CIO Views – Weekly Bulletin

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Increased need for selective investment

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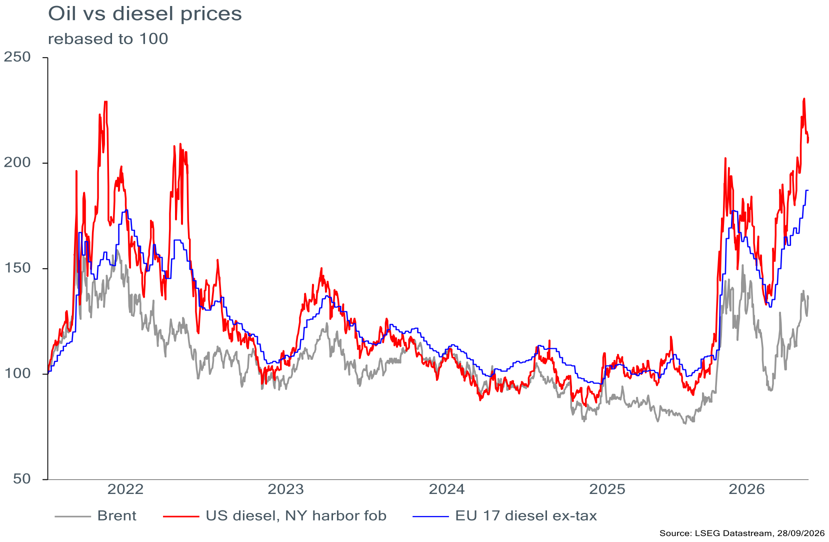
Geopolitics continue to challenge markets

The geopolitical news of the past week reinforces the old adage that hope is not a good investment strategy. The meeting in the US between Presidents Xi Jinping and Donald Trump delivered much pageantry, but essentially no tangible economic results. The polarisation of trade and AI development between China and the US appears likely to continue for the foreseeable future. This supports our longstanding view that investment in China needs to focus carefully on earnings streams supported by government policy and specific, limited areas of domestic demand.

Similarly, Iran and the US appear unable to find a compromise that fully reopens the Strait of Hormuz to energy flows and quells the Houthi aggression against Saudi Arabia. This has kept crude oil prices above $100bbl and, increasingly more important, contributed to pushing refined product prices to new cycle highs. Diesel stands out among these because its central role globally in public transportation, private freight shipment, agriculture, construction, and back-up industrial power. An immediate risk is that some US politicians have suggested a 30 day ban on US diesel exports. We think this is unlikely, but if it were to happen it would push diesel prices in Europe and parts of Asia higher.



This transmits into Asia via inflation and pressure for currencies to depreciate. The Philippines is highly exposed because its lack of subsidies imply near direct passthrough of higher energy prices into CPI inflation. India, Indonesia, and Korea are also meaningfully exposed to higher energy prices transmitting into inflation and the need for policy rate increases. The chart below shows that is not "high" in most countries except for the Philippines, but it is no longer low relative to history or central bank targets. We see this as reinforcing our expectations for further interest rate increases in the region as we have discussed over the past few weeks. In FX, India and Indonesia's central banks appear to have intervened in defence of their currencies over the past week.

