

# Eastspring Investments Unit Trusts – Asian Balanced Fund



A member of Prudential plc (UK)

RATINGS<sup>AA</sup> Class SGD Morningstar Overall Rating<sup>\*</sup> ★★★★★

## FUND DETAILS

Fund size (mil)	918.1
Fund base currency	SGD
Fund dealing frequency	Daily
Net asset value (Class SGD)	SGD 2.167
ISIN (Class SGD)	SG9999002810
Inception date (Class SGD)	24-Feb-03
Benchmark (BM)	50% MSCI AC Asia Pacific ex Japan Index <sup>^</sup> , 30% ICE BofAML U.S. Corporates A2 Rated and above Index & 20% ICE BofAML U.S. Corporates BBB3-A3 Rated Index
Underlying Fund Size	
Eastspring Investments - Asian Equity Income Fund	USD 581.2 mil
Eastspring Investments - US High Investment Grade Bond Fund	USD 227.1 mil
Eastspring Investments - US Investment Grade Bond Fund	USD 568.5 mil

<sup>^</sup>The MSCI Index is calculated with dividends reinvested.

## FUND MEASURES

3 year tracking error(%) (Class SGD)	1.8
3 year sharpe ratio (Class SGD)	0.8
3 year volatility(%) (Class SGD)	5.9

Source: Morningstar

## FUND ALLOCATION (%)

Eastspring Investments - Asian Equity Income Fund	52.6
Eastspring Investments - US High Investment Grade Bond Fund	28.7
Eastspring Investments - US Investment Grade Bond Fund	18.8
Cash and cash equivalents*	0.0

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

\*Does not include Cash and cash equivalents of the underlying funds.

## SECTOR WEIGHTS (%)

Financials	38.7
Industrials	27.0
Information technology	8.8
Communication services	6.2
Utilities	3.9
Energy	3.4
Materials	2.4
Consumer discretionary	2.3
Others	5.4
Cash and cash equivalents	1.9

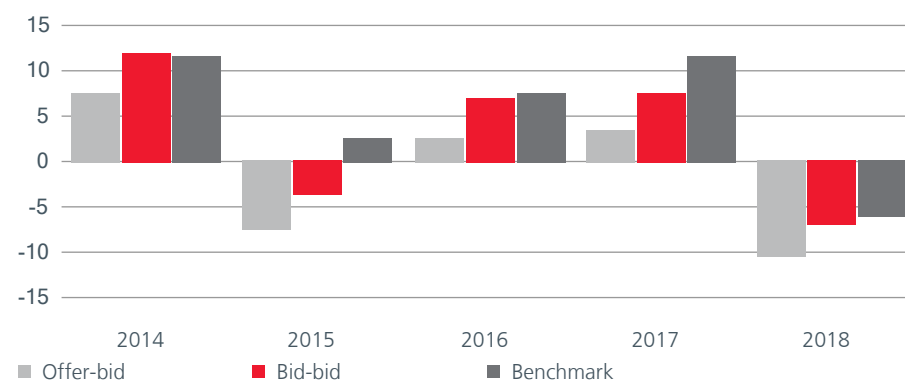
Due to rounding, the allocation table may not add up to 100% or may be negative.

## INVESTMENT OBJECTIVE

The investment objective of the Eastspring Investments Unit Trusts - Asian Balanced Fund is to maximise total return in the medium to long term by investing in a portfolio comprising of equities of companies in the Asian ex-Japan region, and quality corporate bonds and other fixed income securities issued in the United States market.

## PERFORMANCE

Calendar year returns (%) (Class SGD)



Class SGD	1 m	3 m	YTD	1 y	3 y (p.a.)	5 y (p.a.)	10 y (p.a.)	Since inception (p.a.)
Offer-bid	-1.6	-2.5	4.1	-0.2	4.3	2.7	3.6	4.8
Bid-bid	2.5	1.5	8.4	3.9	5.7	3.6	4.0	5.1
Benchmark	2.4	2.3	9.8	4.8	7.8	6.1	6.3	6.6

(p.a.): per annum. Source: Eastspring Investments (Singapore) Limited. Calendar year returns are based on the share class performance for the year, and if the share class was inception during a particular year, the returns shown 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.

