PROFESSIONAL INVESTMENT ADVISORY SERVICES

Quarterly Client Newsletter

Issue Forty-Five
2022

INSIDE THIS ISSUE

CONTRIBUTORS

Professional Investment Advisory Services ("PIAS")

Established in 2001 and licensed by the Monetary Authority of Singapore, PIAS is a multi-award winning financial advisory firm in Singapore. PIAS offers a diversified suite of financial services and solutions with a personalised approach. With one of the largest, most respected and fastest growing network of advisers in Singapore, PIAS' professional advisers provide sound and comprehensive financial advice at both individual and corporate levels.

More info: www.proinvest.com.sg

Income

Income is a leading composite and omni-channel insurer in Singapore, offering life, health and general insurance to fulfil the protection, savings and investment needs of individuals, families and businesses. Income was established in 1970 and remains the only insurance co-operative in Singapore.

More info: https://www.income.com.sg/

UOB Asset Management

UOB Asset Management (UOBAM) is a leading Asia-based asset manager with headquarters in Singapore and regional offices in Malaysia, Thailand, Brunei, Indonesia, Japan, Taiwan and Vietnam. Through our regional network, we offer global investment management expertise to individuals, institutions and corporations. Our comprehensive suite of products ranges from retail unit trusts and exchange-traded funds to customised portfolio management services for institutional clients.

More info: https://www.uobam.com.sg/

Eastspring Investments

Eastspring Investments, part of Prudential plc, is a global asset manager with Asia at its core. Over the last 25 years, we have built an unparalleled on-the-ground presence in 11 Asian markets as well as distribution offices in North America and Europe with USD254 bn of assets (as at 30 June 2021) across equity, fixed income, multi asset, quantitative and alternative strategies.

More info: https://www.eastspring.com/

Your Guide to a Budget-friendly Wedding in Singapore during the Pandemic

Planning for a wedding isn't easy or cheap, especially when you're doing so during a pandemic. There's much to think about but it's not impossible to hold a beautiful budget wedding in Singapore, even during COVID-19 times. Here's 6 tips to help you plan for your dream wedding.

1 - Crunch the numbers

Wedding planning is likely to be your first big project as a couple. As with anything in your relationship, open communication is key to planning a memorable wedding that falls neatly within your budget.

The first thing you should do is to come to an agreement on your wedding budget. As a starting point, ask yourselves the following questions:

- Given your mortgage and other real-life expenses waiting in married life, how much can you reasonably afford to spend on your wedding?
- Looking at your present-day incomes, how much can you individually contribute to wedding costs between now and your wedding day?
- Has anyone else offered to make financial contributions to your wedding, and will you be accepting their help?
- Who are the vendors offering PET testing and what are the costs involved?

As you talk about what you can afford, remember to also do some research on how much weddings can cost and what exactly you'll need to pay for. You don't want to commit to a budget, only to realise that you can't realistically afford anything on it either.

Step 2 - Choose your non-negotiables

What are the key components you'll like to be spending on? You may have different opinions from your partner so it's important to discuss and agree on this together, to better manage your budget.

Take into consideration the limitations on guest sizes and type of activities allowed i.e. no live music, and work out your priorities and preferences. Once you have decided on the must-haves together as a couple, allocate a bigger budget to it.

Step 3 - Limit your guest list

With COVID-19 measures underway, there is a limit to the number of guests you can invite to your wedding:

From 19 August 2021 onwards:

	Wedding Solemnisations	**Wedding Receptions**
Home	Up to 10 attendees	Not allowed
ROM / M Building	Up to 10 attendees	Not allowed
External venues	- Up to 50 attendees (no Pre-Event Test (PET) requirement), group size of up to 5 persons - From 51 to 1,000 attendees, PET required for all attendees*, group size of up to 5 persons	- Up to 250 attendees, PET required for all attendees*, group size of up to 5 persons

**Note: Where PET is required, it means that checks must be implemented to ensure that every attendee has a cleared status; i.e. (i) fully vaccinated (an individual is considered fully vaccinated two weeks after he or she has received the full regimen of the Pfizer-BioNTech/Comirnaty or Moderna vaccines currently administered under the National Vaccination Programme, or World Health Organisation's Emergency Use Listing (WHO EUL) vaccines); or (ii) Recovered from COVID-19 and can provide a valid PET exemption notice for the duration of the event; or (iii) Have a valid negative Pre-Event Test (PET) result for the duration of the event.*

It may be tough choosing who to invite. Ask yourselves these questions to help you decide who makes it into your guest list:

- Have you had any meaningful interactions with them in the last 12-18 months?
- Do you spend holidays, birthdays and other life events with this person?
- Did you attend their wedding? Or if they're unmarried, would you be upset if you were not invited to their wedding in future?
- Is this person a positive influence in your life?
- Do you feel comfortable around this person?
- For coworkers - do you have a friendship outside of work?

Step 4 – Know your venue options

Out of all your wedding costs, the banquet will likely be your biggest expense so keep your options open and ask a lot of questions before you make any downpayments. Broadly speaking, you have two types of wedding banquet venues to choose from: hotels or restaurants.

The typical Singapore wedding is generally held at a hotel that offers a wedding banquet package, often accompanied with a complimentary night's stay in the hotel's suite. The wedding package can come with things like the cake, wedding favors, decor, and basic sound system setup.

