



Cbonds

(Juntung Wu, Director, International Underwriting Limited

(**Case study: Investment Ideas in East Asia Markets**

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(About us



(About International Underwriting Limited and Juntung Wu

About us – International Underwriting Limited (IUL)

- IUL is a family office based in the Hong Kong SAR, China. We exclusively manage the wealth of our shareholders and their families. We do not manage money on behalf of third parties.
- We manage approximately US\$610m in assets as of 31 December 2023 in liquid securities. We also have separate divisions managing physical real estate and real assets (primarily mining).

About me – JT (Juntung) Wu

- I have been in the financial services industry since 2002. I was previously a senior sell-side analyst and team head, followed by a career managing more than HK\$100 billion in insurance assets for a Fortune Global 500 company for about six years. I was hired to run IUL to help stabilize and grow this business. My LinkedIn is at: <https://www.linkedin.com/in/juntung/>




(Our mandate


- Our investments are part of our shareholders' corporate treasury functions. We have a barbell strategy and relatively restricted mandates – we either take the most secure tranches in a bond issue, or we directly take equity stakes or join in a debt/distressed restructuring.
- So for example we usually either buy high rated IG G3 bonds, or we only invest in equity for distressed assets (or non-rated or bonds with restructuring options).
- Our analysts use the bond screener functions frequently in **Cbonds.com** to check for new issues. We also check prospectuses (because we check credit terms carefully) and to verify prices.

Figure: Cbonds.com screen

[Description and interpretation of terms](#)

Search only for 

<input type="checkbox"/> Callable	<input type="checkbox"/> Securitization
<input type="checkbox"/> Subordinated	<input type="checkbox"/> Covered Bonds
<input type="checkbox"/> Amortized Bonds	<input type="checkbox"/> Guaranteed
<input type="checkbox"/> Face value indexation	<input type="checkbox"/> Mortgage Bonds
<input type="checkbox"/> Coupon indexation	<input type="checkbox"/> Default
<input type="checkbox"/> Short term	<input type="checkbox"/> Structured product

