


Important information

- Eastspring Investments – Asia Sustainable Bond Fund is referred to as the ‘Fund’.
- The Fund invests in bonds and is subject to interest rate fluctuation and exposed to credit default, valuation and credit rating risks as well as credit risk of the counterparties with which it trades and sovereign debt risk. Pertaining to investments in unrated/non-investment grade bonds /non-investment grade sovereign bonds, these securities may be subject to higher credit risks and liquidity risks, compared with investment grade bonds, with an increased risk of loss of investments. Investment grade bonds are subject to the risks of credit rating downgrades.
- The Fund may be affected by the ESG Principles and eligibility criteria. The Fund may have a concentration in investments with an ESG focus, and its value may be more volatile than a more diverse portfolio of investments. The Fund’s investments may be subject to ESG risks. The ESG risks may not necessarily have an impact on the Fund’s returns, as it would depend on other factors.
- 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 investment in securities issued or guaranteed by governments may be exposed to political, social, and economic risks. The Fund may suffer significant losses when there is a default of sovereign debt issuers.
- The Fund invests primarily in the Asia and may be more volatile than a diversified fund.
- The Fund’s investment in emerging markets subject it to greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The Fund’s investments in bonds in Asian markets may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuations. 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’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 

November 2022

Eastspring Investments – Asia Sustainable Bond Fund (The “Fund”)

invested in building a
sustainable investment portfolio.



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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.

*ESG stands for Environmental, Social and Governance.

Reasons to invest

ESG – integrated Asian bonds

Asia is expected to be a driver of global growth in the coming decades, driven by rising urbanisation, expanding populations and increasing affluence.

To finance this structural growth, Asia will need to rely on its capital markets. Meanwhile, there is a growing recognition (fortunately) amongst the investment community that Asia's development will unlikely be sustainable if it is at the expense of the environment. As such, investors are increasingly keen on investment strategies that incorporate environmental, social and governance (ESG) factors into investment processes and decisions.

