

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



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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

The month of April was generally marked by an increase in global risk aversion, as both the equity and fixed income markets generally sold off amid still hot (and “sticky”) US inflation data alongside continued expectations that the central banks are unlikely to cut rates as swiftly as previously expected. Against this backdrop, US equities returned -4.2%, whereas European equities delivered -1.9% in USD terms in April. Asia Pacific ex Japan (“APAC”) markets returned 0.4% in USD terms in April while China stood out in the APAC region over the month. Chinese equities rose 6.6% in USD terms over the month amid a new set of measures aiming at fostering high-quality development, better-than-expected Q1 economic growth and easing policies discussed in Politburo meeting. ASEAN markets underperformed both the broader Asian region and EM during the month.

In the fixed income markets, during the month the yields on 2-year, 5-year and 10-year US Treasury notes soared by 42 bps, 50 bps and 48 bps to 5.04%, 4.72% and 4.68% respectively. Likewise, yields on Singapore government bonds climbed 14 bps, 36 bps and 34 bps to 3.50%, 3.40% and 3.45% respectively. The US high yield market, as proxied by the ICE BofA US High Yield Constrained Index, returned -1.0%; the Asian USD bond market, as proxied by the J.P. Morgan Asia Credit Index (JACI), returned -1.2% as both investment grade and high yield issuers underperformed.

Performance Drivers

The Fund's Class M returned -1.15% (bid-bid basis) and -6.09% (offer-bid basis) in the month.

The official benchmark returned -1.22%.

What contributed?

The Fund's tactical asset allocation (TAA) effect was marginally positive overall, led by positive contributions from various cross-asset trades (e.g., equities vs. bonds).

The Fund's security selection effect contributed positively overall, as the allocations to the underlying US High Yield and Asian Credit active sleeves outperformed their respective underlying benchmarks.

What detracted?

The Fund's off-benchmark positions in US duration, Singapore duration, and equities contributed negatively on an absolute return basis, amid the backdrop of rising yields and general risk aversion during the month.

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MIP’s current positioning and views (as of 30 April 2024)

▲ Current Weight (as of 30 April 2024)

US BONDS				
Sub-Asset Class	Allocation (Notional MV%)	Instruments	Objective	Comments
US High Yield Bonds		Fund / ETF	Yield	<ul style="list-style-type: none"> The rising yield environment prior to Q4 2023 provided an opportunity for the Fund to de-risk out of US high yield bonds into US duration, helping to diversify the portfolio further while taking advantage of higher government bond yields. The US high yield allocation remains an overall 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 global growth decelerates.
Government Bonds		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, as the lagged cumulative impact of the recent aggressive Fed rate hike cycle starts to eventually take hold on growth, alongside a generally disinflationary backdrop, which should put a lid on higher yields overall. Should yields meaningfully turn lower, especially amid clear signs of an impending growth slowdown (e.g., deteriorating labor market), then US Treasuries stand to benefit from capital appreciation.
ASIAN BONDS				
Asian Credit Bonds		Fund	Capital Preservation / Yield	<ul style="list-style-type: none"> The Fund's overall Asian Bonds allocation remains a relative underweight position. Please note that the Asian Bonds allocation is diversified and comprised of the Eastspring Investments - Asian Bond Fund and its ESG oriented version, the Eastspring Investments - Asia ESG Bond Fund, which has a slightly higher duration.
Government Bonds		Direct Security	Capital Preservation / Yield	<ul style="list-style-type: none"> The Fund's current SAA reflects a higher allocation to government securities as compared to historical allocations. The investment team believes 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	6.8%	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	8.4%	Funds / Futures / Options	Diversification / Capital Growth	<ul style="list-style-type: none"> 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 near-term resilience in US economic data can persist.
Cash / Cash Equivalents	6.5%	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 30 April 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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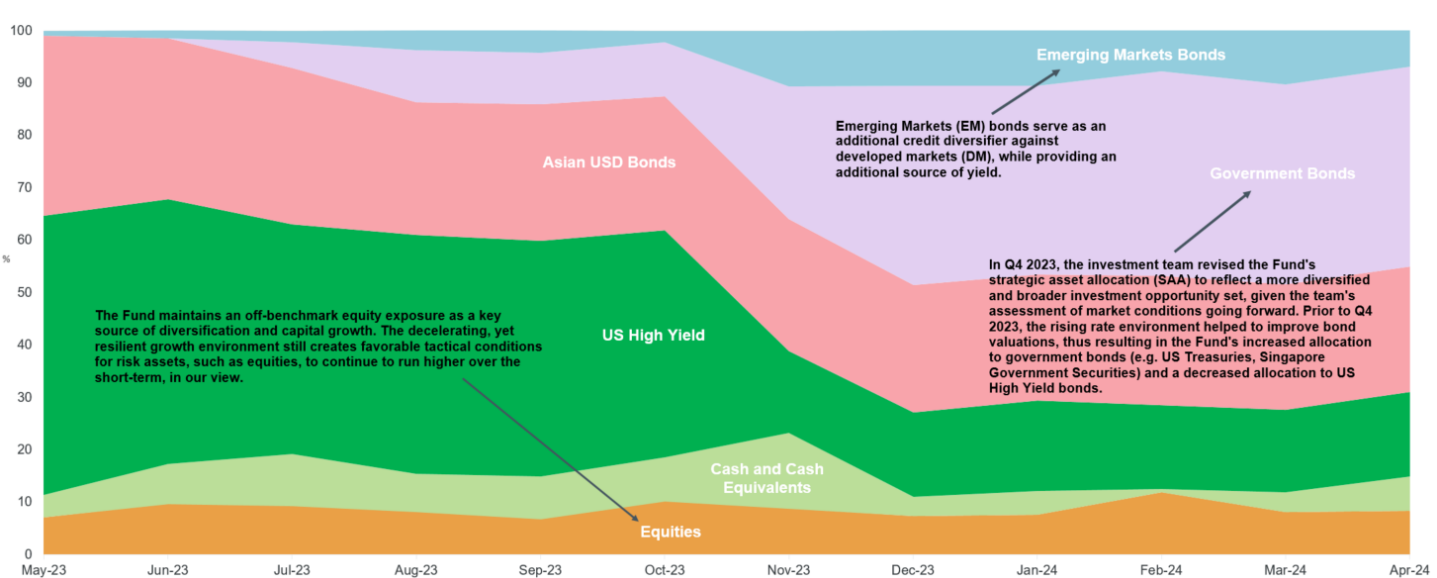
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MIP’s current positioning and views (as of 30 April 2024)

Tactical and Risk Management Positions

Investments	Instruments	Comments
Equity Derivatives Strategies	Equity Options	<ul style="list-style-type: none"> The Fund can employ various equity derivative strategies via options based on the relative attractiveness of implied volatility (vs. historical realized volatility), which can ultimately help hedge against the Fund’s off-benchmark long equity positions.
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 30 April 2024)



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

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