Exclude issues 

<input type="checkbox"/> Callable	<input type="checkbox"/> Securitization
<input type="checkbox"/> Subordinated	<input type="checkbox"/> Covered Bonds
<input type="checkbox"/> Amortized Bonds	<input type="checkbox"/> Guaranteed
<input type="checkbox"/> Face value indexation	<input type="checkbox"/> Mortgage Bonds
<input type="checkbox"/> Coupon indexation	<input type="checkbox"/> Default
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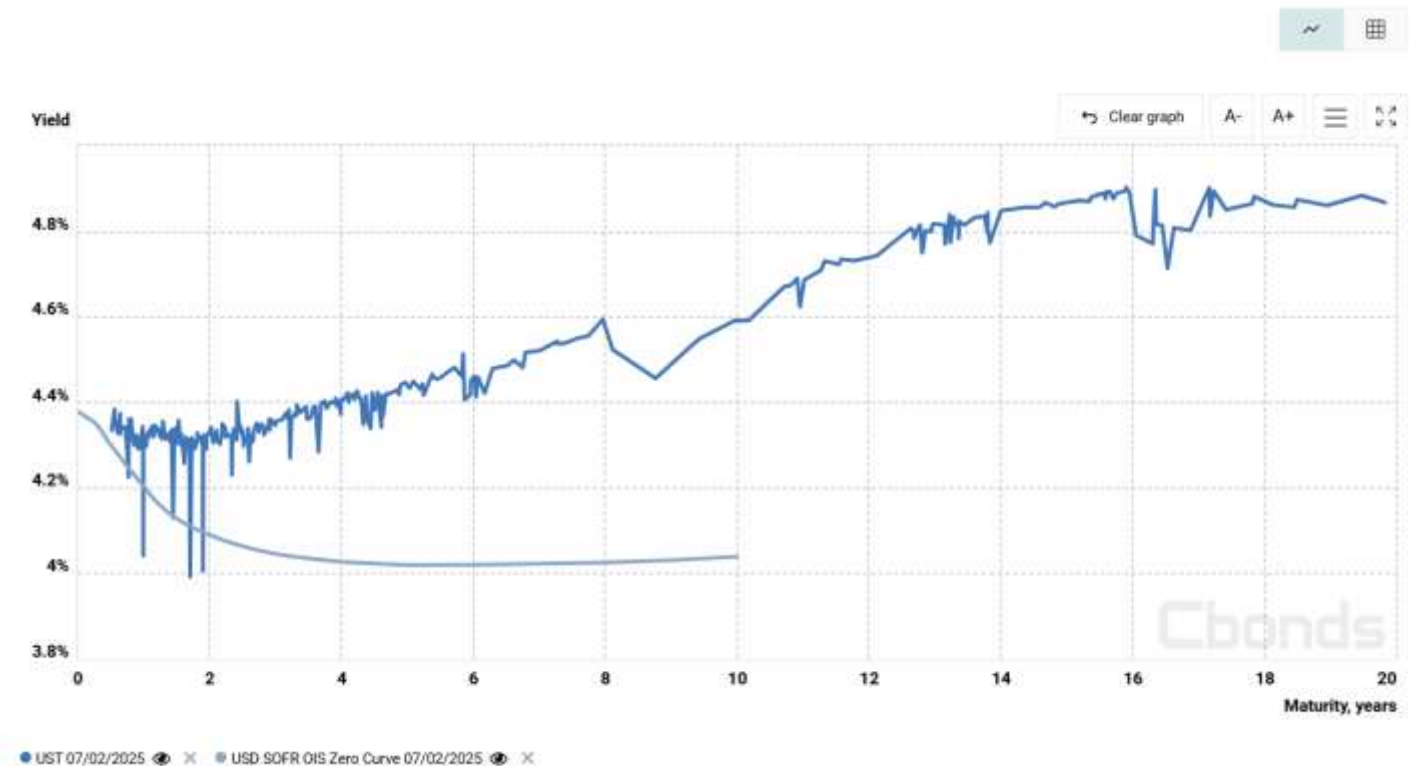
(Our views on Asia



Our views on Asian bonds

- Our base currency is USD. Our mandate leans towards Developed Asia plus China. Our investment returns are benchmarked against SOFR, and, for longer term, benchmarked against UST. For local bonds, we sometimes borrow JPY, SGD, HKD or TWD, so borrowing spreads matter to us immensely.
- As spreads between corporate bonds and UST have been very narrow in recent months, we have positioned ourselves towards either pretty high-risk bonds, or to park our cash in treasuries or equivalents.

Figure: Cbonds.com yield curve screen



(Our current positions

- We are Asian based investors and Asia (primarily East Asia, excluding Australasia) still account for the largest share of our bond portfolios. This includes both our short-term cash management portfolio as well as long term investment portfolio.
- Spreads between corporates and government bonds remain thin. We are only taking A- or above rated names in general as a cash management exercise, otherwise we prefer holding government bonds as a cash management exercise. The exception is if we can borrow local currency at a lower rate and take positions on higher yielding names (Hong Kong property, some Chinese CNH/CNY bonds).
- On the riskier end, we have been buying some perps and companies that are in some form of balance sheet restructuring (not necessarily in default), mainly in the property space. We are not keen on new high-yield issues as spreads remain too thin for us, especially in the BBB to BB range. Since we can take equity, we prefer to go lower in the capital stack and take the risk.

