

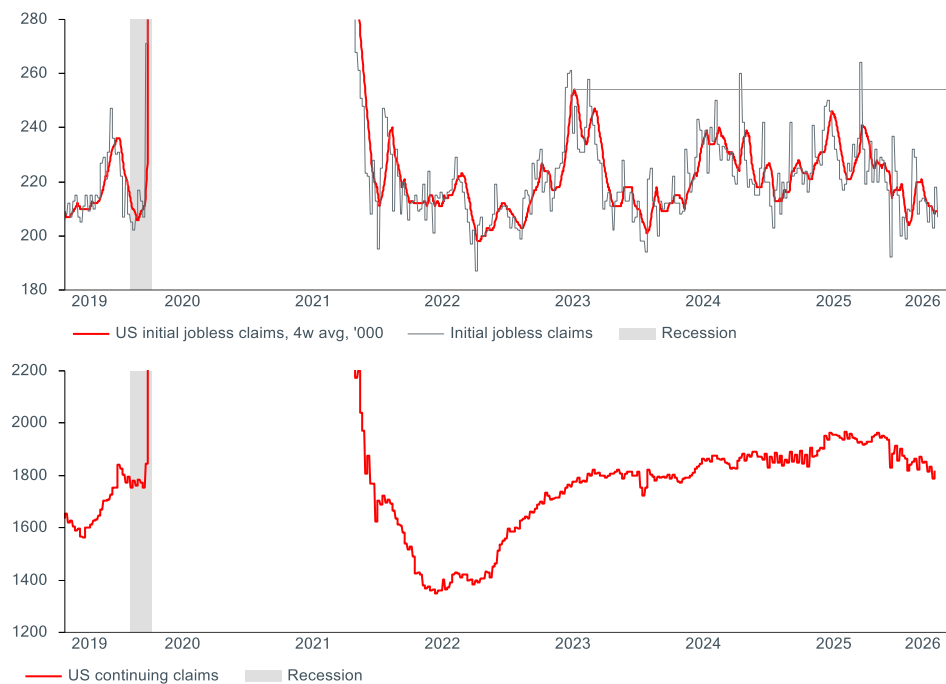
## Markets are focusing on earnings

### Markets expect an end to the war and continued earnings strength

News over the weekend of the renewed closure of the Strait of Hormuz appears to be negative, but Asian equity markets are rallying as we go to print. Markets appear to believe that the easiest solution to the expiration of the Iran-US ceasefire on April 22 is for both sides to find reasons to extend the ceasefire. This is leading to a focus on the potential for a post-War recovery in global energy supply rather than worst case scenarios.

US earnings resilience is also supporting markets. Although only 10% of S&P companies have reported Q1 earnings so far, 88% have beaten estimates with earnings 10.8% above estimates. These beat rates are above the 5-year and 10-year averages for beats. At the macro level, the fall in US initial and continuing jobless claims in early April suggests that the US economy is growing despite higher energy prices.

### US initial and continuing jobless claims



This combination of strong US earnings and a still solid US labour market allows markets to have greater confidence in recent upgrades to earnings estimates in most Asian markets.



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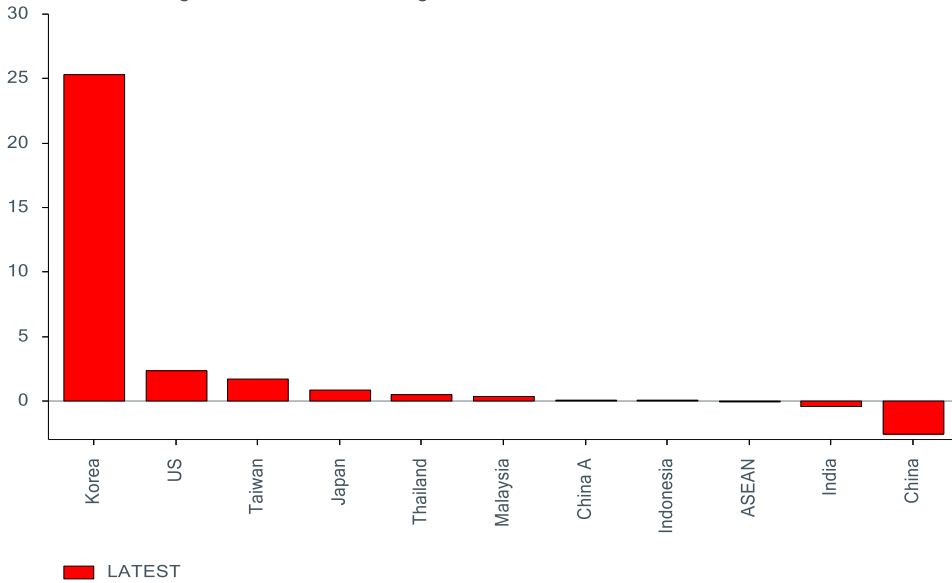
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MSCI index earnings estimate momentum

