

2025 Asian Expert Series: Navigating Asia's next chapter

Asia continues to redefine the global growth narrative, especially in an environment where policy uncertainty is weighing on the outlook for other regions. Rapid innovation, evolving consumer dynamics, and a steadfast commitment to sustainability underscore why Asia remains a vital component of investor portfolios. As the region grows more diverse and dynamic, an active investment approach is essential to capture the full spectrum of opportunities and manage the complexities of its evolving landscape.

Our 2025 Asian Expert Series presents a curated set of charts that delve into three transformative forces shaping the region's future and the opportunities for investors:

- › **Asia's technology-led innovation**
- › **Asia's consumer-fuelled growth**
- › **Asia's sustainability-driven progress**

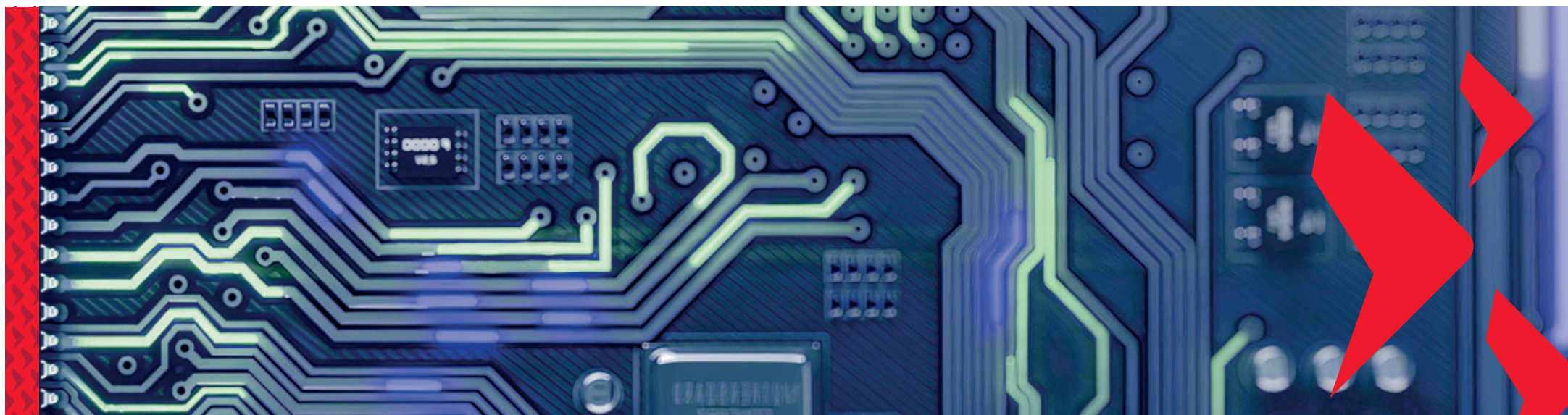
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Asia's technology-led innovation

Innovation is a strategic lever that unlocks Asia's economic growth, accelerates transition and shapes new markets. Whether it is India's "Silicon Valley", Japan's Tsukuba Science City or Taiwan's Hsinchu Science Park, innovation is firmly embedded in Asia's development story. Importantly, Asia's listed technology companies span a wide range of industries, presenting diverse equity opportunities for investors.



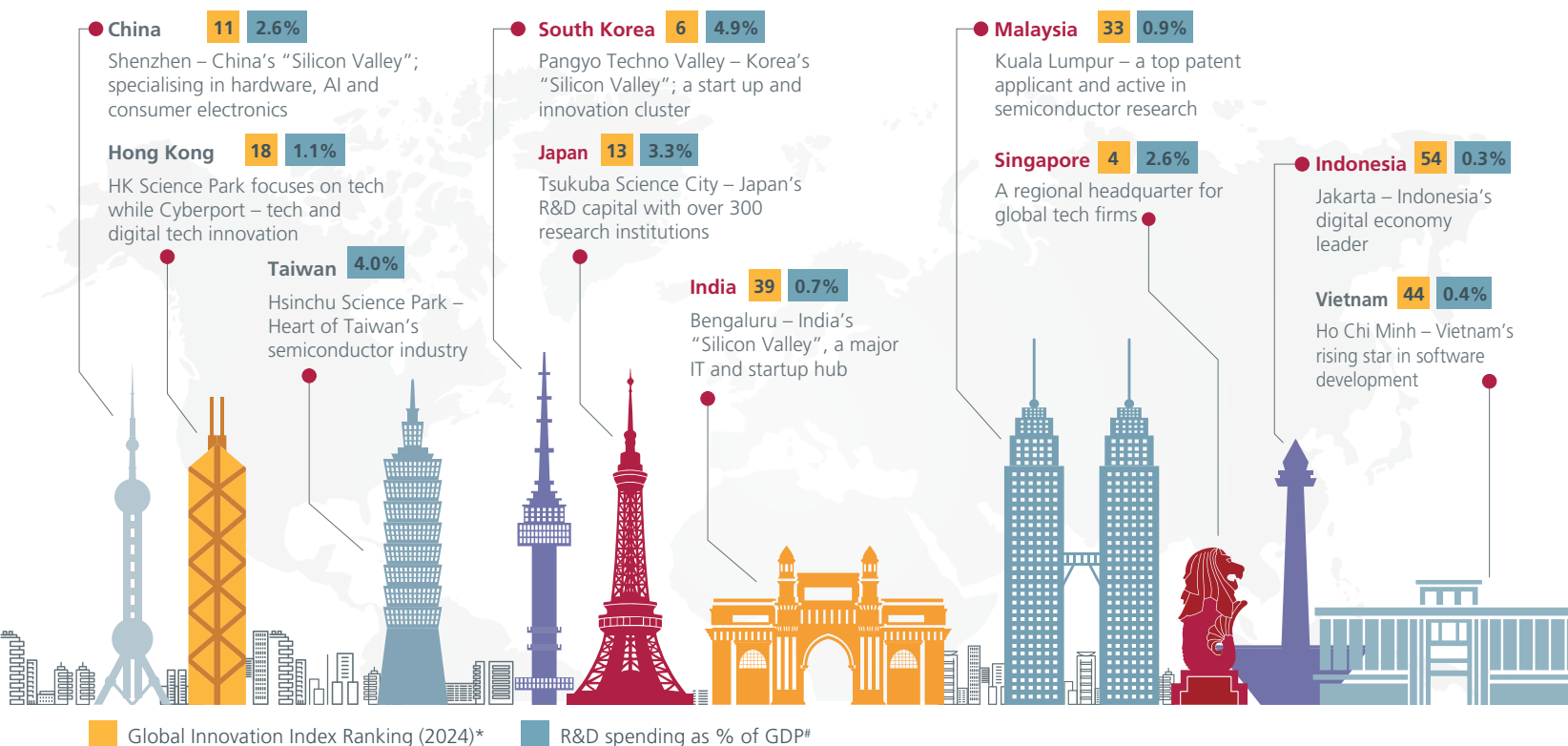


Asia's technology-led innovation

Emerging innovation leader

Technology and innovation drove about **50%¹** of Asia's GDP growth between 2010 and 2020 and are expected to contribute to **43%²** of the region's expected GDP growth from 2020 to 2030.

Robust R&D investment and a supportive regulatory landscape have fuelled the rise of innovation hubs across Asia.



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Asia has long been synonymous with manufacturing excellence, but its role as a global innovation hub is increasingly commanding attention. China, Japan, South Korea, and Taiwan are not only driving industrial output but also spearheading breakthroughs in artificial intelligence, robotics, and semiconductor technologies—positioning the region at the cutting edge of the digital economy.

Rebecca Lin, Head of Investments, Eastspring Taiwan.

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¹ McKinsey Global Growth Model. Total factor productivity, a broad measure of the contribution to the economy of technology and innovation.

² In order for Asia to maintain about 4% GDP growth. How can Asia boost growth through technological leapfrogging. McKinsey Global Institute.

