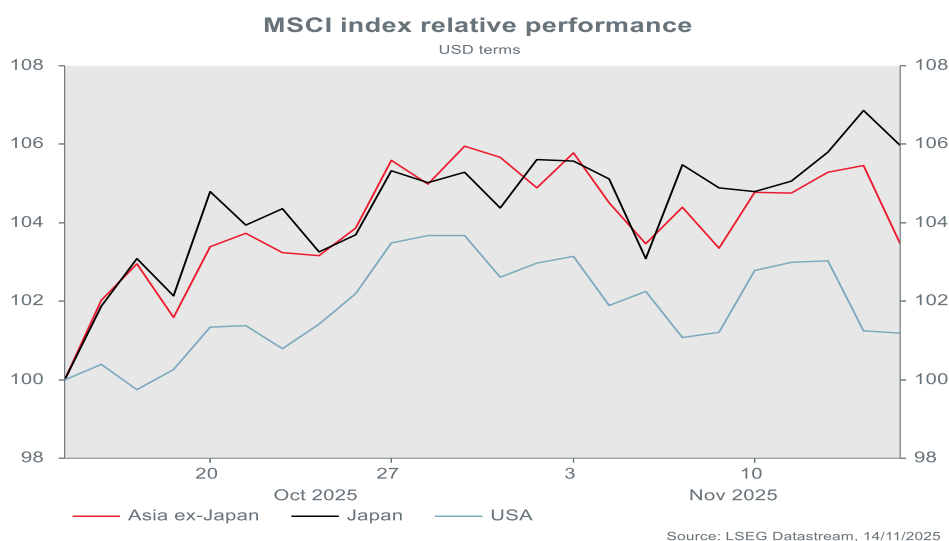


What's top of investors' minds?

US AI correction highlights the benefits of portfolio diversification

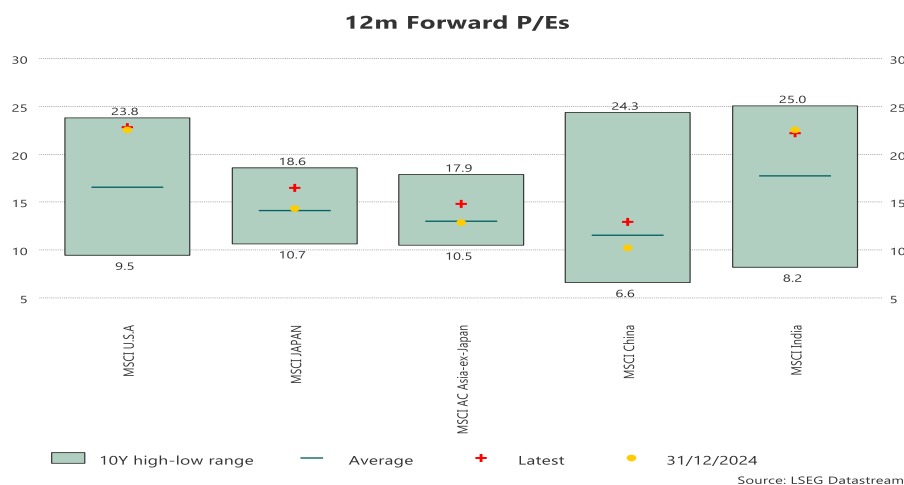
The past several weeks has proven again the merit of portfolio diversification away from the US into Asia. The first chart shows that Asian equities have outperformed the US over the past month and past week as market concerns about AI bubble risk have emerged.

Asian equities are outperforming



Much of Asian outperformance reflects relative valuations, in our view. With the US so expensive, trading close to the top of its historic valuation range, the good news necessary to push it higher must be very good indeed whereas even minor concerns can drive corrections. US Q3 earnings surprise over the past month was particularly strong, but this has failed to drive meaningful US price gains.