1 month change in 12m forward earnings

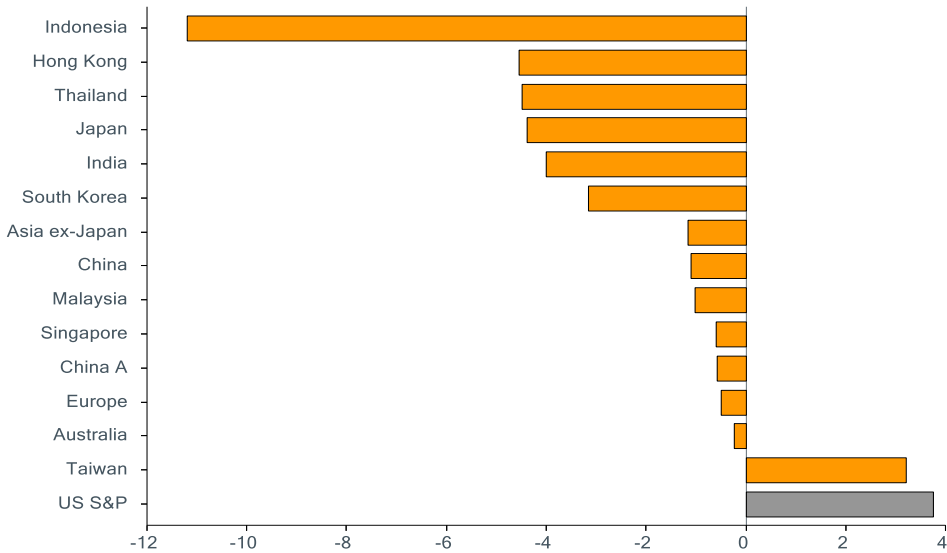


Source: LSEG Datastream, 20/04/2026

Against this background, the more muted recovery in Asian markets relative to the US' rally since the ceasefire announcement is driving a search for value.

MSCI index total returns

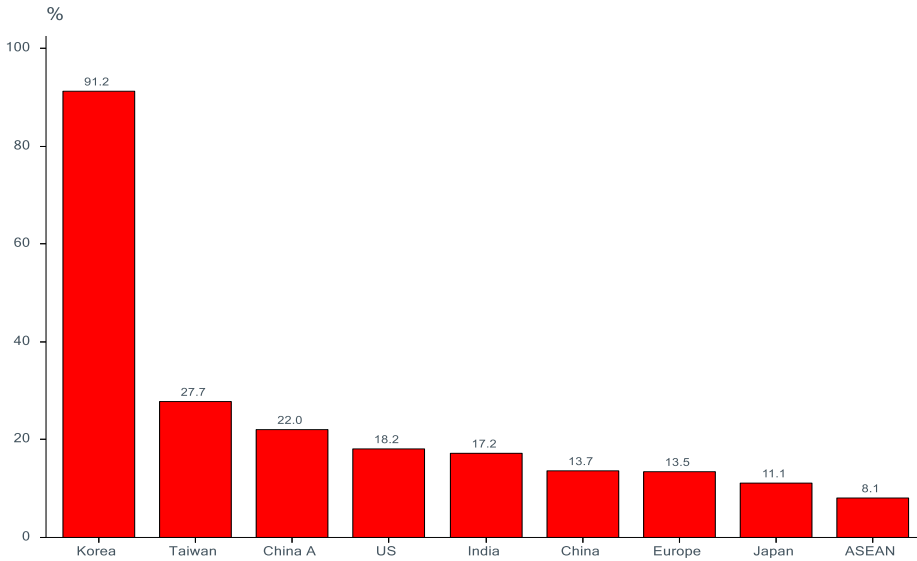
USD, % chg, 27/02/2026 - 17/04/2026



Source: LSEG Datastream, 20/04/2026

This leads us to focus for now on active selection of markets and companies with high growth and high growth insulation from energy prices. Korea and Taiwan continue to stand out for their exposure to the ongoing boom in US AI infrastructure spending. We also see value in spillovers from AI demand, for example in photonic communications and low-earth-orbit communications companies in Taiwan.

