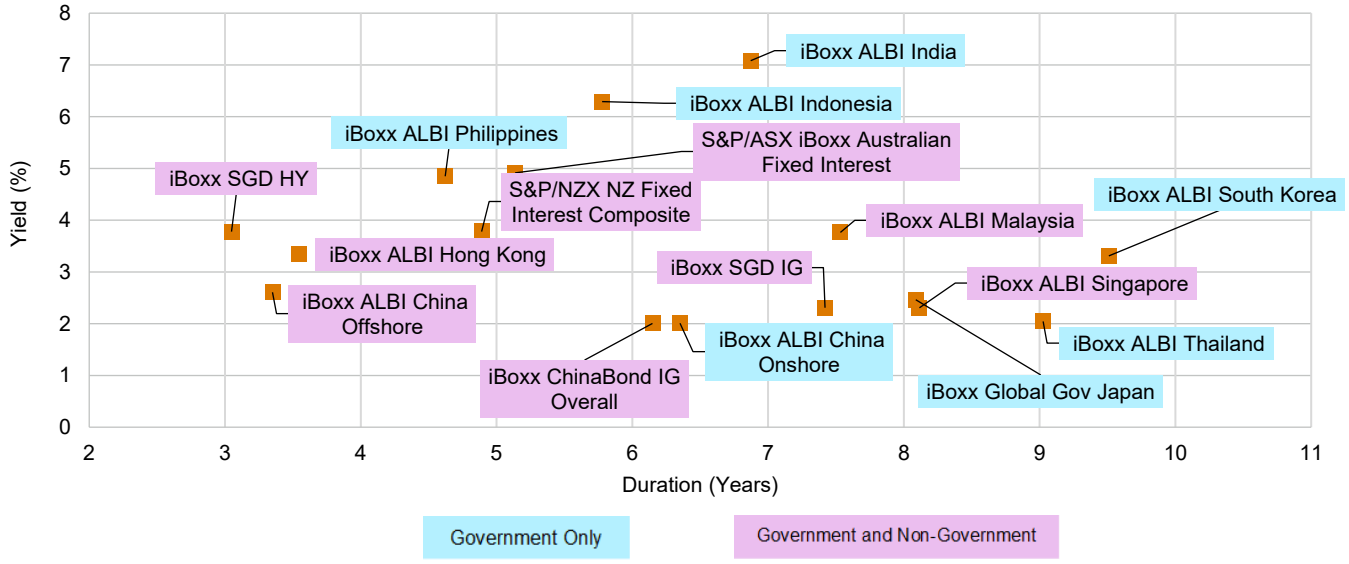
Looking Ahead

The year 2025 proved to be dynamic, defined by shifting central bank policies and significant currency volatility. While Asian currencies staged a rally in the first half, the resurgence of the U.S. dollar in the second half saw many of those gains erode.

The definition of the Asian investment universe is steadily expanding. Asia-Pacific strategies are increasingly incorporating AUD and JPY bonds , as portfolio managers seek new ways to navigate the changing market landscape. This broader scope allows for greater flexibility in measuring alpha across a diverse range of regional currencies and debt issuances. We also witnessed a structural rotation in Asia-Pacific USD supply: as Chinese issuance waned, Japanese volume surged, propelling Japan past China as the highest-weighted market in the iBoxx USD Asia-Pacific Index. Looking ahead, with easing cycles in the Asia-Pacific region expected to bottom out in 2026 and the U.S. Federal Reserve likely moderating its pace of easing, a key question remains: how will these diverging rate paths and lingering FX sensitivities shape the landscape for Asia-Pacific fixed income?