The US' high valuation makes it relatively more vulnerable than Asia



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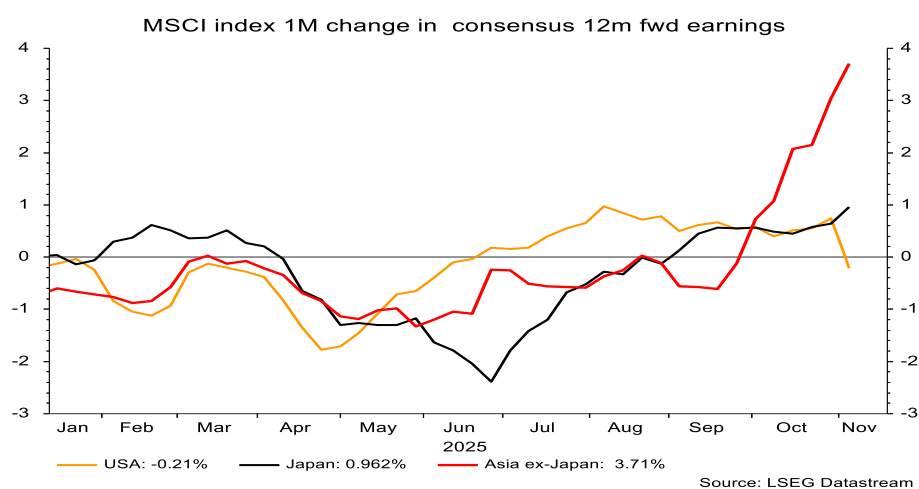
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In contrast, although Asian markets are no longer outright cheap, their relatively lower valuations have allowed small positive earnings surprises and upward revisions to earnings to drive equity return outperformance.

To be sure, very strong upward revisions to consensus Asian earnings expectations have underpinned its markets. Asia ex-Japan's 12-month forward earnings are up nearly 4% in the past month, Japan up 1%, while US forward earnings expectations have edged lower. We noted last week that the consensus now expects MSCI Asia ex-Japan earnings to grow 17.3% over the next year, well above the 13.6% expected for MSCI US.

Asia offers stronger earnings growth at much lower valuations



Admittedly, Korea and Taiwan account for most of the upward revisions to Asian earnings. But this just reinforces our focus on portfolio diversification. The AI story that has concentrated US equity performance in a handful of tech names reflects a winner-take-all game to be the dominant AI model provider. In contrast, Korea and Taiwan's electronics sales are agnostic about who wins the race in the US, benefitting from selling to all AI competitors simultaneously.

Away from the AI driven electronics story, the performance rotation toward India in anticipation of further monetary stimulus is continuing. With Indian inflation at a 45-year low of 0.3% YoY in October, we expect the Reserve Bank of India to cut rates by 25bps in December. We also expect India and the US to reach a trade deal in the next month or two that cuts US tariffs on India sharply. This combination should position India as a domestic demand recovery play, offering diversification away from the AI infrastructure boom.