Source: R&D spending as % of GDP: Lowy Institute of Asia Power Index 2024 Edition. Statista. #Latest year available. *Global Innovation Index 2024. Unlocking the Promise of Social Entrepreneurship. June 2025.

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Asia's technology-led innovation

Breadth and depth

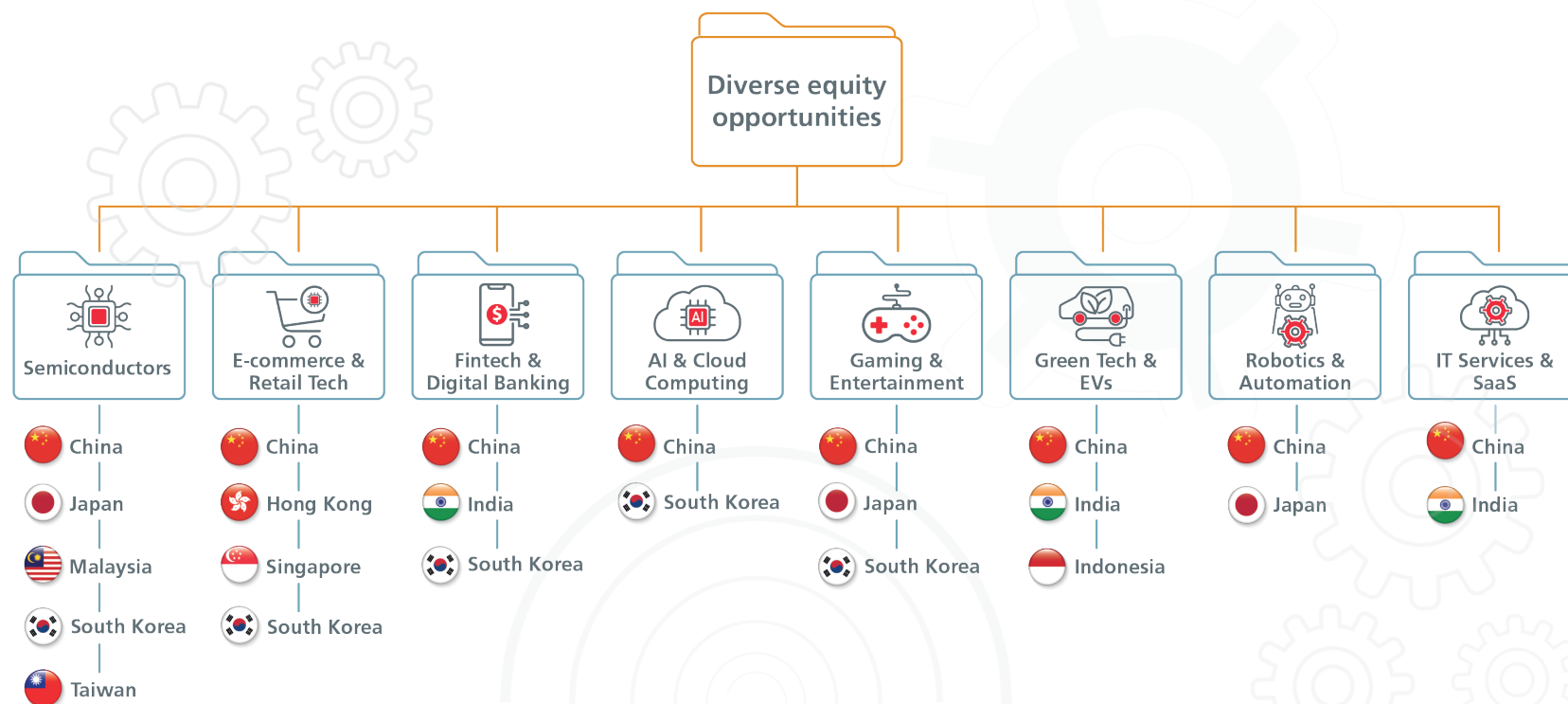
Within equities, Asia's listed tech companies span a wide range of industries; presenting diverse opportunities for investors. The rise of the weight of the technology sector in the MSCI Asia Pacific Index from **15%** in 2005 to **20%** in 2025¹ reflects the region's economic and structural shifts.

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Bond issuances from Asian tech companies are more limited as most Asian tech companies generate sufficient operating cash flows to fund their investment needs. These companies are also likely to be able to access cheaper funding sources without needing to tap the bond market.

Clement Chong, Head of Research, Fixed Income, Eastspring Singapore

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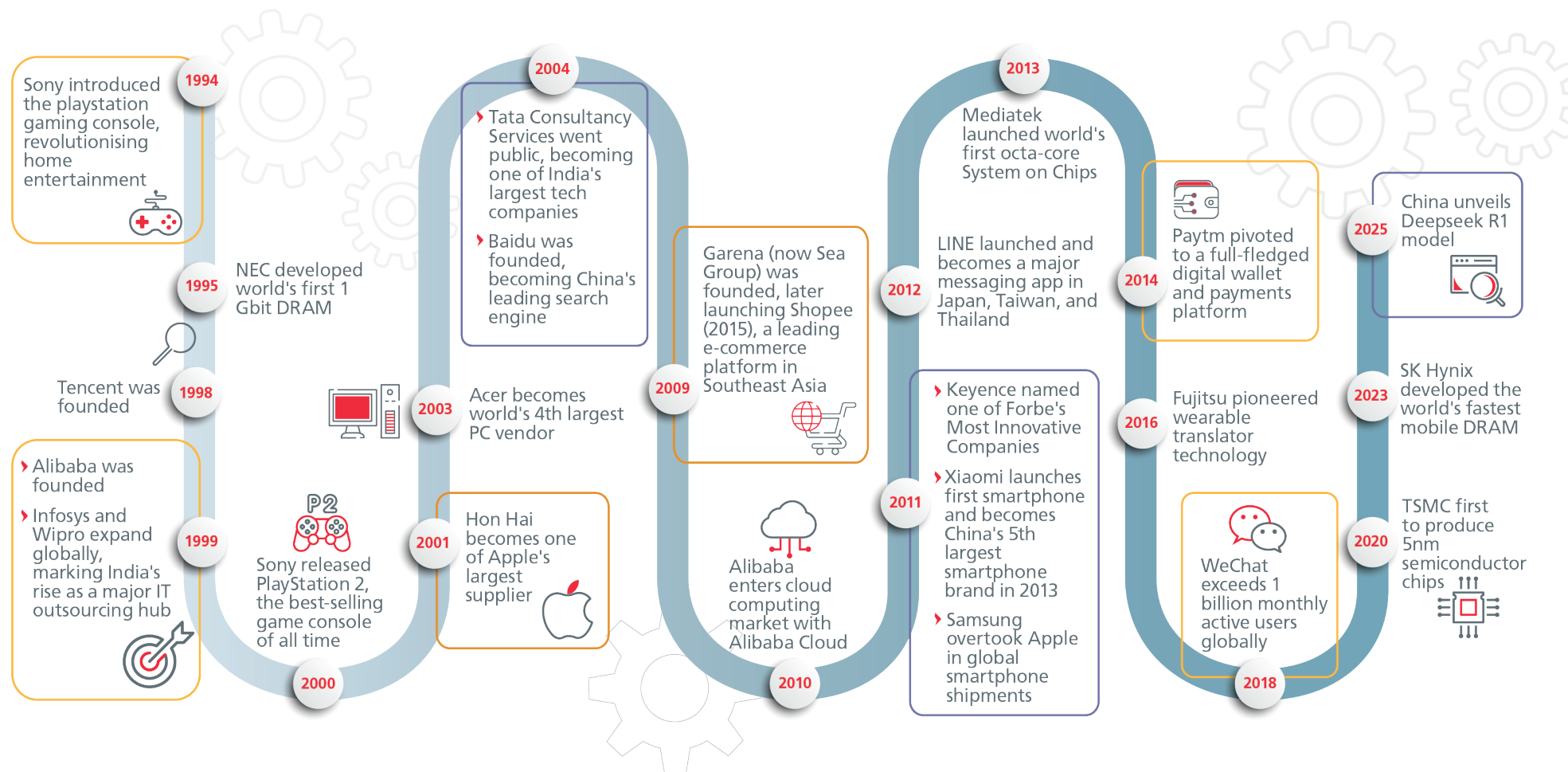
¹ Datastream as of 11 June 2025.



