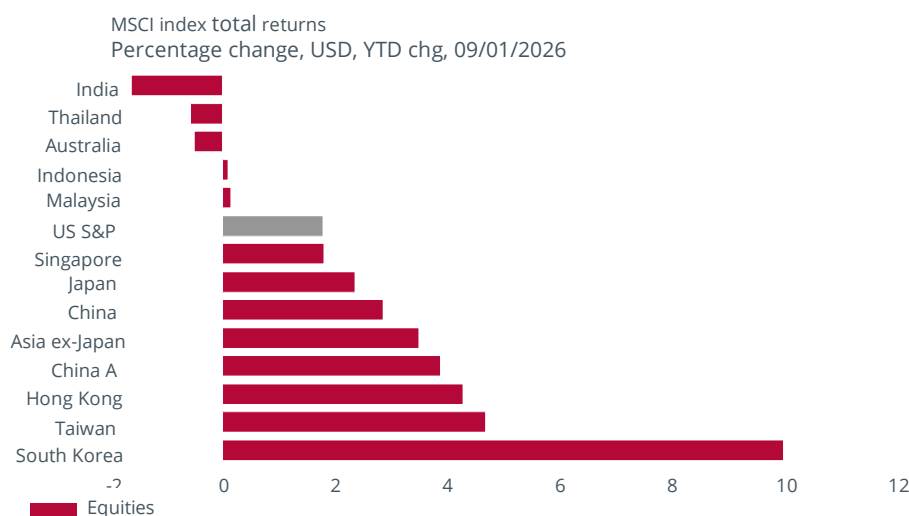


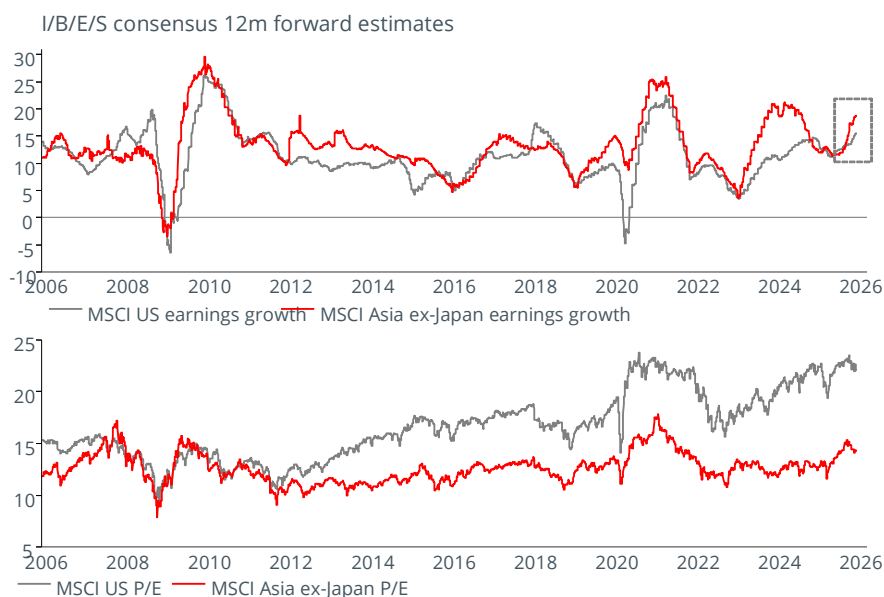
What's top of investors' minds?

Asia outperforms, again

The key theme of our [2026 Outlook](#) published in November last year is that we expect Asian equity markets to outperform the US again this year. So far this year MSCI Japan is up 2.4% and Asia ex-Japan is up 3.5% vs. a gain of only 1.8% for the S&P 500. Asia's relatively attractive fundamentals and valuations lead us to expect this outperformance to continue.



The chart below shows that Asia ex-Japan's earnings are outpacing US earnings growth. However, Asia's valuation is much lower than the US both in relative terms and versus Asia's historic valuation averages.