Examples of USD – HKD filters

- A- and above issues from Mainland China and Hong Kong in USD, HKD and CNY, with duration of six months to 3 years

Figure: Cbonds.com yield filter

Region – Asia (excl. Japan) × Country – Hong Kong, China × Sector – Corporate × Status – Outstanding × Currency – HKD, USD, CNY × Duration, years – from 0.5 to 3 ×

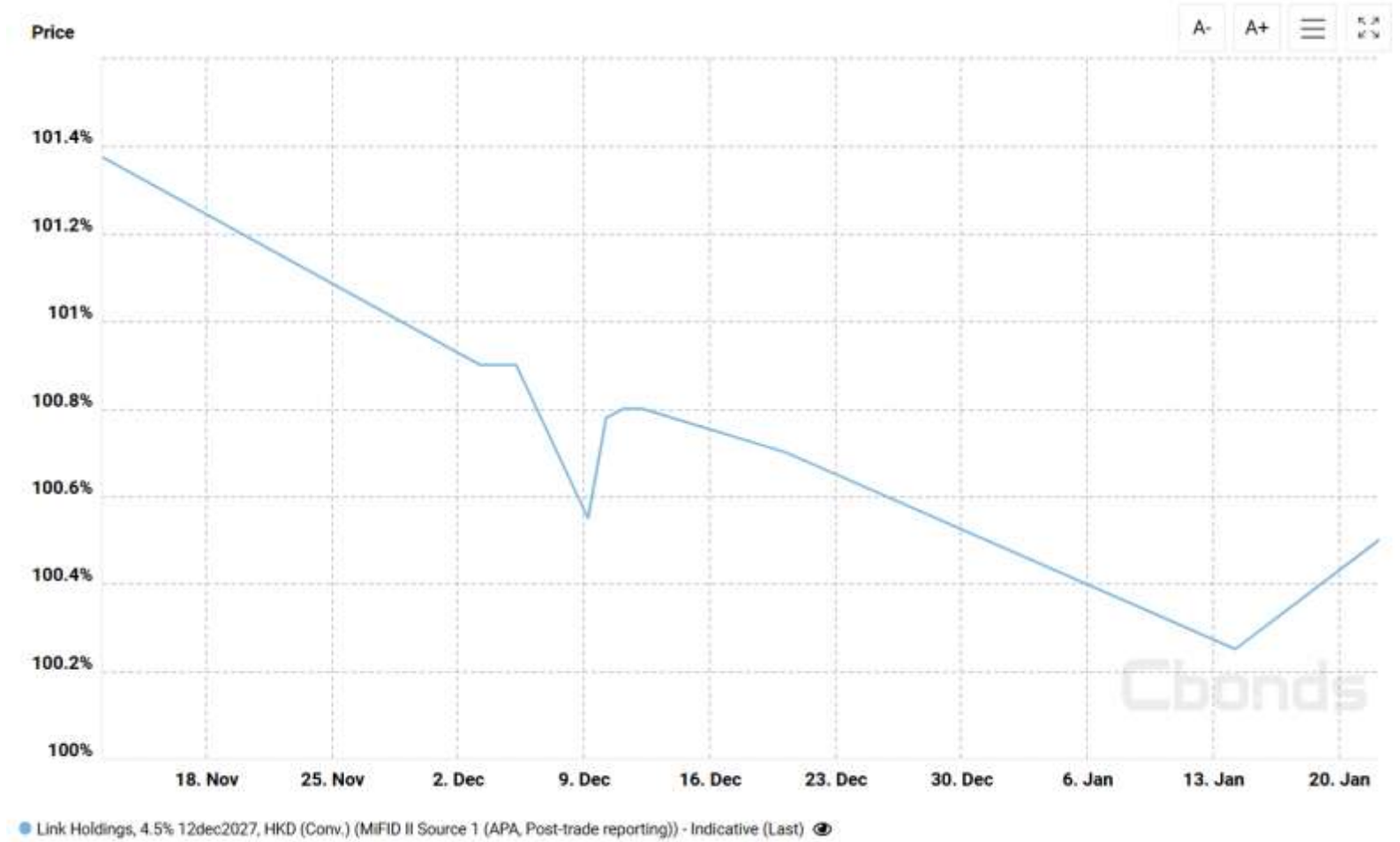
Exclude issues – Perpetual × Foreign currency issuer rating – Max rating from M/S&P/F from A-/A-/A3 to AAA/AAA/Aaa ×