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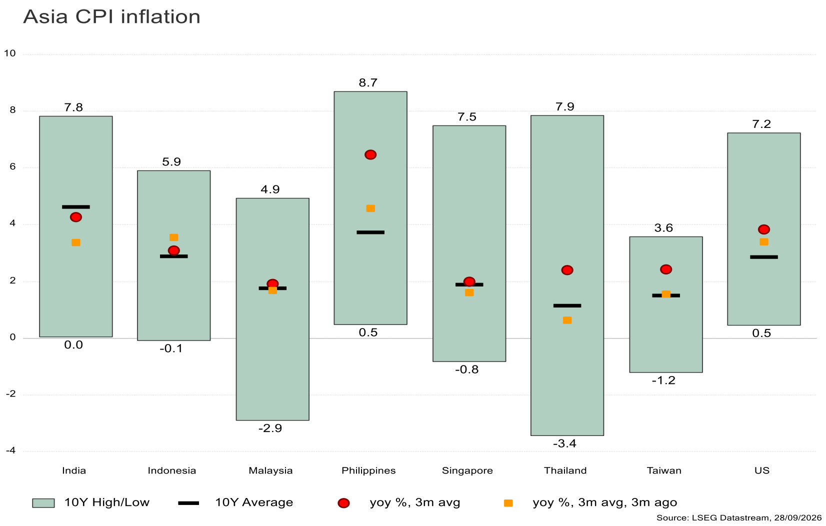
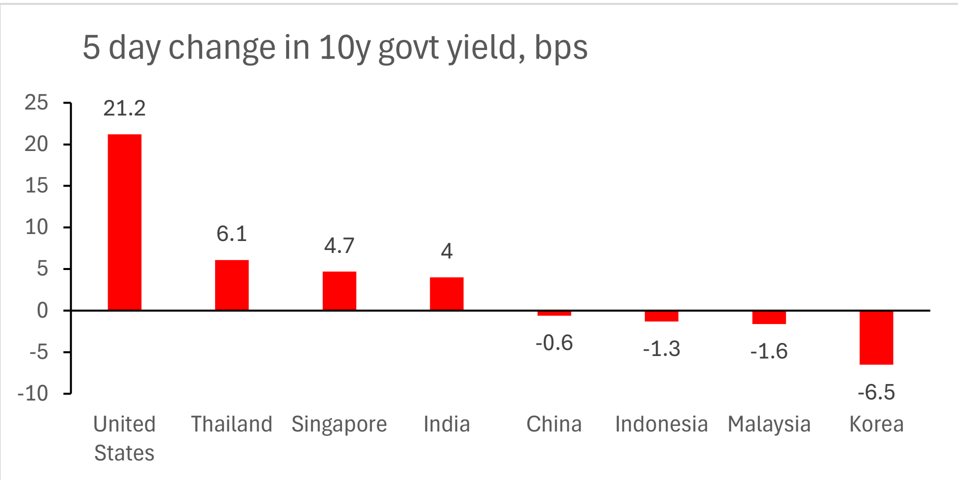
Higher global energy prices would create clear depreciation risk for these currencies as well as for the Thai baht and the Philippine peso, in our view.



Yet, despite this, Asian local currency bond markets have held to our theme of outperformance during the recent sharp sell-off in US Treasuries. Asian credit has been similarly resilient with JACI down only about 0.3% year-to-date vs. the 2.2% fall in the Bloomberg US Corporate index.



Source: Bloomberg. Last data point: 25/09/2026.

Against this background, we recently explained in our Asia Fixed Income note that our approach is to choose selectively across the region where to harvest now higher yields and, increasingly carry from duration, while avoiding markets and credits with less compelling macro and company specific risk-return.

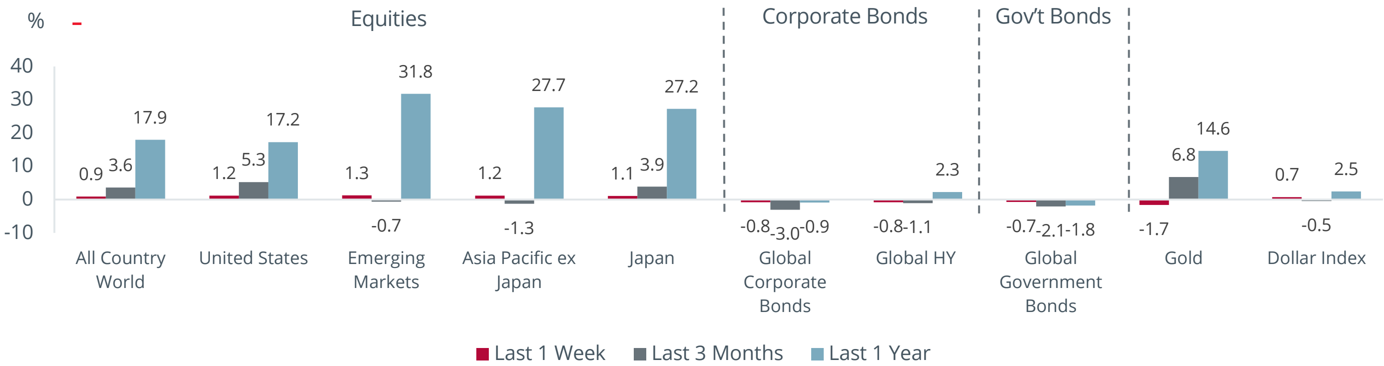
A key benefit for portfolios of these opportunities in Asian fixed income is that they provide diversification from US and G10 risks. For example, where the US economy is struggling to reduce inflation, China's economy is fundamentally disinflationary. Unlike the US, Korea's fiscal position is benefiting powerfully from the tax revenue boom in its IT companies' profitability. Singapore's monetary policy regime responds to higher inflationary pressure explicitly with greater currency strength. In credit, Asian credit benefits relative to US credit from shorter duration and far less new supply.