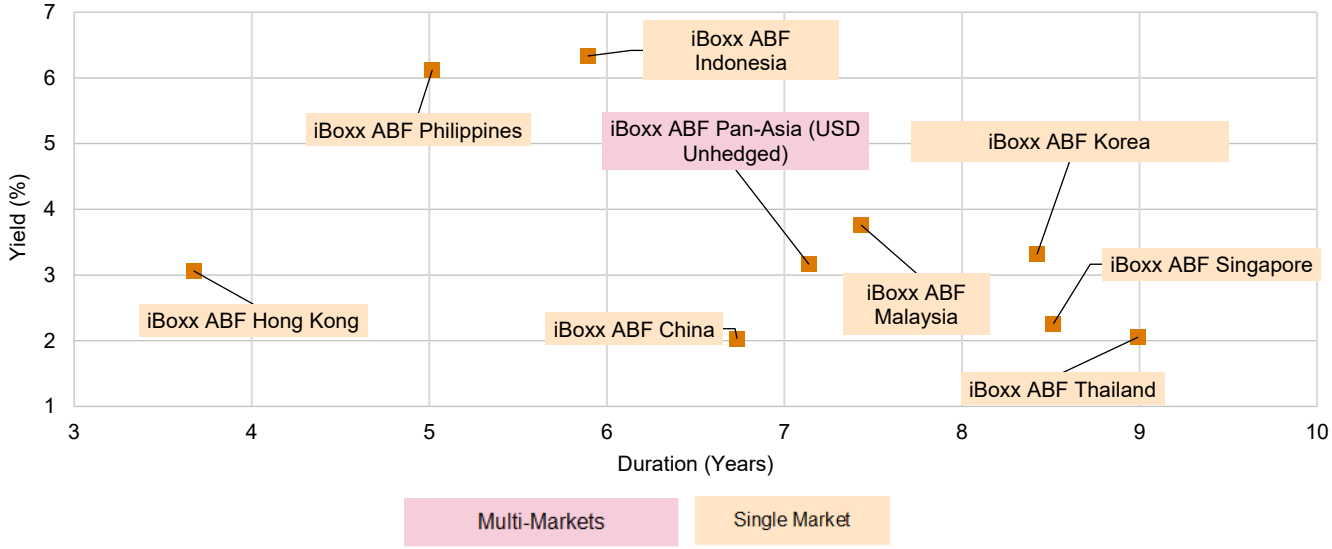
Appendix

Exhibit 14: Yield and Duration Profiles of Key Asia-Pacific Local Currency Indices



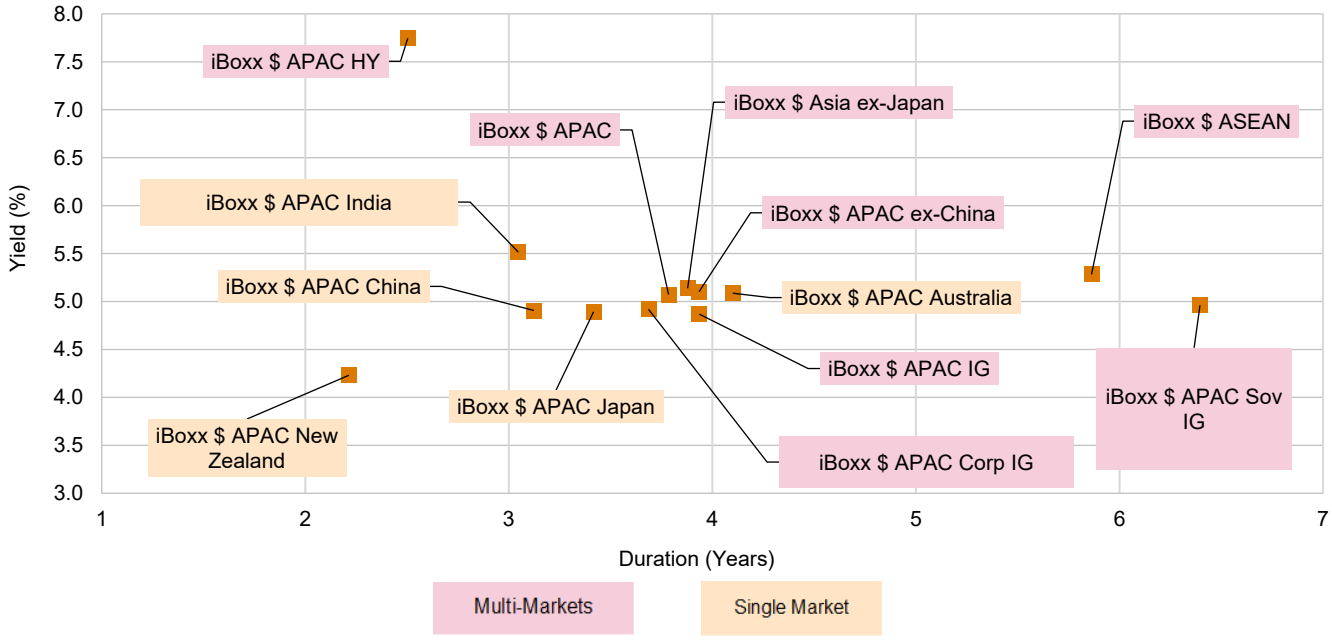
Source: S&P Dow Jones Indices LLC. Data as of Dec. 31, 2025. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

Exhibit 15: Yield and Duration Profiles of ABF Indices



Source: S&P Dow Jones Indices LLC. Data as of Dec. 31, 2025. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

