eastspring investments

A Prudential plc company

July 2024

Eastspring Investments Dragon Peacock MY Fund ("Fund")

invested in the economic powerhouses of Asia

Combination of two countries in one unique and efficient portfolio by the Target Fund*, which aims to:

- Capitalise on the complementary strengths of China and India
- Gain from the dynamic tilts between China and India
- Capture the best of China and India in a high conviction portfolio

* Target Fund refers to Eastspring Investments – Dragon Peacock Fund, a Société d'Investissement à Capital Variable (SICAV) managed by Eastspring Investments (Singapore) Limited. The Target Fund was launched on 17 October 2005.

Equity | Fixed income | Multi asset | Quantitative

Insights into China and India

Asia remains a high growth region led by two of its largest emerging economies, China and India. Singly, these Asian giants already offer a range of investment opportunities. China is established as a major economic powerhouse, and is accelerating the pivot towards domestic consumption and innovation to sustain long-term economic growth. On the other hand, India is now the fastest growing economy in the world and has reached a stage where it is too big to ignore. To add, it is the world's most populous country with one of the largest percentages of working age population. Given that both are at different stages of economic growth and development, their investment universe differs. But together, their complementary strengths reveal a deeper and wider pool of stock choices for investors to capitalise on.

Leading economic growth engines

Driven by strong consumption and infrastructure spending, the real GDP growth rates of China and India are expected to be among the world's strongest, with India leading the pack (Fig 1). Moreover, over the last 18 years, a combined China-India portfolio has largely outperformed Asia ex Japan, Emerging Asia and Global Emerging Market Indices (Fig 2).

Fig 1 – Real GDP growth forecast for key Asian markets, 2024 (%)

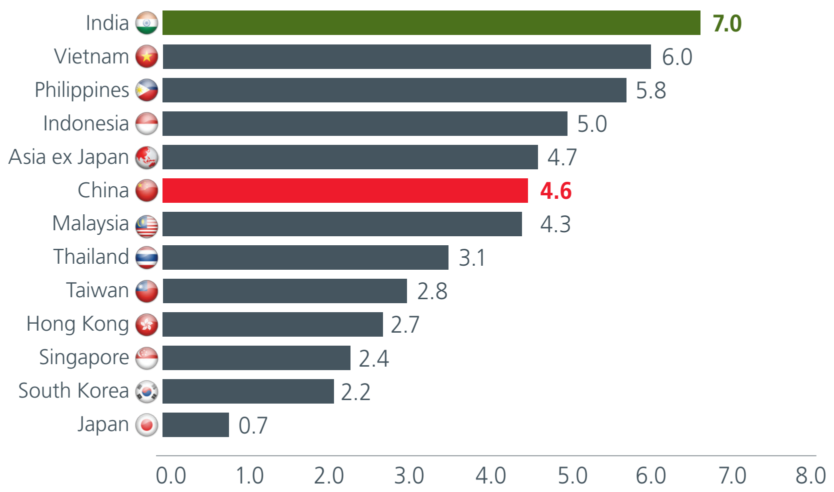
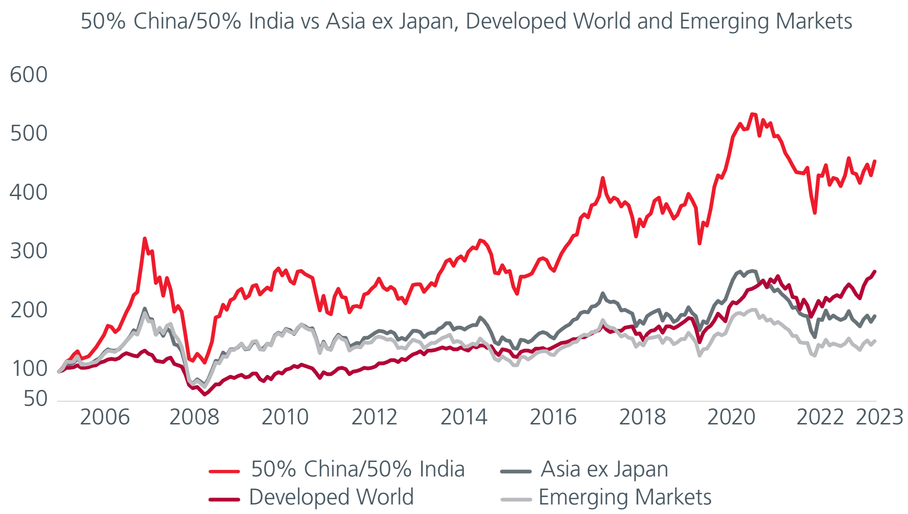