Asia's technology-led innovation

Tech trek

Many of the pivotal moments in Asia's tech timeline have brought rewarding opportunities for long-term investors.



Source: Company websites. Any securities illustrated are informational only and not an investment recommendation or advice.

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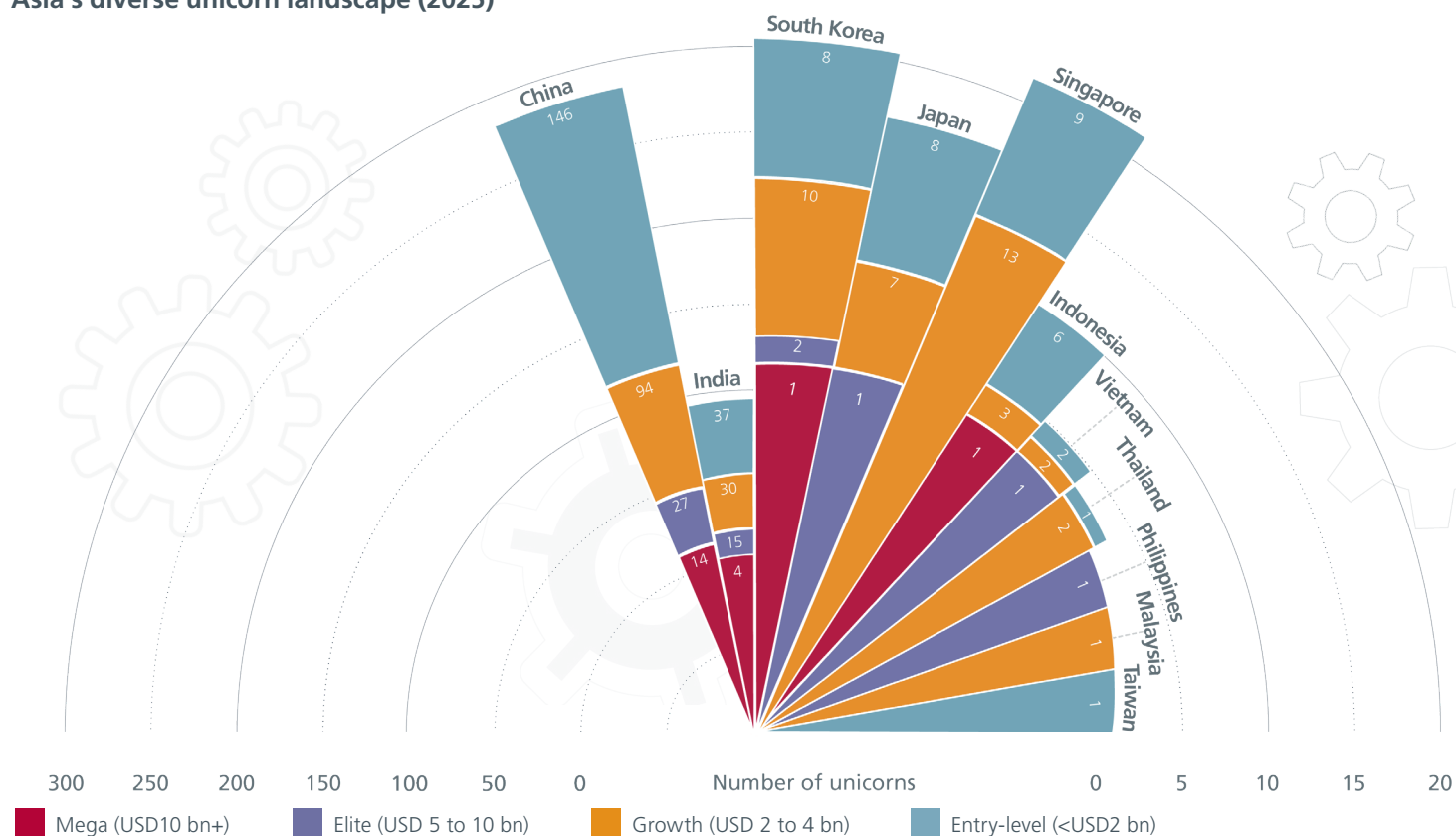
Asia's technology-led innovation

Unicorn dreams

Besides being home to numerous listed tech giants, Asia also has a diverse unicorn landscape. Tensions between US and China have accelerated investments in digital infrastructure, artificial intelligence and fintech across the region.

Southeast Asian tech companies that had previously eyed US IPOs are increasingly pivoting to local exchanges amid rising private equity support and domestic reforms. However, investors will still need to be discerning.

Asia's diverse unicorn landscape (2025)



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While a thriving start-up ecosystem can help unlock fresh opportunities for investors, only businesses that are viable and profitable can find successful IPO exits. Otherwise, in many cases, these start-ups are forced to pivot their businesses or end up selling to cash rich competitors or merging for survival.

Liew Kong Qian, Head of Investments, Eastspring Indonesia

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Source: Global Unicorn Report 2025. June 2025. Reflects privately-held start ups valued at USD1 billion or more, often backed by venture capital. Southeast Asia's IPOs poised for rebound in 2025 but clouds loom – Nikkei Asia. Jan 2025. Top IPOs to watch in 2024 – APAC region. AlphaSense. March 2025.

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Asia's
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innovation

Think active

Asia's tech sector offers a compelling blend of capital gains and dividend income. However, the dispersion of performance across the sector increases the importance of a research-driven, stock picking approach to uncover winners and mitigate downside risks.

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The exciting growth narratives around tech stocks have historically led to periods of frothy valuations. A value-centred approach can help capture stocks' long-term growth upside cheaply.

Terence YT Lim, Portfolio Manager, Eastspring Singapore

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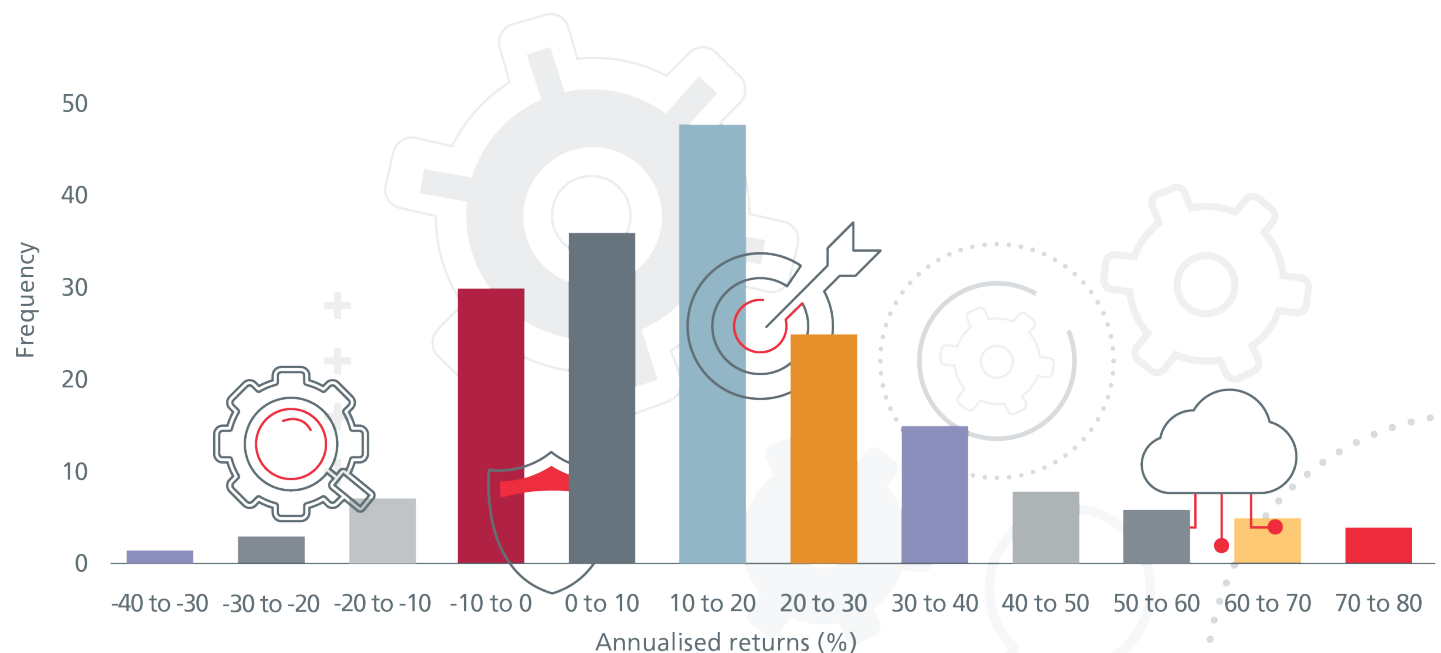
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Asian tech companies can be a great universe to find attractive income ideas in, but the key here is to be discerning. The tech supply chain in Asia is incredibly deep and diverse with different drivers and capital allocation needs, depending on which sub-segment you operate in. Because of this, investors have to really focus on fundamentals to understand where this intersection of income and growth lies in order to fully capture this unique opportunity.