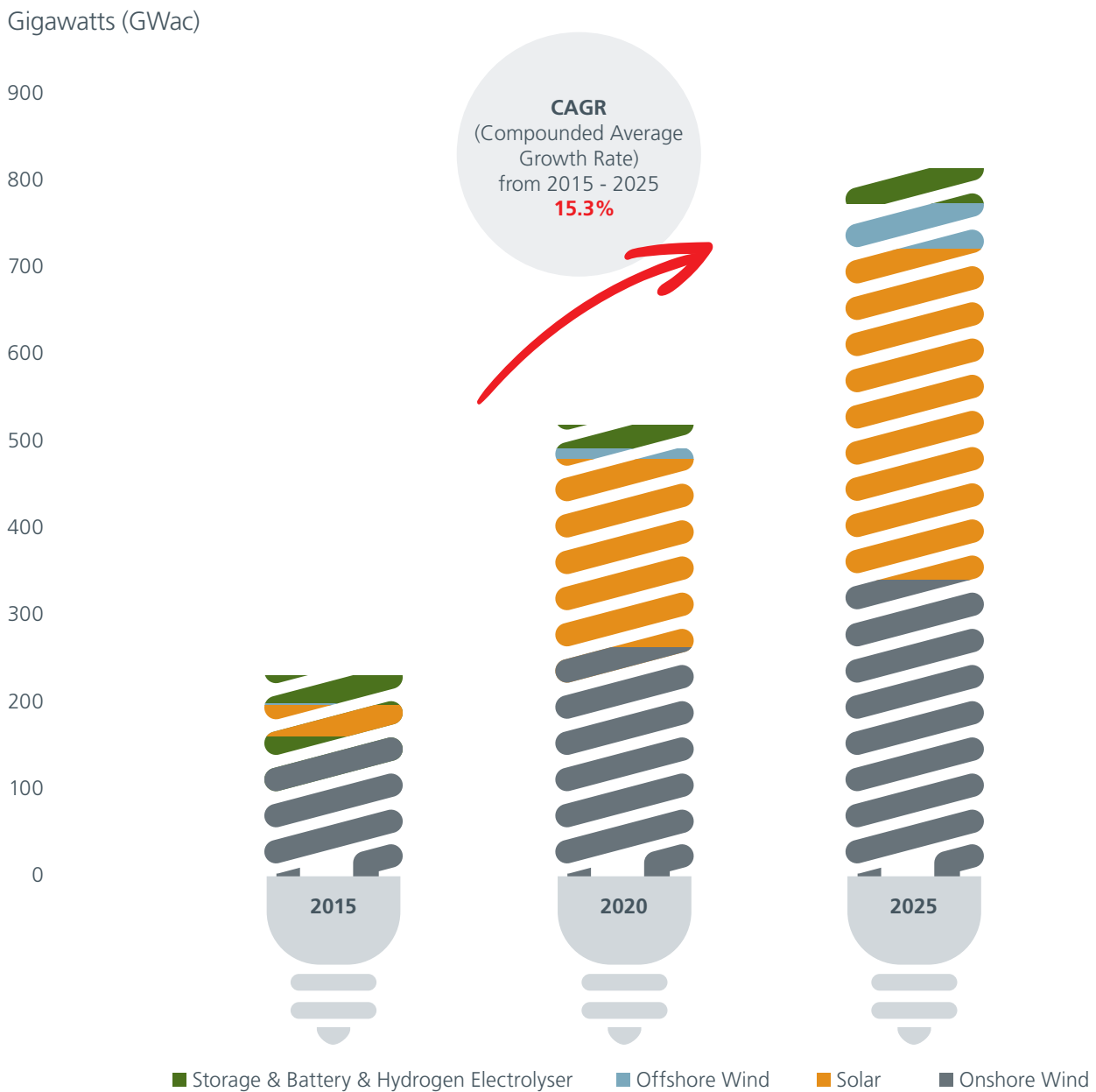


➤ Growing universe of opportunities

Opportunities wise, we see that strong economic growth and policy support allows Asia to stand out as a compelling investment proposition for ESG-aligned bond investments; renewable energy, for example, is a key area of growth. According

to Wood Mackenzie (Fig. 1.), a research and consultancy group, renewables investments have overtaken fossil fuel since 2013, with solar and wind representing 66% or USD1 trillion investment opportunity in the Asia Pacific up to 2030.

Fig. 1. Outlook for installed renewable energy capacity in Asia Pacific



Source: Fig. 1. Rystad Energy RenewableCube, October 2020. Any projection or forecast is not necessarily indicative of the future or likely performance.

➤ Heightening regulatory committment

More stringent emission standards and heavier penalties for violations of ESG standards, for example, have increased the materiality of ESG risks for corporates. Increased ESG disclosure

requirements and accounting standards demanding transparency around financial statements disclosures have led more corporates to adopt ESG practices.

Fig. 2. Corporate ESG disclosure requirement status across Asia Pacific markets

	<p>Mandatory policies established</p>	<p> India will have mandatory CSR/ESG reports from FY22.</p> <p> South Korea will phase in mandatory disclosure requirements by 2030.</p> <p> Malaysia, Thailand, Philippines, Taiwan, Vietnam, Indonesia and Singapore all have requirements for companies to provide sustainability disclosures/reports.</p>
	<p>Mandatory policies established but with more limited application</p>	<p> Mainland China will impose mandatory E disclosures on high emitting corporates from 2022.</p> <p> Hong Kong requires disclosure of 12 E&S indicators on a comply or explain basis.</p> <p> Australia has mandatory GHG, energy, and diversity disclosures, rest are voluntary.</p> <p> Japan mandated board independence, diversity, and climate metrics on a comply or explain basis.</p> <p> New Zealand has corporate governance disclosure requirements including material ESG factors on a comply or explain basis.</p> <p> Singapore has mandatory diversity disclosures and a core list of 27 voluntary E&S metrics.</p>
	<p>Under consideration / in development / voluntary guidelines established</p>	<p>Nil</p>
	<p>No significant developments</p>	<p>Nil</p>

