

Eastspring Investments - US Bond Fund



Key information

Morningstar Overall Rating ^{•▲▲}	★★★
Asset class	Fixed Income
ISIN (Class A)	LU0326391868
Bloomberg ticker (Class A)	IOFUBAU LX
Fund size (mil)	17.5
Fund base currency	USD
Share class dealing currency (Class A)	USD
Net asset value (Class A)	USD 15.184
Inception date (Class A)	30-Nov-07
Domicile	Luxembourg
Fund type	UCITS
Style	
US Core Fixed Income	
Benchmark (BM)	
Bloomberg U.S. Aggregate Bond Index	
Portfolio Management:	
Mark Redfearn	
Years of experience - since 1995	
Investment Sub-manager	
PPM America, Inc.	
Investment manager	
Eastspring Investments (Singapore) Limited	

▲▲ Rating should not be taken as a recommendation.

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Morningstar Category: USD Diversified Bond

Key measures

	Fund	BM
No. of issues	230	12,372
3Y tracking error (%)	0.78*	-
3Y sharpe ratio	1.00*	1.27
3Y standard deviation (%)	3.50*	3.43
Current Yield (%)	2.14	2.33
Yield to maturity (%)	1.77	1.67
Yield to worst (%)	1.76	1.66
Avg. Credit Quality	AA-	AA
Duration (years)	6.61	6.79

*Source: Morningstar

Strategy Overview

Actively invests in a diversified portfolio of primarily fixed income/debt securities denominated in US dollars, issued in the US by both the US government and US corporations rated BBB- and above. The portfolio management team seeks to add value over the long-term primarily through sector rotation and security selection.

Investment Process

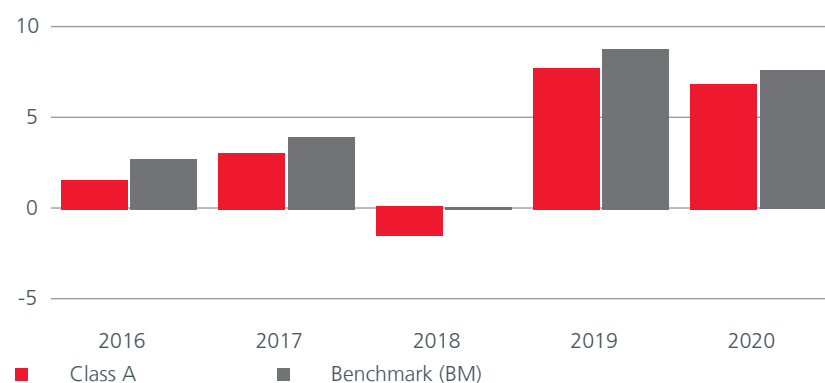
1. Our investment process begins with cross-disciplinary idea generation, incorporating the expertise of credit analysts, traders and structured product analysts. Contribution to idea generation and relative valuation is grounded in each team's respective area of expertise.
2. Credit analysts screen the corporate bond universe concentrating on issuer fundamentals such as financial leverage, interest coverage, free cash flow and business risks
3. Traders communicate new issue announcements and provide technically-driven perspectives
4. Structured product analysts identify value across mandates' universes in noncorporate fixed income assets
5. All three teams work in Chicago, facilitating open and frequent day-to-day interactions and idea sharing. The portfolio management team also participates in monthly strategy meetings to discuss macroeconomic and cross-asset relative valuation, ongoing sector and security-level ratings assessments, and other relevant topics.

Why PPMA

- ▶ **Experience and Stability** - PPM's investment professionals benefit from significant industry experience as well as long tenure at the firm
- ▶ **Credit-Intensive Research and Analysis** - PPM has invested in scalable investment processes and infrastructure, ensuring an in-depth, bottom-up approach
- ▶ **Relative Value Discipline** - By taking a relative rather than absolute view on securities, sectors and asset classes, PPM's fixed income professionals can better identify and capture market inefficiencies as well as remain disciplined in periods of both market exuberance and fear
- ▶ **Sophisticated Risk Measurement** - PPM's risk management team created and maintains a sophisticated fixed income analytics platform with a variety of portfolio management tools to measure risk and help generate potential outperformance

Performance

Calendar year returns (%) (Class A)



Source: Eastspring Investments (Singapore) Limited. Past performance is not a guide to future performance and should not be the sole factor of consideration when selecting a product. The returns shown during the first year relate to the performance of the share class since its inception to the end of that calendar year. For full details, please refer to the performance disclosure.