Christina Woon, Portfolio Manager, Eastspring Singapore

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Distribution of returns of Asian tech stocks (2015 - 2025)



Source: 10-year annualised returns (or longest available annualised returns) of constituents of the MSCI Asia Pacific Information Technology Index. As of June 2025. Bloomberg.

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Asia's consumer-fuelled growth

The consumer boom in Asia is being driven by the region's rising incomes and rapidly expanding middle class. Young, tech-savvy consumers are reshaping demand through digital platforms and social media, while urbanisation and the rise of lower-tier cities are creating new consumption hubs. Put together, they present a dynamic and diverse consumer landscape across Asia.



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Asia's
consumer-
fuelled growth

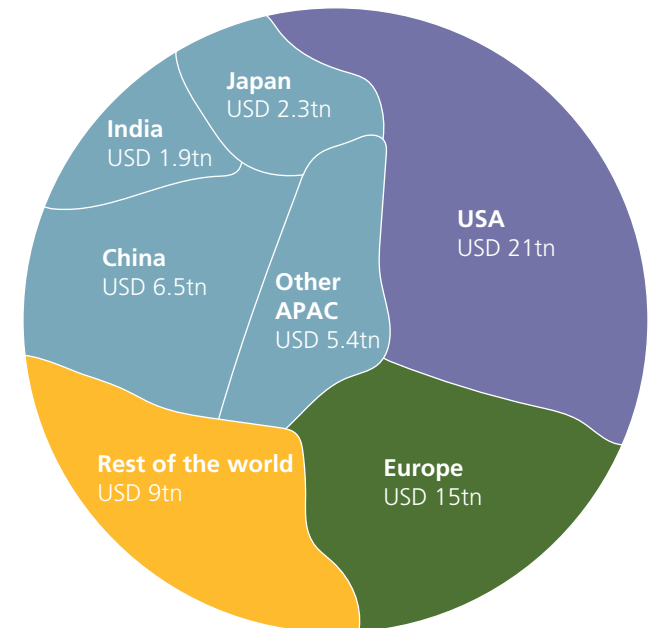
Consumer boom

Asia will contribute over **80%** of the world's 134 million new consumers in 2025, making the Asian consumer class one of the biggest investment opportunities. By 2030s, 1 out of 2 consumer transactions will take place in Asia.

Asia's share of global consumers is steadily rising



Consumer spending by region (2025)



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For any global company, having a strategy for the Asian consumer is no longer optional. This is where the next billion customers are coming from.

Juilice Zhou, Head of Consumer & Healthcare Sector Research, Eastspring Hong Kong

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Tn = Trillion. A consumer is anyone who spends at least USD 12 per day* Source: World Data Lab, *measured in 2017 purchasing power parity.

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Asia's
consumer-
fuelled growth

Growth drivers

Asia's consumer spending is being unlocked by **higher disposable income, low household debt and falling inflation**. As Asians move into and within the consuming class, demand for both essentials and premium goods will rise, offering **diverse investment opportunities**. Major Asian markets are projected to reach consumer tipping point by 2040.

Consumer class as a percentage of the population



Year in which consumer class reaches >50% of the population



■ Consumer class

Engines of growth

Middle class households#



Life expectancy^



Urbanisation rate^



Literacy rate^



Digital adoption*



Source: World Data Pro, 2024, ^ Avg of East Asia & Pacific and South Asia based on World Bank categories and Unicef for 2030 projections for urbanisation rate. *Asia Pacific from gsma on smartphone adoption. # Based on Oxford Economics definition of middle class with disposable income between USD20,000 and USD70,000 per year.

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Asia's
consumer-
fuelled growth

Spending patterns

Consumer companies in Asia are experiencing rapid growth, with wider moats, innovative offerings and high return on capital. As consumer behaviour differs by market, investors need **an active and localised strategy to unlock value.**

From needs to wellness, spending habits differ across the region



Source: Asian consumer study 2024, Roland Berger survey.

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Multiple Asian consumer companies after having proven their product strength in their home markets are expanding pan-Asia (and sometimes even globally) leading to a significant increase in their addressable market.

Sundeep Bihani, Portfolio Manager,
Eastspring Singapore

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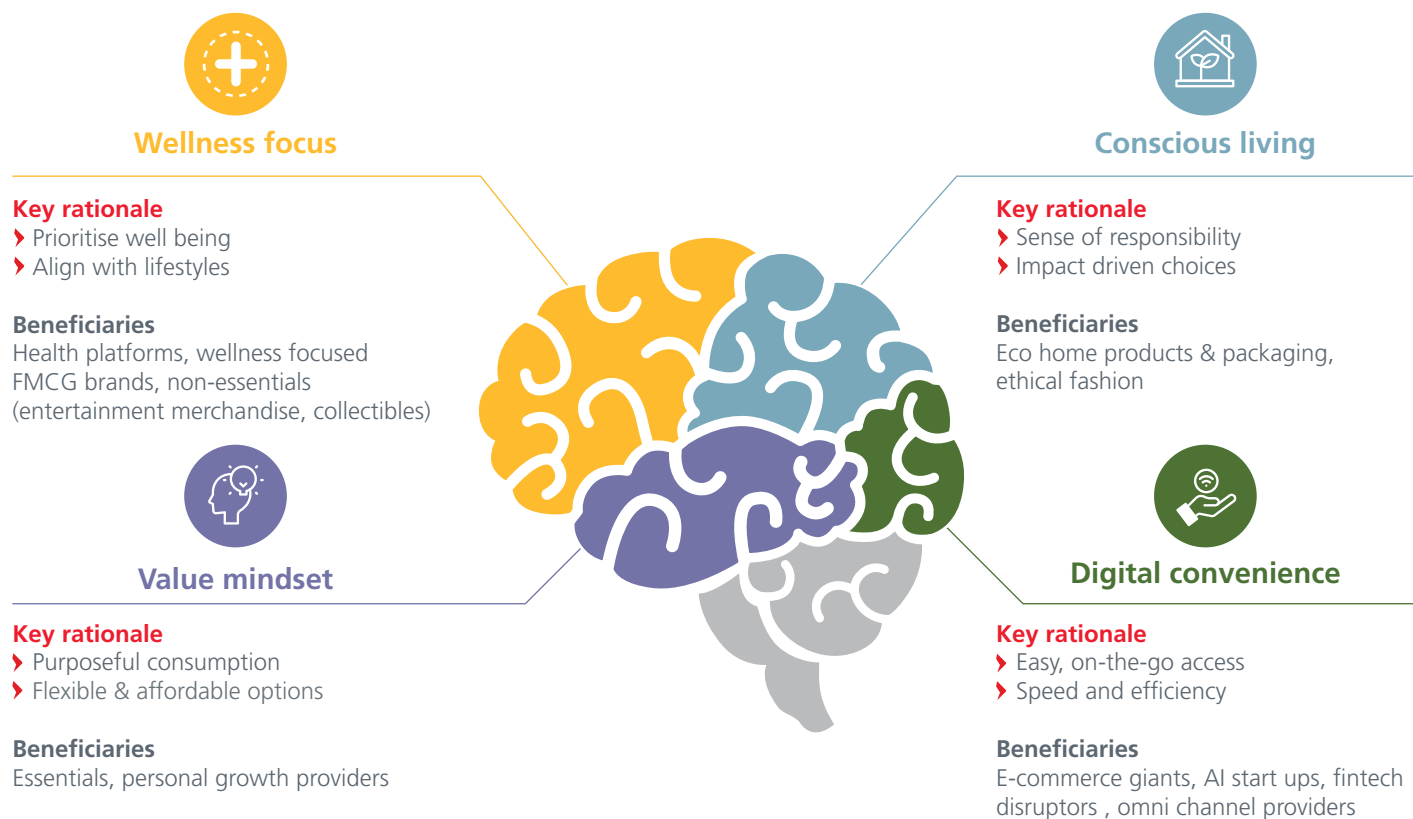