## TOP 10 HOLDINGS (%)

1.	TENCENT HOLDINGS LTD	3.4
2.	CHINA CONSTRUCTION BANK CORP H	2.2
3.	TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	2.2
4.	SAMSUNG ELECTRONICS LTD	1.6
5.	SAMSUNG ELECTRONICS NON VOTING PREF	1.5
6.	CK HUTCHISON HOLDINGS LTD	1.2
7.	CHINA MOBILE LTD	1.1
8.	CHINA PACIFIC INSURANCE (GROUP) CO LTD	1.1
9.	CHINA MERCHANTS BANK LTD H	1.1
10.	UNITED OVERSEAS BANK LTD	1.1

## Eastspring Investments Unit Trusts – Asian Balanced Fund

### RATINGS (%)

AAA	5.2
AA	9.5
A	21.8
BBB	9.8
Non-Rated	51.8
Cash and cash equivalents	1.9

Credit ratings of securities held by Underlying Funds are by S&P/Moody's/Fitch.

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

### MATURITY (%)

0 - 1 year	1.3
1 - 3 years	8.0
3 - 5 years	9.6
5 - 10 years	13.0
10+ years	14.4
Others	51.8
Cash and cash equivalents	1.9

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

### COUNTRY WEIGHTS (%)

United States	34.8
China	19.1
Australia	8.3
Korea	6.6
Taiwan (Republic of China)	6.2
Hong Kong	4.9
Singapore	4.8
Canada	2.6
Others	10.8
Cash and cash equivalents	1.9

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

### RELEVANT CLASS DETAILS

Class	Currency	Net asset value	Bloomberg ticker	ISIN	Inception date	Subscription method	Initial sales charges% (max)	Annual management fee % (Current)
<b>SGD</b>	SGD	2.167	PRUABAL SP	SG9999002810	24-Feb-03	Cash, CPFIS-OA#, CPFIS-SA#, SRS	5.000 CPF - 1.50	1.300

Class	Currency	Annual admin fee% (max)	Minimum initial investment	Minimum subsequent investment	Distribution frequency	Ex-date	Dividend per unit
<b>SGD</b>	SGD	Nil	SGD 1,000	SGD 100	N.A.	N.A.	N.A.

**Distributions are not guaranteed. Distributions may be paid out of distributable income, capital or both. Important Notes: (i) Payment of distributions out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment; and (ii) Any distributions involving payment out of the Fund's capital may result in an immediate reduction of the net asset value per unit. "N.A." means that the relevant class does not distribute dividends.**

### Returns (%)

Class / currency	1 m	3 m	YTD	1 y	3 y (p.a.)	5 y (p.a.)	10 y (p.a.)	Since inception (p.a.)
<b>SGD</b>								
Offer-bid	-1.6	-2.5	4.1	-0.2	4.3	2.7	3.6	4.8
Bid-bid	2.5	1.5	8.4	3.9	5.7	3.6	4.0	5.1
Benchmark	2.4	2.3	9.8	4.8	7.8	6.1	6.3	6.6

### Calendar year returns (%)

2018	2017	2016	2015	2014
-10.4	3.1	2.4	-7.3	7.3
-6.7	7.4	6.7	-3.4	11.8
-5.9	11.5	7.4	2.3	11.4