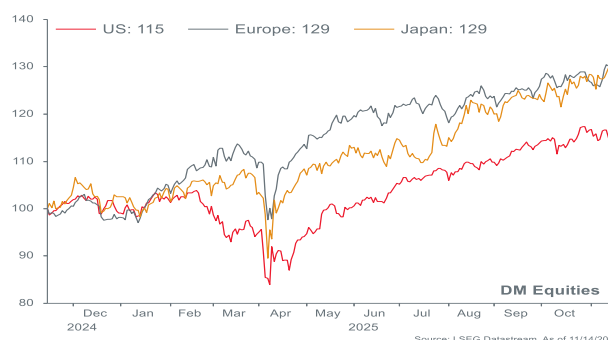
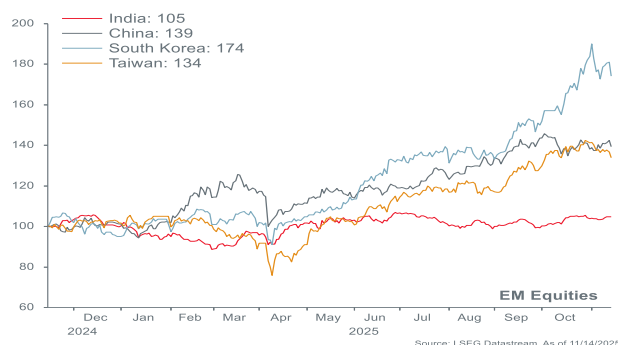
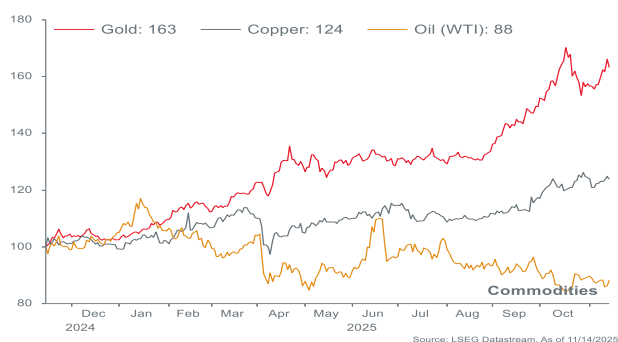
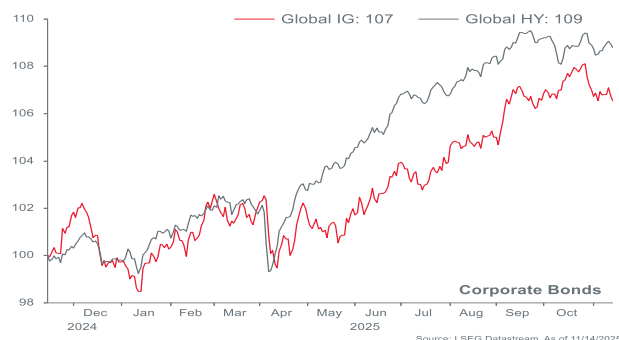
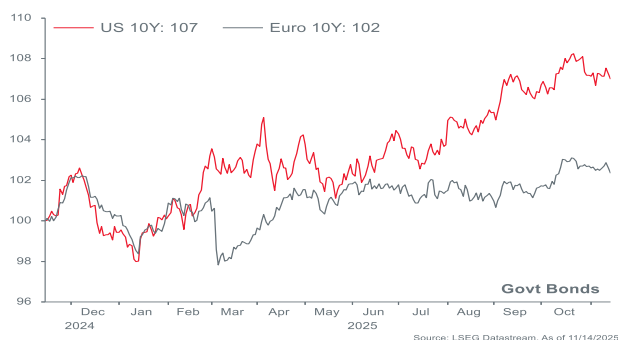
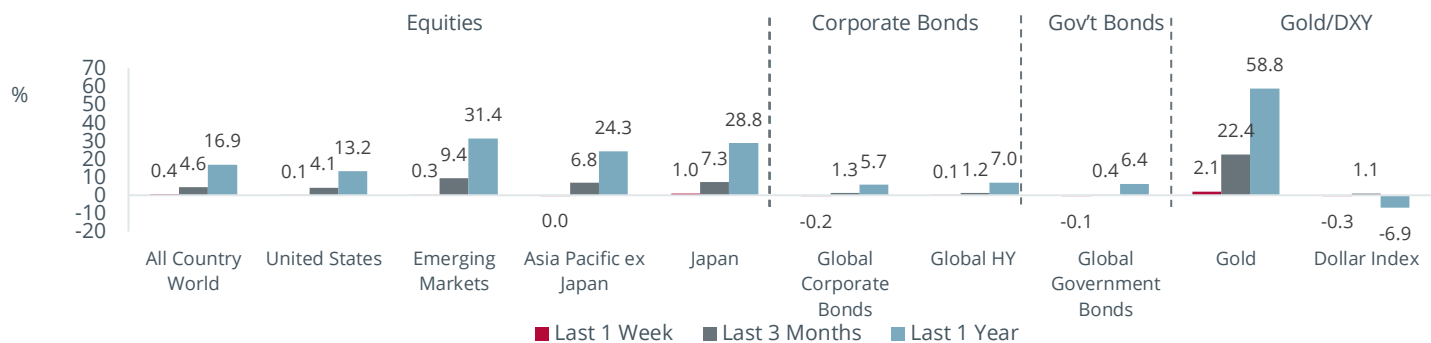
Rising geopolitical tensions between China and Japan pose near-term risks to these countries' equities and the yen. China has warned its citizens against travel to Japan and some Chinese media have suggested boycotts of Japanese products. We recognise that tensions could rise somewhat further in the short term. However, the history of similar disputes in 2005, 2010, 2012, and 2023 lead us to expect the two sides to deescalate in the coming months. Japanese Prime Minister Takaichi may be able to begin this process as early as the G20 summit on November 20 – 23 where she may be able to meet with her Chinese counterparts.