Source: Fig. 2. as at February 2022. SEBI, South Korea FSC, Securities Commission Malaysia, Thailand SEC, Philippines SEC, Taiwan FSC, Vietnam SSC, Indonesia FSA, CSRC, HKEX, Australian Government, Japan FSA, NZX, SGX, compiled by Goldman Sachs Global Investment Research.

► Building a sustainable investment portfolio

As ESG-integrated investment process is important in the fixed income space as it helps to identify and manage downside risks related to ESG which may not be as well covered under traditional credit analysis. Additionally, according to Sustainalytics, a global leader in ESG research and ratings (May 2021), corporates that consider their impact on the environment and society and have higher levels of sustainable practices are less likely to face controversial incidents that may negatively impact business. This makes their earnings less volatile.

Fig 3. shows that the JPMorgan Asia Credit (JACI) High Yield ESG index has generated lower volatility compared to the conventional JACI High Yield index over time.

Fig. 3. Annualised return and volatility of JACI and JACI ESG indices (December 2021 - October 2022)

Asset class	Returns (ann.)	Volatility (ann.)
JACI Index	1.6%	4.6%
JACI ESG Index	1.4%	4.7%
JACI HY Index	-0.5%	8.3%
JACI HY ESG Index	-0.7%	8.0%



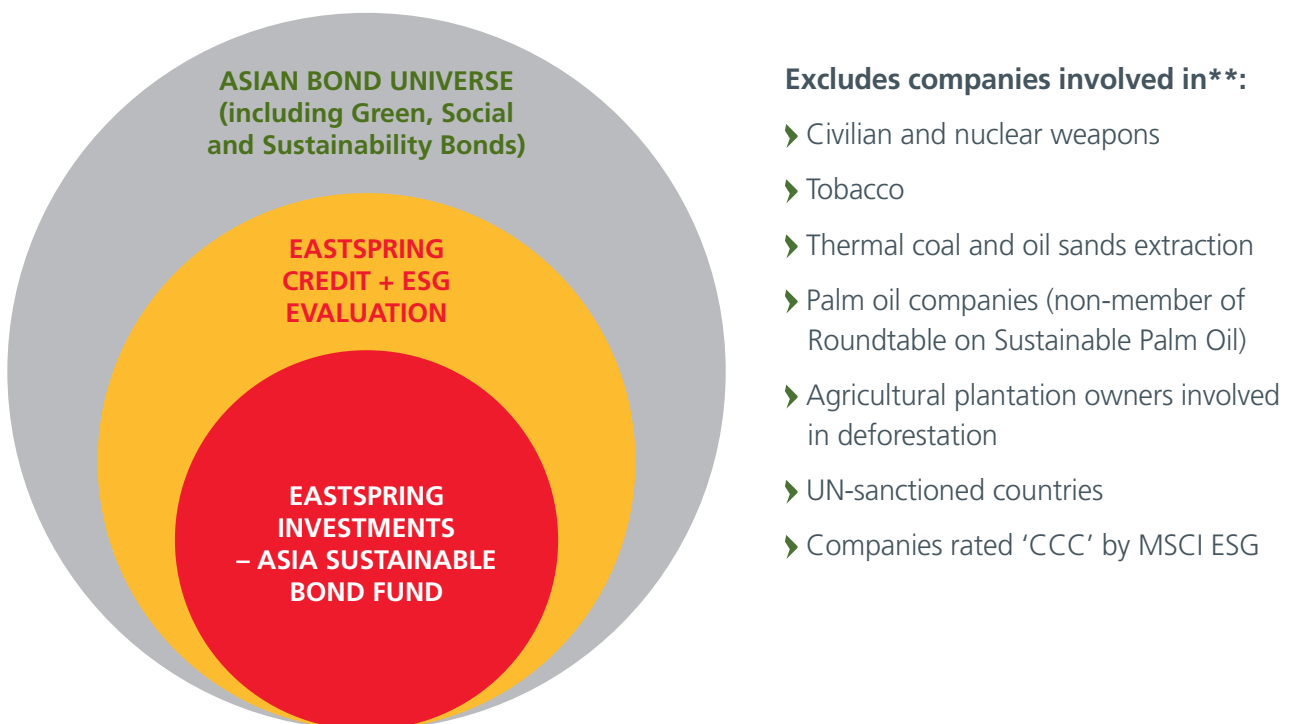
Source: Fig. 3. JPMorgan, Eastspring Investments, as at end October 2022. Please note that there are limitations to the use of such indices (index) as proxies (a proxy) for the past performance in the respective asset classes/sector. The historical performance or forecast presented is not indicative 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.