You hence can potentially save money (and time) by letting the hotel package cover these things. Hotels are also a preferred choice for traditional families or traditional weddings, as their staff are trained with the intricacies of executing such events.

Of course, with these extra services come higher per table costs. Hotel packages have an average price tag of close to $2,000 per table for a dinner banquet, and require a minimum number of tables to be filled. Assuming the package requires at least 10 tables, a hotel banquet can easily consume $20,000 of your budget - excluding miscellaneous costs like booking fees, service charge, and GST.

On the other hand, a non-hotel venue, such as a restaurant, will have lower per table costs. A table can cost as little as $533 for a lunch reception, or $1,100 per table for a dinner banquet.

These savings are significant, but remember that you need to decorate the event space according to your wedding's aesthetics. You might also need to take care of the sound system, wedding favours, and dance floor yourself. If you do not budget for this carefully, you might spend just as much as you would on a hotel wedding package.

Compare hotel wedding packages and restaurant prices to make an informed decision. You can use this comprehensive list of wedding banquet costs as a starting point for your research.

Before you commit to any hotel or restaurant, find out if their conditions allow flexibility if measures should change in the future. Check if you can postpone your reception to a later date, and the other available options if there are additional restrictions such as cutting your guest list further or not being able to serve food or drinks.

Step 5 Do a lunch reception instead of a dinner banquet

Unless you both feel very strongly about holding a dinner banquet, consider a wedding lunch reception instead. Most events take place in the evening, which is why booking a wedding dinner comes at a higher price. With a lunch reception, you can expect to pay 10-30% less per table at most hotels and restaurants.

There are other financial perks that come with a wedding lunch. Day weddings are more casual, which calls for less formal and more affordable wedding attire for yourselves (and your guests). If your venue gets a lot of natural light and garden scenery, you won't need to spend on elaborate wedding decor or lighting either.

The savings trickle down towards your food and beverage costs too. A lunch wedding gives you room to play around with your menu and serve brunch-themed food. Think omelettes, pancakes, and sausages, which will cost far less than an 8-course dinner banquet. Since Singapore doesn't have a big day-drinking culture, a lunch reception could be easier on your alcohol budget too.

If you really want deep savings, consider holding the wedding lunch on a Friday instead of during a weekend. Not only will this trim your guest list to loved ones who value you enough to take leave; weekday wedding lunch rates cost far less than weekend rates, due to lower demand.

Step 6 - Budget for hidden costs

Be prepared for these hidden costs, and account for them in your budget.

COVID-19 safe management measures

With restrictions changing depending on the pandemic situation in Singapore, it's best to prepare back-up plans as well as contingency funds for last minute changes.

This includes the following scenarios:

- PET testing for all guests, even if you have less than 50 guests
- Requiring more venue staff to assist with SafeEntry, crowd management etc.
- Additional table arrangements if group sizes are further reduced
- Additional fees if you have to change your venue or postpone your reception
- Changes to your food and beverage set up
- Cost of holding a virtual wedding / livestreaming

GST and service charge

Quoted prices often exclude GST and service charges, so ask for these up front before you compare prices.

Corkage and cake-cutting fees

If you're bringing your own alcohol and cake, your wedding venue will charge you corkage and cake-cutting fees. These fees cover the labour involved in cutting the cake and washing the dishes after, which are handled by the venue's staff. Venues also earn a lot from alcohol, so corkage fees make up for the shortfall caused by bringing your own.

Ask about these fees up front, and decide whether it's worth getting drinks and a wedding cake elsewhere.

Shipping fees

Wedding decor and accessories can seem cheaper online, until you factor in the shipping fees. Include shipping in your calculations to verify if buying online costs less than buying locally.

Wedding photography fees

In addition to the bridal package cost, read through the terms for any extra charges like hourly overtime fees, early hour charges, and split-wedding charges.

Alterations

If you're buying your wedding dress from a bridal boutique, you'll want it altered to fit you perfectly. Remember that alterations are charged separately from the price of the dress. The work and fees involved will vary according to the complexity of the dress's design, the materials, and how much alterations will be done.

Your wedding shouldn't be the most expensive day of your life

Weddings are a once-in-a-lifetime event, but they shouldn't be the most expensive day of your life, especially when it's just the beginning of a new life together. The real-life responsibilities that follow will require even more financial preparation and careful budgeting. The good news is that if you can work as a couple and power through the stresses and joys of wedding planning, you'll be strong enough to handle the challenges life throws at you.

Once you've crunched the numbers for your nuptials, have a think about what the next 10 years will look like. Are you thinking about having children soon? Will your parents or in-laws be needing elderly care in a few years? Regardless of what the future holds for the both of you, you can start preparing for it today.

If you want to start saving seriously, but aren't keen on locking up your finances for an extended period, a savings plan you can consider is Income's Gro Cash Flex. This plan provides yearly cash payouts from the end of the second policy year, and you will have the flexibility to receive your cash payouts or accumulate with us. Furthermore, the plan provides coverage for death and total and permanent disability (TPD before the anniversary immediately after you reach the age of 70).

If you have the means to save up for a longer-term goal and want to stay on track, you can consider Gro Saver Flex. With this plan, you have the flexibility to choose your premium term and policy term. Upon maturity, you'll receive a maturity benefit[1] consisting of the cash value of the policy. It also provides coverage for death terminal illness.