Market Review

Equity markets delivered a mixed performance over the week. While there was some optimism as the longest U.S. government shutdown on record finally ended (after 43 days), this positive development was tempered by a sharp market retreat on Thursday. Technology stocks stayed under pressure due to waning AI sentiment, high valuations, and growing uncertainty over a potential December Fed rate cut. By week's end, the S&P 500 had eked out a slight increase of 0.1%, while the tech-heavy Nasdaq declined by 0.5%. Global equities, as proxied by the MSCI ACWI, posted a 0.4% gain. Elsewhere, emerging markets returned 0.3% while the Asia Pacific ex-Japan market was relatively flat, both measured in USD terms.

In fixed income markets, yields on US Treasuries generally rose along the curve. US and global government bonds posted marginally negative returns. Global high yield bonds delivered stronger returns compared to investment grade bonds. Gold experienced a notable increase over the week, while the US dollar (DXY) declined by 0.3%.

Asset Performances



Market Data

Government Bonds	Close	1 week change (%)	1 month change (%)	3 month change (%)	1 year change (%)	YTD change (%)	52 week high	52 week low
US Treasury Yield (%)								
10 Year	4.15	1.34	3.13	-3.38	-6.15	-9.37	4.81	3.95
10 Year Bond Yield (%)								
Japan	1.70	1.37	2.53	9.59	60.66	56.10	1.70	1.04
China	1.81	2.79	2.15	4.03	-13.46	7.56	2.10	1.61
Australia	4.44	1.84	4.13	5.22	-5.70	1.56	4.70	4.10
Singapore	1.94	0.47	11.03	2.64	-34.09	-32.09	3.09	1.75
Malaysia	3.45	-1.51	-0.81	2.47	-11.84	-9.71	3.92	3.36
Indonesia	6.12	-0.33	1.06	-4.42	-11.82	-12.85	7.30	5.92
	Close	1 week change (%)	1 month change (%)	3 month change (%)	1 year change (%)	YTD change (%)	52 week high	52 week low
Bond Indices								
Bloomberg Global Aggregate USD	94.87	-0.25	-0.46	0.41	1.16	1.18	95.66	92.65
Bloomberg U.S. Aggregate USD	93.82	-0.30	-0.73	1.12	3.28	3.75	94.92	89.27
Equity Indices	Close	1 week change (%)	1 month change (%)	3 month change (%)	1 year change (%)	YTD change (%)	52 week high	52 week low
World								
MSCI AC World Index (USD)	995.43	0.42	1.75	4.57	16.95	18.32	1,014.42	742.96
North America								
US S&P 500 Index	6,734.11	0.08	1.35	4.11	13.19	14.49	6,920.34	4,835.04
US Nasdaq Composite Index	22,900.59	-0.45	1.68	5.48	19.85	18.59	24,019.99	14,784.03
Europe								
MSCI Europe	2,542.45	2.13	1.98	3.61	24.44	26.94	2,581.82	1,976.06
Asia Pacific								
MSCI Asia Pacific ex Japan	713.85	-0.04	2.74	6.82	24.30	25.37	733.24	513.60
Japan Nikkei 225	50,376.53	0.20	7.53	18.12	30.73	26.27	52,636.87	30,792.74
Shanghai Stock Exchange Composite	3,990.49	-0.18	3.24	8.84	18.07	19.06	4,034.08	3,040.69
Hong Kong Hang Seng	26,572.46	1.26	4.45	4.13	36.72	32.47	27,381.84	18,671.49
