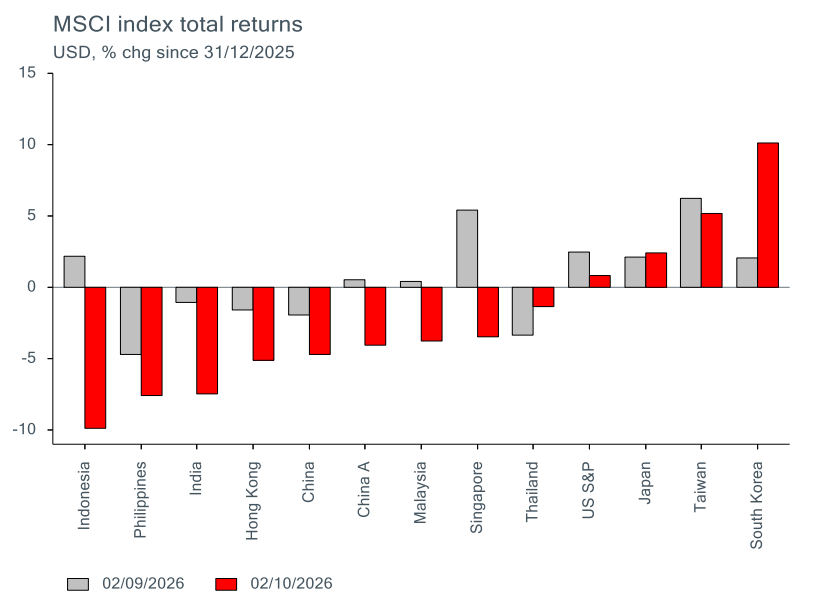


Rising yields create greater dispersion across markets

The global rise in benchmark government bond yields of the past month has increased return dispersion across Asian equity markets. Our preferred themes of Artificial Intelligence (AI) - related tech hardware – heavily concentrated in Korea, Taiwan, and Japan equities – have not just held up but have outperformed US equities. Corporate reform also continues to help Japanese equities.

North Asia equities continue to outperform



In contrast, rising yields have forced further derating in markets with lower earnings growth. North Asia currently stands out for its combination of high earnings growth and continuing robust earnings upgrades.



Vis Nayar
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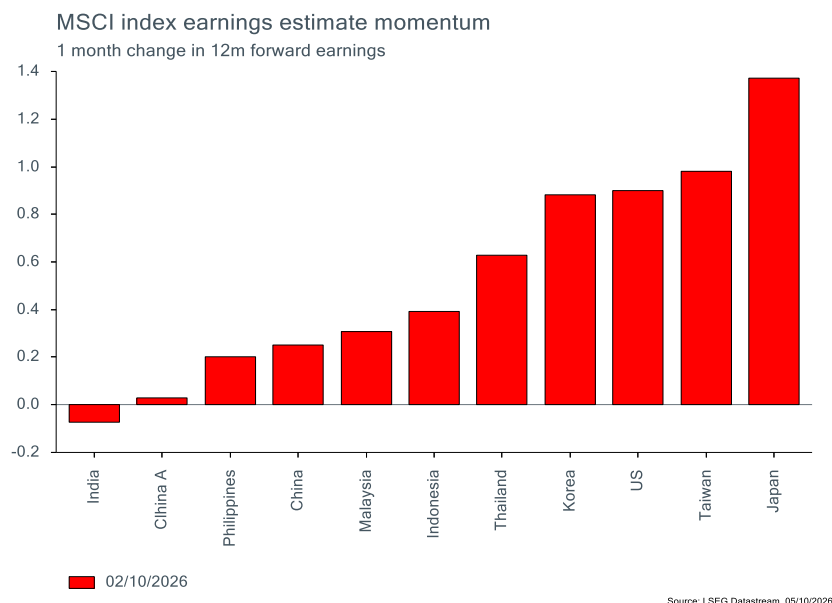