IBES 12m forward earnings growth estimate

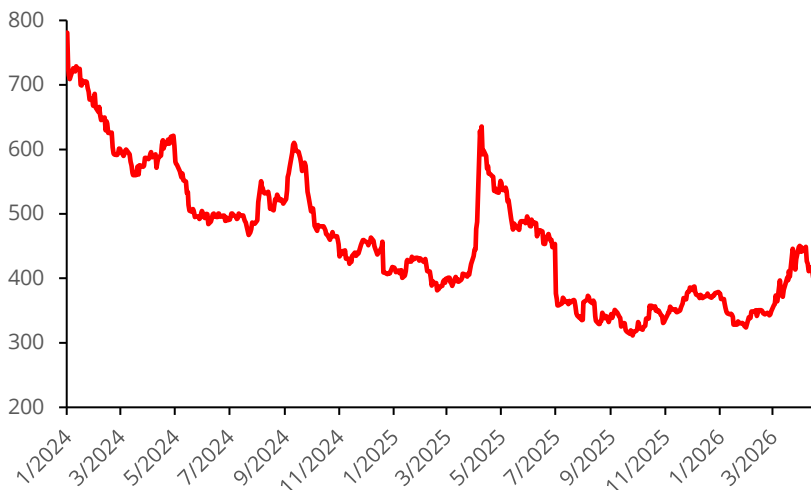


Source: LSEG Datastream. April 2026.

China’s A-share universe also offers strong growth. Here we are focused on sectors that benefit from government support or have margins that are insulated from energy prices and excess capacity. Advanced manufacturing and information technology stand out relative to consumer stocks and companies that are pursuing export market share via product discounting.

Asia’s fixed income markets also offer opportunities among dislocations created by the war. For example, although we are cautious on duration in general, the over 40bps rise in longer dated Thai government yields appears excessive given the structural deflationary pressure in the Thai economy. We also favour taking advantage of credit spread widening in lower rated credits due more to technical factors rather than business or cash flow stress.

Asia ex-Japan high yield bond spread (bps)



