

Important Information

- Eastspring Investments - Asian Low Volatility Equity Fund is referred to as the 'Fund'.
- The Fund invests in equities and is exposed to the risk of market price fluctuations.
- Given the investment strategy of the Fund, investors should note that lower volatility does not necessarily mean low risk. The Fund may not produce lower price variability as compared to the overall market and the Fund may be precluded from fully capturing the upside in rising markets. The investments selected using the systematic models may perform differently than expected.
- The Fund invests primarily in the Asia Pacific ex Japan region and may be more volatile than a diversified fund.
- The Fund's investments in emerging markets subject it to greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The Fund may incur substantial losses if it is unable to sell those investments with high liquidity risks at opportune times or prices.
- The Fund may invest in securities denominated in currencies other than the Fund's base currency and may be exposed to currency and exchange rates risk.
- The Fund may use financial derivatives instruments (FDIs) for hedging and efficient portfolio management purposes. Using FDIs may expose the Fund to market risk, management risk, credit risk, counterparty risk, liquidity risk, volatility risk, operational risk, leverage risk, valuation risk and over-the-counter transaction risk. The use of such instruments may be ineffective and the Fund may incur significant losses.
- The Fund's Board of Directors may, at its discretion, pay dividends out of capital or gross income while charging all or part of the fees and expenses to the Fund's capital, resulting in higher distributable income. Thus, the Fund may effectively pay dividends out of capital. Payment of dividends out of capital (effectively or not) amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment, which may result in an immediate reduction of the net asset value per share.
- Investment involves risk. Investors should not rely solely on this document in making investment decision. Past performance information presented is not indicative of future performance.



A Prudential plc company 

June 2022

Eastspring Investments – Asian Low Volatility Equity Fund (The “Fund”)

invested in a smoother ride.



invested in a smoother ride.

COVID-19 has caused economic scarring across Asia. Although the region is still expected to expand by 5.2% in 2022 and 5.3% in 2023¹, the pace of recovery will not be even across the region given the varied nature of the economies. As Asian economies continue to develop and mature, there will be periods of economic rebalancing, which can trigger intermittent episodes of market volatility.

Asian markets are also typically more volatile than developed markets such as Japan, Europe and US. In the past ten years, Asia experienced higher drawdowns than the US and Europe during periods of heightened volatility.² An Asian low volatility strategy is thus compelling and will help investors better navigate the market volatility and stay invested over the long term.

A low volatility approach has historically allowed clients to participate in Asia's growth, while experiencing fewer losses on the downside. Investors who desire broader Asian equity exposure may consider complementing their portfolios with an Asian low volatility strategy.

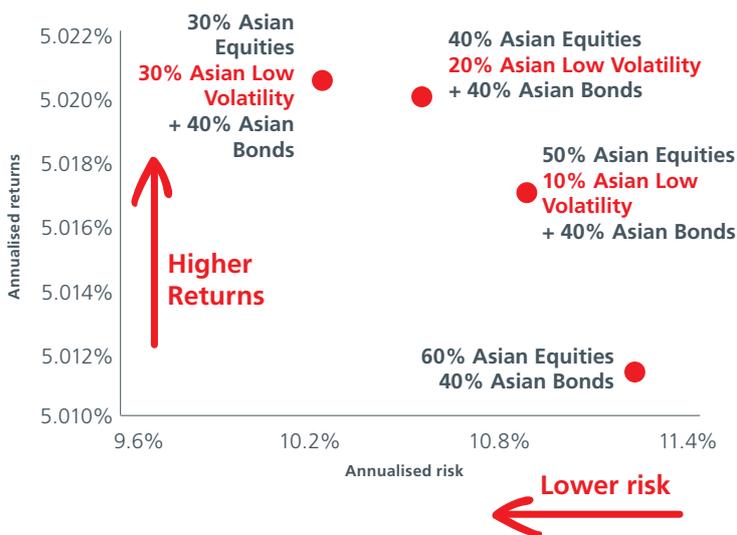
¹Asian Development Bank, April 2022. ² Bloomberg, MSCI Indices, Eastspring Investments, 10 years (31 Mar 2012 – 31 March 2022).

Why invest in an Asian low volatility strategy?

➤ Enhances overall returns while reducing risk

By simply replacing some exposure in Asian equities with a low volatility Asian equity strategy, the portfolio would have achieved higher risk-adjusted returns over the last ten years.

Fig. 1. Better risk-return trade-off (10 years)



➤ Helps stay invested in the market

A low volatility portfolio typically experiences lower drawdowns, which helps investors stay invested during volatile times. This way, they reduce the risk of exiting right before a recovery and missing the market's best days.

