

Reasons to invest

April 2021

eastspring
investments

A member of Prudential plc (UK) 

EASTSPRING INVESTMENTS – GLOBAL GROWTH EQUITY FUND (THE “FUND”)

Find out how you can accumulate wealth with a sustainable long-term growth portfolio.



Investors are optimistic that the global economy will continue to recover in 2021, as we gradually move towards a post-COVID-19 world. Support is coming from the rollout of effective vaccines, low interest rates, and continued fiscal and monetary stimulus measures introduced by governments and central banks. In fact, this upbeat tone is already reflected in stock prices, which have strongly recovered from the falls experienced in early 2020 and, some markets have already broken through all-time highs.

By taking a universal view with their portfolios, investors can better capture the global economy's interconnected nature. This is especially the case when investing in market-leading growth stocks, most of which have a strong presence worldwide.

Recovery could be uneven with pockets of volatility to be expected in certain regions. As such, having a more global perspective provides greater room to manoeuvre in the event of market downturns.

How the Eastspring Investments - Global Growth Equity Fund provides favourable exposure to global equities

1 Pursuit of best-in-class companies

The Fund is sub-managed by Sustainable Growth Advisers (SGA) and focuses its investments in high quality companies with strong growth prospects and attractive valuations. The investment team at SGA look for the three core characteristics of best-in-class businesses:

- ▶ Global opportunity: Long-term sustainable growth
- ▶ Pricing power: Gives them greater control over their profitability
- ▶ Repeat revenues: High degree of predictability in their business

The Fund's growth potential stems from a long-term focus on fundamental elements, such as quality, growth and valuation, rather than any short-term trends or events.

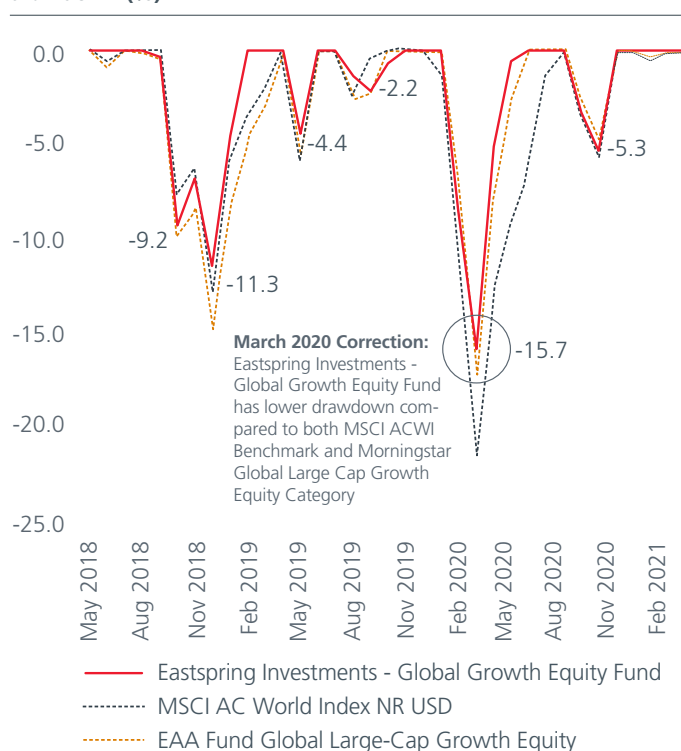
Identify high quality, attractively valued growth companies



SGA carefully constructs a portfolio of 'growth bonds' – companies whose cash flows are almost as reliable as a bond's coupon but also grow over time allowing for the power of compounding returns. Such a combination has reduced the negative impact of market downturns while capturing more substantial returns when markets move higher.

Source: SGA, Eastspring Investments, 31 March 2021.

Selection of best-in-class companies – growth bonds means lower drawdown (%)



Please note that there are limitations to the use of such indices (index) as proxies (a proxy) for the past performance in the respective asset classes/sector. The historical performance or forecast 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.

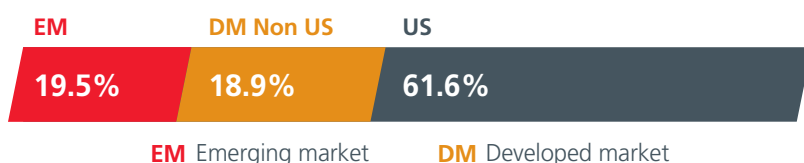
What's more, the investment team does not want to overpay for growth. They make rigorous valuation assessments before adding any holdings to the Fund and focus strongly on cash flow, which is a leading driver of stock prices over the medium-to-longer term.