Important Notes:

[1] If the insured survives at the end of the policy term and the policy has not already ended, the policy will pay the cash value. The policy terminates thereafter.

income made yours

UOB Asset Management's new methodology underpins growing interest in ESG investment products

Author | UOB Asset Management

Back in the 1960s, some investors were already paying heed to the need to be more socially responsible. They started paying attention to the harm certain business activities had on the environment; others began to eschew tobacco companies given how the harm from cigarettes had been proven. Or, they avoided arms manufacturers.

What was previously called corporate social responsibility in an earlier era has evolved into the environmental, social and governance (ESG) standards as popularly known today.

As the years go by, the list of concerns and issues on the agendas have gradually evolved, although the core goal remains the same: have a positive impact on the wider society at large and not be solely obsessed with making returns on capital.

With the on-going pandemic, there's a heightened consciousness on the part of the wider community to pay more attention to ESG, and one way the investors have been doing so is by demonstrating their healthy appetite in this area.

According to Refinitiv, which tracks industry data, Asia-Pacific borrowers more than doubled issuance of bonds tied to ESG themes to a record US$69 billion this year, as they sought to tap increasing investor appetite for sustainable asset classes.

From the perspective of UOB Asset Management (UOBAM), this statistic is an indication of how far ESG has come since 2012, when there was limited attention to ESG investing market in Asia outside of Japan. Investors had to look to Europe, where there is better awareness where such investing themes were more prevalent.

Along with changing attitudes and growing awareness of ESG since the onset of the pandemic, market dynamics have changed as well.

"Conversations are now no longer simply about financial returns and performance when making investment decisions. Investors see that sustainability is no longer viewed as a 'good-to-have' aspect or a tertiary consideration but is now often actively integrated into investment decisions and business models. ESG Investing will eventually become the new normal in Asia," says UOBAM Sustainability Office.

If current trends are to go by, more consumers will call on companies to embrace more ESG-friendly practices, governments will implement more ESG-related rules and regulations. More importantly and directly relevant to the financial industry, the whole ecosystem of investors and issuers will keep on growing.

“We believe that top-down commitments have driven the ‘wall of money’ in Asia towards embracing ESG and sustainability. The push from governments and regulators has catalysed the adoption of sustainability practices by many Asian companies, that have realised that ESG investing also drives long term financial performance while simultaneously creating a positive impact on the environment and society,” UOBAM Sustainability Office added.

However, the ESG journey will not be entirely a smooth one. Given how investing according to ESG themes is still a relatively nascent part of the wider financial services system, there are issues that will need addressing.

Firstly, ESG ratings – from which investors need to use to gauge -- can be difficult to interpret, as rating providers have differing methodologies in assessing companies based on different data points and the quality in assessment. The final ratings themselves are a function of ESG factors including sub-variables encompassing broad areas in scope and measurement.

Secondly, there is a gap in data coverage for emerging and frontier markets, especially in Asia, where this trend is still relatively new. Many companies do not have the requisite resources to fully provide what the ratings providers require of them.

Thirdly, many investors still have the misconception that compromises have to be made when investing in ESG products. But this is not entirely true.

Research from organisations such as CFA Institute have shown that strong ESG companies achieve better financial performance compared to those who place less or no emphasis on ESG factors.

> *“The positive relationship between ESG and performance supports the notion that businesses that adopt such practices are more resilient, able to navigate risks well and are better prepared to meet future challenges,”*
> says UOBAM Sustainability Office.

“Far from compromising on returns, we believe ESG investing allows the investor to invest for both profit and purpose. Investors have started to take notice, with fund inflows into ESG funds in Asia in 2020 growing nearly 20 times compared to the previous year from US$850 million to US$16.9 billion,” UOBAM Sustainability Office added.

To this end, UOBAM has developed its own proprietary ESG rating and assessment methodology that incorporate the use of artificial intelligence (AI) and machine learning models to gather, sieve, analyse and process ESG data.

Should data not be readily available, UOBAM is able to leverage its strong regional footprint and local investment teams to conduct engagements and detailed research on the ground to gather better insights into the ESG performance of companies it invests or looks to invest in.

To build on its methodology, UOBAM has been focusing on investment strategies that seek to meet specific sustainability outcomes thus, enabling investors to both “do well by doing good”.

After all, the investment community has chased after solely returns for too long.

What is sustainable bond investing?

Author | Eastspring Investments

Traditional bond investing places emphasis on the analysis of bond issuers' financials to evaluate their ability to service their debt during the life of the bond. Sustainable bond investing seeks to balance the traditional analysis with the consideration of the issuers' environmental, social and governance (ESG)-related impact.

There is growing recognition that the integration of material ESG factors in investing is not only about doing good but can lead to improved investment outcomes in the longer term. This applies to both equity and bond investing. However, a key difference between sustainable bond investing versus equity investing is that bond investing is more focused on identifying and mitigating downside risks, while equity investing is more attuned to growth opportunities. According to Sustainalytics, a global leader in ESG research and ratings, corporates that consider their impact on the environment and society and have higher levels of sustainable practices are less likely to face controversial incidents that may negatively impact business.

Further, the scope of sustainable investing in the bond universe is wider. Apart from traditional bond securities, the availability of Green, Social and Sustainability (GSS) labelled bonds allows investors to direct their investments to specific projects and activities that support their ESG objectives.

