

Eastspring Investments – Asian Bond Fund



Key information

Asset class	Fixed Income
ISIN (Class A)	LU0154355936
Bloomberg ticker (Class A)	PRUASBA LX
Fund size (mil)	3,173.0
Fund base currency	USD
Share class dealing currency (Class A)	USD
Net asset value (Class A)	USD 17.124
Inception date (Class A)	01-Mar-05
Domicile	Luxembourg
Fund type	UCITS
SFDR Classification	Article 8 fund
Style	Intermediate duration all quality fixed income
Benchmark (BM)	JP Morgan Asia Credit Index
Portfolio Management:	Wai Mei Leong, CPA
Years of experience - since 2000	
Investment manager	Eastspring Investments (Singapore) Limited

Key measures

	Fund	BM
No. of issues	729	1,769
3Y tracking error (%)	3.26*	–
3Y sharpe ratio	-0.74*	-0.46
3Y standard deviation (%)	9.68*	7.12
Current Yield (%)	4.60	4.24
Yield to maturity (%)	7.44	6.27
Yield to worst (%)	7.32	6.25
Avg. Credit Quality	BBB	BBB+
Duration (years)	4.93	4.56

*Source: Morningstar

Strategy Overview

The Fund seeks to generate income by investing in a diversified portfolio consisting primarily of investment grade fixed income securities issued by Asian entities or their subsidiaries. The portfolio consists of securities denominated in US dollars as well as Asian local currencies

Investment Process

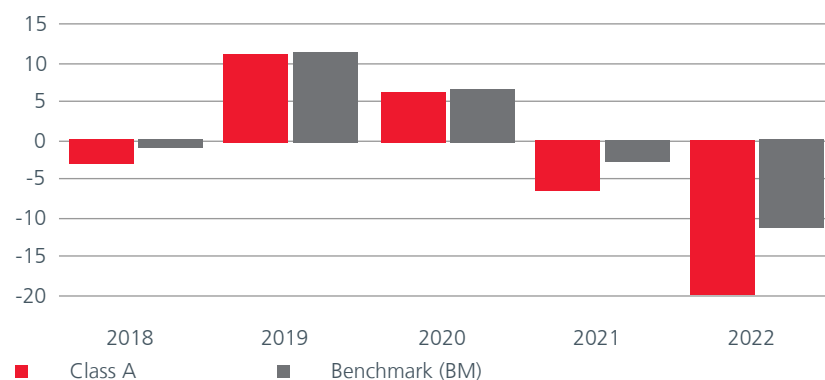
1. Conduct macroeconomic and market research to determine the investment outlook and establish the fair value of the broad interest rate, credit and currency markets
2. Combine fundamental, valuation and technical analyses of relevant markets to determine the portfolios' country/sector allocation, duration and yield curve strategy, as well as currency positioning
3. Combining both top-down and bottom-up analysis, we construct portfolios that reflect the team's duration/yield curve, sector, credit and currency risk preferences within the permitted risk parameters
4. Review portfolio risk exposures on an ongoing basis, with portfolio actions discussed with the broader investment team on a regular basis

Why Eastspring

- ▶ Pursuit of alpha through a differentiated, Asian lens
- ▶ History of operating in some of the most diverse and inefficient markets in the world positions us well for emerging and developed markets investment
- ▶ Alignment of interests and history of investing alongside our clients
- ▶ Commitment of seed capital to innovate new strategies and willingness to customize solutions for clients
- ▶ Risk management is embedded in our DNA with a long history of managing liability-linked assets
- ▶ One of the largest fixed income managers in Asia, our scale allows us to establish a strong presence in local markets, which we believe helps facilitate strong primary deal allocation

Performance

Calendar year returns (%) (Class A)



Source: Eastspring Investments (Singapore) Limited. Past performances 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
Foreign agencies	28.9	37.2
Banking	8.0	9.0
Home construction	7.6	2.6
Sovereign	6.8	10.8
Other financial institutions	5.5	3.6
Technology	5.1	5.2
Treasury	5.0	4.1
Other REIT	3.8	0.8
Others	29.2	26.7
Cash and cash equivalents	0.1	0.0

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

Market allocation (%)

	Fund	BM
China	37.1	40.9
India	12.8	6.6
Indonesia	12.3	11.5
Hong Kong	8.5	12.2
Singapore	8.1	4.0
Korea	6.6	10.3
Philippines	3.8	5.2
Macau	2.4	2.0
Others	8.3	7.3
Cash and cash equivalents	0.1	0.0

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

Ratings allocation (%)