Vis Nayar
Chief Investment Officer
Eastspring Investments

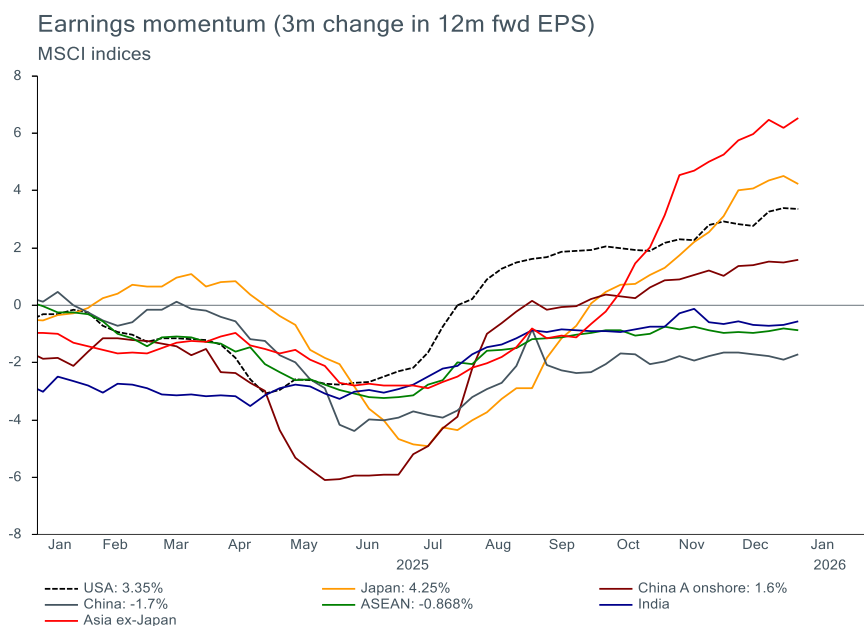


Ray Farris
Chief Economist
Eastspring Investments

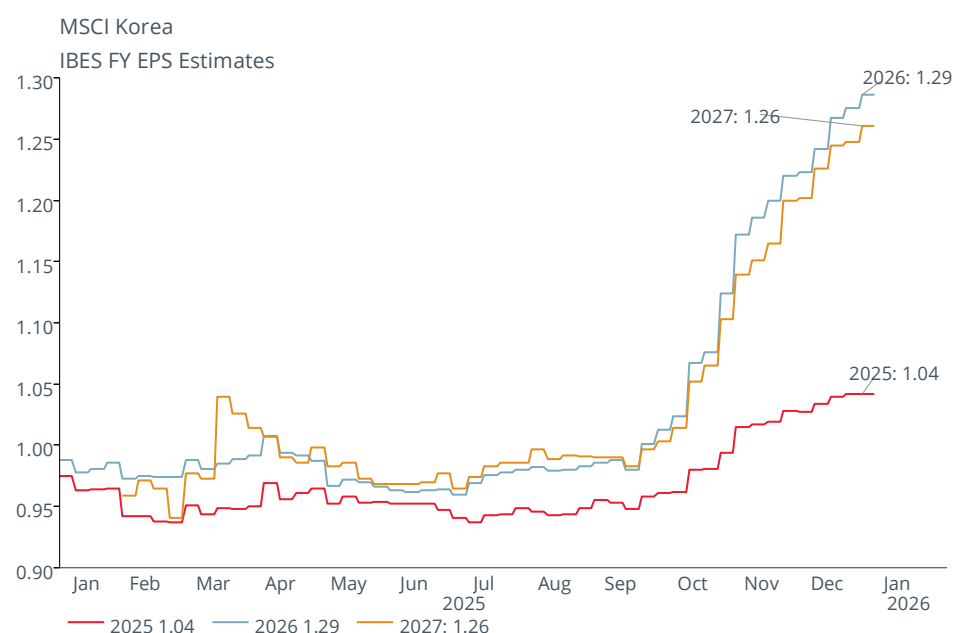
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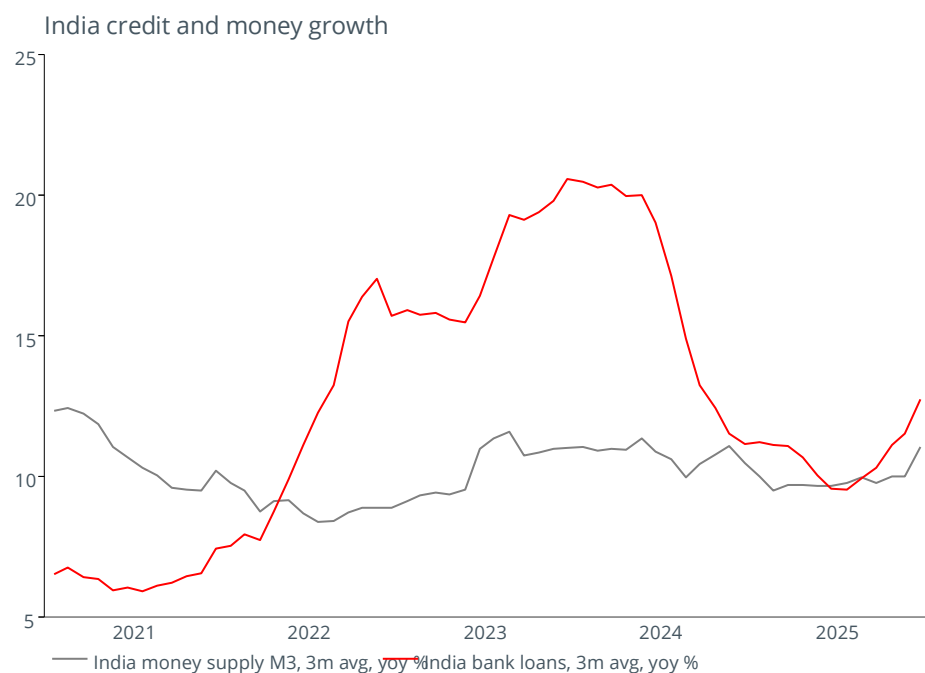
Importantly, Asia's earnings growth is being revised up by the market faster than US earnings. This reflects the strong position that North Asia has in supplying the AI infrastructure boom. It also reflects rising return on equity in the China A-share market and in Japan. Although Chinese GDP growth slowed in 2H 2025, we expect new stimulus programmes to be announced in the next several months that will reaccelerate growth toward the government's objective of close to 5%. Similarly, in Japan, policy change has driven a revival in corporate investment that should support growth this year.