Sector allocation (%)

	Fund	BM
Government	29.7	38.9
Mortgage backed	27.0	27.3
Industrials	16.0	15.6
Financials	11.7	8.1
CMBS	4.2	2.0
Agencies	4.0	2.2
Quasi & foreign government	3.5	3.4
Utility	1.6	2.2
Asset backed	0.6	0.3
Cash and cash equivalents	1.8	0.0

Due to rounding, the allocation table may not add up to 100% or may be negative.

Ratings allocation (%)

	Fund	BM
AAA	11.6	3.5
AA	58.7	70.7
A	8.2	10.2
BBB	19.2	15.0
BB	0.5	0.1
Cash and cash equivalents	1.8	0.0

Credit ratings by S&P/Moody's/Fitch.

Due to rounding, the allocation table may not add up to 100% or may be negative.

Maturity allocation (%)

	Fund	BM
0 - 1 year	1.6	0.7
1 - 3 years	12.3	18.2
3 - 5 years	18.1	14.2
5 - 10 years	20.8	20.9
10+ years	45.3	46.0
Cash and cash equivalents	1.8	0.0

Due to rounding, the allocation table may not add up to 100% or may be negative.

Top 10 holdings (%)

1.	US TREASURY N/B 2.5% 15/02/2045	4.7
2.	US TREASURY N/B 0.375% 30/09/2027	4.4
3.	FHMS 3.6% 25/02/2025	4.2
4.	KFW 0.25% 19/10/2023	4.0
5.	US TREASURY N/B 0.25% 31/07/2025	3.9
6.	US TREASURY N/B 0.75% 31/01/2028	3.0
7.	US TREASURY N/B 1.375% 15/11/2040	2.8
8.	US TREASURY N/B 0.375% 30/04/2025	2.5
9.	US TREASURY N/B 1.625% 31/05/2023	2.3
10.	FANNIE MAE 3% 01/02/2043	2.3
	Sum Top 10 Concentration	34.1

Performance

Class	Cumulative returns (%)				Annualised returns (%)			
	1 m	3 m	YTD	1 y	3 y (p.a.)	5 y (p.a.)	10 y (p.a.)	Since inception (p.a.)
Class A	0.4	-1.2	-2.6	-2.5	4.3	2.5	2.0	3.0
Benchmark (BM)	0.3	-0.6	-1.3	-1.2	5.5	3.6	3.0	3.9
Relative	0.1	-0.6	-1.3	-1.3	-1.2	-1.1	-1.0	-0.9

From	Rolling 12-month returns (%)				
	30 Nov 2020	30 Nov 2019	30 Nov 2018	30 Nov 2017	30 Nov 2016
To	30 Nov 2021	30 Nov 2020	30 Nov 2019	30 Nov 2018	30 Nov 2017
Class A	-2.5	6.4	9.4	-2.8	2.3
Benchmark (BM)	-1.2	7.3	10.8	-1.3	2.9
Relative	-1.3	-0.9	-1.4	-1.5	-0.6

Performance Disclosure:

(p.a.): per annum. **Source: Eastspring Investments (Singapore) Limited.** Returns are based in share class currency and computed using the NAV price on bid-bid basis with net income reinvested. The NAV price is net of all fees, expenses and withholding taxes. Calendar year returns are based on the share class performance for the year and if the share class is inceptioned during a particular year, the returns shown relate to the performance of the share class since its inception till end of that calendar year. Fees and expenses vary among share classes, further information is available in the Prospectus. Since inception returns for periods less than a year are not annualised. The benchmark for the hedged share classes, if any, is also calculated on a hedged basis. Benchmark is for information purposes only unless specifically referenced in the Investment Objective. Wef July 2018, the monthly fund and benchmark returns calculated are aligned to the last NAV date of the fund for the month. **Past performances is not a guide to future performance and should not be the sole factor of consideration when selecting a product.**