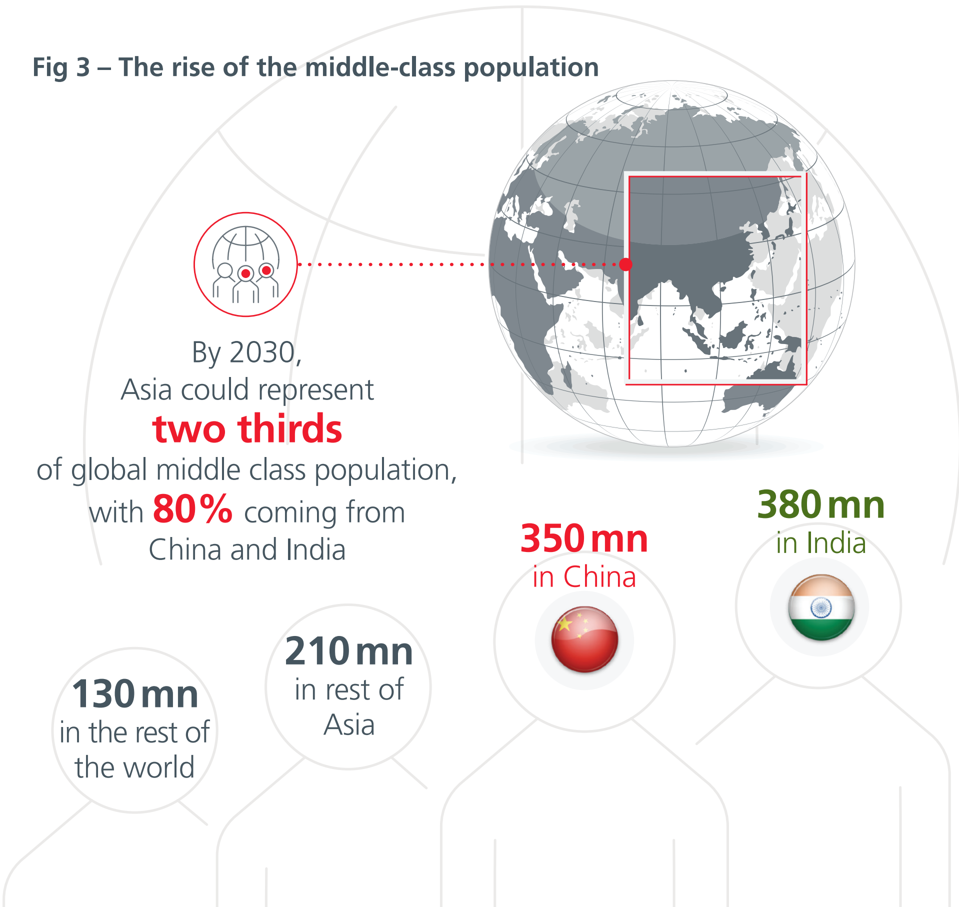
Fig 2 – A combined China-India approach has largely outperformed regional indices



Immense consumption power

70% of the next billion entrants into the middle class will be from China and India. By 2030, China and India will account for 80% of the middle class in Asia (Fig 3). Coupled with an expectation of significant growth in wages in China and India, the increase in spending power could be a strong contributor to healthy domestic growth, as well as spur investments into local companies.