Asia's
consumer-
fuelled growth

Emerging trends

Gen Zs and Millennials will comprise about **50%** of Asia-Pacific consumers by 2030, sustaining the region's working-age population. As such they will be a significant economic force, and their spending habits will reshape investment prospects.

Mapping the future consumers' mindset



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The biggest consumption trend in India over the past year is the rise of quick commerce. Urban consumers now enjoy a 10-minute delivery service across a growing range of products, reshaping buying habits through instant gratification...

Yuan Yiu Tsai, Portfolio Manager, Eastspring Singapore

In China, companies thrive by offering unique products and services tailored to young consumers. Appealing opportunities include pet food company, IP-driven products meeting emotional needs, and companies who offer affordable entertaining mobile apps with AI components.

Jocelyn Wu, Portfolio Manager, Eastspring Hong Kong

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Note: Gen Z (born 1996-2012), Millennials (born 1980-1995). Source: Eastspring Investments.

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Asia's
consumer-
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Active opportunities

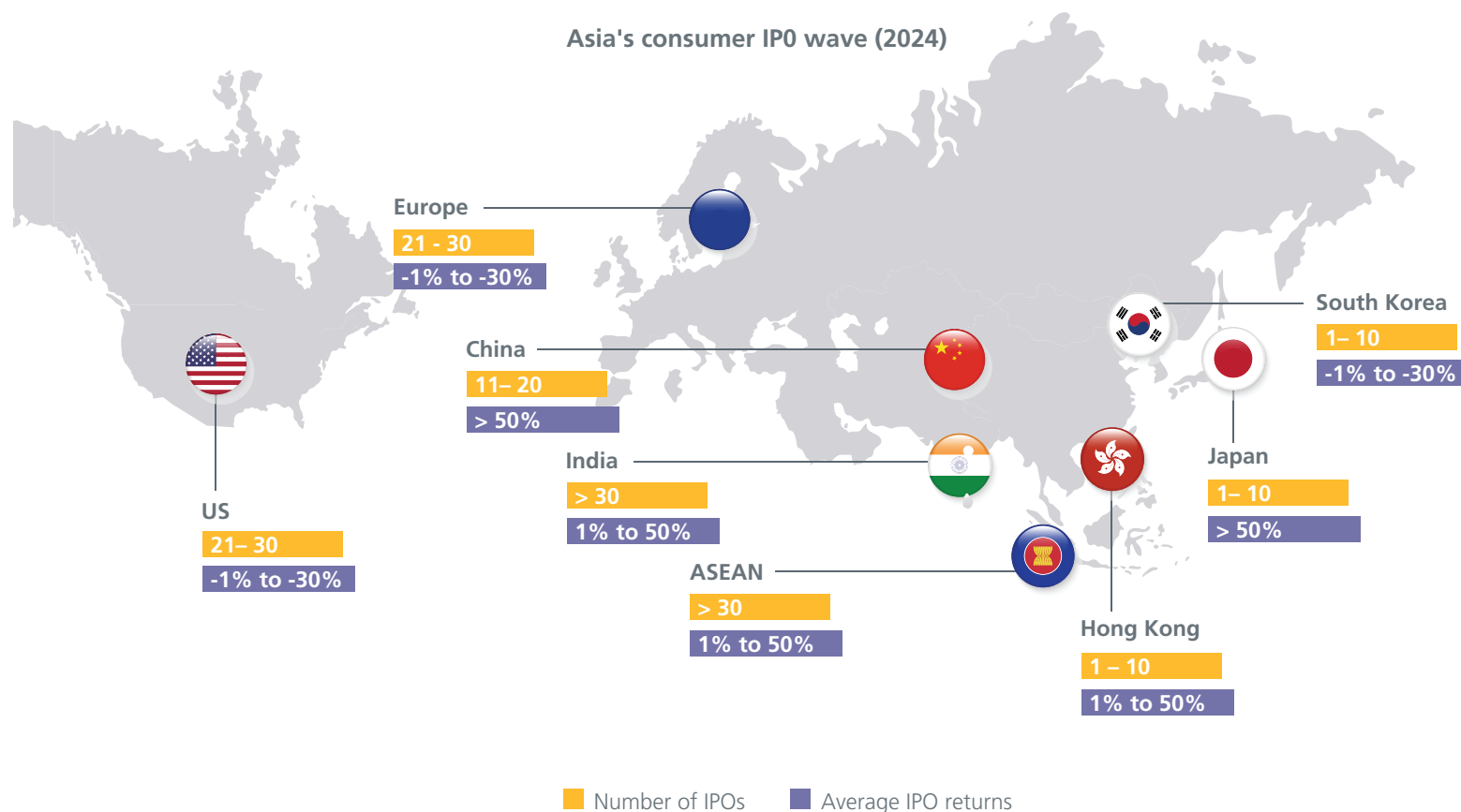
New listings in the consumer sector across Asia-Pacific are rising, particularly in India and ASEAN, offering high-growth investment opportunities. Booming e-commerce, rising healthcare demand, and a travel & hospitality revival are driving the IPO momentum. Smart stock selection is key to capturing the upside.

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The consumer sector offers diverse dividend opportunities – from cyclical companies (e.g. autos) that see earnings and dividends increase as the cycle recovers to steady yields in staples like dairy and beverages. There is something for everyone if you think active and be selective.

Christina Woon, Portfolio Manager,
Eastspring Singapore

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Source: EY 2024 IPO report, Data as of 2024.