ESG considerations are affecting everyone from consumers to policymakers

In a 2020 global survey done by consulting firm BCG, it was found that 70%[1] of survey participants agreed that it is important that climate change is prioritized in the economic recovery after the Covid-19 pandemic. The crisis is driving change at the individual level too, with 40% reporting that they intend to adopt more sustainable behavior in the future. This mindset shift is bound to have ripple effects, expanding from consumer decisions to macro policies.

Governments of the world's top greenhouse gas emitters are now working on reaching a net-zero emission future. China, currently the world's largest carbon emitter has committed to turn carbon neutral by 2060.

[1] https://www.bcg.com/publications/2020/pandemic-is-heightening-environmental-awareness

It's not just climate, governance matters too

In our global investor survey conducted in July to September 2021 on Asian fixed income, respondents highlighted corporate governance to be among their key concerns for investing in Asian bond markets. This is rightly so, because when corporate governance failures occur, the loss in bond capital values often materialise long before the actual credit rating downgrade or default.

Asia's corporate governance standards have improved over the years, but significant divergence exists within the Asian region itself. We expect the increased emphasis on Environment, Social and Governance (ESG) to effect more meaningful changes in corporate governance frameworks across the region. This takes time and given the idiosyncrasies in each market, it is imperative for Asian bond investors to know their markets and credits well and to be dynamic in their analysis. In Asian markets and cultures, where human relationships are highly important, having local investment teams on the ground that can engage with issuers can go a long way.

Asia offers the opportunity for ESG outperformance

The shift towards sustainable investing has also been gaining momentum in Asia. In Asia, where ESG investing has historically lagged, assets in ESG funds reached USD35.3bn as at September 2021, up from only USD 6.7bn in 2018[2].

Asian governments are also increasingly aware that sound ESG practices go hand in hand with long term economic growth. Various Asian governments are promoting ESG as part of their agendas for economic growth either by supporting the development of regional green finance hubs (Singapore, Hong Kong), promoting green finance products (Indonesia, Taiwan) or nurturing a green bond market (India). Singapore's recently unveiled Green Plan 2030 charts Singapore's green targets over the next ten years as the country seeks to advance the national agenda on sustainable development. Meanwhile Bank Negara Malaysia is looking to implement a green taxonomy later this year which can eventually be used to help differentiate financial institutions based on their support for climate goals.

With Asia's unique mix of strong economic growth and policy support, we see the potential for ESG outperformance as rapid wealth accumulation and rising ESG investing opportunities intersect.

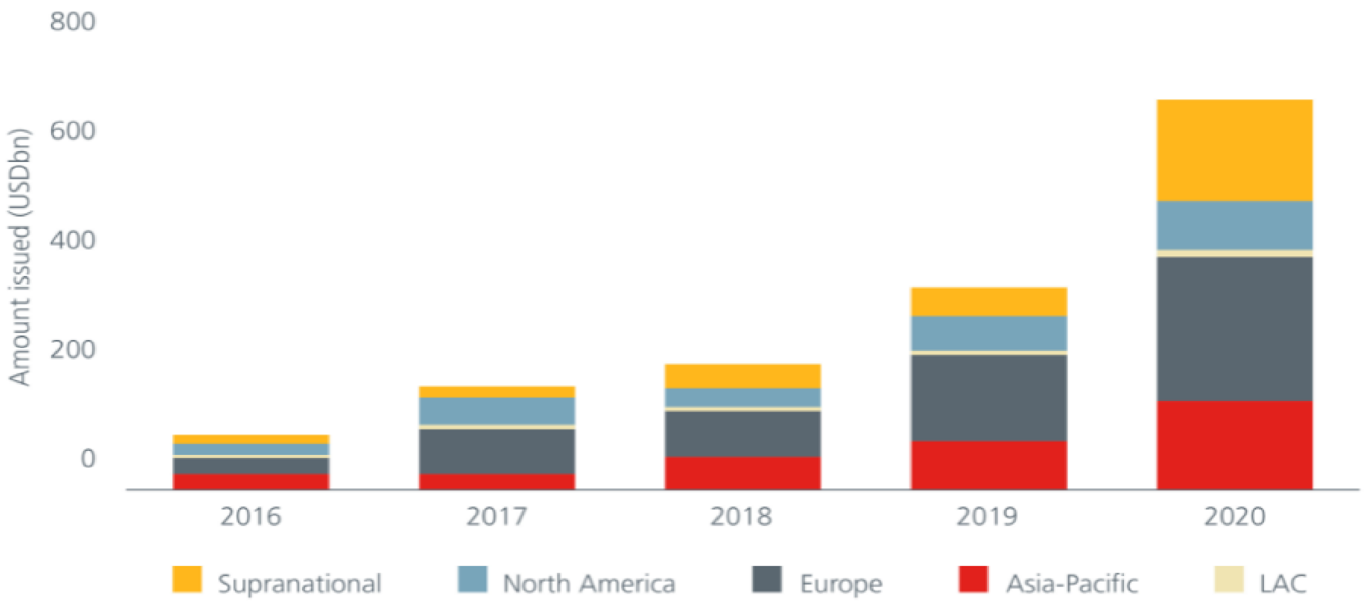
[2] *JPMorgan, "ESG Fund Radar", 22 October 2021*

How does Asia's bond market rise to the challenge?