	Fund	BM
AAA	0.2	0.8
AA	5.1	10.0
A	20.4	30.8
BBB	48.3	42.6
BB	10.5	7.6
B	4.2	2.7
CCC	1.0	0.6
CC	0.5	0.0
C	0.2	0.2
D	0.5	0.4
Non-Rated	8.9	4.3
Cash and cash equivalents	0.1	0.0

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

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

Maturity allocation (%)

	Fund	BM
0 - 1 year	12.8	10.6
1 - 3 years	28.5	35.1
3 - 5 years	21.3	21.2
5 - 10 years	22.5	20.0
10+ years	14.8	13.1
Cash and cash equivalents	0.1	0.0

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

Top 10 holdings (%)

1.	UNITED STATES TREASURY BILL 27-JUL-2023	1.1
2.	CATHAY PACIFIC MTN FINANCING (HK) LTD 4.875% 17-AUG-2026	0.6
3.	HUARONG FINANCE 2019 CO LTD 4.25% 31-DEC-2049	0.5
4.	YUNNAN ENERGY INVT OVERSEAS FIN CO LTD 4.5% 31-DEC-2049	0.5
5.	VEDANTA RESOURCES FINANCE II PLC 8.95% 11-MAR-2025	0.5
6.	CENTRAL PLAZA DEVELOPMENT LTD 4.65% 19-JAN-2026	0.5
7.	SHANDONG IRON AND STEEL XINHENG INTL CO LTD 4.8% 28-JUL-2024	0.5
8.	KEPPEL REIT 3.15% 31-DEC-2049	0.4
9.	LINK FINANCE CAYMAN 2009 LTD 2.75% 19-JAN-2032	0.4
10.	CHINA RESOURCES LAND LTD 3.75% 31-DEC-2049	0.4
	Sum Top 10 Concentration	5.4

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	4.2	11.6	4.2	-13.3	-6.4	-2.0	0.3	2.9
Benchmark (BM)	3.0	10.4	3.0	-6.3	-2.1	1.1	2.6	4.8
Relative	1.2	1.2	1.2	-7.0	-4.3	-3.1	-2.3	-1.9

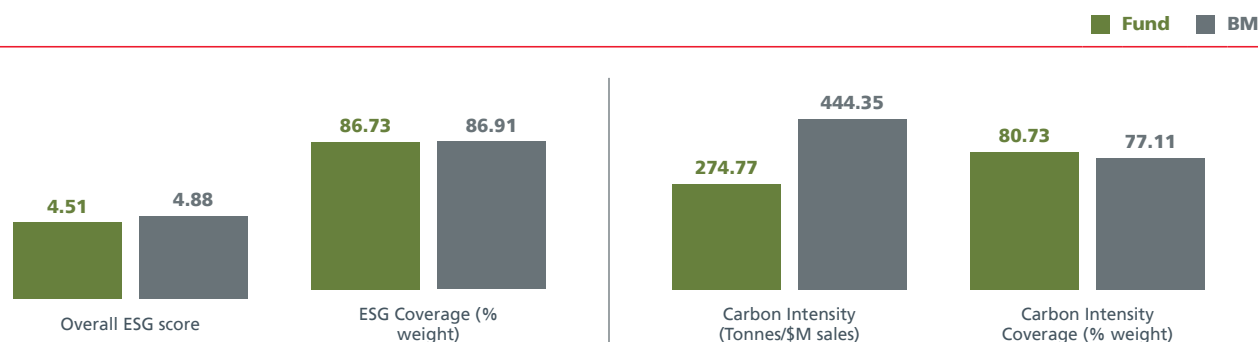
From	Rolling 12-month returns (%)				
	31 Jan 2022	31 Jan 2021	31 Jan 2020	31 Jan 2019	31 Jan 2018
To	31 Jan 2023	31 Jan 2022	31 Jan 2021	31 Jan 2020	31 Jan 2019
Class A	-13.3	-9.3	4.2	10.4	-0.3
Benchmark (BM)	-6.3	-4.6	4.9	10.7	1.7
Relative	-7.0	-4.7	-0.7	-0.3	-2.0

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 JP Morgan Asia Credit Index ("Benchmark"). The Sub-Fund is actively managed. The Benchmark has been selected because it is representative of the investment universe of the Sub-Fund and it is therefore an appropriate performance comparator. The majority of the Sub-Fund's exposure to bonds will not necessarily refer to, nor have weightings derived from 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 moderately deviate from the Benchmark.

Environmental, social and governance (ESG) characteristics



All data is from MSCI ESG Fund Ratings. Note the fund's ESG characteristics may differ from MSCI ESG Fund Ratings from time to time.