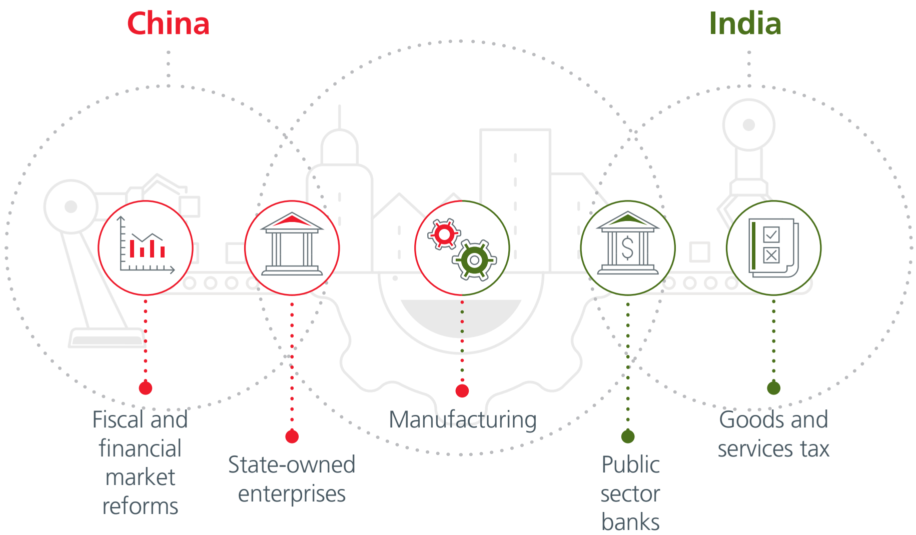
Fig 3 – The rise of the middle-class population



Reforms to support medium-term growth

Chinese and Indian authorities are embarking on wide-ranging reforms, some similar in nature such as improving efficiency and profitability, and boosting the manufacturing sector (Fig 4). We expect these efforts to bear fruit over time and be positive for shareholders.

Fig 4 – Key reform areas



Sources: Fig 1.Bloomberg Economic Forecasts, March 2024. Any projection or forecast is not necessarily indicative of the future or likely performance. Fig 2. Bloomberg, Eastspring Investments, 29 February 2024. Rebased to 100 on 30 November 2005. All returns in USD terms using following data series. 50% China/50% India (50% MSCI China + 50% MSCI India Gross Div TR), Asia ex Japan (MSCI AC Asia ex Japan Index), Developed World (MSCI World Index), Emerging Markets (MSCI Emerging Markets Index). Past performance is not indicative of future or likely performance. The use of indices as proxies for the past performance of any asset class/sector is limited and should not be construed as being indicative of the future or likely performance of the Fund. Fig 3.Eastspring Investments, Brookings Institute, January 2018 (latest available data). Any projection or forecast is not necessarily indicative of the future or likely performance. Fig 4.Eastspring Investments.

Top 3 reasons to invest in the Fund

1

Capitalise on the complementary strengths of China and India

The Target Fund capitalises on the diverse sectorial opportunities within each market, given that each are at a different stage of economic development and growth. Its single portfolio-based investing approach allows us to exploit differing strengths across sectors in China and India. Our focus is on areas where we see the most compelling opportunities in both markets (Fig 5).

2

Gain from the dynamic tilts between China and India

The decreasing correlation between these two countries across multiple fronts (market performance, macro and foreign flows) is positive from a diversification perspective and provides a good backdrop for bottom-up stock-pickers through market cycles. Compared to a single-country fund, the Target Fund's China-India combined approach allows us to allocate between the two countries in a dynamic manner to tap their complementary strengths (Fig 6).