About the Fund

Eastspring Investments – Asia Sustainable Bond Fund (the “Fund”) seeks to maximise total return by investing primarily in bonds issued by Asian issuers that are aligned to Eastspring’s internal ESG principles*. ESG screening is applied on the Fund’s investible universe to exclude issuers, which are in violation of our ESG principles.

The investment strategy formulation process is overlaid with the team’s top-down views, as well as the bottom-up research on individual bond issuers. Importantly, the bottom-up analysis integrates our proprietary ESG risk assessment of individual credit issuers. These analyses underpin the Fund’s investment decisions across Asian credit, interest rate and currency markets.

Fig. 4. Our investment approach



Source: *For more information on the process for determining a bond’s alignment with Eastspring’s ESG principles and eligibility for inclusion in the Fund, please refer to the Fund’s prospectus. Fig. 4. Eastspring Investments, March 2021.

**Refer to the Exclusion Policy in the Prospectus for details.

Reasons to invest

Eastspring Investments – Asia Sustainable Bond Fund

Seeks to maximise total returns over time

The Fund seeks to maximise total returns over the medium term by investing primarily in investment grade, USD-denominated, Asian bonds. This includes investments in both conventional bonds, as well as Green, Social and Sustainability (GSS) labelled bonds.

markets, providing additional sources of value-add for the Fund. We believe that the active investment across the diversified mix of instruments, combined with an ESG focus⁺, can help optimise the Fund's risk-adjusted-return profile.

Further, there is moderate flexibility to diversify into Asian high yield bonds, interest rate and currency

Fig. 5. Performance table (Class A)

Cumulative returns (%)

	1 m	3 m	YTD	1 y	3 y	5 y	10 y	Since inception
Fund	-3.5	-5.6	-13.0	-12.7	–	–	–	-8.3

Calendar year returns (%)

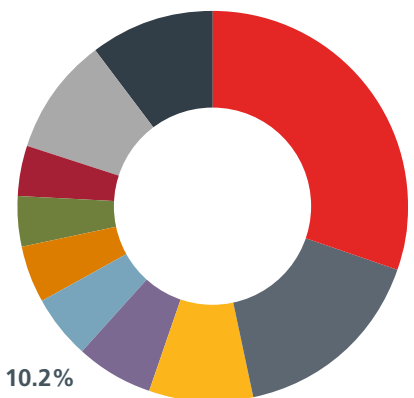
Year	2021	2020	2019	2018	2017
Fund	-0.7	6.1	0.1	–	–

Fig. 6. Fund portfolio profile

Characteristics	Portfolio
Average yield-to-maturity (%)*	8.0
Average duration (years)*	3.3
Number of issues	88
Average credit rating[^]	BBB

Country Breakdown (%)

- Singapore **30.5%**
- China **16.2%**
- India **8.8%**
- Hong Kong **6.4%**
- Indonesia **5.2%**
- United Kingdom **4.8%**
- Supranational **4.2%**
- Philippines **4.1%**
- Others **9.6%**
- Cash and cash equivalents **10.2%**



