eastspring investments

A Prudential plc company

Q1 2025 Market Outlook

Trump 2.0: A test of market and economic resilience

invested in insights

eastspring.com

Q4 2024: Quarterly Market Recap

Markets experienced volatility stemming from Trump's victory, inflation, and geopolitical tensions

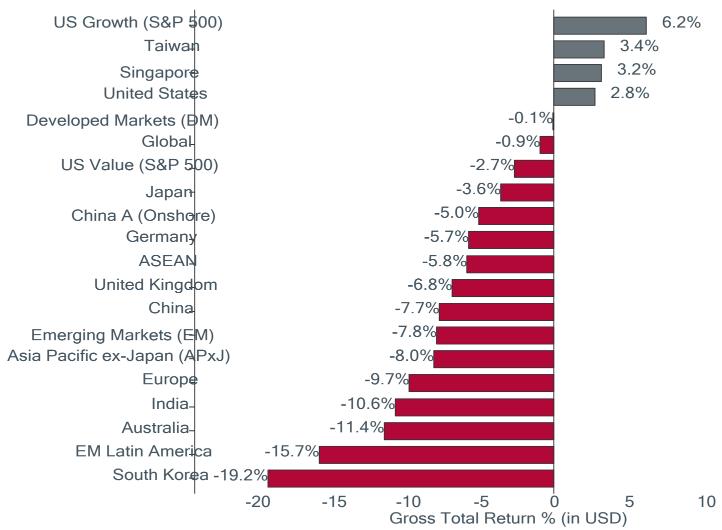
Equities

In the fourth quarter of 2024, highlighted by Donald Trump's Presidential election win, global markets were generally volatile. The MSCI AC World Index fell -0.9%. Developed markets outperformed emerging markets, primarily due to the positive performance of US equities. The MSCI USA Index rose 2.8%, benefitting from the strong post-US election sentiment, a still robust US labor market, and still resilient US economic data overall. With the exceptions of Taiwan (+3.4% in USD terms) and Singapore (+3.2% in USD terms), other regional markets generally faced challenges primarily due to concerns about trade tariff implications and concerns over global trade. The MSCI Europe Index (USD) fell -9.7%, given uncertainties in economic policies and political events, in addition to trade concerns. The MSCI Emerging Market Index declined by -7.8% (in USD terms) and the MSCI China Index declined -7.7% (in USD terms) as Trump 2.0 increased likelihood of trade tensions. South Korea's equity market struggled, weighed by political uncertainty stemming from the martial law crisis.

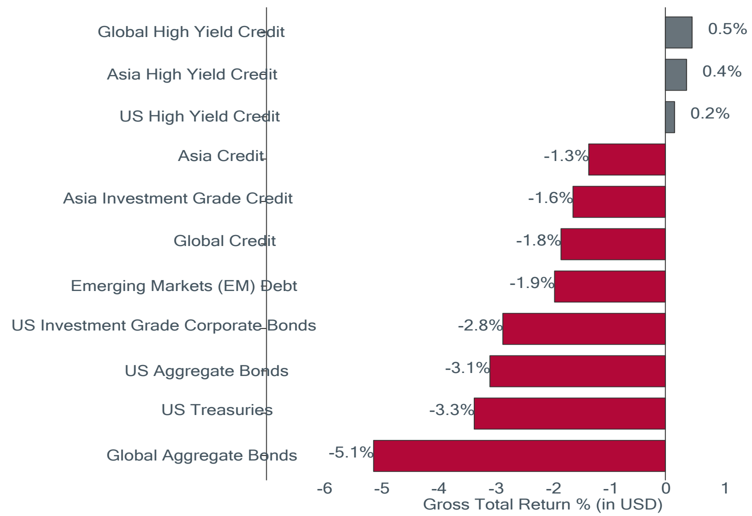
Fixed Income

During the quarter, global government bonds generally declined, coinciding with a notable increase in US Treasury yields, notwithstanding two 25-basis point (bp) cuts in the federal funds rate to a target range of 4.25% to 4.50%. The yield on the 2-year US Treasury notes rose +59 bps to approximately 4.25%, while the yield on 10-year US Treasury notes rose +77 bps to around 4.58%. Against this backdrop, the Bloomberg Global Aggregate Index declined -5.1% while the ICE BofA US Treasury Index declined -3.3%. In the credit markets, high yield bonds fared better than their more interest rate sensitive investment-grade counterparts, buoyed by expectations of business-friendly policies under Trump 2.0. Strong demand for US high yield bonds, in particular, caused spreads to tighten to historical lows. The JP Morgan EMBI Global Diversified Index, a proxy for USD-denominated EM bonds, returned -1.9%.