ADD-IN API Export to Excel Show all fields Move Columns Market

ISSUE	ISSUER	CURRENCY	STATUS	INDICATIVE YIELD, %	CURRENT COUPON RATE, %	PLACEMENT AMOUNT	OUTSTANDING FACE VALUE AMOUNT	MINIMUM SETTLEMENT AMOUNT / FACE VALUE	FOREIGN CURRENCY ISSUER RATING M/S&P/F
Hide	Hide	Hide	Hide	Hide	Hide	Hide	Hide	Hide	Hide
AIA Group, 2.923% 22aug2026, USD	AIA Group	USD	Outstanding	8.480	2.923	120,000,000	120,000,000.00	200,000	A1/A+/AA-
AIA Group, 3.734% 30sep2025, USD	AIA Group	USD	Outstanding	7.193	3.734	97,000,000	97,000,000.00	200,000	A1/A+/AA-
Bank of East Asia, 4.875% 22apr2032, USD	Bank of East Asia	USD	Outstanding	6.902	4.875	500,000,000	500,000,000.00	250,000	A3/A-/
AIA Group, 3.47% 1jun2027, USD	AIA Group	USD	Outstanding	6.015	3.470	144,000,000	144,000,000.00	200,000	A1/A+/AA-
Bank of East Asia, 5.125% 7jul2028, USD	Bank of East Asia	USD	Outstanding	5.918	5.125	250,000,000	250,000,000.00	250,000	A3/A-/
Bank of East Asia, 6.625% 13mar2027, USD	Bank of East Asia	USD	Outstanding	5.859	6.625	500,000,000	500,000,000.00	250,000	A3/A-/
Henan Water Conservancy Investment Group, 2.8% 18sep2025, USD	Henan Water Conservancy Investment Group	USD	Outstanding	5.634	2.800	500,000,000	500,000,000.00	200,000	A3/-/A-
Shandong Finance Investment Group, 2.4% 3jun2026, USD	Shandong Finance Investment Group	USD	Outstanding	5.588	2.400	500,000,000	500,000,000.00	200,000	A2/-/A+
Sichuan Development, 2.8% 18aug2026, USD	Sichuan Development	USD	Outstanding	5.577	2.800	500,000,000	474,400,000.00	200,000	-/-/A
China Development Bank Financial Leasing, 2.875% 28sep2030, USD	China Development Bank Financial Leasing	USD	Outstanding	5.547	2.875	700,000,000	700,000,000.00	200,000	A1/A/A+
Guangzhou Industrial Investment Fund Management Co, 2.85% 28jul2026, USD	Guangzhou Industrial Investment Fund Management Co	USD	Outstanding	5.495	2.850	300,000,000	300,000,000.00	200,000	-/NR/A-
Hualu Holdings, 2.2% 27oct2026, USD	Hualu Holdings	USD	Outstanding	5.427	2.200	300,000,000	300,000,000.00	200,000	A3/-/A-
China Overseas Land & Investment, 4.75% 26apr2028, USD	China Overseas Land & Investment	USD	Outstanding	5.416	4.750	750,000,000	750,000,000.00	200,000	Baa2/A-/A-