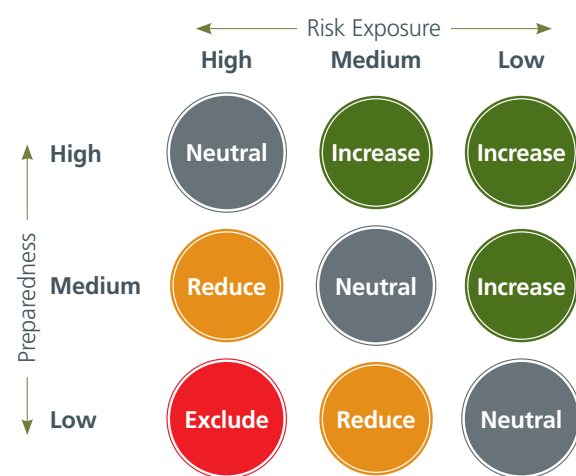
Source: ⁺ The Fund seeks to promote environmental characteristics, including but not limited to climate change (carbon emissions, pollution, waste management, energy efficiency, sustainable production practices), and resource management; governance issues such as management quality, board independence, alignment of interests to goals besides shareholder profits and gender diversity; and social objectives including diversity and inclusion, health and wellbeing, safety and security, fair labour practices and more equal access to financial services. Fig. 5. Eastspring Investments (Singapore) Limited, 31 October 2022. Returns are based in share class currency and computed on NAV-NAV basis with net income reinvested, if any. Calendar year returns are based on the share class performance for the year, and if the share class was inceptioned 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. Wef July 2018, the monthly fund and benchmark returns calculated are aligned to the last NAV date of the fund for the month. Fig. 6. Eastspring Investments (Singapore) Limited, 31 October 2022. [^]Based on ratings assigned by S&P, Moody's or Fitch only. *The computation of yield to maturity and average duration includes cash and derivatives securities. The information provided herein are subject to change at the discretion of the Investment Manager without prior notice.

► Differentiates with a pragmatic and responsive ESG approach

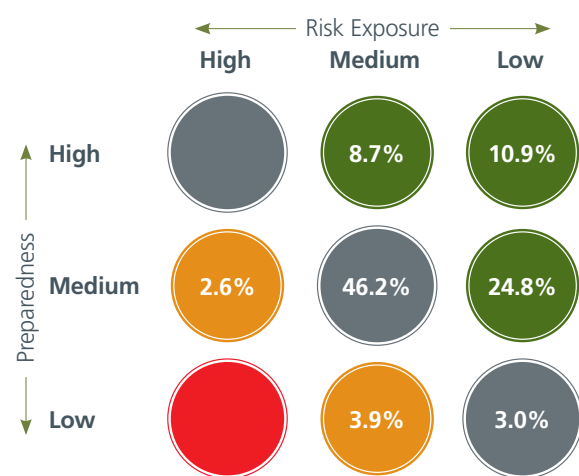
Our credit selection process incorporates two robust ESG determinants. The first is the key ESG risks[^] faced by the company based on our internal taxonomy of ESG factors. The second is the company’s preparedness in dealing with these ESG risks. A low, medium and high ranking is assigned to each factor. The company’s

ESG rankings (e.g. MSCI, ESG ratings from credit rating agencies, media articles) are considered as part of the portfolio construction process and bond issuers with high ESG risk and low preparedness will be excluded from the buy list.

Fig. 7. Eastspring ESG Matrix



Eastspring Investments - Asia Sustainable Bond Fund
Eastspring ESG Matrix Summary as of 30 September 2022



► Encapsulates the fixed income team’s strengths

Eastspring has one of the largest fixed income teams in Asia. Our strong presence across 11 Asian markets facilitates ready access of on-the-ground market information. Our experience in running Asian hard and local credit strategies underpins the in-depth expertise and ability to maximise total returns for investors over time. The solid track record of our Asian bond strategies bears testament to the strength of our investment team.