Global Equities: Q4 2024 Performance



Global Fixed Income: Q4 2024 Performance



Data source: Eastspring Investments; MSCI; LSEG Datastream. Performance data is provided as of 31 December 2024. Equity returns are referenced by the respective MSCI market indices quoted in USD (gross total returns). Exceptions are the "US Growth (S&P 500)" and "US Value (S&P 500)", which are represented by the S&P 500 Growth (TR) Index and S&P 500 Value (TR) Index, respectively. "DM Equities" is represented by the MSCI World Index. The fixed income markets are represented as follows: "Asia High Yield Credit": J.P. Morgan Asia Credit Non-Investment Grade Index, "Global High Yield Credit": ICE BofA Global High Yield Index, "Asia Credit": J.P. Morgan Asia Credit Index, "US High Yield Credit": ICE BofA US High Yield Constrained Index, "Asia Investment Grade Credit": J.P. Morgan Asia Credit Investment Grade Index, "Emerging Markets (EM) Debt": J.P. Morgan EMBI Global Diversified Index, "US Treasuries": ICE BofA US Treasury Index, "US Investment Grade Corporate Bonds": ICE BofA US Corporate Index, "US Aggregate Bonds": Bloomberg US Aggregate Index, "Global Credit": ICE BofA Global Credit Index, and "Global Aggregate Bonds": Bloomberg Global Aggregate Index.

Currencies

During the quarter, the broad-based U.S. dollar index (DXY) strengthened by 7.7%, against a basket of six major currencies, marking the largest quarterly gain since the first quarter of 2015. Trump's victory increased concerns about the inflationary impact of his economic plans, which in turn may limit the Federal Reserve's (Fed) ability to pursue a more accommodative monetary policy stance. As a result, rising US Treasury yields during the quarter contributed to the broad dollar strengthening.

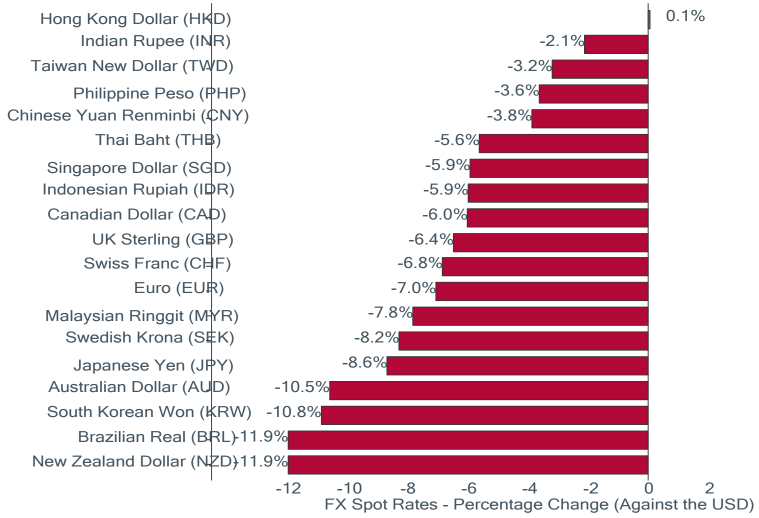
Apart from the Hong Kong dollar, major currencies generally experienced broad-based weakening against the USD, weighed by Trump's tariff threats and trade implications amongst other factors. Within Asia, the Korean won fell 10.8%, driven by a weaker economic outlook, and political uncertainty. The Chinese yuan depreciated 3.8% due to the widening interest rate differential with the US and anticipated restrictive trade policies. China pledged an "appropriately loose" monetary policy to improve investor sentiment. The Indian rupee weakened as non-deliverable forwards and currency futures matured, increasing dollar demand and prompting panic buying by importers.