Taiwan TAIEX	27,397.50	-0.92	2.26	13.03	20.61	18.94	28,554.61	17,306.97
Korea KOSPI	4,011.57	1.46	12.63	24.36	65.85	67.18	4,226.75	2,284.72
India NIFTY 50	25,910.05	1.64	3.04	5.19	10.10	9.58	26,104.20	21,743.65
Australia Stock Exchange 200	8,634.50	-1.54	-2.98	-2.70	4.99	5.83	9,115.20	7,169.20
Indonesia Jakarta Composite	8,370.44	-0.29	3.77	5.54	16.02	18.23	8,478.15	5,882.61
Thailand SET	1,269.26	-2.58	0.23	0.20	-12.47	-9.35	1,471.48	1,053.79
Malaysia FTSE Bursa KLSE	1,625.67	0.40	0.88	2.82	1.56	-1.01	1,658.73	1,386.63
Philippines Stock Exchange PSE	5,584.35	-3.04	-8.10	-11.25	-14.84	-14.47	6,975.63	5,584.35
Singapore FTSE Straits Times Index	4,546.07	1.20	4.40	6.80	21.61	20.03	4,575.91	3,372.38
Currencies (vs USD)	Latest	1 week Change	1 Month Ago	3 Months ago	1 Year Ago	YTD	52 week high	52 week low
Developed Markets								
EUR	-0.09	0.48	0.13	-0.22	10.35	12.24	1.19	1.02
GBP	-0.16	0.08	-1.11	-2.68	3.97	5.25	1.37	1.22
CHF	0.11	-1.38	-0.87	-1.70	-10.83	-12.51	0.92	0.79
JPY	-0.01	0.74	1.78	4.59	-1.09	-1.68	158.35	140.85
Asia								
CNY	0.06	-0.32	-0.55	-1.12	-1.77	-2.74	7.35	7.10
HKD	0.02	-0.05	-0.01	-0.77	-0.11	0.07	7.85	7.75
INR	-0.14	0.02	-0.11	1.13	4.97	3.63	88.84	84.26
MYR	0.10	-1.03	-2.32	-1.90	-7.77	-7.56	4.51	4.13
KRW	-1.54	-0.54	1.35	4.27	3.07	-1.95	1,485.83	1,352.45
SGD	-0.19	-0.24	-0.02	1.04	-3.57	-4.94	1.37	1.27
TWD	-1.32	-0.83	0.09	2.17	-5.78	-6.33	33.25	28.90
IDR	-0.18	0.06	0.72	3.63	5.30	3.73	16,865.00	15,825.00

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Sources

Asset performances: (bar charts) Eastspring Investments, Refinitiv, as at 17 November 2025. Equities: using MSCI indices in USD, United States is using the S&P 500. Corporate Bonds: using ICE BofA indices in USD. Government Bonds: using the FTSE Global Sovereign Bond index, in USD. Gold is London Bullion Market US Dollar per Metric Tonne. DXY is US Dollar Index. **(line charts)** Eastspring Investments, Refinitiv, as at the end of the prior week, rebased to 100 as at 1 year ago. Equities: MSCI indices, in USD. Corporate Bonds: using Bloomberg indices in USD. Government Bonds: using ICE BofA US 10 Year US Treasury and ICE BofA 7-10 Year Euro Government indices. Commodities: Gold is London Bullion Market US Dollar per Metric Tonne Ounce. Copper is LME Copper Grade A Cash US Dollar per Metric Tonne. Oil is Crude Oil WTI Spot Cushing US Dollar per Barrel. US Dollar is US Dollar Index.

Market data: Eastspring Investments, Refinitiv, as at 17 November 2025. Equities: MSCI indices in USD, other indices in local currency. Other indices or assets as stated. 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 in this slide 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



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