

Eastspring Investments – Asian Low Volatility Equity Fund (Unhedged) (ES-ALOVE-UH)

- The master fund aims to generate total returns in line with the Asia-Pacific equity market (excluding Japanese stocks) through revenue growth and long-term capital appreciation, while maintaining lower volatility than the market. The fund manager employs systematic and quantitative methods to construct the investment portfolio. In screening stocks for investment, fundamental factors such as valuation, quality, positive analyst opinions, and dividends are considered. The portfolio is designed to meet the desired characteristics and minimize overall volatility under the specified conditions (the focus is not on holding the lowest-volatility stocks individually, but the portfolio diversification reduces overall volatility). Investments are spread across approximately 100–200 stocks, diversified by country, sector, company, and risk factors.
- The fund is managed by the Quantitative Strategies Team, whose members have an average investment experience of over 10 years. The team is led by two lead managers: Chris Hughes, PhD, CFA, with over 23 years of experience, and Jie Lu, PhD, CFA, with over 19 years of experience.
- The fund has long-term* performance that aligns with the Asia-Pacific equity market (excluding Japanese stocks) but with lower volatility.

Investment Situation

- The Asia-Pacific equity market (excluding Japan) has recently been affected by the slowdown in China’s economic growth, causing the overall Asian stock market to underperform the U.S. S&P 500 index. However, the Chinese government has eased various policies and implemented additional economic stimulus measures. Alongside the growth momentum in the AI industry, this has led Chinese stocks to recover and rank among the top performers globally this year. For the earnings outlook of listed companies in Asia, EPS is expected to grow relatively well at around 10%–12% this year. Meanwhile, the valuation of Asian equities remains attractive, cheaper than other developed markets—especially compared to the MSCI World Index or global developed markets. Therefore, current stock prices are considered appealing.

Investment Policy

- The fund will primarily invest in the Eastspring Investments – Asian Low Volatility Equity Fund (the master fund), Class C units, managed by Eastspring Investments (Luxembourg) S.A., with an average allocation of no less than 80% of the fund’s net asset value over the accounting year.
- The master fund aims to generate total returns in line with the Asia-Pacific equity market (excluding Japan) through revenue growth and long-term capital appreciation, while maintaining lower volatility than the market.
- This fund is suitable for investors seeking returns from investments in companies established, listed, or primarily operating within the Asia-Pacific region (excluding Japan) and who can tolerate a high level of risk.
- The fund has a risk level of 6.
- The fund has no dividend distribution policy.
- The fund will not hedge foreign exchange risk (unhedged).

Country / Regions	Fund (%)
China	26.7
India	16
Taiwan (Republic of China)	12.5
Australia	9
Hong Kong	6
Singapore	5
Korea	4.9
Malaysia	3.2
Others	7.2
Cash and Cash Equivalents	9.5

Sector	Fund (%)
Financials	25
Information Technology	16.9
Utilities	10.5
Consumer Staples	10.2
Communication Services	9.2
Industrials	6.5
Energy	5.3
Consumer Discretionary	2.8
Others	4.1
Cash and Cash Equivalents	9.5

Historical Performance (as of 31 August 2025)

Performance	Year-to-date	3 months	1 year (% per year)	3 years (% per year)	5 years (% per year)	Since inception (% per year)*
Master Fund	8.4%	3.4%	4.7%	13.1%	8.4%	6.4%
Benchmark**	9.2%	3.6%	7.4%	9.0%	5.4%	6.5%

*The master fund is Eastspring Investments – Asian Low Volatility Equity Fund, established on 1 February 2017.

**The benchmark of the master fund is the MSCI AC Asia Pacific ex Japan Minimum Volatility Index.

Source: Eastspring Investment, data as of 31 August 2025.