3

Capture the best of China and India in a high conviction portfolio

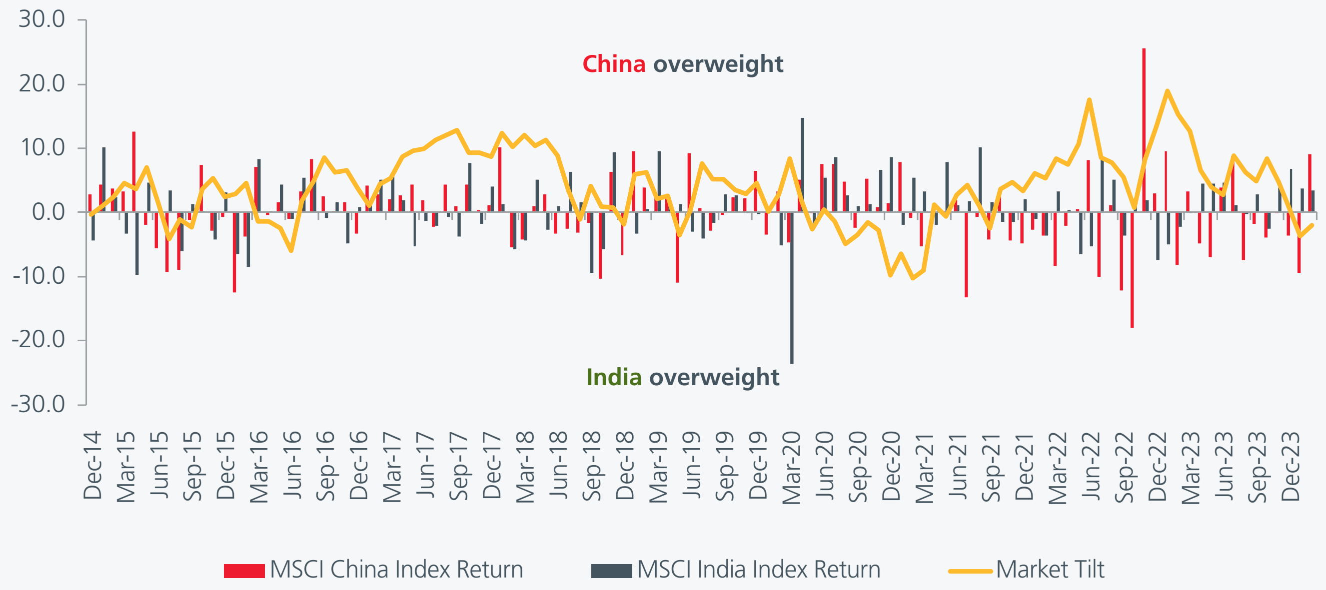
Eastspring Singapore^ sustainable edge is based on its understanding of behavioral sources of mispricing and picking stocks anchored on valuations. Its value-driven stock selection process picks the best ideas from China and India equity markets. This results in a concentrated portfolio of 60-80 stocks.

1 **Fig 5 – Exploit differing strengths across sectors**

	China	India
Banks	— State-owned enterprise (SOE) banks facing macro headwinds/national service but supported by high dividend yield	↑ Well-managed private banks trading at attractive valuations
Property	↓ Extended downcycle with limited visibility for recovery	↑ Mid-stage of multi-year upcycle
Consumer	↑ Deep pool of value opportunities	↓ Richly-valued franchises at risk of market share loss
Internet	↑ Relative value opportunities at policy/earnings trough	↓ New age businesses which mostly disappointed since Initial Public Offering (IPO)
Healthcare	↓ Big pharma facing persistent price cuts and anti-corruption uncertainties	↑ World-class generic manufacturers growing new verticals / Structural growth at private hospitals

Color within cells reflect portfolio positioning as of end-February 2024 ↑ = overweight, — = neutral, ↓ = underweight