Fig. 2. Ending portfolio value after investing \$100k in Asian equities after 15 years from Feb 2007 – Feb 2022

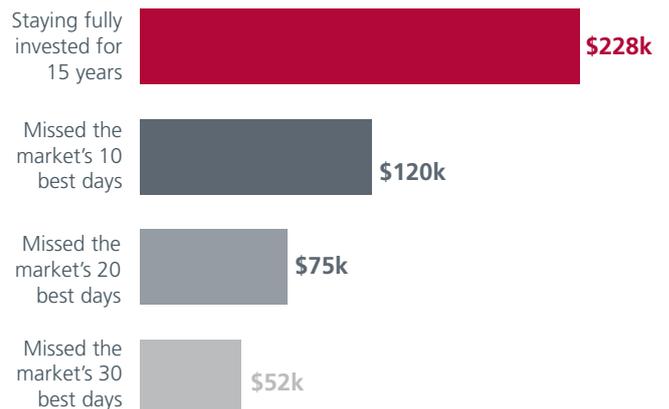


Fig.1. Source: Bloomberg. Asian Equities – MSCI Asia Pacific ex Japan Index. Asian Bonds – JPM JACI Non-Investment Grade Corporates. Asian Low Volatility Stocks – MSCI Asia Pacific ex Japan Minimum Volatility. For a 10-year period as of 28 February 2022. Please note that there are limitations to the use of such indices (index) as proxies (a proxy) for the past performance in the respective asset classes/sector. The historical performance or forecast presented is not indicative of and should not be construed as being indicative of or otherwise used as a proxy for the future or likely performance of the Fund. Fig.2. Source: Bloomberg, as of 28 February 2022. In USD terms. Asian Equities – MSCI Asia Pacific ex Japan Index. Please note that there are limitations to the use of such indices (index) as proxies (a proxy) for the past performance in the respective asset classes/sector. The historical performance or forecast presented is not indicative of and should not be construed as being indicative of or otherwise used as a proxy for the future or likely performance of the Fund.

➤ **Gains more from a faster recovery**

As a low volatility portfolio typically falls less than the market during turbulent times, it needs only to rise by a smaller magnitude to return to the starting level. Through compounding, the low volatility portfolio could accumulate more wealth over the long term.

Fig. 3. A low volatility portfolio typically recovers faster from market drawdowns



➤ **Harnesses Asia’s attractive dividends**

With rising interest rates and surging commodity, energy, and food prices, dividend yielding stocks can act as a buffer against inflation. In the Asia Pacific ex Japan region, the number of stocks that have dividend yields above 3% is almost twice that of Europe and more than 3 times that of the US.

Fig. 4. Number of companies with dividend yields above 3% by region

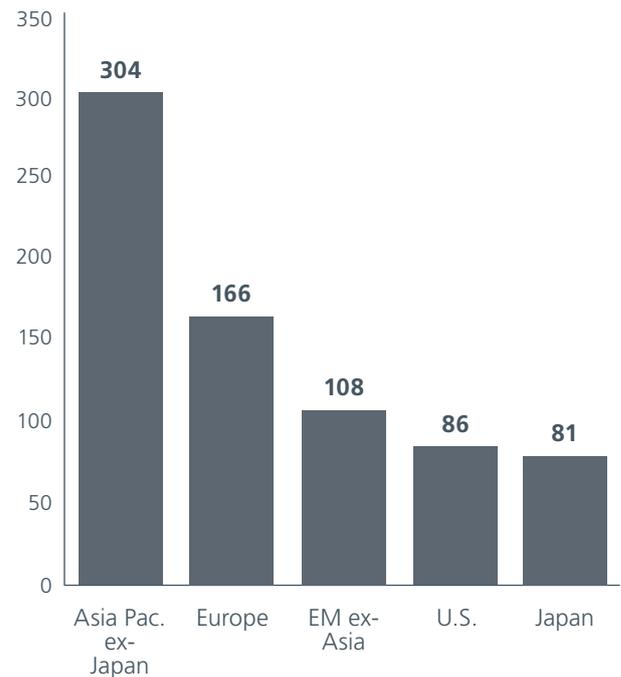


Fig.3. Source: Eastspring Investments. For illustrative purposes only. It does not represent the performance of any fund/scheme/ portfolio. Vertical axis represents portfolio value, and lines represent portfolios with increasing drawdown, with the top-most line pertaining to a portfolio with the lowest drawdown. Fig.4. Source: MSCI. Companies are constituents of MSCI World Index. March 2022.

► Capitalises on low volatility's resilience

In recent years, market volatility has become more frequent with sharp and deep corrections. Thus a low volatility quantitative strategy is relatively more resilient than the broader Asian equities index and acts as a cushion.

