

# 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.

## Monthly Market Update

Most risk markets took a step back in October as relatively strong US economic data led to a spike in US Treasury yields as participants factored in a shallower rate cutting cycle than previously expected; election uncertainty also weighed on markets.

US Treasury yields rose for the first time in six months; the 2-year yield increased 50 bps to 4.16%; the 10-year yield rose 47 bps to 4.28%; the 30-year yield gained 33 bps to 4.47%,

The US high yield market took a step back in October amid an increase in interest rate volatility, even as spreads continued to tighten due to a generally positive earnings season and benign economic data. The ICE BofA US High Yield Constrained Index posted a total return of -0.55% during the month, reducing the year-to-date total return to 7.44%.

Asian USD bonds declined with the JP Morgan Asia Credit Index dropping by 0.99%, amid climbing US Treasury yields. The Asian fixed income market showed varied performance across key segments, with high yield bonds outperforming investment-grade issues.

## Performance Drivers

The Fund's Class M returned 0.24% (bid-bid basis) and -4.77% (offer-bid basis) in the month.

The official benchmark returned -0.97%.

### What contributed?

In anticipation of the US elections, the portfolio tactically reduced its duration positions (e.g., US Treasuries, Singapore government bonds) into cash to capitalize on previous strong market rallies. This de-risking strategy proved beneficial on a relative return basis during the volatile October market.

Security selection effect was positive overall as the underlying active US high yield and Asian USD bond sleeves outperformed their respective underlying benchmarks.

### What detracted?

Tactical equity trades detracted overall to relative return.

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

## ▲ Current Weight (as of 31 October 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"> <li>The US high yield allocation remains an overall relative underweight position, as the Fund maintains an off-benchmark allocation into US Treasuries, which in our view help to diversify against credit as global growth continues to decelerate. As the US labour market momentum loses steam, our view is that US yields will remain on a downward trend, helped by declining wage growth, over the longer-term as disinflationary forces continue to assert themselves.</li> </ul>
Government Bonds		Futures / ETF / Direct Securities	Capital Preservation / Yield	<ul style="list-style-type: none"> <li>Due to potential concerns about a potential no-landing scenario and the possibility of inflation flare-ups, the portfolio reduced its overall US duration during the month and the team remains tactically neutral on US duration at the moment. We recognized that the current market is highly data-dependent and susceptible to even the slightest hint of inflation surprises, as well as the risk of a long-end sell-off amid expectations of pro-growth policies and fiscal profligacy concerns under a Trump administration. However, over the longer-term, should yields meaningfully turn lower, especially amid clear signs of an impending growth slowdown (e.g., deteriorating labour market), then US Treasuries stand to still benefit from capital appreciation, and hence an effective diversifier.</li> </ul>
ASIAN BONDS				
Asian Credit Bonds		Fund	Capital Preservation / Yield	<ul style="list-style-type: none"> <li>The Fund’s overall Asian Bonds allocation remains a relative underweight position to the index. 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.</li> </ul>
Government Bonds		Direct Security	Capital Preservation / Yield	<ul style="list-style-type: none"> <li>The allocation to Singapore government bonds serves as not only a ballast, but also as an additional diversifier against credits, when also considering the relatively attractive yield level and potential for capital appreciation. Similar in rationale to the US Treasuries, the portfolio also reduced Singapore duration during the month.</li> </ul>
OTHER INVESTMENTS – OTHER BONDS, EQUITIES AND CASH				
Sub-Asset Class	Allocation (Notional MV%)	Instruments	Objective	Comments
Emerging Markets (USD) Bonds	10.3%	Fund	Diversification / Capital Growth	<ul style="list-style-type: none"> <li>The Fund maintains a tactical exposure to EM bonds as a credit diversifier within the overall portfolio.</li> </ul>
Equities	5.0%	Funds / Futures / Options	Diversification / Capital Growth	<ul style="list-style-type: none"> <li>The Fund maintains an off-benchmark exposure to global equities as a key source of diversification and capital growth. Following the Trump election, and alongside still resilient US economic data, we are back to becoming tactically constructive on equities again, aiming to maintain diversification in the Fund.</li> </ul>
Cash / Cash Equivalents	10.3%	Cash / Funds	Capital Preservation	<ul style="list-style-type: none"> <li>The Fund tactically reduced its duration positioning into cash during the month. Please refer to our comments to Government Bonds.</li> </ul>