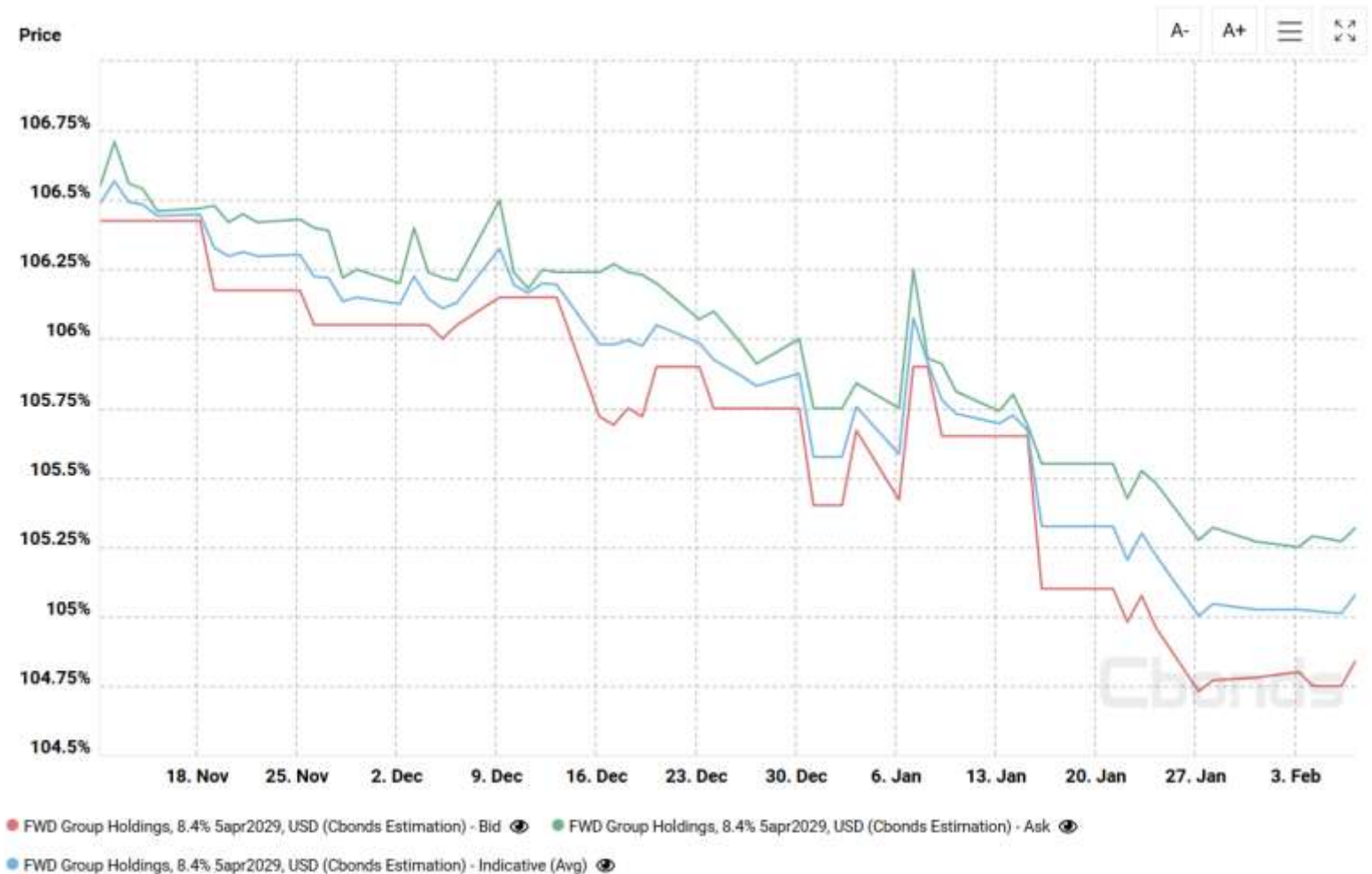
(Examples where we would participate in convertible bonds

- We have a long position in Link Holdings, 4.5% 12 Dec 2027, HKD (Conv.) (XS2560662541) as the yield on the convertible exceeds HKD deposit yields, the bond is A2 rated and the covenants for the issuer are quite favorable to investors, in our view.
- *This is not an investment recommendation.*



(Examples where we would participate in subordinated bonds

- We have a long position in FWD Group Holdings, 8.4% 5 Apr2029 (USG37049AB20) which is subordinated (Fitch BBB-) but we feel the additional carry and short duration compensates for the subordination.
- *This is not an investment recommendation.*



(Thank you

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