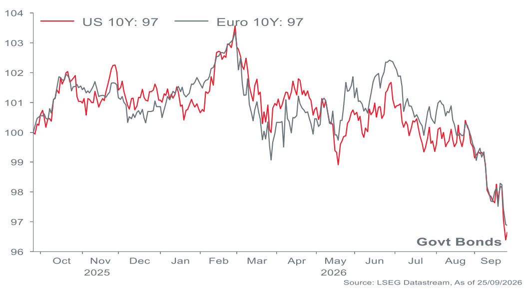
Market Review

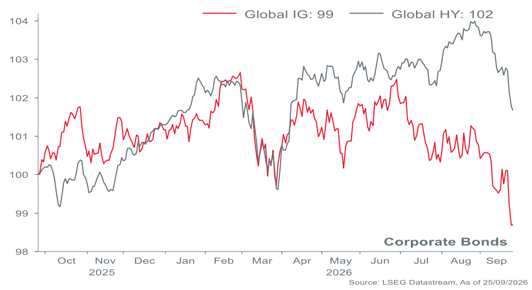
Global equity markets were mixed over the week, with the MSCI AC World Index gaining 0.9%. US equities rose, with the S&P 500 advancing 1.2% and Nasdaq rising 2.1%. Emerging Markets gained 1.3%, while Asia Pacific ex Japan increased 1.2%. Japan also posted a gain of 1.1% over the week.

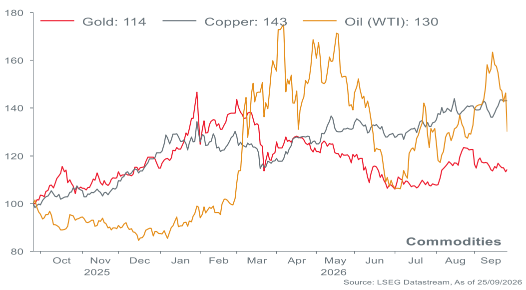
Gold fell 1.7% over the week, while the US dollar index strengthened by 0.7%. Bond markets were weak, with Global Corporate Bonds and Global High Yield Bonds declining 0.8% each. Global Government Bonds also fell 0.7%.