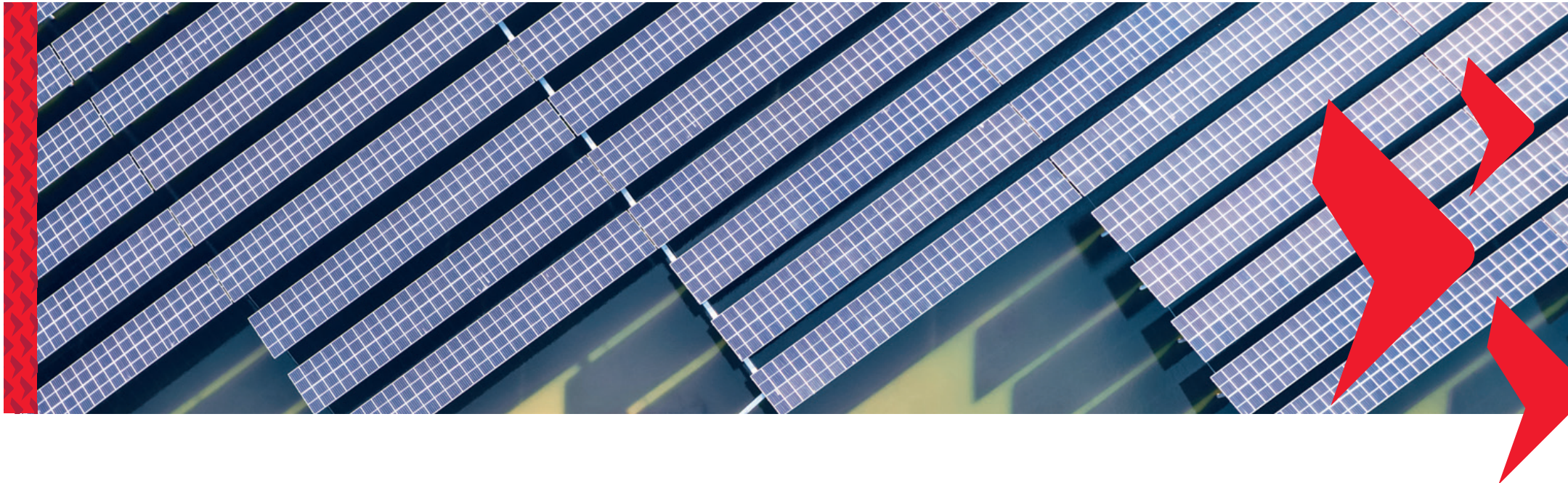
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Asia's sustainability-driven progress

As one of the regions most impacted by climate change, Asia presents a growing market for climate solutions. This creates investment opportunities in companies that provide green-related products and services, as well as those transitioning towards more sustainable practices across both the equity and bond markets. As Asia embraces sustainability with the help of supportive policies and government frameworks, it is laying the foundation for more resilient long-term growth.

This is the final installment of the three chart packs which make up our 2025 Asian Expert Series, where we spotlight powerful forces reshaping the region and uncover the trends and opportunities that matter most to investors.



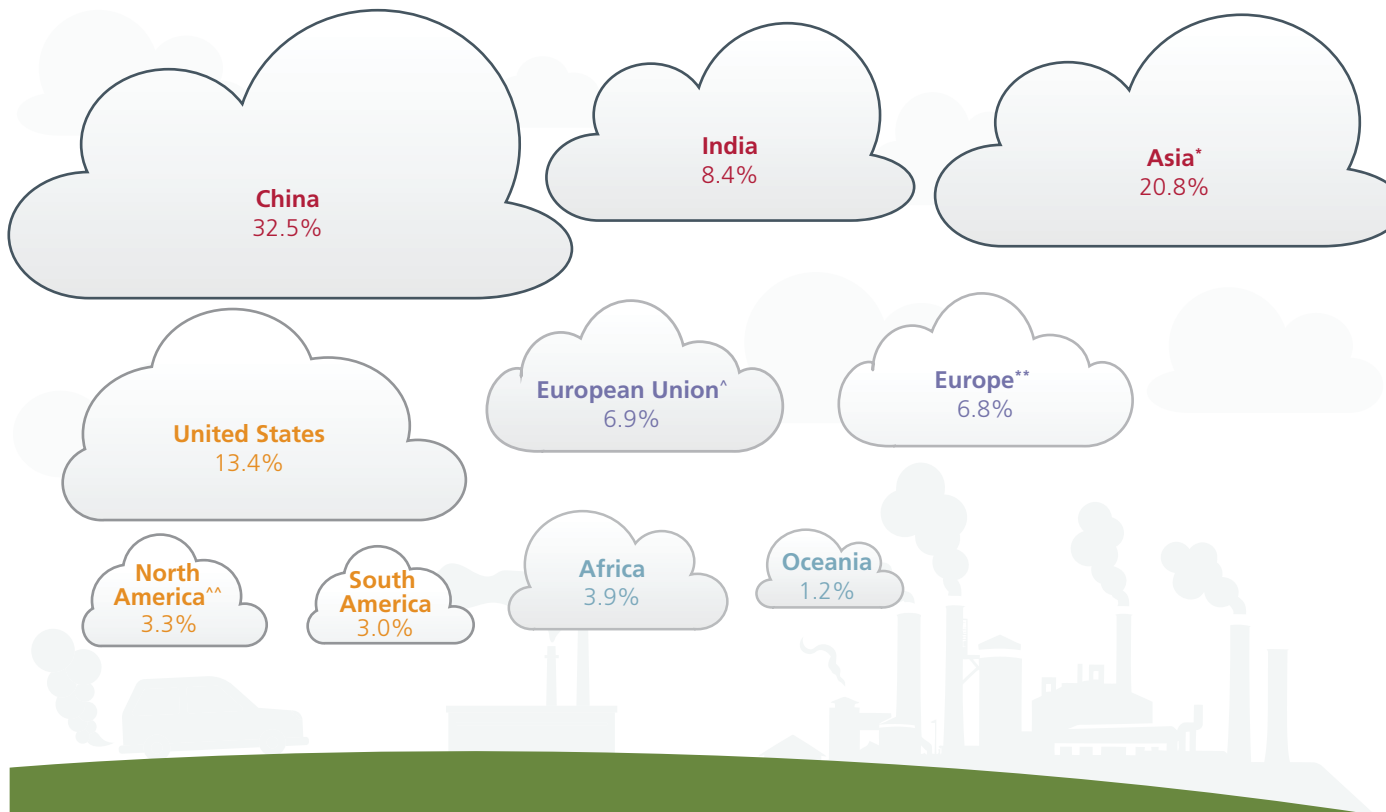


Asia's
sustainability-
driven progress

World's biggest decarbonisation market

Asia accounts for **over 60%** of global emissions and ASEAN requires about USD200 bn/yr up to 2030 in green investments to meet its climate goals.

Carbon hotspots: Why Asia's pivot matters



 Annual CO₂ emissions, 2023

Source: Our world in data, Infrastructure Finance. Green Finance in Emerging Asia. *Excludes China and India. **Excludes EU-27. ^Refers to the EU-27. ^^Excluding US.

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Asia is potentially one of the regions that will be most impacted by climate change, giving it a unique opportunity to also become a significant market for climate solutions. This gives investors an opportunity to both close the climate investment gap, drive impact and unlock long term returns.