Benchmark: This Sub-Fund aims to outperform the return of Bloomberg U.S. Aggregate Bond Index ("Benchmark"). The Sub-Fund is actively managed. The Benchmark is used as a reference point for portfolio construction and as a basis for setting risk constraints. The majority of the Sub-Fund's exposure to bonds will refer and have similar weightings to the Benchmark. The Investment Manager may use its discretion to invest in bonds not included in the Benchmark in order to take advantage of specific investment opportunities. It is thus expected that the performance of the Sub-Fund will to a limited extent deviate from the Benchmark.

Share class details

Class	Currency	Bloomberg ticker	ISIN	Inception date	*Minimum initial investment	*Minimum subsequent investment
Class A	USD	IOFUBAU LX	LU0326391868	30-Nov-07	USD500	USD50
Class Adm	USD	IOFUADM LX	LU0533427448	24-Aug-10	USD500	USD50
Class R	USD	EAIUBRU LX	LU2270665719	21-Dec-20	USD500	USD50

Class	Initial sales charges% (max)	Annual management fee% (max)	Annual admin fee% (max)	Initial sales charges% (current)	Annual management fee% (current)	Annual admin fee% (current)	Ongoing charges%
Class A	3.000	1.250	0.250	3.000	1.250	0.250	1.822
Class Adm	3.000	1.250	0.250	3.000	1.250	0.250	1.824
Class R	3.000	0.625	0.250	None	0.625	0.250	3.556

Class	Distribution frequency	Ex-date	Dividend per share	Annual dividend yield %
Class A	N.A.	N.A.	N.A.	N.A.
Class Adm	Monthly	01-Dec-21	0.0188520	2.50
Class R	N.A.	N.A.	N.A.	N.A.

Ongoing charges vary from year to year and do not include portfolio transaction cost. Ongoing charges are based on annualized expenses for the year ending December 2020.

R-class shares are not sold directly to investors, but to financial intermediaries that serve investors. The intermediary executes the purchase of the funds on behalf of the investor, as well as the sale and exchange. The Sales Charge may be modified for certain financial intermediaries who submit trades on behalf of eligible investors. As allowed in the Prospectus, Eastspring and the financial intermediaries have agreed to waive the Sales Charge for all purchases for the fee-based R share class. Always consult your financial adviser. For more about charges, see the prospectus.

Distributions are not guaranteed and may fluctuate. Past distributions are not necessarily indicative of future trends, which may be lower. Distribution payouts and its frequency are determined by the Board of Directors, and can be made out of (a) income; or (b) net capital gains; or (c) capital of the Fund or a combination of any of (a) and/or (b) and/or (c). The payment of distributions should not be confused with the Fund's performance, rate of return or yield. Any payment of distributions by the Fund may result in an immediate decrease in the net asset value per share. Funds with Monthly and Quarterly Distribution Frequency: Annualised Dividend yield = (Dividend per share / Reference NAV at start of distribution period) x (No. of calendar days in a year / No. of calendar days in distribution period) x 100%. Funds with Yearly Distribution Frequency: Annualised Dividend Yield = (Dividend amount / Total Net Assets) x (No. of calendar days in a year / No. of calendar days in distribution period) x 100%. *Or their near equivalent in any major freely convertible currency of the amounts specified. "N.A.": This share class does not distribute dividends.

IMPORTANT INFORMATION

Prior to investing, Investors should read the Prospectus and Key Investor Information Document (“KIID”).

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“Professional Investors” refers to definition provided in Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004, the “MiFID Directive” as amended).

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Eastspring Investments is an open-ended investment company with variable capital (“Société d’Investissement à Capital Variable” or “SICAV”) registered in the Grand Duchy of Luxembourg, which qualifies as an Undertaking for Collective in Transferable Securities (“UCITS”) under relevant EU legislation. The Management Company of the SICAV is Eastspring Investments (Luxembourg) S.A. (“Management Company”).