However, Korea stands out for the benefit the global shortage of DRAM is having on its earnings outlook. Estimates for MSCI Korea's 12-month forward earnings growth have jumped 33 percentage points over the past three months to a world leading 41%.



Indian equity has disappointed so far this year, but we remain constructive on the opportunities it offers investors. The chart below shows that credit and money growth have begun to rise strongly in response to last year’s policy interest rate cuts. We expect this to increasingly fund a recovery in Indian consumer durables, investment, and real estate. We expect this to begin to push up earnings estimates by early Q2. Crucially for investors, because this growth will not be AI infrastructure dependant, it will offer diversification from the AI bubble risk.



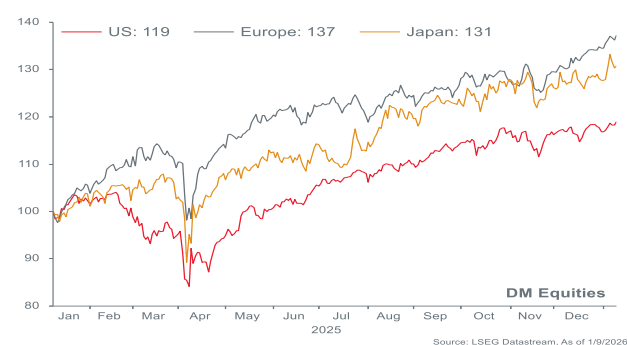
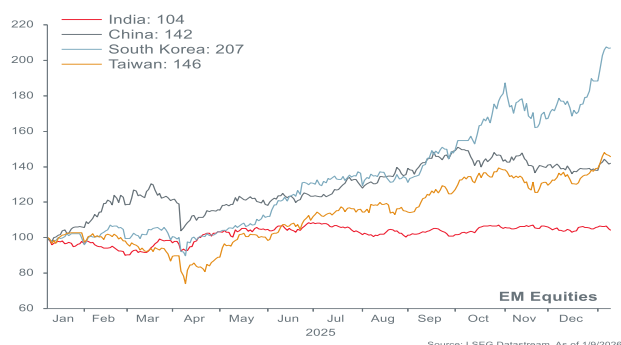
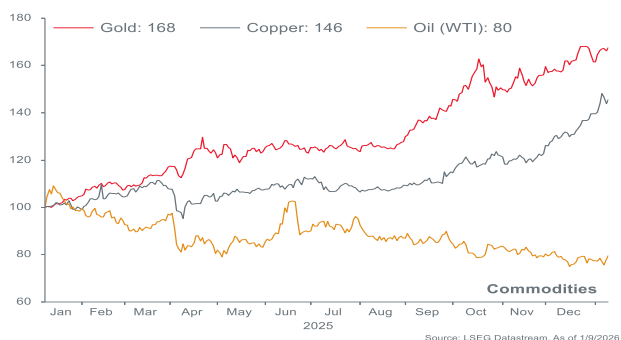
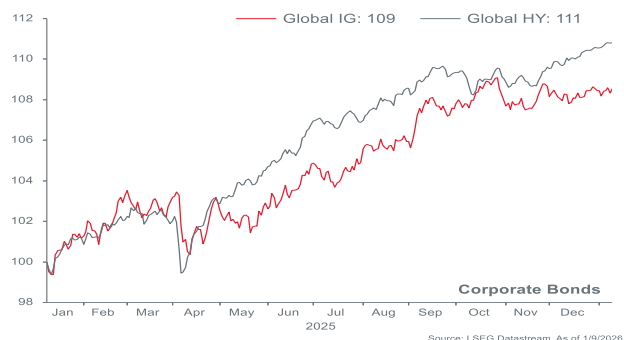
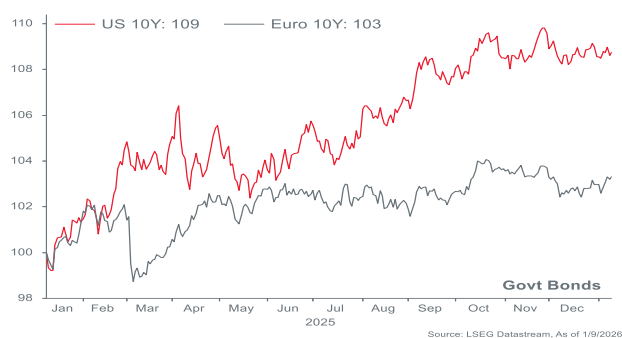
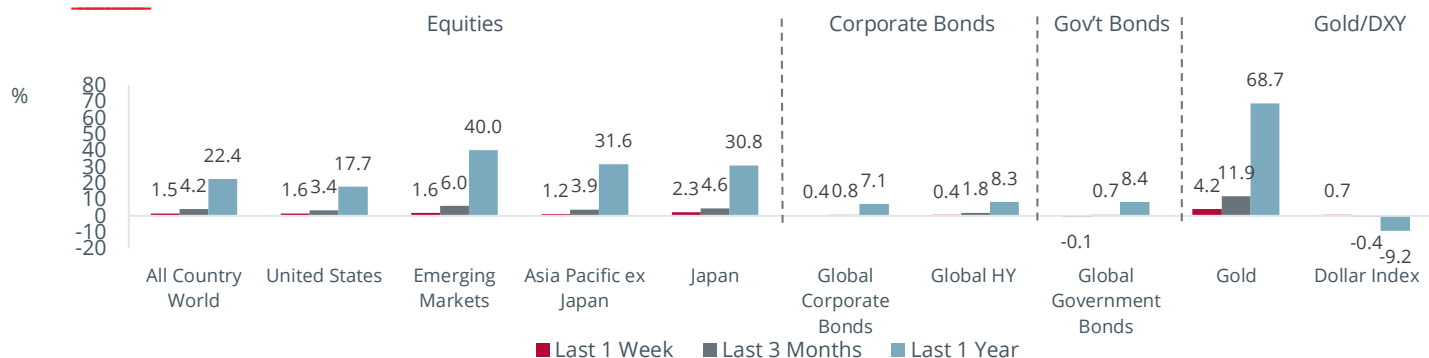
Sources: LSEG Datastream, Eastspring Investments

Market Review

Global equities climbed in the first trading week of 2026, despite the recently introduced economic and political uncertainties following the aftermath of the recent U.S. action in Venezuela on 3 January. During the week, the MSCI ACWI rose by 1.5%. In the US, both the S&P 500 and the tech-heavy Nasdaq posted weekly advances, increasing by 1.6% and 1.9%, respectively; Europe equities (in USD) rose by 1.3%. Elsewhere, emerging markets and the Asia Pacific ex-Japan region saw gains of 1.6% and 1.2% (both in USD), respectively.

In the fixed income markets, movement in US Treasury yields was varied across the curve. Yields along shorter tenors (e.g., 1Y, 2Y, 3Y, 5Y) rose between +1 to +7 basis points (bps) while yields along the mid-to-long tenors (e.g., 10Y, 20Y, 30Y) generally fell, between -5 to -1 bps. US Treasuries and US aggregate bonds both registered modest gains, while global government bonds (proxied by the FTSE World Government Bond Index (WGBI)), registered a marginally negative return. Global corporate bonds and global high yield bonds fared better than global government bonds during the week. The US dollar (DXY) and gold also rose during the week.

