

Eastspring Investments – Global Market Navigator Fund



RATINGS^{AA} Class A Morningstar Overall Rating[•] ★★★

FUND DETAILS

Fund size (mil)	173.9
Fund base currency	USD
Fund dealing frequency	Daily
Net asset value (Class A)	USD 13.241
ISIN (Class A)	LU0354059684
Inception date (Class A)	26-Mar-08

FUND MEASURES

3 year sharpe ratio (Class A)	0.4
3 year volatility (Class A)	7.8

Source: Morningstar

FUND ALLOCATION (%)

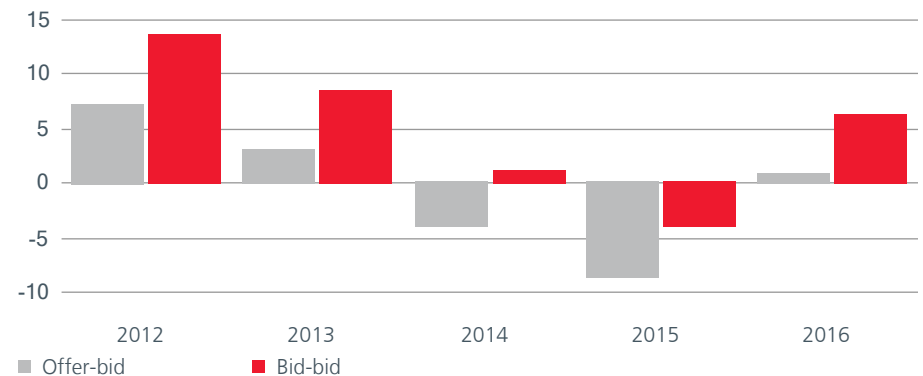
Equity	72.1
Bond	24.9
Non-traditional assets	3.1
Cash and Other Net Assets	-0.1

INVESTMENT OBJECTIVE

This Sub-Fund aims to achieve positive absolute returns over the medium-term through the implementation of an actively managed investment strategy in a diversified range of global assets including cash, equities, bonds and currencies. Exposure to each of the asset classes will be primarily through exchange traded funds, index futures, direct equity and bonds (including high yield bonds, ABS and MBS), swaps, options and foreign exchange forwards, each of which may be traded through recognised exchanges or via the over-the-counter markets. This objective may also be achieved through investments in unlisted collective investment schemes and other sub-funds of the SICAV on an ancillary basis below 30% of the net asset value of the Sub-Fund. Underlying funds, other than sub-funds of the SICAV, may charge management fees of up to 1.00% per annum of their net asset value. No management fee will be charged by other sub-funds of the SICAV.

PERFORMANCE

Calendar year returns (%) (Class A)



Returns (%)

Class A	1 m	3 m	YTD	1 y	3 y (p.a.)	5 y (p.a.)	10 y (p.a.)	Since inception (p.a.)
Offer-bid	-4.1	-2.2	5.6	7.5	1.9	3.7	-	2.3
Bid-bid	1.0	2.9	11.1	13.2	3.6	4.8	-	2.9

(p.a.): per annum. Source: Eastspring Investments (Singapore) Limited. Returns are based in USD and computed on bid-bid basis with net income reinvested, if any. Offer-bid is inclusive of sales charge which is subject to changes. Since inception returns for periods less than a year are not annualised. Calendar year returns are based on the share class performance for the year, and if the share class was inception during a particular year, the returns shown relate to the performance of the share class since its inception to the end of that calendar year.

TOP 10 HOLDINGS (%)

1.	SPDR MSCI ACWI ETF	6.3
2.	ISHARES J.P. MORGAN \$ EM BOND UCITS ETF USD (DIST)	5.6
3.	DB X-TRACKERS MSCI JP IX UCITS ETF 2D (DR) USD HGD	3.9
4.	ISHARES CORE MSCI EM IMI UCITS ETF USD (ACC)	3.0
5.	SPDR MSCI EUROPE FINANCIALS UCITS ETF	2.0
6.	ISHARES FALLENANGELSHIGHYLDRCRBDUCITS ETF USD DIST	1.5
7.	SAMSUNG ELECTRONICS	1.3
8.	NVIDIA	1.2
9.	PRINCESS PRIVATE EQUITY HOLDING	1.1
10.	ACCENTURE CLASS A	1.1

SHARE CLASS DETAILS

Share class	Currency	Net asset value	Bloomberg ticker	ISIN	Inception date	Subscription method	Initial sales charges% (max)	Annual management fee % (Current)
A	USD	13.241	IOFMNAU LX	LU0354059684	26-Mar-08	Cash	5.000	1.500
A _{ADMC1} (hedged)	AUD	9.364	ESMNAAD LX	LU0911025368	02-Apr-13	Cash	5.000	1.500
A _S	SGD	10.255	ESGMNAS LX	LU1591628182	05-Apr-17	Cash, SRS	5.000	1.500
A _S (hedged)	SGD	10.620	ESGMASH LX	LU1591631210	05-Apr-17	Cash, SRS	5.000	1.500
A _{SDMC1} (hedged)	SGD	9.348	ESMASDI LX	LU0911025525	02-Apr-13	Cash	5.000	1.500