### Performance Disclosure:

(p.a.): per annum. Source: Eastspring Investments (Singapore) Limited. Returns are based in the relevant class currency and computed on bid-bid basis with net income reinvested, if any. Offer-bid is inclusive of sales charge which is subject to changes. Since inception returns for periods less than a year are not annualised. The benchmark for the hedged classes, if any, is also calculated on a hedged basis. From inception to 30-Sep-2008, the benchmark was a composite of 50% MSCI AC Far East ex Japan Index, 30% The BofA Merrill Lynch U.S. Corporates, A2 Rated and above Index, and 20% The BofA Merrill Lynch U.S. Corporates, BBB3-A3 Rated Index. From 1-Oct-2008 to 22-May-2016, the benchmark was a composite of 50% MSCI AC Asia ex Japan Index, 30% The BofA Merrill Lynch U.S. Corporates, A2 Rated and above Index & 20% The BofA Merrill Lynch U.S. Corporates, BBB3-A3 Rated Index. Calendar year returns are based on the relevant class performance for the year, and if the relevant class was inceptioned during a particular year, the returns shown relate to the performance of that class since its inception to the end of that calendar year. Wef July 2018, the monthly fund and benchmark returns calculated are aligned to the last NAV date of the fund for the month. Past performance information presented is not indicative of future performance.

### Commentary sources

1. Eastspring Investments (Singapore) Limited

### COMMENTARY

#### Market Review

Global equities rebounded in June after the sharp falls seen during the previous month, fuelled by the prospect of interest rate cuts by the US Fed – as well as increasingly dovish signals from other major central banks – and hopes for a resolution of US-China trade tensions. The highly anticipated US-China presidential trade meeting took place in the final weekend of June, with the two countries agreeing to restart talks, whilst the US also promised no new tariffs and an easing of restrictions on Huawei. The pro-market sentiment was further supported by the news that President Trump had suspended the threat of 5% tariffs on Mexico for failure to stem the flows of migrants at the border during the month. Although investors grew more optimistic on the resolution of the US-China trade issues as the month progressed, an escalation of other trade-related and geopolitical issues provided a negative counterbalance, notably tensions in the Gulf – with the US blaming Iran for an attack on two tankers – protests in Hong Kong, deteriorating Korea-Japan relations and reignited “no deal” Brexit risk. China and US stocks performed strongly, closely followed by Europe which also benefited from optimism for an increasingly accommodative European Central Bank. Asia and Emerging Markets were supported by the strong gains from China, as well as Korea which benefited from trade optimism and hopes that China would further support its domestic market with additional stimulus.

In the context of fixed income, the renewed risk sentiment saw long duration perform well during the month, although all major fixed income asset classes including US and Asian High Yield and Investment Grade saw positive absolute returns. The apparent easing of trade tensions and expectations for loose monetary policy lent support to riskier fixed income assets, whilst the persistent concerns around global economic growth and escalating geopolitical issues also supported demand for longer dated Sovereign bonds.

#### Fund Review

The Fund posted a positive absolute return during the month and outperformed relative to the broad market. The Fund's mild equity overweight supported positive relative performance in a month where equities rallied relative to fixed income assets. Stock selection within the underlying Asian Equity Income portfolio also added value and further supported positive relative returns.

#### Outlook

The twists and turns in the developments around the ongoing US-China trade war have dominated investor sentiment over the past few months. Markets had rallied this year on optimism that the two sides were seemingly close to a trade deal although this was dashed in May with the US unexpectedly raising tariffs and blacklisting Chinese telecommunications company Huawei.

US-China relations have again improved going through June and into July, whilst expectation for a more dovish Fed has provided further support for the market, but the lack of predictability around trade relations and the continued fears for a reescalation of tensions represent a material threat for global growth. The prospect of rate cuts by the Fed, whilst providing support to both equities and bonds, also lend support to concerns that growth is slowing and that the US-China trade war is taking its toll, with corporate investment likely delayed until some kind of a resolution is clear.

Whilst the trade talks are not over, we expect further volatility in the short term as markets await firmer details on a path to a resolution. We are increasingly concerned that the ongoing trade war will impact global growth in the short term, although over the medium term, given the inexpensive valuations, we remain optimistic that equities can deliver decent returns without excessive drawdown risks.