As policymakers in Asia look to make infrastructure more climate resilient and companies continue their decarbonisation journey in the new post pandemic world, Asian bond markets will play a critical role in helping to finance these initiatives. We expect the growing issuance of ESG-aligned bonds in Asia to finance the structural shift towards areas like renewable energy and green building, which will provide investors with greater diversity and opportunities.

As at end September 2021, Asia's sustainable bond market has an outstanding stock of USD388.7bn, accounting for nearly 20% of the global sustainable bond market[3]. In 2020, Asia Pacific's issuance of Green, Social and Sustainable bonds made up 22% of global issuance. See Fig. 1.

Fig. 1 Asia-Pacific's Green, Social and Sustainable bond issuances continue to grow

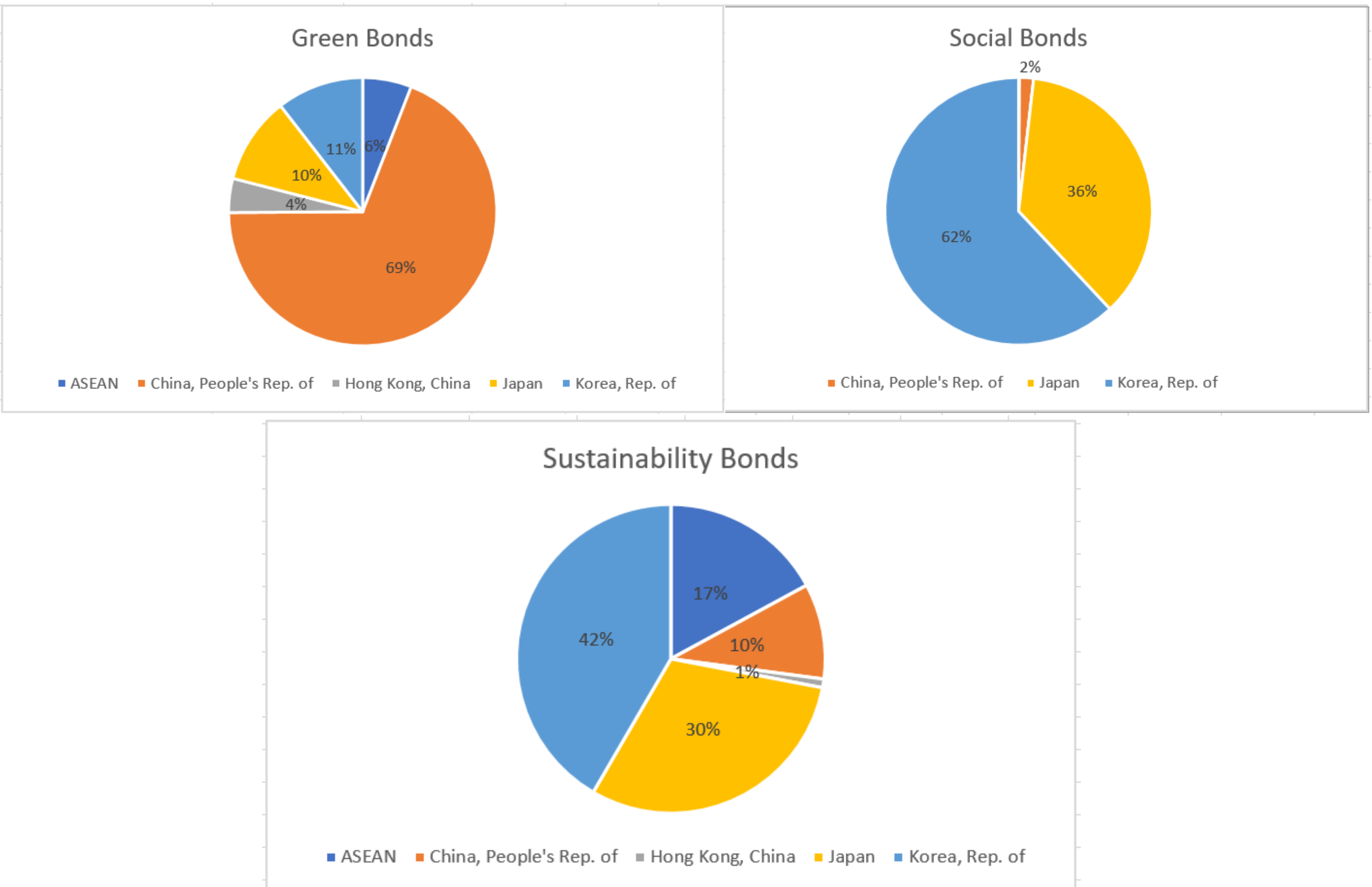


Source: Climate Bonds Initiative. LAC stands for Latin America and Carribean.

[3] *AsianBondsOnline, September 2021*

Asia has a big role in decarbonising the global economy. With China alone contributing close to 30% of global carbon emissions, it is not surprising that China accounts for close to 70% of the region's green bonds outstanding followed by Japan (10.5%) and Korea (10.5%). See Fig. 2. China already accounts for one-third of global investments in decarbonisation although the path towards carbon neutrality will be challenging as much of its existing energy infrastructure is heavily reliant on coal. China's efforts to build green financing channels to fund the massive investments required to build a green infrastructure will probably be accompanied by carbon credit offsets.