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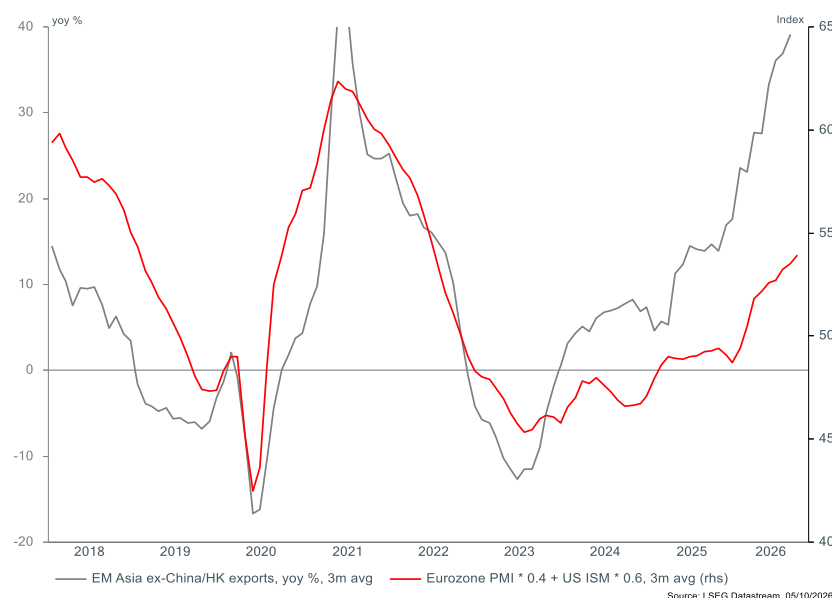


Markets continue to skew towards strong earnings revisions



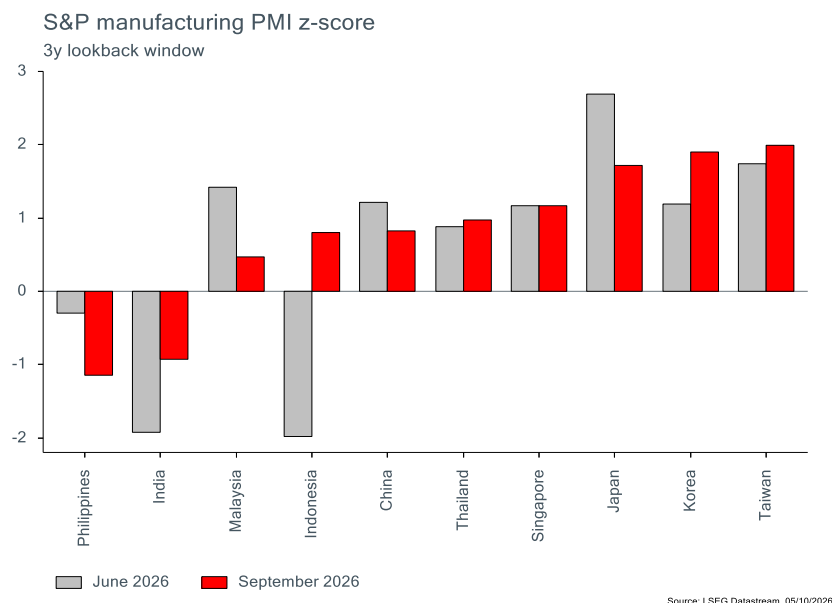
Despite this, our bias is to continue to discover high growth opportunities in the rest of Asia, “babies thrown out with the bathwater” so to speak. Better than expected growth in developed markets, as proxied in the chart below by the US and European Purchasing Managers’ Indexes, continues to support rapid Asian export growth.

The global demand backdrop is positive for Asian growth



The strength of Asian exports is increasingly spilling over into domestic investment growth and household income growth in most of the region. The chart below shows that in Q3, Asian PMIs improved relative to their cyclical 3-year history in almost all Asian economies.

Stronger Asian PMIs reflect improving growth conditions



Against this backdrop, we are watching several key macro drivers as we think about the outlook for 2027.