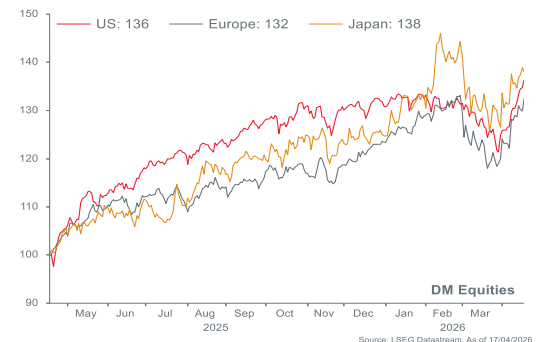
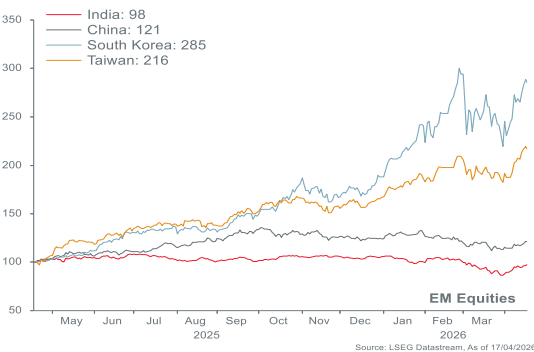
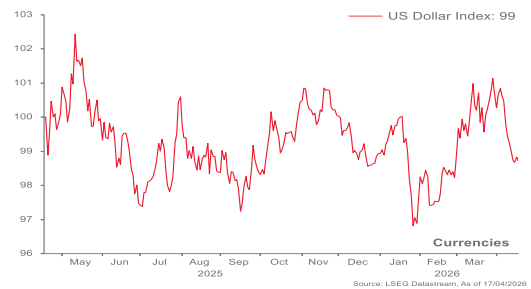
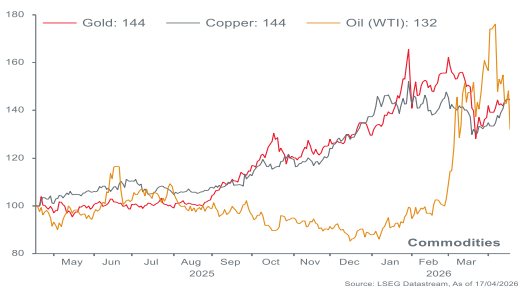
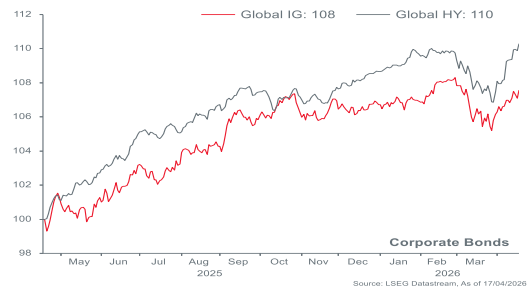
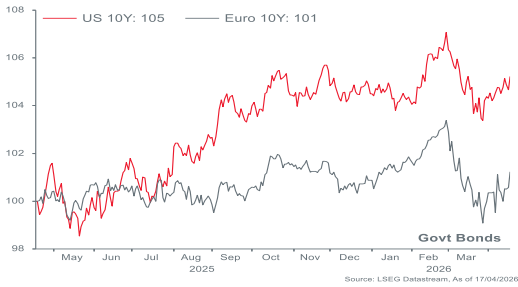
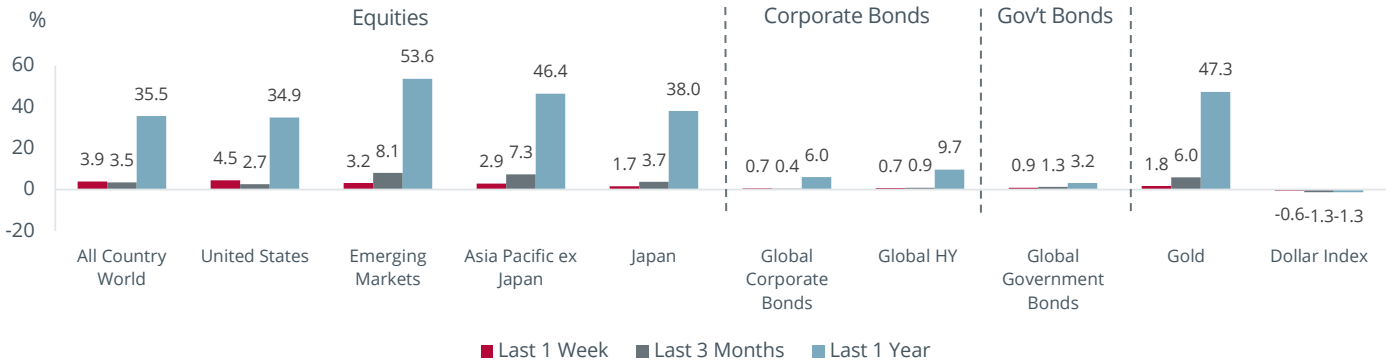
Source: Bloomberg. 20 April 2026.

## Market Review

Global markets rose strongly over the past week. The MSCI AC World Index rose by +3.9%, supported by a strong return from the US (+4.5%). The Nasdaq surged by +6.8% on apparent progress on a US-Iran peace deal. European equities rose by +2.7%, whilst Emerging Markets, Asia Pacific ex Japan and Japan all posted decent gains at +3.2%, +2.9% and +1.7% respectively on a USD basis.

Global government bonds outperformed in this environment, with US Treasury yields and the US Dollar declining.