Commodities

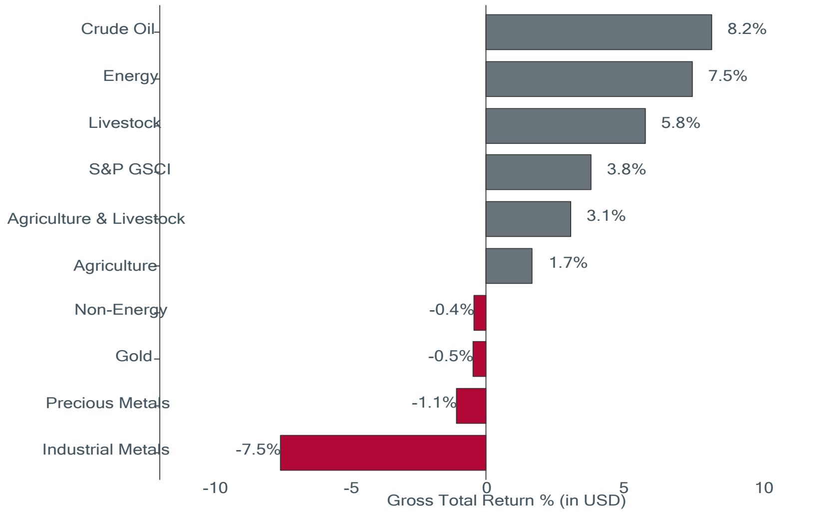
During the quarter, the S&P GSCI Index, a benchmark for investment in the commodity markets, gained 3.8%. The energy and livestock sub-sectors performed particularly well, while the precious metals and industrial metals sub-sectors recorded a decline in value during the same period, with the latter experiencing a -7.5% loss.

The industrial metals sector witnessed a decline in value, primarily led by the nickel and copper sub-components. Nickel's price drop was due to an ongoing supply glut, particularly with Indonesia's production output remaining high. Copper prices were weighed down by doubts about the strength of China's economic recovery.

Currencies (vs. USD): Q4 2024 Performance



Commodities: Q4 2024 Performance



Source: LSEG Datastream; S&P Global. Performance data is provided as of 31 December 2024. For the "Currencies (vs. USD)" chart, the currency performances for the respective currencies are based on the closing spot rates (versus the USD), as calculated by Refinitiv. For the "Commodities" chart, please note the following. Crude Oil: S&P GSCI Crude Oil Index, Energy: S&P GSCI Energy Index, Livestock: S&P GSCI Livestock Index, Gold: S&P GSCI Gold Index, Precious Metals: S&P GSCI Precious Metals Index, Agriculture & Livestock: S&P GSCI Agriculture and Livestock Index, Non-Energy: S&P GSCI Non-Energy Index, Agriculture: S&P GSCI Agriculture Index, and Industrial Metals: S&P GSCI Industrial Metals Index.

Macro Outlook

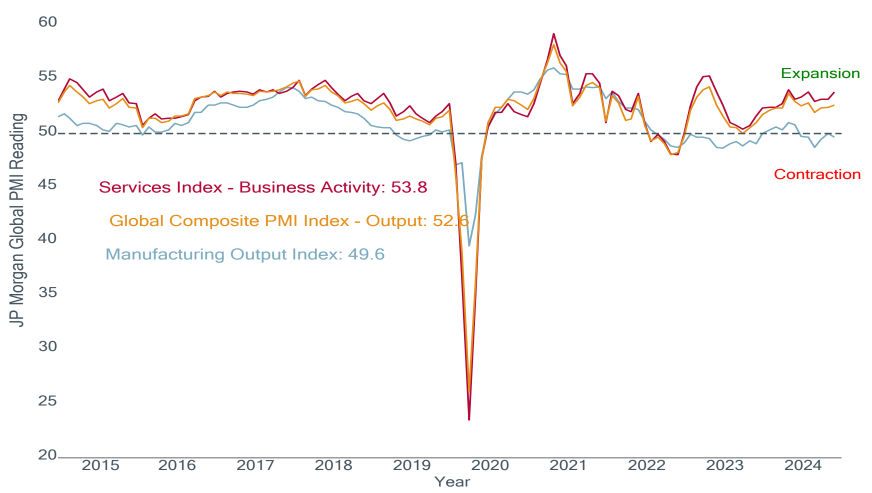
Trump 2.0 policies to present challenges (and uncertainty) to "U.S. exceptionalism" in 2025

Growth

The J.P. Morgan Global Composite PMI Output Index has remained above the '50' boom-bust line for fourteen consecutive months, indicating ongoing global economic expansion. In 2024, the global economy exceeded expectations with strong growth driven by resilient consumer spending and business investments, plus a growing demand for Artificial Intelligence and Information Technology-related products. The services sector outpaced the manufacturing sector, as anticipated tariffs under the Trump administration weighed on the manufacturing sector.