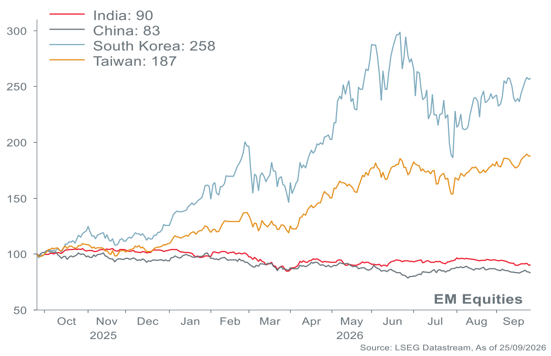
Asset Performance

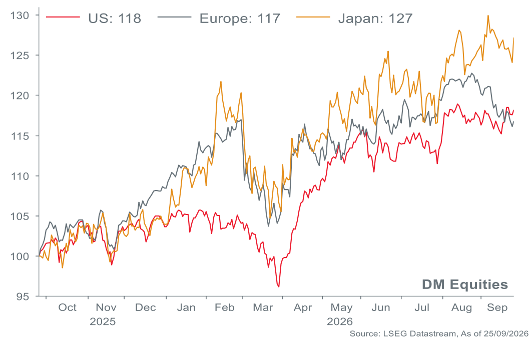












Market Data

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	5.18	3.70	11.68	17.96	24.13	24.75	5.18	3.95
10 Year Bond Yield (%)								
Japan	3.07	3.22	6.22	17.16	86.58	48.45	3.08	1.63
China	1.68	-2.56	-0.65	-3.34	-11.93	-9.99	1.93	1.67
Australia	5.37	1.80	7.21	13.46	23.66	12.77	5.41	4.10
Singapore	2.49	1.67	7.97	22.14	35.83	11.88	2.53	1.75
Malaysia	3.97	0.60	4.53	9.80	15.00	13.72	4.19	3.43
Indonesia	7.08	-1.03	0.60	-1.38	10.17	15.75	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	90.95	-0.60	-2.17	-3.40	-3.94	-3.91	95.69	90.89
Bloomberg U.S. Aggregate USD	89.61	-0.91	-2.89	-4.03	-4.37	-4.74	95.21	89.43

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)	1,148.23	0.94	-0.12	3.59	17.95	13.17	1,160.81	960.87
North America								
US S&P 500 Index	7,743.41	1.21	0.86	5.25	17.24	13.12	7,816.70	6,316.91
US Nasdaq Composite Index	27,068.72	2.06	3.51	6.74	20.93	16.46	27,288.79	20,690.25
Europe								
MSCI Europe	2,773.10	0.06	-4.95	-0.08	13.33	4.93	2,917.43	2,447.02
Asia Pacific								
MSCI Asia Pacific ex Japan	891.18	1.22	1.10	-1.30	27.70	23.40	925.80	684.96
Japan Nikkei 225	66,364.20	2.07	0.77	-8.29	45.04	31.83	72,831.75	44,357.65
Shanghai Stock Exchange Composite	3,888.37	-0.60	-0.03	-5.63	0.91	-2.03	4,258.86	3,741.11
Hong Kong Hang Seng	24,510.09	-0.97	-3.92	6.21	-7.46	-4.37	28,056.10	22,518.00
Taiwan TAIEX	48,024.60	1.79	6.32	3.83	84.54	65.81	48,601.53	25,469.04
Korea KOSPI	7,080.92	2.71	5.02	-20.71	104.00	68.03	9,385.59	3,365.73
India NIFTY 50	23,140.50	-0.88	-4.91	-3.81	-7.03	-11.44	26,373.20	22,182.55
Australia Stock Exchange 200	8,665.00	-0.76	-5.45	-0.96	-1.23	-0.57	9,296.70	8,262.40
Indonesia Jakarta Composite	6,241.89	-3.09	-4.00	4.05	-22.37	-27.81	9,174.47	5,317.91
Thailand SET	1,607.63	1.48	0.73	3.15	24.79	27.62	1,657.55	1,232.40
Malaysia FTSE Bursa KLSE	1,671.62	0.36	-3.73	0.47	4.58	-0.51	1,771.25	1,595.04
Philippines Stock Exchange PSE	5,825.97	-0.51	-5.88	-4.04	-3.58	-3.75	6,673.61	5,584.35
Singapore FTSE Straits Times Index	5,711.12	0.97	-0.43	9.43	33.63	22.92	5,828.50	4,264.99

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	-0.80	-2.42	0.19	-2.35	-3.01	1.20	1.14
GBP	0.27	-1.06	-2.92	0.45	-0.67	-1.65	1.38	1.30
CHF	0.08	0.78	3.34	2.27	3.62	4.53	0.83	0.76
JPY	-0.99	0.26	-1.19	-2.79	4.99	0.39	163.85	147.05
Asia								
CNY	-	0.23	-0.11	-1.25	-5.90	-4.01	7.14	6.70
HKD	0.02	-0.01	0.08	0.05	0.78	0.79	7.85	7.77
INR	-0.15	-0.12	0.42	1.50	7.97	6.63	96.82	87.72
MYR	-0.34	-0.15	0.64	-1.09	-3.39	0.35	4.23	3.88
KRW	-0.91	-2.30	-2.06	-12.37	-3.93	-6.03	1,559.08	1,339.78
SGD	-0.13	0.12	0.64	-1.40	-1.31	-0.65	1.31	1.26
TWD	-0.31	-0.17	-0.39	-0.28	3.91	1.20	32.40	30.39
IDR	-0.03	0.85	0.99	-0.20	6.84	7.26	18,170.00	16,530.00

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Sources

Asset performances: (bar charts) Eastspring Investments, Refinitiv, as of 25 September 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 25 September 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.