Source: Eastspring Investments, Morningstar Direct, data as of 31 March 2021. The data label indicates the maximum drawdown for Eastspring Investments - Global Growth Equity Fund. Information provided herein are subject to change at the discretion of the Investment Manager without prior notice.

2 A globally diversified portfolio

The Fund is not limited to any particular type of company and it is well diversified across US, other developed markets and emerging markets. The investment team is focused on the business environment where the company generates its revenues, with its exposure to countries, regions and even industry groups driven by a bottom-up stock selection process.

Globally diversified portfolio, country of domicile (%)



Source: Eastspring Investments, portfolio data for Global Growth Equity A as of 31 March 2021.

4 Unconstrained by benchmarks

The use of benchmark indices can be helpful. Yet, they can also constrain a manager, who may hold securities just to fit the benchmark. For this Fund, the investment team is benchmark agnostic as their single key objective is to deliver value to investors.

The Fund invests in a “best ideas” portfolio of about 25 to 35 stocks. In other words, investors will only be exposed to companies that are judged to be stand-out businesses that the team has high conviction in.

3 Consistent alpha generation



What is alpha? It is the amount of return generated by a business that is above and beyond what is being achieved by a group of similar companies.

Since its inception, the Fund was able to deliver alpha against its benchmark and the Morningstar Category peer group¹ – EAA Global Large Cap Growth Equity.

Source: ¹Data as of 31 March 2021.

5 An ability to exploit shorter-term opportunities

As the investment team is not limited by benchmarks, they have the freedom to seek out opportunities that may arise from shorter-term volatility, “stepping in” during periods of market volatility to purchase attractively valued shares or take some profits from existing holdings.

Sustainable Growth Advisers – a short overview



Sustainable Growth Advisers is an institutional equity manager based in Stamford, Connecticut, with USD22.3 bn in assets under management². Eastspring has established a strategic partnership with SGA allowing us to present its global growth expertise to our clients.

To support its unique, time-tested investment philosophy – identifying best-in-class companies that can deliver sustainable long-term growth – SGA emphasises deep company research and correctly aligned incentives. To that end, multiple analysts evaluate a single stock to provide an all-round view while a profit-sharing compensation structure ensures that SGA's portfolio managers' and investors' considerations are coordinated.

Source: ²Data as of 31 December 2020.



ESG considerations – a central pillar of the investment process. SGA is a signatory to the Principles of Responsible Investing. It believes that robust environmental, social, and governance (ESG) factors can meaningfully contribute to a company's ability to generate truly sustainable growth. These factors are integrated into the SGA research process.

SGA also takes an active ownership strategy and continually engages with companies in their qualified list to encourage them to move in more sustainable directions. Furthermore, SGA's goal is to maximise financial returns on a risk-adjusted basis, and by adopting ESG factors, SGA is aligned to achieve this goal.

Fund facts*

Benchmark
MSCI AC World Index[^]

Fund Size
USD 46.9m (31 March 2021)

Initial sales charge
Up to 5.0%

Annual management fee
1.50%

| Classes of shares | Source of funds | Currency | Minimum Initial Investment | Minimum Subsequent Investment | Distribution policy | ISIN |
|-------------------|-----------------|----------|----------------------------|-------------------------------|---------------------|--------------|
| Class A | Cash | USD | 1,000 | 100 | Accumulation | LU1804176565 |
| Class AS (hedged) | Cash, SRS | SGD | 1,000 | 100 | Accumulation | LU2265009873 |

The investment team aims to capture higher upside while, crucially, limiting downside. SGA has created a tested, repeatable process for identifying businesses with durable growth and low variability. This ideal combination allows investors to accumulate wealth through a sustainable long-term growth portfolio.





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*This Fund aims to maximise long-term total returns by investing primarily in equity securities of differentiated, high-quality global growth businesses listed on global stock exchanges that exhibit growth investment characteristics, such as above average growth rates in earnings, cash flow and revenues and business model qualities which include recurring revenues, pricing power and long runways of growth. The Fund may invest in companies of all market capitalisations, but will generally invest in large and medium capitalisation companies. These exchanges would include, but are not limited to, the major exchanges located in North America, Europe, and Asia Pacific. The Fund may also invest in depository receipts, including ADRs and GDRs, debt securities convertible into common shares, preference shares and warrants. ADRs and GDRs that the Sub-Fund may invest in will not have embedded derivatives. ^The MSCI Index is calculated with dividends reinvested.

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