## Asset Performance



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	4.24	-1.69	1.00	0.31	-1.92	2.19	4.60	3.95
10 Year Bond Yield (%)								
Japan	2.42	-0.57	6.70	11.00	84.60	17.00	2.47	1.26
China	1.77	-2.75	-3.81	-4.34	7.03	-5.21	1.93	1.63
Australia	5.00	0.60	1.24	6.27	17.82	5.02	5.11	4.10
Singapore	2.05	-1.35	-3.81	-6.66	-20.09	-8.01	2.59	1.75
Malaysia	3.58	-0.47	0.36	0.96	-3.71	2.40	3.72	3.36
Indonesia	6.58	0.53	-3.86	5.67	-5.05	7.58	7.00	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	94.27	0.47	0.05	-0.38	0.26	-0.40	95.69	93.14
Bloomberg U.S. Aggregate USD	93.90	0.49	0.13	-0.02	2.75	-0.18	95.21	90.43
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)	1,074.76	3.86	6.09	3.51	35.55	5.93	1,074.76	783.11
North America								
US S&P 500 Index	7,126.06	4.54	6.10	2.68	34.89	4.10	7,147.52	5,101.63
US Nasdaq Composite Index	24,468.48	6.84	8.85	4.05	50.24	5.28	24,519.51	15,685.33
Europe								
MSCI Europe	2,809.71	2.59	6.34	3.80	28.30	6.32	2,845.88	2,189.90
Asia Pacific								
MSCI Asia Pacific ex Japan	814.96	2.88	5.74	7.32	46.44	12.85	829.20	556.51
Japan Nikkei 225	58,475.90	2.73	8.89	8.42	70.10	16.16	59,688.10	33,931.53
Shanghai Stock Exchange Composite	4,051.43	1.64	0.04	-1.23	23.51	2.08	4,197.23	3,258.15
Hong Kong Hang Seng	26,160.33	1.03	1.13	-2.55	22.27	2.07	28,056.10	21,039.16
Taiwan TAIEX	36,804.34	3.91	8.77	17.18	90.31	27.07	37,145.66	18,793.43
Korea KOSPI	6,191.92	5.68	9.78	27.91	150.64	46.93	6,347.41	2,447.40
India NIFTY 50	24,353.55	1.26	3.28	-5.22	2.10	-6.80	26,373.20	22,182.55
Australia Stock Exchange 200	8,946.90	-0.15	3.86	0.48	14.42	2.67	9,202.90	7,745.10
Indonesia Jakarta Composite	7,634.00	2.35	7.42	-15.88	18.57	-11.71	9,174.47	6,384.29
Thailand SET	1,482.45	-1.62	3.39	16.22	29.89	17.69	1,545.31	1,053.79
Malaysia FTSE Bursa KLSE	1,695.21	0.23	-0.92	-1.02	14.29	0.90	1,771.25	1,473.21
Philippines Stock Exchange PSE	5,999.13	-1.63	-0.45	-7.20	-2.21	-0.89	6,673.61	5,584.35
Singapore FTSE Straits Times Index	4,997.93	0.17	1.26	3.07	34.34	7.57	5,041.33	3,653.08
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	-0.16	0.37	1.94	1.42	3.51	0.14	1.20	1.11
GBP	-0.07	0.42	1.20	0.99	1.88	0.30	1.38	1.30
CHF	-0.23	-0.94	-0.36	-2.64	-4.64	-1.34	0.85	0.76
JPY	-0.36	-0.43	-0.23	0.33	11.38	1.25	160.31	140.85
Asia								
CNY	-0.06	-0.16	-1.01	-2.17	-6.61	-2.52	7.31	6.82
HKD	0.09	0.02	-0.06	0.45	0.87	0.63	7.85	7.75
INR	-0.46	-0.51	0.24	2.11	8.45	3.06	94.78	84.27
MYR	-0.05	-0.25	0.77	-2.59	-10.33	-2.61	4.41	3.88
KRW	-0.85	-1.21	-1.40	-0.44	3.48	1.82	1,517.25	1,352.45
SGD	-0.21	-0.29	-0.48	-1.48	-3.08	-1.24	1.32	1.26
TWD	-0.30	-0.83	-1.21	-0.45	-3.21	0.42	32.58	28.90
IDR	0.32	0.56	1.21	1.78	2.14	3.06	17,180.00	16,106.00

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## Sources

**Asset performances: (bar charts)** Eastspring Investments, Refinitiv, as of 17 April 2026. 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 of 17 April 2026. 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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