The team members who are specialists in respective fields have collaborated successfully over many market cycles and won numerous awards over the years. As of September 2020, the firm and team’s commitment to Responsible Investments has been validated; our fixed Income categories - Corporate (Financial & Non-Financial) are rated “A” by the UN Principles for Responsible Investment.

Fig. 8. Fixed income team comprises:



Sources: [^]ESG Risks are the risks of any negative financial impact on an institution stemming from the current or prospective impacts of ESG Factors on its counter-parties or invested assets. Fig. 7. Eastspring Investments, 30 September 2022. Due to rounding, numbers presented may not add up precisely to the totals indicated and percentages may not precisely reflect the absolute figures for the same reason. [^]Excludes cash and sovereigns. The information provided herein are subject to change at the discretion of the Investment Manager without prior notice. 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. 8. Eastspring Investments (Singapore) Limited, 31 October 2022. *Janet and Shao Keng assume both credit research and portfolio management responsibilities.

Fund details

Investment Objective	The Fund seeks to maximize total returns over time through investing at least 70% of its assets in debt securities denominated in US dollars, Euro, as well as the various Asian currencies which are issued or guaranteed by Asian governments and quasi-governments, or corporates or supranationals that are aligned to Eastspring Environmental, Social and Governance (“ESG”) principles (“Eastspring’s ESG Principles”), including Green, Social, Sustainability (“GSS”) labelled bonds.
Product Suitability	This Fund is suitable for investors who: <ul style="list-style-type: none"> • aim to maximise total returns; • are comfortable with the risks of a bond fund that invests in a mix of rated and unrated debt securities issued by Asian governments and corporations, which are aligned to internal Environmental, Social and Governance principles; and • appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.
Inception Date	16 December 2019
Initial Sales Charge	Max 3.0%
Management Fee	1.0% p.a.

Share Class	Currency	Subscription method	Annual management fee% (Current)	Distribution Frequency	Ex-date	Dividend per share	ISIN
Class A	USD	Cash	1.000	N.A.	N.A.	N.A.	LU2068974737
Class A_{DM}	USD	Cash	1.000	Monthly	02-Nov-22	0.0293666	LU2347918265
Class A_H	HKD	Cash	1.000	N.A.	N.A.	N.A.	LU2373661078
Class A_{HDM}	HKD	Cash	1.000	Monthly	02-Nov-22	0.0298274	LU2373661581

Source: Eastspring Investments, as of 31 October 2022.

Notes:

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.

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**

Eastspring Investments is a leading Asia-based asset manager that manages over USD222 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.

Awards and accolades



2021
Best of Best Awards
 Asia Asset Management
Best Bond Manager,
 Singapore

2020
Best of the Best
Performance Awards
 Asia Asset Management
 Asian Bonds, 10 Years

2019
Best of the Best
Regional Awards
 Asia Asset Management
 Asian Bond House

Source: *Eastspring Investments, as at 30 June 2022. AUM for investment teams are internally calculated and includes advisory mandates.

Disclaimer

All data are from Eastspring Investments (Singapore) Limited.

The Fund is a sub-fund of the Eastspring Investments funds, 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"). SFC authorization is not a recommendation or endorsement of the Fund nor does it guarantee the commercial merits of the Fund or its performance. It does not mean the Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors. The Eastspring Investments has appointed Eastspring Investments (Hong Kong) Limited 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 documents in relation to the Fund is available and may be obtained through Eastspring Investments (Hong Kong) Limited or any of its appointed distributors. All applications for units in the Fund must be made on the application forms accompanying the offering documents. Potential investors should read the offering documents (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) Limited is an ultimately wholly owned subsidiary of Prudential plc of the United Kingdom. Eastspring Investments (Hong Kong) Limited 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.

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