Joanne Khew, ESG Specialist,
Eastspring Singapore

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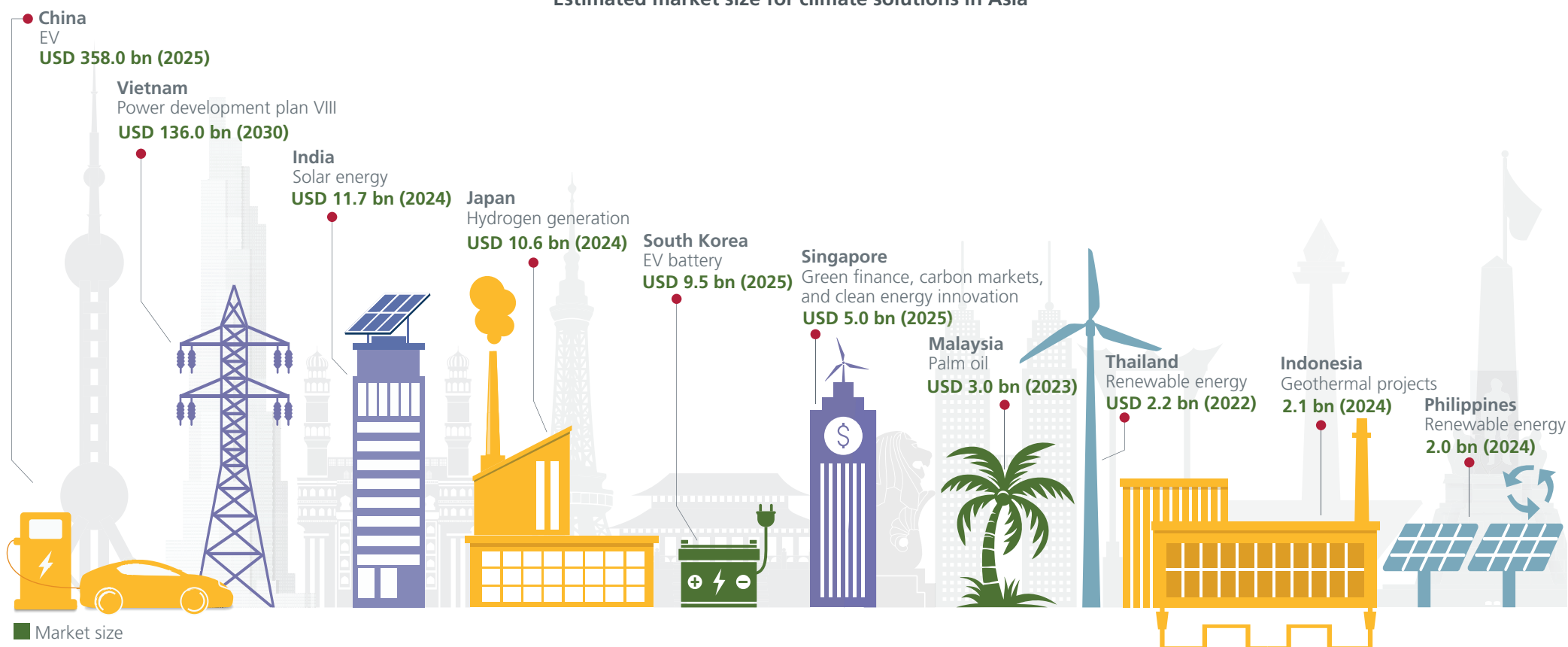


**Asia's
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driven progress**

Growing market for climate solutions

Asia's transition towards a lower-carbon economy is fueling growth in Electric Vehicles (EVs), EV batteries, renewable energy and sustainable fuel, which in turn creates opportunities for investors.

Estimated market size for climate solutions in Asia



Source: China: Electric Vehicles Research Report 2030 India: Solar Energy Report 2030, Japan: Hydrogen Generation Forecast by Technology, Systems Type, Application, and Region, 2025-2033, South Korea: Electric Vehicle Battery. Market Research Report, Singapore: Singapore Business Review, Malaysia: Palm Oil Market Size & Outlook 2030, Thailand: Renewable Energy Market Summary and Forecast to 2027, Vietnam: NEWS, Reccessary, Indonesia: Investing in Indonesia's Geothermal Energy Sector, Philippines:Renewable Energy Market Report 2025 – 2030.

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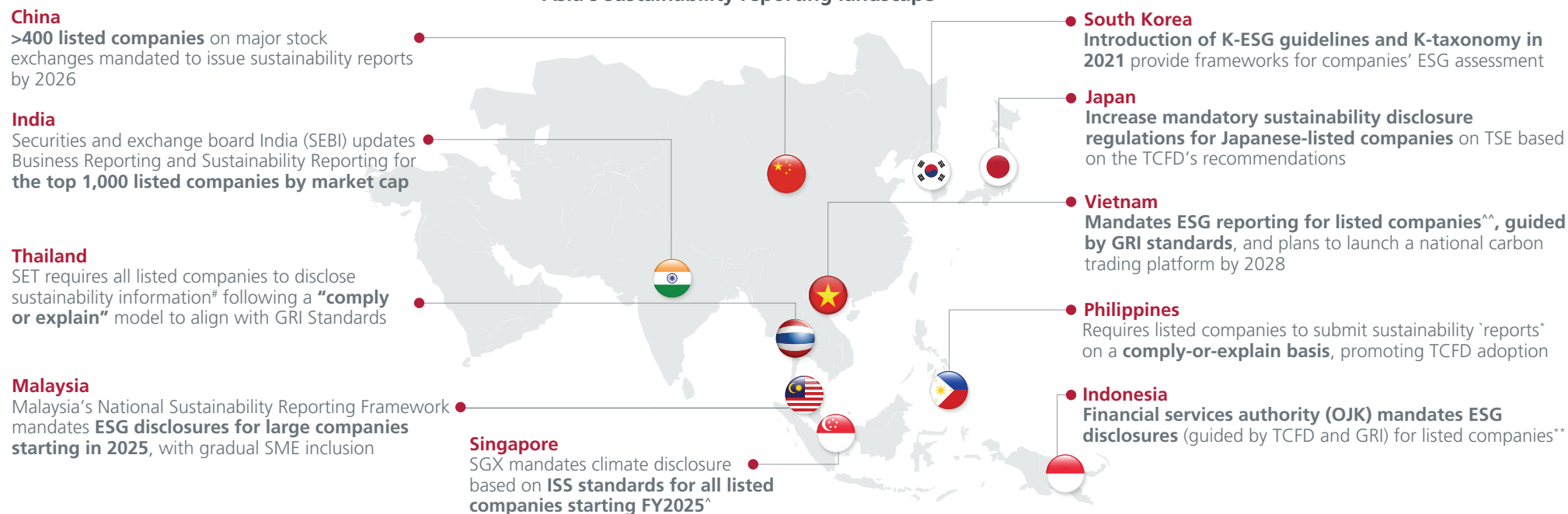
**Asia's
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driven progress**

A push for ESG integration

As Asian governments continue to shape sustainable development in the region, they have been increasingly promoting ESG integration in the public markets through regulatory reforms and policy support. The benefits of such support include:

- › Increased investor confidence and mitigation of regulatory risks
- › Company incentives such tax breaks or subsidies for green investments
- › Capital from global investors seeking to align with climate goals/SDGs
- › Continuous pipeline of investable projects

Asia's sustainability reporting landscape



Source: ESG refers to Environmental, social and governance, serving as the 3 core pillars in ESG frameworks. TCFD: The Task Force on Climate-related Financial Disclosures (TCFD) is an international body established to create standardised guidelines for companies and financial institutions to disclose climate-related financial risks, helping inform investors, stakeholders, and the public more effectively. GRI: The Global Reporting Initiative (GRI) is an independent international organization that equips businesses and institutions with a standardized framework to communicate their environmental, social, and economic impacts responsibly and transparently. These areas represent key dimensions that companies are expected to disclose in their reporting guidelines Guide to Asia Pacific's ESG Regulations & Sustainability Reporting Landscape, SEBI Mandates ESG Reporting for Top 1000 Listed Companies, An Overview of Current ESG Disclosures in ASEAN Countries - Fuller Academy. ^{*}Under SEC Circular 4/2019. ^{**}Under POJK 51/2017. ^{^^}Under Circular 96/2020. [^]focusing on scope 1 and 2 emissions in 2025 and then scope 3 emissions in 2026. [#]Through the Form 56-1 One Report.