Fig 6 – Dynamic market tilt between China and India



Fund information

Fund category/ Type	Feeder fund / Growth
Launch date	15 July 2024
Initial offer price	RM0.5000
Base currency	USD
Class of units	RM class
Fund objective	The Fund seeks to provide investors with capital appreciation in the long term
Investment strategy	The Fund will be investing a minimum of 85% of the Fund's NAV in the Target Fund[1] and a maximum of 15% of the Fund's NAV in money market instruments, deposits and/or cash. The Target Fund[1] aims to maximize long-term total return by investing primarily[2] in equity and equity-related instruments of corporations, which are incorporated in, or listed in, or operating principally from, or carrying on significant business in, or derive substantial revenue from, or whose subsidiaries, related or associated corporations derive substantial revenue from China and India.
Asset allocation	• Minimum of 85% of the Fund's NAV in Target Fund[1] • Maximum of 15% of the Fund's NAV in money market instruments, deposits and/or cash
Performance benchmark	50% MSCI China Index + 50% MSCI India Index
Income distribution policy	Distribution of income, if any, will be on incidental basis, after deduction of taxation and expenses.
Key risk of the Fund	• Collective Investment Scheme ("CIS") risk • Country risk • Currency risk • Fund management of the CIS risk • Liquidity risk • Related party transaction risk • Suspension of redemption request risk
Key risk of the Target Fund[1]	• Country specific risk • Counterparty risk • Foreign exchange/currency risk • Political/regulatory risk • Specific risk considerations in relation to Environmental, Social and Governance ("ESG") and Eastspring's ESG investment approach • Risks associated with the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect
Investor's profile	This Fund is suitable for investor who: • seek capital appreciation; • want to participate in the China and India market; • have a high risk tolerance; and • have long term investment horizon.
Sales charge	Up to 5.50% of the initial offer price during the initial offer period and thereafter, on the NAV per Unit
Repurchase charge	Nil
Annual management fee	Up to 1.80% of the Fund's NAV per annum
Annual trustee fee	Up to 0.065% of the Fund's NAV per annum, subject to a minimum of RM15,000 per annum
Trustee	Deutsche Trustees Malaysia Berhad
Minimum initial investment	• Lump Sum: RM1,000[3] • Regular Investment: RM100
Minimum additional investment	• Lump Sum: RM100 • Regular Investment: RM100
Cooling-off period	The period of six (6) business days from the date Eastspring Investments Berhad ("Manager") receives the duly completed transaction form. A cooling-off right is only given to a qualified investor as specified in the Fund's Prospectus.

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[2] "primarily" refers to at least 66% of the assets of the Target Fund.

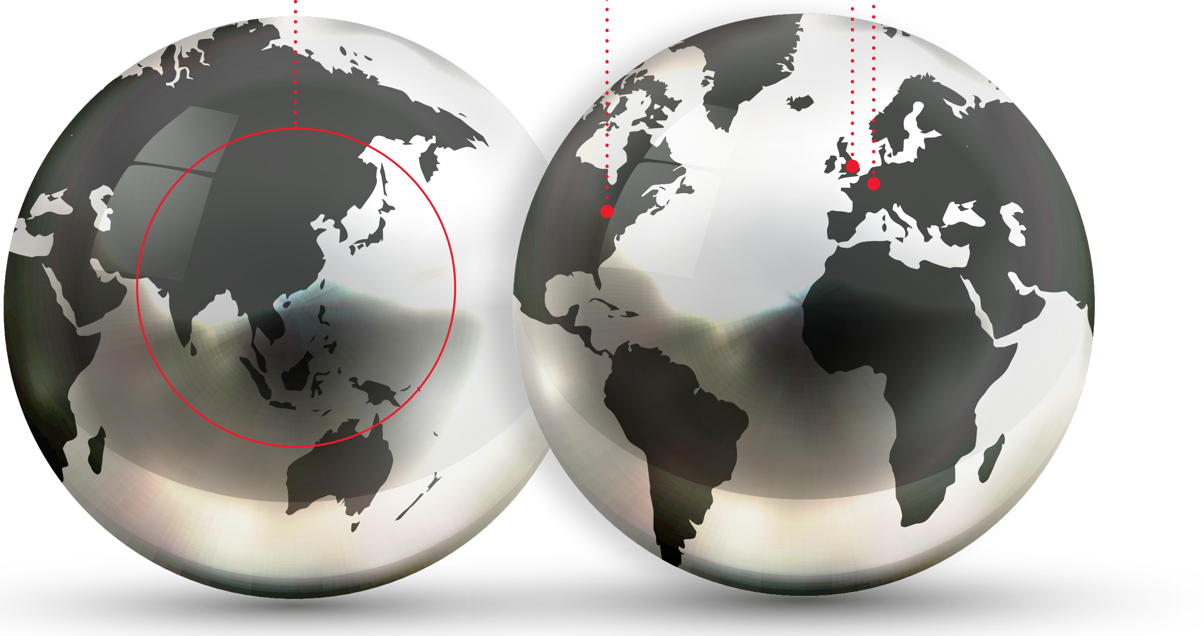
[3] Unit Holders may be able to invest at a lower minimum initial investment and/or minimum additional investment amount than the above for investments made via the digital platforms available online subject to the respective digital platforms' terms and conditions for investments. The Manager reserves the right to change the minimum redemption and minimum holding units of the Fund from time to time.