Fig. 2. Outstanding Green, Social and Sustainability bonds in Asia



Source: AsianBondsOnline. ASEAN+3 Sustainable Bonds Highlights, September 2021

There has also been growing investor interest and issuance in social and sustainability bonds in Asia to help finance health services and poverty alleviation projects post the COVID-19 pandemic. Sustainability bonds are appealing because proceeds can be used for both environmental and social objectives, giving the issuer greater flexibility. On the other hand, there is less clarity surrounding how to measure and assess the impact of social bonds. The total amount of social and sustainability bonds outstanding in Asia is USD 50.6 bn and USD 59.6 bn respectively, with Japan and Korea being the biggest issuers of such bonds. The Asian Development Bank is seeking to accelerate the development of the social bond market. The expanded scope of social projects to include pandemic support spending under the Social Bond Principle (SCP) framework will help to grow this market.

Investors can be rewarded for doing good

There is an opportunity for investors to be rewarded while doing good. According to a study done by JPMorgan, the cost of debt differential for the top-ranked Asian investment grade corporates versus the lowest ESG-ranked corporates has averaged about 23 basis points since 2015. It is expected that the cost of debt differential would widen with time as investors become more ESG aware in the region, making investments in Asia's sustainable bond market a potentially rewarding venture for early investors.

Leveraging on international standards and working with reputable international agencies including the International Capital Market Association and the International Finance Corporation will help accelerate the development of the sustainable bond market in Asia, providing investors with greater diversity and opportunities. This will be an evolutionary process as Asian policy makers continue to make incremental changes to regulations in response to Asia's unique considerations. Given Asia's later start, the path to net zero is likely to be steeper and more ambitious than Europe's. However, this also suggests that the potential impact could be greater.

Why invest in Eastspring Investments – Asia Sustainable Bond Fund?

Eastspring Investments – Asia Sustainable Bond Fund (the "Fund") seeks to deliver a sustainable return over the medium term by investing primarily in investment grade, USD-denominated, bonds issued by Asian entities. This includes investments in both conventional bonds, as well as Green, Social and Sustainability (GSS) labelled bonds. Further, there is moderate flexibility to diversify into Asian high yield bonds, interest rate and currency markets, providing additional sources of value-add for the Fund.

We believe that the active investment across the diversified mix of instruments, combined with an ESG focus, can help optimise the Fund's risk-adjusted-return profile while achieving investors' ESG goals. Adopting an ESG-focused investment strategy does not necessarily mean lower returns compared to a conventional Asian bond strategy. For example, even when investor sentiment took a dip in the Asian credit market in the second half of 2021, the Fund's performance has held up well, helped in part by the Fund's higher focus on markets and issuers with stronger ESG profiles compared to conventional Asian bond funds.

Fund vs other Asian Bond Performance Returns (%)

	1m	3m	6m	YTD	1y	Since Inception (p.a.)
Fund (Class A, Bid-bid)	0.0	-2.2	-2.0	-1.1	-0.2	2.6
Fund (Class A, Offer-bid)	-3.0	-5.2	-5.0	-4.0	-3.2	1.0
Morningstar EAA Fund Asia Bond Category (Median return, Bid-bid)	-0.4	-4.1	-3.1	-3.6	-2.4	3.4
Relative Return (versus Bid-Bid)	0.4	1.9	1.1	2.5	2.2	-0.8

Source: Eastspring Investments, Morningstar, data as of 30 November 2021. 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. Since inception date:16 December 2019. Performance value is rounded off to 1 decimal place. There is no benchmark for the Asia Sustainable Bond Fund as there is currently no suitable market index reflecting the investment approach and the Investment Manager is not bound to a benchmark in managing the Sub-Fund. Past performance is not necessarily indicative of the future or likely performance of the Fund. Morningstar EAA Fund Asia Bond category consists of Asia Bond funds domiciled in Europe/Asia/Africa that are dedicated to fixed income securities of issuers who have their main business activities in Asia and is for reference only. The Eastspring Investments Asia Sustainable Bond Fund has been classified by Morningstar to be best suited for the EAA Fund Asia Bond Category based on its holdings.

Eastspring has one of the largest fixed income teams in Asia. Our strong presence across 11 Asian markets facilitates ready access of on-the-ground market information. Equally, the experience of running Asian hard and local credit strategies underpins the in-depth expertise and ability to maximise total returns for investors over time. The solid track record of our Asian bond strategies bears testament to the strength of our investment team. The team members who are specialists in respective fields have collaborated successfully over many market cycles and won numerous awards over the years. More recently, the firm and team's commitment to Responsible Investments has been validated; our fixed Income categories - Corporate (Financial & Non-Financial) are rated "A" by the UN Principles for Responsible Investments in the latest assessment and report published in September 2020.

This document is issued by Eastspring Investments (Singapore) Limited (UEN: 199407631H). Eastspring Investments (Singapore) Limited is the appointed Singapore Representative and agent for service of process in Singapore. This advertisement has not been reviewed by the Monetary Authority of Singapore.

The Fund is a sub-fund of Eastspring Investments, an open-ended investment company with variable capital (Société d'Investissement à Capital Variable or SICAV) registered in the Grand Duchy of Luxembourg, which qualifies as an Undertakings for Collective Investment in Transferable Securities ("UCITS") under relevant EU legislation. The Management Company of the SICAV is Eastspring Investments (Luxembourg) S.A., Grand-Duchy of Luxembourg.

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.

This document is solely for information and does not have any regard to the specific investment objectives, financial or tax situation and the particular needs of any specific person who may receive this document. This document is not intended as an offer, a solicitation of offer or a recommendation, to deal in shares of securities or any financial instruments.