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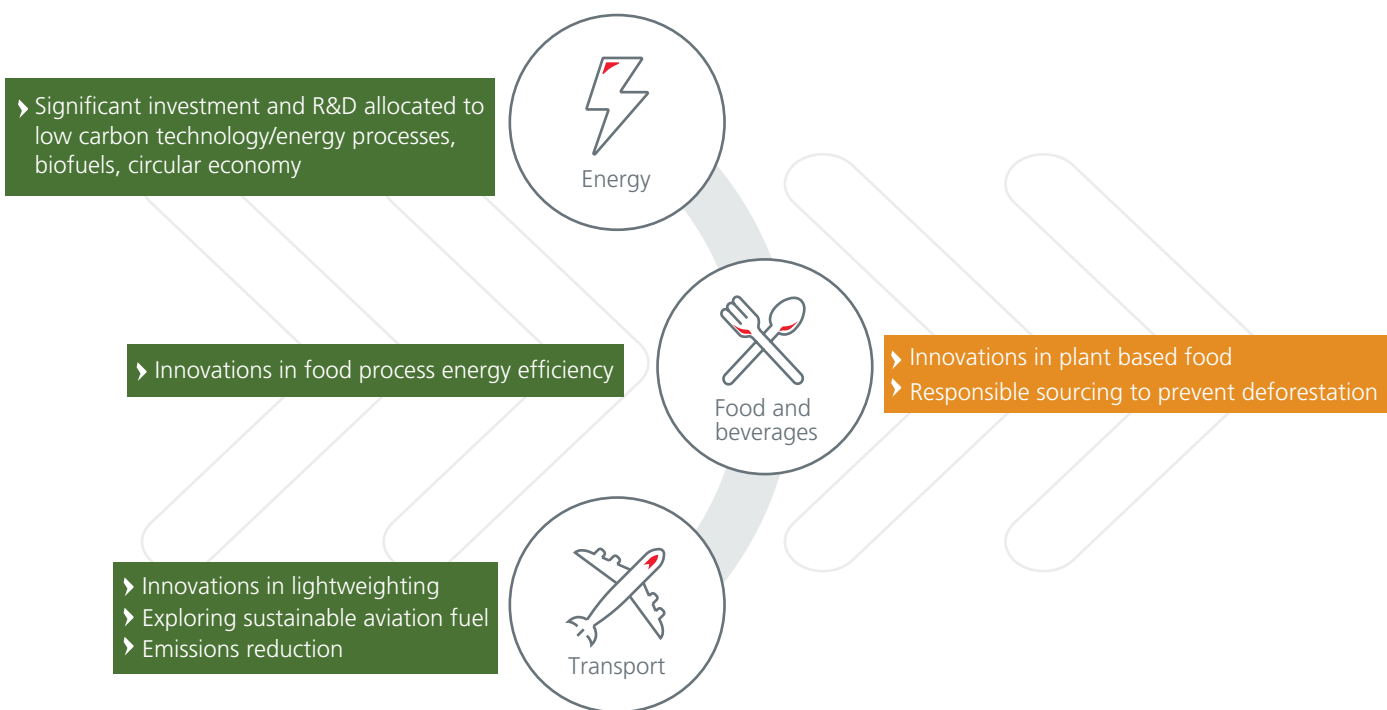


Asia's
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Increased alpha opportunities

There is room for listed Asian companies to improve their sustainability practices and ESG ratings. **37.4%** of Asian companies¹ have ESG ratings of "A" and higher, below the global average² of **48.6%**. Beyond companies that are already producing revenues from green-related products and services, investors should also not ignore companies and sectors that may not be traditionally included in green-focused transition solutions but are transitioning towards more sustainable practices.

Example of transition opportunities in sectors across Asia



■ Climate mitigation: Addresses causes of climate change ■ Climate adaptation: Adjusts to impact of climate change

Source: 1. MSCI Asia Pacific IMI. 2. MSCI ACWI IMI. Data as of 31 December 2024. MSCI ESG Research.

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As firms make business models more climate-resilient while cutting carbon footprints, their valuations are likely to increase. Getting in early on these transition journeys can result in potentially outsized returns.

Fabian Graimann, Portfolio Manager,
Eastspring Singapore

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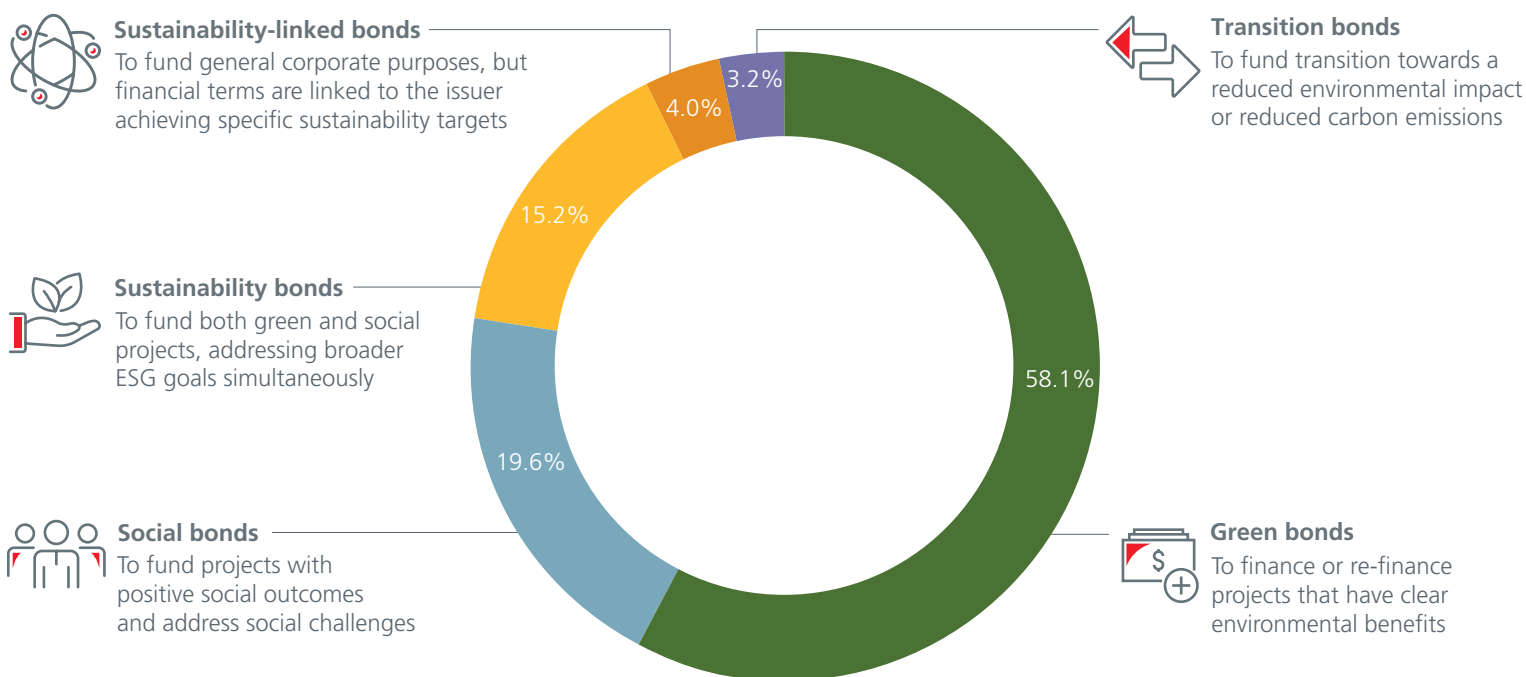


**Asia's
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Diversified sustainable bond opportunities

The outstanding value of the ASEAN +3 (China, Japan and Korea) sustainable bond market reached USD922.7 bn, **18.3%** of the global sustainable bond market. It is the world's second largest regional sustainable bond market, trailing behind the EU-20, but is more diversified, according to the Herfindahl–Hirschman Index.

ASEAN +3 (China, Japan and Korea) sustainable bond market



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As Asia powers ahead on its decarbonisation path, we expect a wave of sustainable bond issuances which will open up a rich and diversified pipeline of fixed income opportunities for investors.

Rong Ren Goh, Portfolio Manager,
Eastspring Singapore

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Source: As of end March 2025. Asia Bond Monitor. June 2025. Herfindahl–Hirschman Index: The Herfindahl–Hirschman Index (HHI) is a metric used to assess market concentration by evaluating the relative size of firms within an industry. It is calculated by summing the squares of each company's market share, with values ranging from near zero to 10,000—lower scores indicating a more competitive, less concentrated market.

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