Source: Eastspring Investments (Singapore), Aladdin Explore, as at 31 October 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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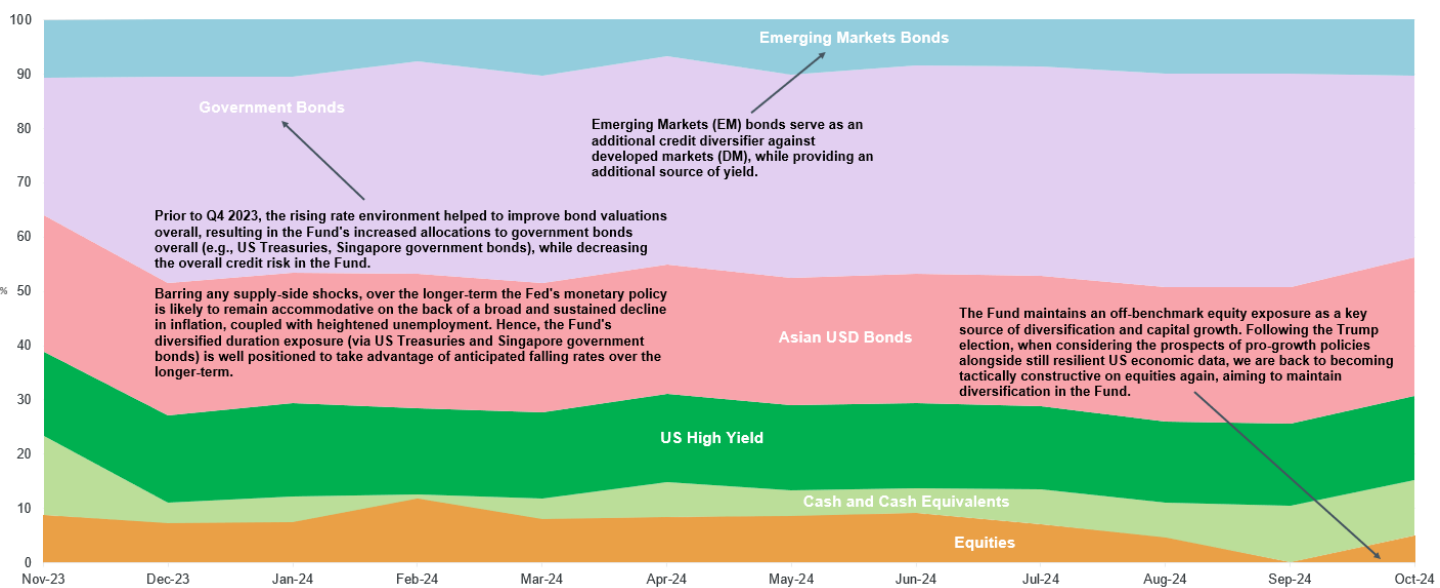


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MIP’s current positioning and views (as of 31 October 2024)

Tactical and Risk Management Positions		
Investments	Instruments	Comments
Equity Derivatives Strategies	Equity Options	<ul style="list-style-type: none"> <li>On an opportunistic basis, the Fund may employ equity derivatives-based strategies based on the relative attractiveness of implied volatility (vs. historical realized volatility) and risk-reward trade-off, to position the portfolio for convex participation while seeking to minimize the downside risk potential.</li> </ul>

## Historical Positioning (based on notional market value %) as of 31 October 2024



Source: Eastspring Investments (Singapore), Aladdin Explore, as of 31 October 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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**The preceding paragraph is only applicable if the Fund intends to pay dividends / distributions.**

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