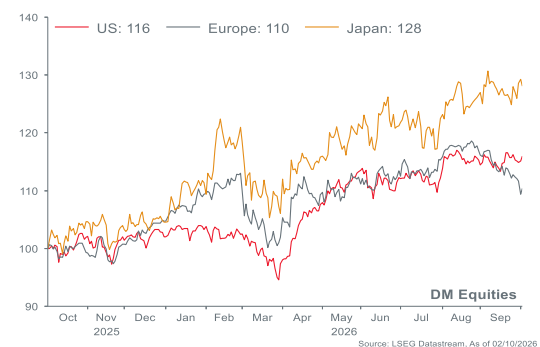
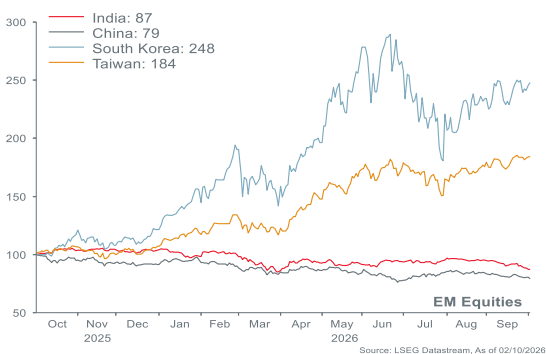
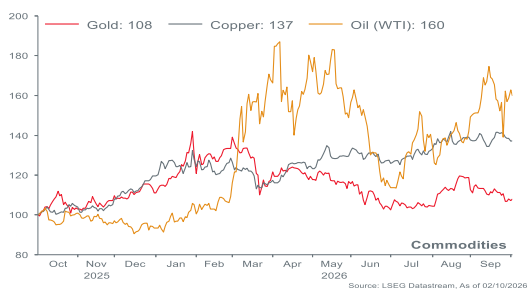
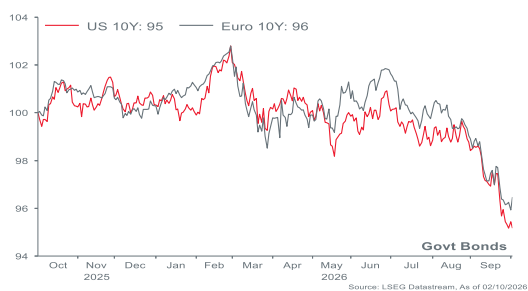
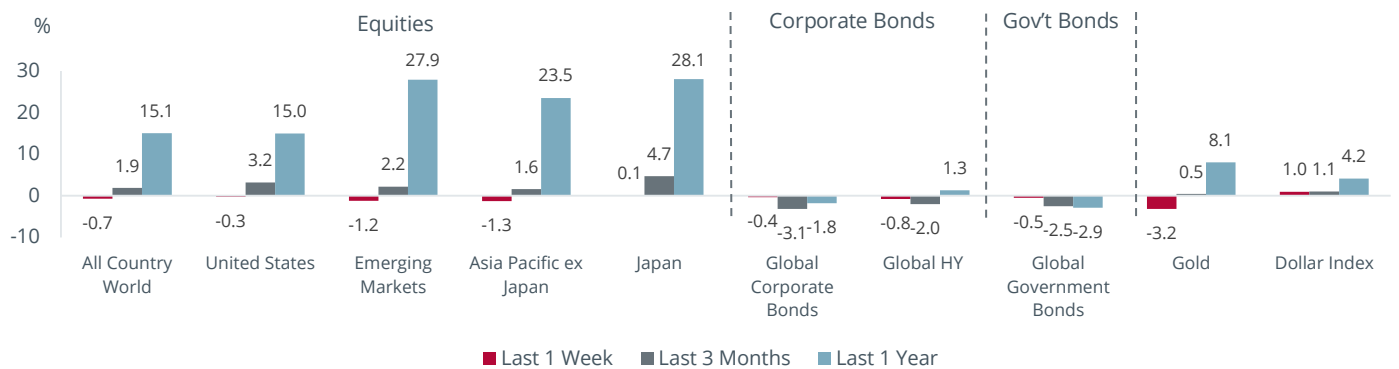
1. When will the reversal lower in energy prices we expect for 2027 begin in earnest. Recent data show that oil exports from the Middle East have returned to roughly 80% of pre-war levels and even higher in some weeks. However, a fall in prices probably requires a renewed truce between Iran and the US that removes lingering risk premia for supply shocks.
2. Linked to energy prices, greater clarity on the likely peak in Federal Reserve (Fed) interest rate hikes. This is crucial for Asia because elevated expectations for Fed hikes of 81bps over the next year are helping to push the USD stronger across the board. We expect the Fed to hike 25bps in December and see a 35% - 40% chance of another 25bps hike in Q1 next year but judge the risk of four hikes as low if energy prices fall.
3. The US mid-term elections should be a positive catalyst for markets. Current polling suggests that the Democrats are likely to win control of at least one house of Congress. The history since 1950 suggests that equity markets tend to rally following mid-term elections that shift control of the Congress from the US President's party.

Market Review

Global equity markets were mostly negative over the week, with the MSCI AC World Index declining 0.7%. US equities fell, with the S&P 500 and Nasdaq losing 0.3% and 0.5% respectively. Emerging Markets were down 1.2%, while Asia Pacific ex Japan lost 1.3%. Japan posted a marginal gain of 0.1% over the week.

Gold fell 3.2% over the week, while the US dollar index strengthened by 1.0%. Bond markets were weak, with Global Corporate Bonds and Global High Yield Bonds declining 0.4% and 0.8% respectively. Global Government Bonds also ended 0.5% lower.