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	4.17	-0.43	-0.36	0.55	-10.90	0.43	4.81	3.95
10 Year Bond Yield (%)								
Japan	2.09	1.16	6.84	23.61	78.21	1.16	2.13	1.12
China	1.88	0.81	0.32	-2.49	14.94	0.81	1.96	1.61
Australia	4.68	-2.83	-1.87	7.49	3.89	-1.76	4.81	4.10
Singapore	2.20	-0.99	-1.03	19.31	-26.47	-1.03	3.09	1.75
Malaysia	3.53	0.94	-0.25	0.94	-7.73	1.06	3.85	3.36
Indonesia	6.15	0.46	-1.24	-1.93	-14.92	0.46	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	94.71	0.32	0.26	-0.11	1.67	0.06	95.66	92.65
Bloomberg U.S. Aggregate USD	94.10	0.32	0.41	0.25	4.70	0.03	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)	1,034.87	1.49	2.82	4.17	22.38	2.00	1,035.15	742.96
North America								
US S&P 500 Index	6,966.28	1.57	1.84	3.43	17.71	1.76	6,978.36	4,835.04
US Nasdaq Composite Index	23,671.35	1.88	0.40	2.81	21.52	1.85	24,019.99	14,784.03
Europe								
MSCI Europe	2,696.06	1.28	5.43	7.03	32.99	2.02	2,696.06	1,976.06
Asia Pacific								
MSCI Asia Pacific ex Japan	743.69	1.17	4.82	3.86	31.64	2.98	752.73	513.60
Japan Nikkei 225	51,939.89	3.18	2.54	6.92	31.14	3.18	52,636.87	30,792.74
Shanghai Stock Exchange Composite	4,120.43	3.82	5.40	4.74	28.31	3.82	4,121.72	3,040.69
Hong Kong Hang Seng	26,231.79	-0.41	3.14	-1.95	36.33	2.35	27,381.84	18,671.49
Taiwan TAIEX	30,288.96	3.20	7.47	10.94	31.23	4.58	30,593.49	17,306.97
Korea KOSPI	4,586.32	6.42	10.69	29.22	81.86	8.83	4,622.32	2,284.72
India NIFTY 50	25,683.30	-2.45	-0.61	1.99	9.17	-1.71	26,373.20	21,743.65
Australia Stock Exchange 200	8,717.80	-0.12	1.54	-2.81	4.67	0.04	9,115.20	7,169.20
Indonesia Jakarta Composite	8,936.75	2.16	3.23	8.31	26.50	3.35	9,002.92	5,882.61
Thailand SET	1,254.09	-0.44	-1.24	-4.56	-7.99	-0.44	1,385.34	1,053.79
Malaysia FTSE Bursa KLSE	1,686.54	1.00	4.48	3.49	5.36	0.38	1,686.54	1,386.63
Philippines Stock Exchange PSE	6,348.14	3.47	6.22	4.80	-2.51	4.88	6,591.94	5,584.35
Singapore FTSE Straits Times Index	4,744.66	1.90	5.13	6.85	22.84	2.12	4,765.29	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	-0.18	-0.70	0.10	0.64	13.00	-0.92	1.19	1.02
GBP	-0.28	-0.42	0.77	0.74	8.90	-0.55	1.37	1.22
CHF	0.28	1.14	-0.62	-0.61	-12.15	1.11	0.92	0.79
JPY	0.64	0.68	0.65	3.15	-0.16	0.79	158.14	140.85
Asia								
CNY	-0.09	-0.23	-1.22	-2.11	-4.84	-0.23	7.35	6.98
HKD	0.04	0.05	0.16	0.17	0.15	0.16	7.85	7.75
INR	0.37	0.25	0.36	1.55	5.04	0.41	90.93	84.27
MYR	0.25	0.44	-1.05	-3.42	-9.56	0.35	4.51	4.04
KRW	0.36	1.01	-0.85	2.41	-0.03	1.15	1,485.83	1,352.45
SGD	0.19	0.09	-0.78	-0.93	-5.89	0.11	1.37	1.27
TWD	0.16	0.75	1.50	3.32	-3.87	0.83	33.25	28.90
IDR	0.06	0.48	0.81	1.54	3.70	0.75	16,865.00	16,106.00

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Sources

Asset performances: (bar charts) Eastspring Investments, Refinitiv, as at 12 January 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 at 12 January 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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