### IMPORTANT INFORMATION

Investment manager -  
**Eastspring Investments (Singapore) Limited**

Investment sub-manager -  
**PPM America, Inc.**

**\*\*** Rating should not be taken as a recommendation.

\* ©2019 Morningstar. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

Morningstar Category: Asia Allocation



A member of Prudential plc (UK) 

#### For more information, please contact:

Eastspring Investments (Singapore) Limited  
UEN: 199407631H  
10 Marina Boulevard  
#32-01 Marina Bay Financial Centre Tower 2  
Singapore 018983  
T: (65) 6349 9711  
F: (65) 6509 5382

[eastspring.com.sg](http://eastspring.com.sg)

### Disclaimer

This document is solely for information and may not be published, circulated, reproduced or distributed in whole or part to any other person without the prior written consent of Eastspring Investments (Singapore) Limited ("Eastspring Singapore") (Company Reg No. 199407631H). This advertisement has not been reviewed by the Monetary Authority of Singapore. This document is not an offer, solicitation of an offer, or a recommendation to transact in the investment units in the Fund. The information contained herein does not have any regards to the specific investment objectives, financial situation or particular needs of any person. A prospectus in relation to the Fund is available and a copy of the prospectus may be obtained from Eastspring Singapore and its distribution partners. Investors should read the prospectus and seek professional advice before making any investment decision. In the event that investor chooses not to seek advice, he should consider carefully whether the Fund in question is suitable for him. The value of units in the Fund and the income accruing to the units, if any, may fall or rise. Past performance of the Fund/Manager is not necessarily indicative of the future performance. Any prediction, projection or forecast on the economy, securities markets or the economic trends of the markets targeted by the Fund is not necessarily indicative of the future performance of the Fund. An investment in the Fund is subject to investment risks, including the possible loss of the principal amount invested. Whilst Eastspring Singapore has taken all reasonable care to ensure that the information contained in this document is not untrue or misleading at the time of publication, Eastspring Singapore cannot guarantee its accuracy or completeness. Any opinion or estimate contained in this document is subject to change without notice.

**The Fund/ underlying Fund(s) may use derivative instruments for efficient portfolio management and hedging purposes.**

**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 Manager, Eastspring Singapore, and can be made out of (a) income; or (b) net capital gains; or (c) capital of the Fund or a combination 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 unit.

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

Eastspring Singapore is an ultimately wholly-owned subsidiary of Prudential plc of the United Kingdom. Eastspring Singapore and Prudential plc are not affiliated in any manner with Prudential Financial, Inc., a company whose principal place of business is in the United States of America.

In case of discrepancy between the English and Chinese versions, the English version shall prevail.

### Notes:

As announced by the CPF Board in March 2018, for funds offered through the CPF Investment Scheme (CPFIS), sales charge will be removed progressively to reduce the cost of investing for CPFIS members. Refer to <https://www.cpf.gov.sg/members/News/news-categories-info/cpf-changes/2346> for further details (URL link as of March 2018).

#The CPF interest rate for the Ordinary Account (OA) is based on the 12-month fixed deposit and month-end savings rates of the major local banks. Under the CPF Act, the Board pays a minimum interest of 2.5% per annum when this interest formula yields a lower rate. The interest rate for the Special Account (SA) and Medisave Accounts (MA) is pegged to the 12-month average yield of 10-year Singapore Government Securities (10YSGS) plus 1%, or current floor interest rate of 4% per annum, whichever is the higher. The interest rate to be credited to the Retirement Account (RA) will be the weighted average interest of the entire portfolio of Special Government Securities (SSGS) which the RA savings are invested in, which earn a fixed coupon equal to the 12-month average yield of the 10YSGS plus 1% at the point of issuance, or current floor rate of 4% per annum, whichever is the higher. As announced in September 2018, the Government has decided to further extend the 4% floor rate for interest earned on SA, MA and RA monies for another year until 31 December 2019. In addition, the CPF Board will pay an extra interest rate of 1% per annum on the first S\$60,000 of a CPF member's combined balances, including up to S\$20,000 in the OA. Only monies in excess of S\$20,000 in the OA and S\$40,000 in the Special Account can be invested.

Investors should note that the applicable interest rates for each of the CPF accounts may be varied by the CPF Board from time to time. Please visit the CPF Board Website for further information on CPF interest rates.