Potential risks and opportunities relating to environmental, social and governance factors are considered within the context of the investment objective of the fund, the fund's investment philosophy, investment approach and process. For the avoidance of any doubt, the above benchmark is a performance benchmark as per section 1.1 of the SICAV Prospectus and is not used as a reference for the attainment of the fund's E/S characteristics. The fund's aggregate ESG score and weighted average carbon intensity data are to be considered as outcomes of the investment approach and are not necessarily direct determinants of investment decisions. The fund's aggregate ESG score is derived from third party ESG vendor methodologies and are disclosed for illustrative purposes only. The ESG scoring methodology reflects the analysis and opinions of the third party ESG vendor, which may differ from the overall investment view held by the fund.

Glossary

Overall ESG Score: Overall ESG Scores represents either the ESG Ratings Final Industry Adjusted Score or Government Adjusted ESG Score of the issuer. ESG Rating indicate how well an issuer manages its most material ESG risks relative to sector peers. Government Ratings indicates overall environmental, social and governance (ESG) performance of a region. The Overall ESG Score is provided on a 0 to 10 score, with 0 and 10 being the respective lowest and highest possible scores.

ESG Coverage: Percentage of a fund's holdings that have ESG ratings data.

Carbon Intensity: This figure is measured by Weighted Average Carbon Intensity (WACI) which is the volume of carbon emissions per million dollars of revenue, expressed in CO₂e/\$M revenue. The carbon emissions of a company cover scope 1 and scope 2 carbon emissions.

Carbon Intensity Coverage: Percentage of a fund's holdings that have Carbon Intensity data

Environmental, social and governance (ESG) methodology

Eastspring Investments Asian Bond Fund is a fund qualifying as Article 8 fund within the meaning of Sustainable Finance Disclosure Regulation (EU 2019/2088), promoting environmental (E) and Social (S) characteristics without engaging into sustainable investing. This Sub-Fund aims to maximize total returns by investing primarily in fixed income/debt securities issued by Asian entities or their subsidiaries that are rated as well as unrated. This Sub-Fund's portfolio primarily consists of securities denominated in US dollars as well as the various Asian currencies. The sub-fund namely promotes factors affecting climate change and resource management, corporate governance issues as well as social objectives such as diversity and inclusion, health and wellbeing etc. 67% of the sub-fund's investments will be aligned with ESG characteristics.

ESG characteristics are considered and integrated in the investment process based on the "Assess-Engage-Monitor" Framework employed by the investment manager, who also commits to monitor the bond issuer's progress using both quantitative and qualitative assessments to measure improvement as well as any financially material environmental and social factors as part of the research, portfolio construction and ongoing portfolio risk review. The Investment Manager utilizes dedicated sets of data and methodologies to address sustainability indicators, to identify environmental and social characteristics and integrates this information into the investment decision-making process and ongoing monitoring of the Sub-Fund.

Further SFDR disclosures, including information on the promotion of environmental and social characteristics by the fund are available under the SICAV Prospectus as well as under <https://www.eastspring.com/lu/funds/fund-downloads>.

Share class details

Class	Currency	Bloomberg ticker	ISIN	Inception date	*Minimum initial investment	*Minimum subsequent investment
Class A	USD	PRUASBA LX	LU0154355936	01-Mar-05	USD500	USD50
Class Adm	USD	IOFASBA LX	LU0428352776	02-Jun-09	USD500	USD50
Class R	USD	ESABDRU LX	LU0865487804	14-Dec-12	USD500	USD50

Class	Initial sales charges% (max)	Annual management fee% (max)	Initial sales charges% (current)	Annual management fee% (current)	Ongoing charges%
Class A	3.000	1.000	3.000	1.000	1.250
Class Adm	3.000	1.000	3.000	1.000	1.250
Class R	3.000	0.500	None	0.500	0.750

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-Feb-23	0.0329729	5.50
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 2022.

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 will result in an immediate reduction 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”).

DISCLAIMER

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The Fund is not registered in the U.S. under the Investment Company Act of 1940, as amended, nor the Securities Act of 1933, as amended (1933 Act). Shares may not be offered or sold, directly or indirectly, in the U.S. or to any ‘U.S. Person,’ as defined by Regulation S of the 1933 Act.

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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 will 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.

European Union Sustainable Finance Disclosure Regulation (EU SFDR) aims to help investors by providing more transparency on the degree to which financial products have environmental and/or social characteristics, invest in sustainable investments or have sustainable objectives. The regulation requires specific firm-level disclosures from investment advisers to the degree to which sustainability is a consideration. An Article 8 Fund under SFDR is defined as a Fund which promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices.

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