

Eastspring Investments – Asian High Yield Bond Fund



Key information

Morningstar Overall Rating^{•▲▲} ★★★

Asset class **Fixed Income**

ISIN (Class A) **LU0801099465**

Bloomberg ticker (Class A) **ESAHAI LX**

Fund size (mil) **498.7**

Fund base currency **USD**

Share class dealing currency (Class A) **USD**

Net asset value (Class A) **USD 15.022**

Inception date (Class A) **09-Jul-12**

Domicile **Luxembourg**

Fund type **UCITS**

Style

High yield fixed income

Benchmark (BM)

JP Morgan JACI Non-Investment Grade Index

Portfolio Management:

Wai Mei Leong, CPA

Years of experience - since 2000

Investment manager

Eastspring Investments (Singapore) Limited

▲▲ Rating should not be taken as a recommendation.

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Morningstar Category: Asia High Yield Bond

Key measures

	Fund	BM
No. of issues	354	579
3Y tracking error (%)	2.24*	–
3Y sharpe ratio	0.30*	0.35
3Y standard deviation (%)	11.33*	9.43
Current Yield (%)	6.84	6.62
Yield to maturity (%)	7.73	7.03
Yield to worst (%)	7.41	6.85
Avg. Credit Quality	BB-	BB-
Duration (years)	2.85	2.73

*Source: Morningstar

Strategy Overview

The Fund seeks to generate income by investing in a diversified portfolio of primarily high yield corporate fixed income securities issued by Asian entities or their subsidiaries. The portfolio consists of securities denominated in US dollars as well as various Asian currencies. It aims to maximize total returns through investing primarily in non-investment grade fixed income securities

Investment Process

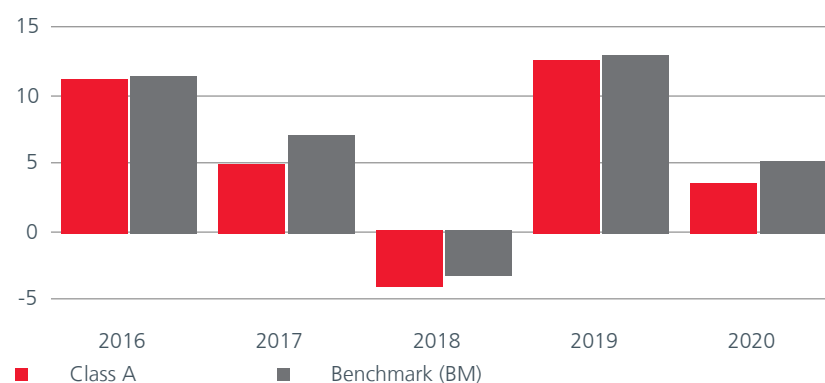
1. Conduct macroeconomic and market research to determine the investment outlook and establish the fair value of the broad interest rate, credit and currency markets
2. Combine fundamental, valuation and technical analyses of relevant markets to determine the portfolios' country/sector allocation, duration 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 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
Home construction	37.3	25.7
Other industry	10.5	12.5
Other REIT	8.4	6.7
Metal and mining	5.9	5.7
Other financial institutions	4.6	6.0
Sovereign	4.0	4.1
Other utility	3.1	1.3
Gaming	2.9	4.7
Others	20.5	33.3
Cash and cash equivalents	2.8	0.0

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

Country allocation (%)

	Fund	BM
China	51.5	53.5
India	13.7	10.4
Indonesia	8.3	4.2
Philippines	6.7	5.3
Sri Lanka	3.6	2.7
Singapore	3.4	0.8
Macau	2.7	4.9
Hong Kong	2.4	10.0
Others	4.9	8.2
Cash and cash equivalents	2.8	0.0

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

Ratings allocation (%)

	Fund	BM
A	0.8	0.0
BBB	7.1	0.7
BB	28.0	37.4
B	40.9	34.1
CCC	4.4	3.6
CC	0.1	0.1
D	0.5	0.0
Non-Rated	15.4	24.1
Cash and cash equivalents	2.8	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	31.4	25.4
1 - 3 years	40.7	49.4
3 - 5 years	15.1	16.9
5 - 10 years	9.0	8.1
10+ years	1.0	0.2
Cash and cash equivalents	2.8	0.0

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

Top 10 holdings (%)

1.	THETA CAPITAL PTE LTD 6.75% 31-OCT-2026	1.2
2.	EASY TACTIC LTD 5.75% 13-JAN-2022	1.0
3.	GMR HYDERABAD INTERNATIONAL AIRPORT LTD 4.25% 27-OCT-2027	1.0
4.	CHINA EVERGRANDE GROUP 8.75% 28-JUN-2025	1.0
5.	KAISA GROUP HOLDINGS LTD 9.375% 30-JUN-2024	1.0
6.	CHINA SOUTH CITY HOLDINGS LTD 10.75% 11-APR-2023	0.9
7.	MANILA WATER CO INC 4.375% 30-JUL-2030	0.8
8.	PAKISTAN (ISLAMIC REPUBLIC OF) 6.875% 5-DEC-2027	0.8
9.	HOUSING DEVELOPMENT FINANCE CORPORATION LTD 5.4% 11-AUG-2023	0.8
10.	INDIKA ENERGY CAPITAL III PTE LTD 5.875% 9-NOV-2024	0.8
Sum Top 10 Concentration		9.4

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	0.6	2.5	0.7	2.8	4.3	5.6	–	4.8
Benchmark (BM)	0.5	2.6	0.6	4.8	5.0	6.5	–	6.4
Relative	0.1	-0.1	0.1	-2.0	-0.7	-0.9	–	-1.6

From	Rolling 12-month returns (%)				
	28 Feb 2020	28 Feb 2019	28 Feb 2018	28 Feb 2017	28 Feb 2016
To	28 Feb 2021	28 Feb 2020	28 Feb 2019	28 Feb 2018	28 Feb 2017
Class A	2.8	8.8	1.3	1.0	14.7
Benchmark (BM)	4.8	8.3	1.9	3.3	14.6
Relative	-2.0	0.5	-0.6	-2.3	0.1

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 incepted 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 Moragn JACI Non-Investment Grade Index ("Benchmark"). The Sub-Fund is actively managed. The Benchmark is used as a reference point for portfolio construction. The majority of the Sub-Fund's exposure to bonds will refer to, and 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.

Share class details

Class	Currency	Bloomberg ticker	ISIN	Inception date	*Minimum initial investment	*Minimum subsequent investment
Class A	USD	ESAHUI LX	LU0801099465	09-Jul-12	USD500	USD50
Class Adm	USD	ESAHYAD LX	LU0756523055	30-Mar-12	USD500	USD50
Class R	USD	ESAHYRU LX	LU0865488281	12-Apr-19	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	1.000	0.250	1.359
Class Adm	3.000	1.250	0.250	3.000	1.000	0.250	1.360
Class R	3.000	0.625	0.250	None	0.500	0.250	0.860

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-Mar-21	0.0494852	7.50
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 for Share Class A and Adm; Ongoing charges are based on estimated expenses of another share class for Share Class R.

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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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.

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