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/or 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.

Eastspring Singapore is an ultimately wholly-owned subsidiary of Prudential plc of the United Kingdom. Eastspring Singapore and Prudential plc are 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, a subsidiary of M&G plc, a company incorporated in the United Kingdom.

PIAS Investment Outlook (Q1 2022)

Author | Tan Yong Feng, Investment Strategy, Partnership Management, Professional Investment Advisory Services Pte Ltd.

As we head into 2022 and enter the third year of the pandemic, the global rebound from Covid-19 is facing a headwind in the form of the new variant Omicron. The emergence of Omicron could potentially delay the pace of global recovery in Q1 2022 as it rapidly spreads across the globe **(Chart A)**. However, preliminary data from studies are suggesting that Omicron although more transmissible, but is less deadly than the delta variant and is less likely to lead to hospitalization. The escalation of inflationary pressures stemming from global supply chain constraints had resulted in central banks tightening their accommodative monetary policy. The US recorded the highest inflation in almost 40 years, as the supply chain remains disrupted. With inflation as the backdrop, investors watched closely as the Fed concludes the FOMC meeting in December. The Fed had an expected hawkish tone, announcing the acceleration of the tapering of asset purchases and ending the pandemic-era bond purchases in March 2022. The Fed had also signalled three rate hikes in 2022 **(Chart B)** as Jerome Powell said "The economy no longer needs increasing amounts of policy support". **We believe the hike could be as early as June 2022, shortly after the asset purchase concludes. The pace of market recovery will no doubt dwindle in 2022 compared to the amazing recovery in 2021, but would nonetheless remain robust. We maintain our overall slight positive in equities and continue to retain our blended approach towards growth and value.**