Share class	Currency	Annual admin fee% (max)	Minimum initial investment	Minimum subsequent investment	Distribution frequency	Ex-date	Dividend per share	Annual dividend yield %
A	USD	0.500	USD1,000	USD100	N.A.	N.A.	N.A.	N.A.
A _{ADMC1} (hedged)	AUD	0.500	AUD2,000	AUD200	Monthly	01-Dec-17	0.0442674	6.00
A _S	SGD	0.500	SGD1,000	SGD100	N.A.	N.A.	N.A.	N.A.
A _S (hedged)	SGD	0.500	SGD1,000	SGD100	N.A.	N.A.	N.A.	N.A.
A _{SDMC1} (hedged)	SGD	0.500	SGD1,000	SGD100	Monthly	01-Dec-17	0.0442279	6.00

Distributions are not guaranteed. Distributions may be paid out of distributable income, capital or both. Important Notes: (i) Payment of distributions out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment; and (ii) Any distributions involving payment out of the Fund's capital may result in an immediate reduction of the net asset value per share. Funds with Monthly and Quarterly Distribution Frequency: Annual Dividend Yield = (Dividend amount / Reference NAV) x (No. of calendar days in a year / No. of calendar days in distribution period) x 100%. Funds with Yearly Distribution Frequency: Annual Dividend Yield = (Dividend amount / Total Net Assets) x (No. of calendar days in a year / No. of calendar days in distribution period) x 100%. "N.A." means that this share class does not distribute dividends.

Returns (%)

Share class	Currency	Returns (%)								Calendar year returns (%)				
		1 m	3 m	YTD	1 y	3 y (p.a.)	5 y (p.a.)	10 y (p.a.)	Since inception (p.a.)	2016	2015	2014	2013	2012
A														
Offer-bid	USD	-4.1	-2.2	5.6	7.5	1.9	3.7	-	2.3	0.8	-8.6	-4.0	2.9	7.1
Bid-bid	USD	1.0	2.9	11.1	13.2	3.6	4.8	-	2.9	6.1	-3.8	1.1	8.4	13.6
A_{ADMC1} (hedged)														
Offer-bid	AUD	-4.0	-2.2	5.9	8.0	2.9	-	-	4.9	1.7	-6.8	-2.0	3.6	-
Bid-bid	AUD	1.0	3.0	11.4	13.7	4.7	-	-	6.1	7.1	-1.8	3.2	9.1	-
A_S														
Offer-bid	SGD	-5.2	-3.1	-	-	-	-	-	-2.6	-	-	-	-	-
Bid-bid	SGD	-0.2	2.0	-	-	-	-	-	2.6	-	-	-	-	-
A_S (hedged)														
Offer-bid	SGD	-4.1	-2.4	-	-	-	-	-	0.9	-	-	-	-	-
Bid-bid	SGD	0.9	2.7	-	-	-	-	-	6.2	-	-	-	-	-
A_{SDMC1} (hedged)														
Offer-bid	SGD	-4.1	-2.4	5.0	7.1	1.8	-	-	3.4	1.0	-8.3	-4.0	2.0	-
Bid-bid	SGD	0.9	2.7	10.5	12.7	3.6	-	-	4.5	6.3	-3.5	1.1	7.3	-

(p.a.): per annum. Source: Eastspring Investments (Singapore) Limited. Returns are based in share class currency and computed on bid-bid basis with net income reinvested, if any. Offer-bid is inclusive of sales charge which is subject to changes. Since inception returns for periods less than a year are not annualised. The benchmark for the hedged share classes, if any, is also calculated on a hedged basis. Calendar year returns are based on the share class performance for the year, and if the share class was inceptioned during a particular year, the returns shown relate to the performance of the share class since its inception to the end of that calendar year.

Commentary sources

1. Eastspring Investments (Singapore) Limited

COMMENTARY

Market Review

Global equities rose broadly in November, with progress towards US tax reform and supportive data points – including stronger US employment data and positive corporate earnings outlooks – buoying markets. In this environment US stocks were amongst the best performing globally. Asian stocks were higher, although a sell off in technology shares late in the period pared the gains. In Japan, investors digested strong corporate earnings and, as was largely the case globally, shrugged off news of a further North Korean ballistic missile launch very late in the month. European stocks were muted for the month as a whole, however, with geopolitical concerns weighing on markets; notably, the collapse of talks to form a new coalition government in Germany and the ongoing uncertainty around Brexit negotiations. China was lower, triggered by bond market volatility and a warning from the government – via the state news agency – that a popular stock was rising too fast.