Asian DNA with global perspective

Eastspring Investments, part of Prudential plc, is a leading Asia-based asset manager that manages over USD 237 billion of assets as of 31 December 2023. Operating since 1994, we have built an unparalleled on-the-ground presence in 11 Asian markets, as well as distribution offices in North America and Europe.

- Japan
- Indonesia
- Malaysia
- Singapore
- South Korea
- Taiwan
- Thailand
- Vietnam
- Hong Kong*
- China*
- India*

- United Kingdom
- Luxembourg
- United States



Sales office · Sales and investment office · *Joint venture

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Investors are advised to read and understand the contents of the Eastspring Investments Dragon Peacock MY Fund ("Fund") Prospectus dated 15 July 2024 ("Prospectus") and the Fund's Product Highlights Sheet ("PHS") before investing. The Prospectus and PHS are available at offices of the Manager or its authorised distributors and investors have the right to request for a copy of the Prospectus and PHS.

The Prospectus has been registered with the SC who takes no responsibility for its contents. The registration of Prospectus with the SC does not amount to nor indicate that the SC has recommended or endorsed the product. Units will only be issued upon receipt of the application form accompanying the Prospectus. Past performance of the Manager is not an indication of the Manager's future performance. Unit prices and distributions payable, if any, may go down as well as up. Where a unit split/distribution is declared, investors are advised that following the issue of additional units/distribution, the Net Asset Value ("NAV") per unit will be reduced from pre-unit split NAV/cum-distribution NAV to post-unit split NAV/ex-distribution NAV. Where a unit split is declared, investors are advised that the value of their investment in Malaysian Ringgit will remain unchanged after the issue of the additional units.

Investments in the Fund are exposed to collective investment scheme risk, country risk, currency risk, fund management of the CIS risk, liquidity risk, related party transaction risk and suspension of redemption request risk, while investments in the target fund are exposed to country specific risk, counterparty risk, foreign exchange/currency risk, political/regulatory risk and specific risk considerations in relation to Environmental, Social and Governance ("ESG") and Eastspring's ESG investment approach and risks associated with the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect. Investors are advised to consider these risks and other general risks as elaborated in the Prospectus, as well as the fees, charges and expenses involved before investing. Investors may also wish to seek advice from a professional adviser before making a commitment to invest in units of any of our funds.

Eastspring Investments is an ultimately wholly owned subsidiary of Prudential plc. Prudential plc, is incorporated and registered in England and Wales. Registered office: 1 Angel Court, London EC2R 7AG. Registered number 1397169. Prudential plc is a holding company, some of whose subsidiaries are authorized and regulated, as applicable, by the Hong Kong Insurance Authority and other regulatory authorities. Prudential plc is not affiliated in any manner with Prudential Financial, Inc., a company whose principal place of business is in the United States of America or with the Prudential Assurance Company Limited, a subsidiary of M&G plc. A company incorporated in the United Kingdom.

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Published on July 2024