

Eastspring Investments Funds – Monthly Income Plan (“MIP” or the “Fund”) Class M Units (unless otherwise stated)

Investment Objective

The investment objective of the Eastspring Investments Funds – Monthly Income Plan is to seek to provide investors with regular income and long-term capital growth by investing: (i) 30% to 70% of its assets in US Bonds (such as investment grade bonds, high yield bonds, government bonds and/or fixed income collective investment schemes, including but not limited to Eastspring Investments – US High Yield Bond Fund); and (ii) 30% to 70% of its assets in Asian Bonds (such as investment grade bonds, high yield bonds, government bonds and/or fixed income collective investment schemes, including but not limited to Eastspring Investments – Asian Bond Fund). The scheme may in addition, at the Manager's absolute discretion, invest up to 20% of its assets in any other investments, such as other fixed income or debt securities, dividend yielding equities, real estate investment trusts and/or collective investment schemes.

Market Update and Outlook

Global equities continued to rise in January, following the ‘almost everything rally’ that characterised the final quarter of 2023. January brought new record highs to the S&P 500 index as optimism around a ‘soft landing’ scenario continued the rally in the ‘Magnificent Seven’ stocks. However, this optimism was slightly tempered at the end of the month when the US Federal Reserve (“Fed”) struck a less dovish tone at its January meeting and held interest rates steady, dashing hopes for interest rate cut as soon as March. Over the month, growth stocks were the notable outperformer, compared to the relatively lacklustre performance of their value counterparts. Developed Markets equities were up 1.1%, while Emerging Markets (“EM”) equities were down 4.7%, despite newly announced policy stimulus from the People's Bank of China.

In the fixed income markets, US Treasury yields saw relatively little movement over the month as yields on 2-year, 5-year and 10-year notes remained nearly unchanged at 4.21%, 3.84% and 3.91% respectively. The US high yield market performance, proxied by the ICE BofA US High Yield Constrained Index, was relatively flat at 0.02%. Asian credit, as proxied by the J.P. Morgan Asia Credit Index, returned 0.27%, with the High Yield issuers (2.67%) outperforming their Investment Grade (-0.12%) counterparts.

Performance Drivers

The Fund's M Class returned 0.24% (bid-bid basis) and -4.78% (offer-bid basis) in the month.

The official benchmark returned 0.01%.

What contributed?

The Fund's stock selection effect, consisting of allocations to the underlying US High Yield and Asian Credit active sleeves, contributed positively.

The US Treasury yield curve “steepener” trade also contributed positively during the month.

What detracted?

The Fund's relative underweight to Asian Credit detracted.

Detracting tactical asset allocation trades included Asian Equities and EM Bonds.

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MIP’s current positioning and views (as of 31 January 2024)

▲ Current Weight (as of 31 January 2024) ▲ Previous Weight (as of 31 December 2023)

US BONDS				
Sub-Asset Class	Allocation (Notional MV%)	Instruments	Objective	Comments
US High Yield Bonds	17.3%	Fund / ETF	Yield	<ul style="list-style-type: none"> The Fund’s US High Yield allocation remains as an underweight position as the Fund maintains an off-benchmark allocation into US Treasuries, which in our view provide relatively attractive yields with better risk-reward trade-off than credit. Given the late stage of the economic cycle, US Treasuries help to diversify against credit as growth decelerates.
US Investment Grade Corporate Bonds	0%	ETF	Capital Preservation / Yield	<ul style="list-style-type: none"> The Fund’s US Investment Grade (IG) bond exposure remains at nil as the Fund’s long equity exposure is tactically funded via US IG bonds.
Government Bonds	19.7%	Futures / ETF / Direct Securities	Capital Preservation / Yield	<ul style="list-style-type: none"> The off-benchmark US Treasuries position plays into the team’s medium-term outlook that global growth will continue to decelerate, and inflationary pressures come off, eventually putting a lid on higher yields. Should yields meaningfully turn lower, especially amid clear signs of an impending recession (e.g., deteriorating labor market), then US Treasuries stand to benefit from capital appreciation.

ASIAN BONDS				
Sub-Asset Class	Allocation (Notional MV%)	Instruments	Objective	Comments
Asian Credit Bonds	24.1%	Fund	Capital Preservation / Yield	<ul style="list-style-type: none"> The Fund’s Asian Bonds allocation remained relatively steady month-over-month and an underweight. Please note that the Fund’s Asian Bonds allocation via the Eastspring Investments – Asian Bond Fund, contains both underlying Asian Investment Grade and Asian High Yield exposures.
Government Bonds	16.2%	Direct Security	Capital Preservation / Yield	<ul style="list-style-type: none"> The Fund’s recently revised SAA reflects a higher allocation to government securities as compared to historical allocations. We believe that government bonds, such as SGS bonds, serve as not only a ballast but also as an additional diversifier against credits (e.g., Asian Bonds), while also considering the relatively attractive yield level.