Returns from fixed income assets in general were mildly negative to broadly flat for the month as a whole and continued to underperform relative to equities. Long duration US Treasuries were the flat the previous month. Whilst the market digested the confirmation of President Trump's nominee for next Fed Chair – an appointment expected to not cause significant divergence from the existing policy path of current Chair, Janet Yellen – investors appeared to focus on the continued low inflation readings, including reports that various FOMC members remain concerned that inflation could stay lower for longer, lending support to longer duration assets. In addition, whilst the UK's BoE raised rates for the first time in more than a decade during the month, the BoE Governor's generally dovish tone further supported the market's appetite for duration risk in November.

Fund Review

The Fund posted a positive absolute return in November, with performance benefiting from the Fund's bias to equities. Individual positions in Japan, US financial equity, private equity – within the Fund's allocation to Non Traditional assets – and broad global equity market exposure were leading contributors to overall returns for the month. The Fund's largest allocation (in low volatility equities) continued to support returns and benefited from some heightened volatility during the month, including due to a sell off in Chinese shares and technology stocks towards the end of the period. Exposure to high yield credit dragged on returns, however, in a month when investors favoured long duration assets and volatility in the oil price ahead of OPEC's decision on production cuts impacted sentiment around the asset class.

Outlook

We continue to maintain our view of a "Goldilocks" environment going forward – maintaining our overweight to risk assets – given our belief that benign inflation, decent economic and earnings growth are likely to continue. We have observed a broad based recovery in earnings globally since 2016, although global earnings remain below their long-term trend; for this reason, we believe it is plausible to see further upside to earnings growth. Indeed, the recent earnings season has not disappointed with 72% of S&P 500 constituents beating estimates.

We have recently downgraded our US High Yield view, however, as the spread is now more than one standard deviation expensive although technical and fundamental factors remain supportive for us to continue to maintain our overweight to the asset class.

We remain mindful of a number of potential risks. A rapid upward revision to inflation expectations, which may lead to a violent rise in interest rates, is probably the most significant risk to the market given the leverage in the global economy. Geopolitics – including further disappointment with respect to President Trump's tax reform promises and tensions in North Korea – remain a concern. Any rising regulatory uncertainty amid the continued rise of populism (and labour vs. capital) may lead to a social backlash that heralds increased corporate tax and regulation, especially in IT.

IMPORTANT INFORMATION

Investment manager -
Eastspring Investments (Singapore) Limited

Investment sub-manager -
PPM America, Inc. (for investments in high yield bonds)

** Rating should not be taken as a recommendation.

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Morningstar Category: USD Flexible Allocation



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All transactions into the Fund should be based on the Singapore Prospectus and Product Highlights Sheet ("PHS"). Such documents, together with the articles of incorporation of the SICAV and the most recent financial reports, may be obtained free of charge from Eastspring Investments (Luxembourg) S.A., or at relevant Eastspring Investments business units/website and their distribution partners.

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Please refer to the offering documents for details on fees and charges, dealing and redemption, product features, risk factors and seek professional advice before making any investment decision. An investment in the Fund is subject to investment risks, including the possible loss of the principal amount invested. The value of shares in the Fund and the income accruing to the shares, if any, may fall or rise. Where an investment is denominated in a currency other than the base currency of the Fund, exchange rates may have an adverse effect on the value price or income of that investment. Investors should not make any investment decision solely based on this document. Investors may wish to seek advice from a financial adviser before purchasing shares of the Fund. In the event that an investor may choose not to seek advice from a financial adviser, the latter should consider carefully whether the Fund in question is suitable for him.

Past performance and the predictions, projections, or forecasts on the economy, securities markets or the economic trends of the markets are not necessarily indicative of the future or likely performance of Eastspring Investments or any of the funds managed by Eastspring Investments. There are limitations to the use of indices as proxies for the past performance in the respective asset classes/sector.

The Fund may use derivative instruments for efficient portfolio management and hedging purposes.

Distributions are not guaranteed and may fluctuate. Past distributions are not necessarily indicative of future trends, which may be lower. Distribution payouts and its frequency are determined by the Board of Directors, and can be made out of (a) income; or (b) net capital gains; or (c) capital of the Fund or a combination of any of (a) and/or (b) and/or (c). The payment of distributions should not be confused with the Fund's performance, rate of return or yield. Any payment of distributions by the Fund may result in an immediate decrease in the net asset value per share.

The preceding paragraph is only applicable if the Fund intends to pay dividends / distributions.

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In case of discrepancy between the English and Chinese versions, the English version shall prevail.

Notes:

Investors should note that the net asset value of this Fund is likely to have a high volatility due to its investment policies or portfolio management techniques.