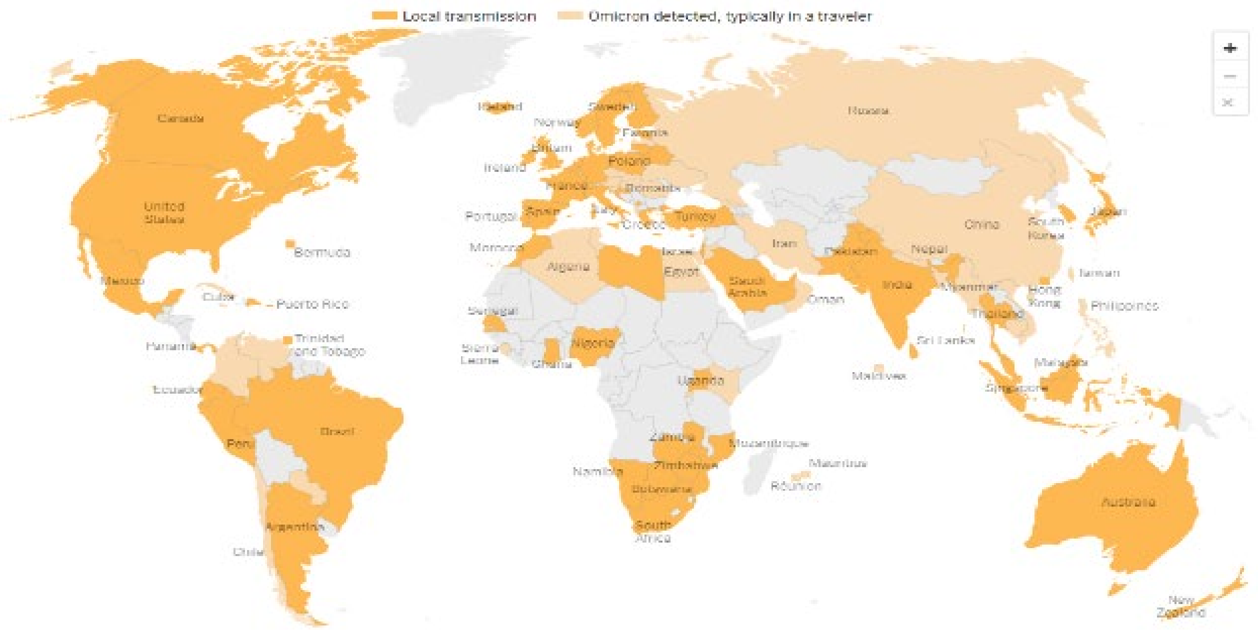


Chart A | Omicron's Spread
Source: The New York Times, December 2021

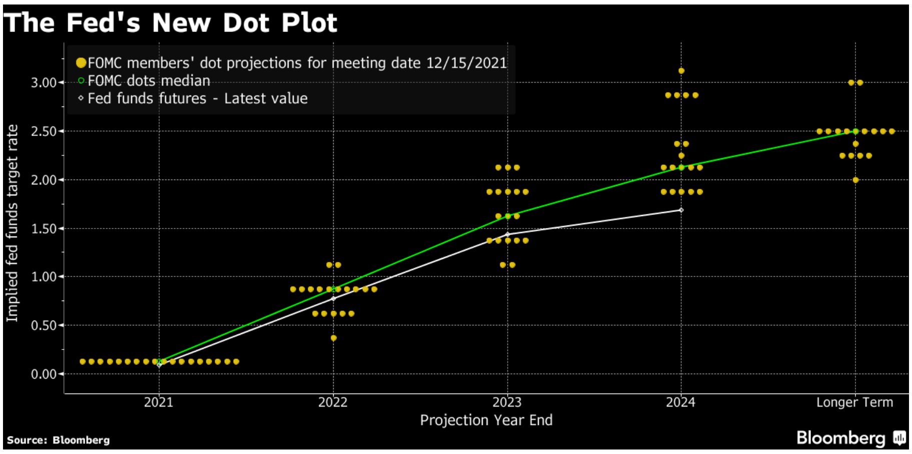


Chart B | The Fed's Dot Plot (Chart B)
Source: Bloomberg, December 2021

China has shifted to a more accommodative stance in their policy as they turn their attention towards economic stability in 2022 as emphasized in the Central Economic Work Conference. Those are reassuring words to investors amidst strict regulatory crackdowns and distress in the real estate sector in 2021. **Economic indicators have suggested that the drop-off in growth experienced in the second half of 2021 is likely to persist into Q1 2022 and we would expect volatility in the near term to remain elevated as recent events continue to weigh in on investors. As such, we maintain our neutral view on China in Q1 2022, despite being optimistic about China's long-term growth prospect.**

Although Europe had made excellent progress in their vaccination drive, they have an uptick in cases due to the more transmissible variant, Omicron. In the European Central Bank meeting in December, the ECB had a dovish tone as compared to other major central banks in the UK and US. The ECB had announced that they will end its Pandemic Emergency Purchase Programme (PEPP) in March 2022 but had signaled that there will not be any rate hikes in 2022. **We are optimistic that the accommodative monetary policy will provide adequate support to the European region and Europe is poised for an above-trend recovery as compared to other regions. We believe that the Omicron cases in Europe may stall but will not derail the European growth moving in 2022. Moreover, the valuation of European equities are reasonably priced as compared to other markets and hence we maintain our slight positive view on the European region.**

As investors digest the impact of the Omicron variant, high inflationary pressures and the monetary tightening of the major central banks, we could expect near term volatility. **We believe that the pace of global recovery would slow down with the fading of monetary and fiscal stimulus but will nevertheless be positive. We remain constructive on the overall economy moving into Q1 2022 and continue to favour equities, as we are hopeful that it will build on the gains it had in 2021.** Corporate profits are set to remain strong and are one of the key driving forces for equities. **We expect inflation to persist well into Q1 2022 but will gradually ease in the following quarters. We strongly encourage investors to focus on fundamentals and stay invested in a well-diversified portfolio to mitigate the volatility in the market in the near term.**

Source | | Figures extracted from Refinitiv Datastream, Fathom Consulting and Refinitiv Lipper Data, Reuter Graphics

YOUR PRIVACY

Your privacy is important to us. If you do not wish to receive information of this kind in the future, please contact your adviser.

DISCLAIMER

The views expressed in this presentation reflect the views of the Professional Investment Advisory Services Pte Ltd (“PIAS”). The information provided herein is intended for general circulation and are not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use will be contrary to local law or regulation. This presentation may not be copied, either in whole or in part, or distributed to any other person without our specific prior consent. PIAS and its affiliates, directors, associates, connected parties, employees and/or Representatives may own or have an interest in the securities covered in this material. PIAS does not make any representation or warranty (express or implied) as to its accuracy, completeness, timeliness or correctness for any particular purpose.

The content in this presentation may consist of the past performances of markets, sectors and funds. These are provided for reference only and do not have regard to the specific investment objectives, financial situation or the particular needs of any recipient. Henceforth, the contents shall not be construed as an offer or solicitation to buy, sell or subscribe for any investment or life insurance product or the giving of advice thereof. Accordingly, no warranty whatsoever is given and no liability whatsoever will be accepted by PIAS for any loss arising whether directly or indirectly as a result from you acting based on this information.

All investments, past performance of the mentioned collective investment schemes and life insurance policies and any projection of the economies, stock markets, bond markets and the economic trends of the markets are not necessarily indicative of the future performance. All investments, collective investment schemes and life insurance policies are subject to investment risks, including the possible loss of the principal amount invested. Opinions and estimates are subject to change without notice. You are advised to read very carefully the applicable prospectus, product highlight sheet and/ or profile statement of the collective investment schemes, as well as the applicable product summary, benefit illustration and product highlight sheet in respect of the life policies. To the maximum extent permitted by law, PIAS accepts no liability for any losses or damages (including direct, special, indirect, consequential, incidental or loss of profits) if any kind arising from or in connection with any reliance and/or use of the information (including any error, omission or misstatement, negligent or otherwise) or further communication, even if PIAS has been advised of the possibility thereof.

Please seek advice from a Financial Adviser Representative or consult a professional regarding the suitability of the investment product, taking into account your specific investment objectives, financial situation or particular needs, before making a commitment to purchase the investment product. In the event that you choose not to seek advice from a Financial Adviser Representative or a professional, you should consider whether the product in question is suitable for you.

This advertisement has not been reviewed by the Monetary Authority of Singapore.

Co. Reg. No. 200106346Z | Financial Advisory Licence No. FA000008-4

Head Office
6 Shenton Way, OUE Downtown 2,
#09-08, Singapore 068809

T: +65 6372 5700
F: +65 6372 5950
E: enquiry@pias.asia
W: www.proinvest.com.sg

PIAS

PROFESSIONAL INVESTMENT ADVISORY SERVICES