OTHER INVESTMENTS – OTHER BONDS, EQUITIES AND CASH				
Sub-Asset Class	Allocation (Notional MV%)	Instruments	Objective	Comments
Emerging Markets (EM) Bonds	10.5%	Fund	Diversification / Capital Growth	<ul style="list-style-type: none"> The Fund maintains a tactical exposure to EM bonds as a credit diversifier within the overall portfolio, especially against developed markets (DM) exposures.
Equities	7.6%	Funds / Futures / Options	Diversification / Capital Growth	<ul style="list-style-type: none"> *Please note this figure represents the Fund’s net equity exposure (Notional MV%), which accounts for the Fund’s equity hedges and tactical trades, etc. The Fund maintains an off-benchmark exposure to Global Equities as a key source of diversification and capital growth. Over the tactical horizon, we believe that there is still scope for potential upside in global equities if constructive fundamental data indicators persist. For example, positive earnings optimism and stable growth can be supportive over the shorter-term.
Cash / Cash Equivalents	4.6%	Cash / Funds	Capital Preservation	<ul style="list-style-type: none"> Please note that the Fund’s cash and cash equivalents holdings balance is largely a by-product of the Fund’s pending trades (and their respective pending settlements, etc.). For example, the Fund may set aside cash for forward settling positions (e.g., futures).

Source: Eastspring Investments (Singapore), Aladdin Explore, as at 31 January 2024. “HY” stands for High Yield Bonds. “IG” stand for Investment Grade Bonds. The information provided herein are subject to change at the discretion of the Investment Manager without prior notice. Positions are provided in notional market value (%).

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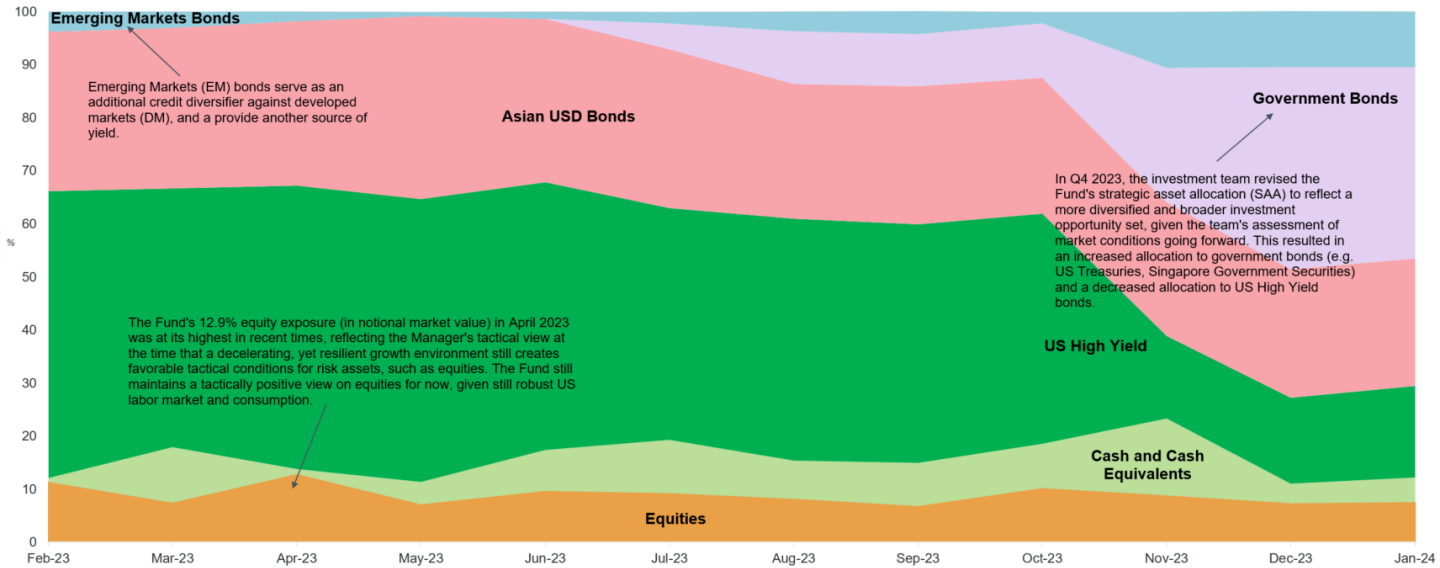
MIP’s current positioning and views (as of 31 January 2024)



Tactical and Risk Management Positions

Investments	Instruments	Comments
Put Option Spread Strategy (US Equities)	SPX Put Options	<ul style="list-style-type: none"> The Fund maintains a long calendar put spread strategy utilizing SPX put options, which serves as a protection strategy to hedge against a downside scenario in equities.
Cybersecurity	ETF	<ul style="list-style-type: none"> With a strong and on-going growing demand for security services alongside increasing cyber threats, the industry stands to benefit over the medium to long-term.

Historical Positioning (last 12 months as of 31 January 2024)



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The preceding paragraph is only applicable if the Fund intends to pay dividends / distributions.

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