Exhibit 16: Yield and Duration Profiles of Key USD Asia-Pacific Indices



Source: S&P Dow Jones Indices LLC. Data as of Dec. 31, 2025. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

Performance Disclosure/Back-Tested Data

The S&P/ASX iBoxx Australian Fixed Interest 0+ Index was launched Nov. 15, 2024. The iBoxx AUD Fixed Investment Grade Subordinated Debt Mid Price Index was launched Nov. 28, 2025. All information presented prior to an index's Launch Date is hypothetical (back-tested), not actual performance, and is based on the index methodology in effect on the index launch date. However, when creating back-tested history for periods of market anomalies or other periods that do not reflect the general current market environment, index methodology rules may be relaxed to capture a large enough universe of securities to simulate the target market the index is designed to measure or strategy the index is designed to capture. For example, market capitalization and liquidity thresholds may be reduced. In addition, forks have not been factored into the back-test data with respect to the S&P Cryptocurrency Indices. For the S&P Cryptocurrency Top 5 & 10 Equal Weight Indices, the custody element of the methodology was not considered; the back-test history is based on the index constituents that meet the custody element as of the Launch Date. Also, the treatment of corporate actions in back-tested performance may differ from treatment for live indices due to limitations in replicating index management decisions. Complete index methodology details are available at www.spglobal.com/spdji. Back-tested performance reflects application of an index methodology and selection of index constituents with the benefit of hindsight and knowledge of factors that may have positively affected its performance, cannot account for all financial risk that may affect results and may be considered to reflect survivor/look ahead bias. Actual returns may differ significantly from, and be lower than, back-tested returns. Past performance is not an indication or guarantee of future results.

Please refer to the methodology for the Index for more details about the index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations. Back-tested performance is for use with institutions only; not for use with retail investors.

S&P Dow Jones Indices defines various dates to assist our clients in providing transparency. The First Value Date is the first day for which there is a calculated value (either live or back-tested) for a given index. The Base Date is the date at which the index is set to a fixed value for calculation purposes. The Launch Date designates the date when the values of an index are first considered live: index values provided for any date or time period prior to the index's Launch Date are considered back-tested. S&P Dow Jones Indices defines the Launch Date as the date by which the values of an index are known to have been released to the public, for example via the company's public website or its data feed to external parties. For Dow Jones-branded indices introduced prior to May 31, 2013, the Launch Date (which prior to May 31, 2013, was termed "Date of introduction") is set at a date upon which no further changes were permitted to be made to the index methodology, but that may have been prior to the Index's public release date.

Typically, when S&P DJI creates back-tested index data, S&P DJI uses actual historical constituent-level data (e.g., historical price, market capitalization, and corporate action data) in its calculations. As ESG investing is still in early stages of development, certain datapoints used to calculate S&P DJI's ESG indices may not be available for the entire desired period of back-tested history. The same data availability issue could be true for other indices as well. In cases when actual data is not available for all relevant historical periods, S&P DJI may employ a process of using "Backward Data Assumption" (or pulling back) of ESG data for the calculation of back-tested historical performance. "Backward Data Assumption" is a process that applies the earliest actual live data point available for an index constituent company to all prior historical instances in the index performance. For example, Backward Data Assumption inherently assumes that companies currently not involved in a specific business activity (also known as "product involvement") were never involved historically and similarly also assumes that companies currently involved in a specific business activity were involved historically too. The Backward Data Assumption allows the hypothetical back-test to be extended over more historical years than would be feasible using only actual data. For more information on "Backward Data Assumption" please refer to the FAQ. The methodology and factsheets of any index that employs backward assumption in the back-tested history will explicitly state so. The methodology will include an Appendix with a table setting forth the specific data points and relevant time period for which backward projected data was used.

Index returns shown do not represent the results of actual trading of investable assets/securities. S&P Dow Jones Indices maintains the index and calculates the index levels and performance shown or discussed but does not manage actual assets. Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the Index or investment funds that are intended to track the performance of the Index. The imposition of these fees and charges would cause actual and back-tested performance of the securities/fund to be lower than the Index performance shown. As a simple example, if an index returned 10% on a US $100,000 investment for a 12-month period (or US $10,000) and an actual asset-based fee of 1.5% was imposed at the end of the period on the investment plus accrued interest (or US $1,650), the net return would be 8.35% (or US $8,350) for the year. Over a three-year period, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 33.10%, a total fee of US $5,375, and a cumulative net return of 27.2% (or US $27,200).

General Disclaimer