All transactions into the SICAV should be based on the current Prospectus and the Key Investor Information Document (“KIID”) of the relevant sub-fund in applicable local language. Such documents, together with the articles of incorporation, the latest annual and semi-annual reports of the SICAV, may be obtained free of charge from the Management Company.

Prospective investors are invited to further consider the risk warnings section of the Prospectus. This document is solely for information and does not have any regard to the specific investment objectives, financial or tax situation and the particular needs of any specific person who may receive this document. This document is not intended as an offer, a solicitation of offer or a recommendation, to deal in shares of securities or any financial instruments.

Please refer to the offering documents for details on fees and charges, dealing & redemption, product features, risk factors and seek professional advice before making any investment decision. An investment in the SICAV is subject to investment risks, including the possible loss of the principal amount invested. The value of shares in any sub-fund of the SICAV and the income accruing to the shares, if any, may fall or rise. Where an investment is denominated in a currency other than the base currency of a sub-fund of the SICAV, exchange rates may have an adverse effect on the value price or income of that investment. Investors should not make any investment decision solely based on this document. Investors may wish to seek advice from a financial adviser before purchasing shares of any sub-fund of the SICAV. In the event that an investor may choose not to seek advice from a financial adviser, the latter should consider carefully whether the sub-fund in question is suitable for him.

Past performance and the predictions, projections, or forecasts on the economy, securities markets or the economic trends of the markets are not necessarily indicative of the future or likely performance of the SICAV. There are limitations to the use of indices as proxies for the past performance in the respective asset classes/sector.

Any sub-fund of the SICAV may use derivative instruments for efficient portfolio management and hedging purposes.

This paragraph is only applicable to sub-funds of the SICAV, which distribute dividends. Any sub-fund of the SICAV may, at its discretion, pay dividends out of capital or gross income while charging all or part of its fees and expenses to its capital, resulting in higher distributable income. Thus, any sub-fund of the SICAV may effectively pay dividends out of capital. Payment of dividends out of capital (effective or not) amounts to a return or withdrawal of part of an investor’s original investment or from any capital gains attributable to that original investment, which may result in an immediate reduction of the net asset value per share. The distributions, including amounts and frequency, are not guaranteed and are subject to the discretion of the SICAV’s Board of Directors. Past dividends are not a forecast or projection of future distributions.

Eastspring Investments companies (excluding JV companies) are ultimately wholly-owned/indirect subsidiaries/associates of Prudential plc in the United Kingdom. Eastspring Investments companies (including JV's) and Prudential plc are not affiliated in any manner with Prudential Financial, Inc., a company whose principal place of business is in the United States of America or with the Prudential Assurance Company, a subsidiary of M&G plc, a company incorporated in the United Kingdom.

PPM is an indirect, wholly owned subsidiary of Jackson Financial Inc., which was a subsidiary of Prudential plc, a publicly held company (PUK). PPM's affiliated US insurance company client, Jackson National Life Insurance Company ("Jackson"), is an indirect subsidiary of Jackson Holdings. Furthermore, as a result of its recent demerger from Prudential plc (PUK), PPM is no longer affiliated and related with PUK related entities engaged in providing investment advisory and other related services such as Eastspring Investments, Inc. and Eastspring Investments Limited Singapore. Prudential shareholders voted to approve the demerger on August 27, 2021, and Jackson's Class A common stock began "when-issued" trading on the New York Stock Exchange on September 1, 2021. Prudential shareholders of record as of the close of business on September 2, 2021. For more information about Jackson, please visit <https://investors.jackson.com/home>.

Source: "Bloomberg®" and Bloomberg U.S. Aggregate Bond Index are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been licensed for use for certain purposes by Eastspring Investments. Bloomberg is not affiliated with Eastspring Investments, and Bloomberg does not approve, endorse, review, or recommend US Bond Fund. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to US Bond Fund.

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