Fig. 5. Relative resilience during volatile periods

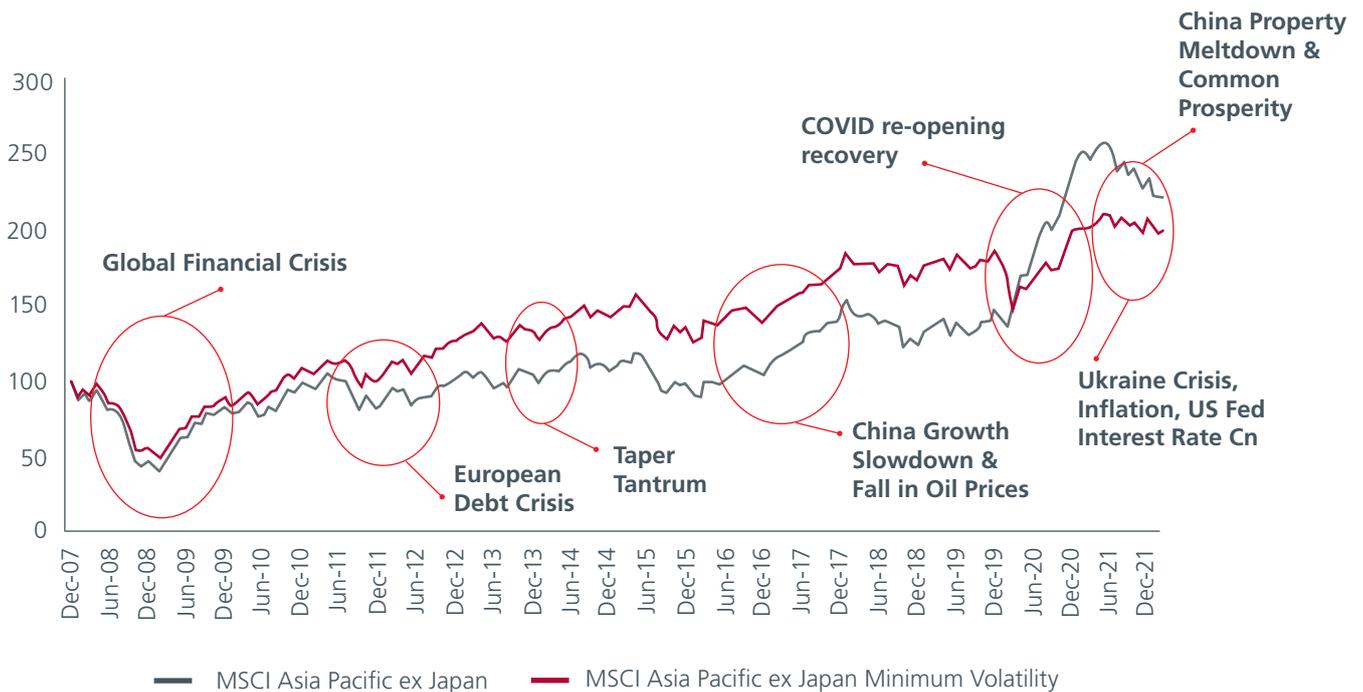


Fig.5. Source: Eastspring Investments, Bloomberg, MSCI Indices, data from 31 December 2007 to 28 February 2022. Please note that there are limitations to the use of such indices as proxies for the past performance in the respective asset classes/sector. The historical performance or forecast presented is not indicative of and should not be construed as being indicative of or otherwise used as a proxy for the future or likely performance of the Fund.

R.I.D.E with Eastspring Investments – Asian Low Volatility Equity Fund



Resilience

The Fund allows investors to stay invested throughout the investment cycles as a low volatility strategy is relatively more resilient than the broader Asian equity strategy.



Income: 3.5 - 4% p.a.^ historical distribution payout

The Fund provides a regular distribution payout which helps to cushion against the current inflationary environment.



Differentiated investment approach

The Fund selects stocks on a combination of factors, not just low volatility. This approach has proven to be effective in minimising volatility at the portfolio level.



Expertise

The Fund is managed by an experienced team, who has been managing Low Volatility equities since 2013 with assets under management of USD1.9 billion

Source: Eastspring Investments, as of 31 December 2021

^Please visit www.eastspring.com.hk to view the disclosures on the distribution payout. Distributions are not guaranteed and may be paid out of distributed income, capital or both.