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	5.28	1.85	10.08	17.82	29.02	27.06	5.29	3.95
10 Year Bond Yield (%)								
Japan	3.10	0.94	2.82	11.78	86.53	49.86	3.10	1.63
China	1.68	0.42	-0.53	-5.13	-10.38	-9.61	1.93	1.67
Australia	5.34	-0.60	2.65	10.64	23.35	12.10	5.41	4.10
Singapore	2.46	-1.26	0.98	17.15	28.58	10.47	2.62	1.75
Malaysia	4.01	0.89	1.78	10.23	16.77	14.73	4.19	3.43
Indonesia	7.16	1.07	-0.97	0.08	13.04	17.00	7.48	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	90.64	-0.34	-1.63	-3.32	-4.53	-4.24	95.69	90.62
Bloomberg U.S. Aggregate USD	88.91	-0.78	-2.69	-4.24	-5.55	-5.49	95.21	88.91
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)	1,139.90	-0.73	-0.26	1.89	15.06	12.35	1,160.81	960.87
North America								
US S&P 500 Index	7,722.72	-0.27	0.73	3.20	15.00	12.81	7,816.70	6,316.91
US Nasdaq Composite Index	27,190.86	0.45	3.71	5.26	19.03	16.99	27,353.68	20,690.25
Europe								
MSCI Europe	2,712.32	-2.19	-4.87	-4.09	7.09	2.63	2,917.43	2,461.79
Asia Pacific								
MSCI Asia Pacific ex Japan	880.00	-1.25	0.25	1.61	23.53	21.85	925.80	684.96
Japan Nikkei 225	68,309.46	2.93	6.19	-0.62	52.01	35.70	72,831.75	44,659.22
Shanghai Stock Exchange Composite	3,842.19	-1.19	-2.52	-4.63	-1.05	-3.19	4,258.86	3,741.11
Hong Kong Hang Seng	23,972.29	-2.19	-5.29	3.98	-12.15	-6.47	28,056.10	22,518.00
Taiwan TAIEX	48,475.74	0.94	5.01	3.70	83.77	67.37	48,601.53	26,330.25
Korea KOSPI	7,003.74	-1.09	6.72	-8.42	97.33	66.19	9,385.59	3,512.16
India NIFTY 50	22,421.95	-3.11	-6.24	-7.25	-9.72	-14.19	26,373.20	22,182.55
Australia Stock Exchange 200	8,682.10	0.20	-3.30	-0.49	-2.95	-0.37	9,296.70	8,262.40
Indonesia Jakarta Composite	6,036.89	-3.28	-8.47	5.09	-25.20	-30.19	9,174.47	5,317.91
Thailand SET	1,571.62	-2.24	-0.22	-1.38	21.99	24.76	1,657.55	1,232.40
Malaysia FTSE Bursa KLSE	1,630.87	-2.44	-4.56	-1.86	-0.42	-2.93	1,771.25	1,597.68
Philippines Stock Exchange PSE	5,629.03	-3.38	-7.01	-8.11	-6.80	-7.00	6,673.61	5,584.35
Singapore FTSE Straits Times Index	5,634.82	-1.34	-1.90	8.01	28.20	21.28	5,828.50	4,311.65
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	0.11	-1.21	-2.88	-1.55	-3.94	-4.19	1.20	1.12
GBP	0.32	-0.08	-1.80	-0.79	-1.44	-1.72	1.38	1.30
CHF	-0.25	0.05	1.97	3.14	3.89	4.58	0.84	0.76
JPY	-0.15	0.36	-0.55	-2.02	7.20	0.75	163.85	147.23
Asia								
CNY	-	-0.12	-0.22	-1.24	-5.82	-4.13	7.14	6.70
HKD	0.01	0.04	0.06	0.06	0.82	0.83	7.85	7.77
INR	-	0.52	1.41	0.96	8.59	7.19	96.82	87.72
MYR	-0.02	0.27	0.94	0.10	-2.90	0.62	4.23	3.88
KRW	-1.20	-0.82	-1.16	-12.82	-4.50	-6.80	1,559.08	1,339.78
SGD	-0.09	0.13	0.65	-0.99	-0.75	-0.51	1.31	1.26
TWD	-0.28	0.30	0.20	-0.25	4.44	1.50	32.40	30.39
IDR	-0.40	-0.07	0.66	-0.67	7.77	7.19	18,170.00	16,530.00

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Sources

Asset performances: (bar charts) Eastspring Investments, Refinitiv, as of 2 October 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 2 October 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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