Fund facts

Benchmark¹

MSCI AC Asia Pacific ex Japan Minimum Volatility Index

Fund Size

USD 1,348.8 (30 April 2022)

Initial sales charge

Up to 5.0%

Annual management fee

Currently 1.0%* p.a.

| Classes of shares | Currency | Minimum Initial Investment | Minimum Subsequent Investment | Distribution Frequency ² | Annual dividend ² yield % | ISIN |
|-----------------------|----------|----------------------------|-------------------------------|-------------------------------------|--------------------------------------|--------------|
| Class A | USD | 1,000 | 100 | N.A | N.A | LU1522347837 |
| Class A _{DM} | USD | 1,000 | 100 | Monthly | 4.00 | LU1497733557 |

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 rate = (Dividend per share / NAV per share of previous ex-dividend date) x (No. of calendar days in a year / No. of calendar days in distribution period) x 100%. Annualised Dividend Rate is calculated based on the dividend distribution for the relevant distribution period and does not refer to the dividend yield for the preceding 12 months, and it may be higher or lower than the actual annual dividend yield. "N.A.": This share class does not distribute dividends. For details of other fees and charges, please refer to the offering document.

Source: Eastspring Investments, as of 30 April 2022. ¹The benchmark of the Eastspring Investments – Asian Low Volatility Equity Fund has changed from the MSCI AC Asia Pacific ex Japan Index to MSCI AC Asia Pacific ex Japan Minimum Volatility Index on 1 February 2018. The MSCI Index is calculated with dividends reinvested.

* The management fee is changed from 1.25% p.a. to 1.0% p.a. with effect from 1 July 2022.

About Eastspring Investments

Eastspring Investments is a leading Asia-based asset manager that manages over USD258 billion* of assets with presence in 11 Asian markets as well as distribution offices in North America and Europe. Operating in Asia since 1994, Eastspring Investments is the Asian asset management business of Prudential plc, an international financial services group.

Asian centre, global presence



📍 Investment and Sales & Client Service Office 📍 Sales & Client Service Office • Joint Venture

300+
number of
investment
professionals

29+
nationalities

25+
years of
operating
history

PRI Principles for
Responsible
Investment

As a signatory to the United Nations supported Principles for Responsible Investment, we have a consistent environmental, social and governance focus across all asset classes, research and investment decision-making, increasing long-term value for our clients.

Source: *Eastspring Investments, as at 31 December 2021.

Disclaimer

All data are from Eastspring Investments (Singapore) Limited. The Fund is a sub-fund of the Eastspring Investments (the "SICAV"), an open-ended investment company with variable capital (société d'investissement à capital variable) registered in the Grand Duchy of Luxembourg on the official list of collective investment undertakings pursuant to part I of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment (the "2010 Law") and the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 (the "UCITS Directive"). The SICAV has appointed Eastspring Investments (Hong Kong) Limited ("Eastspring Investments Hong Kong") as its Hong Kong Representative. This information is not an offer or solicitation of an offer for the purchase of investment units in the Fund. An offering document in relation to the Fund is available and may be obtained through Eastspring Investments Hong Kong or any of its appointed distributors. All applications for units in the Fund must be made on the application forms accompanying the offering document. Potential investors should read the offering document (including the risk factors stated therein in details and the risk factors in particular those associated with investments in emerging markets, if applicable) before deciding whether to subscribe for or purchase units in the Fund. An investment in units of the Fund is subject to investment risks, including the possible loss of the principal amount invested. Past performance is not necessarily a guide to the future or likely performance of the Fund. The value of the units in the Fund and any income accruing to the units, if any, may fall or rise. US/HK dollar-based investors are exposed to currency fluctuations where the Fund is denominated in currencies other than US/HK dollar. The information contained herein does not have any regard to the specific investment objective(s), financial situation or the particular needs of any person. Potential investors may wish to seek advice from a financial adviser before purchasing units in the Fund. In the event that potential investors choose not to seek advice from a financial adviser, they should consider whether the Fund is a suitable investment for them. Eastspring Investments Hong Kong is an ultimately wholly owned subsidiary of Prudential plc of the United Kingdom. Eastspring Investments Hong Kong 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 or with the Prudential Assurance Company, a subsidiary of M&G plc, a company incorporated in the United Kingdom. This material and information on our website (eastspring.com.hk) have not been reviewed by the SFC. Issued by Eastspring Investments (Hong Kong) Limited. Source: MSCI. This report contains information (the "Information") sourced from MSCI Inc., its affiliates or information providers (the "MSCI Parties") and may have been used to calculate scores, ratings or other indicators. The Information is for internal use only, and may not be reproduced/redisseminated in any form, or used as a basis for or a component of any financial instruments or products or indices. The MSCI Parties do not warrant or guarantee the originality, accuracy and/or completeness of any data or Information herein and expressly disclaim all express or implied warranties, including of merchantability and fitness for a particular purpose. The Information is not intended to constitute investment advice or a recommendation to make (or refrain from making) any investment decision and may not be relied on as such, nor should it be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the MSCI Parties shall have any liability for any errors or omissions in connection with any data or Information herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.



A Prudential plc company 

eastspring.com/hk