The US economy continued to be a key driver of global growth and had displayed its "exceptionalism" throughout 2024. Despite relatively high US real yields, as indicated by the 10-year US Treasury Inflation Protected Securities (TIPS) market and inflation often exceeding the Fed's 2% inflation target, the US economy demonstrated remarkable resilience on the back of a robust consumer base. At this juncture, assuming the US economy continues to operate above potential, the odds of a no-landing scenario (i.e., continued overheating) have increased.

Global Purchasing Managers' Index (PMI)



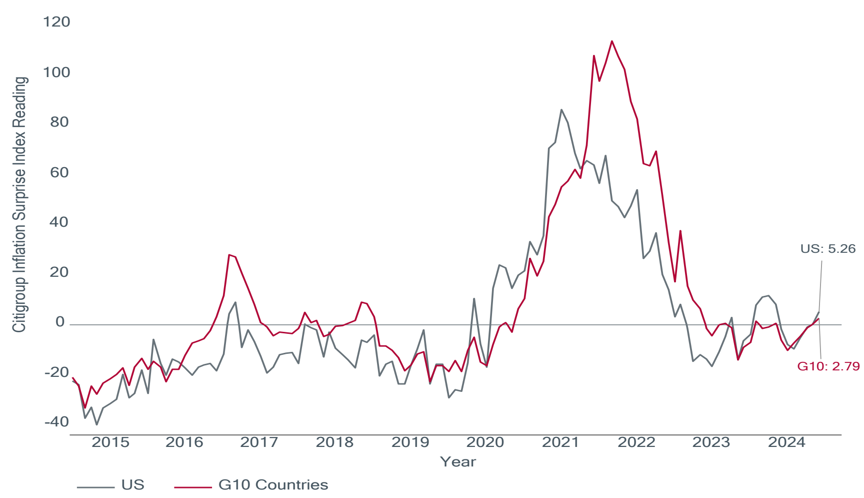
Source: S&P Global; J.P. Morgan; LSEG Datastream. Data is as of end of December 2024.

Inflation

The US core Consumer Price (CPI) Index data for December 2024 showed positive progress, with shelter inflation - a notable portion of the core CPI basket - showing its smallest annual increase since January 2022. Though the trend is encouraging, we acknowledge that the potential inflationary impact of Trump's various policies - especially tariffs - remains uncertain over both the short- and long-term. We believe that US inflation has generally been on a downward trajectory overall, especially compared to the reflationary first quarter of 2024.

Meanwhile, in other developed market economies, disinflationary forces likely remained intact in the United Kingdom and Canada, while in Japan, the Bank of Japan (BoJ) is closely monitoring higher imported costs (due to weaker yen) and the possibility of wage hikes. To detect any signs of a reacceleration in inflation, we are closely monitoring labour market conditions and wage growth trends. Additionally, we remain mindful of any potential supply-side driven inflation risks that may arise from escalating geopolitical tensions.

Citi Inflation Surprise Index (United States and G10 Countries)



Source: LSEG Datastream; Citigroup. Data is as of 31 December 2024.

Assessment of Key Risks – Inflation, China, and Geopolitics Remain in Focus

Key Areas	Likelihood	Magnitude of Negative Market Impact
The probability of a resurgence of inflation has increased. Inflationary risks will persist in 2025 given a still resilient US economy, the continued strength in the labour market, in addition to Trump’s pro-growth and deregulation policies. There is a chance Trump may give more importance to tariff and immigration policies than tax cuts, given some discretion and multiple pathways to enact shortly after taking office. To this end, the order in which these economic policies are implemented will play a vital role in determining their impact on growth and inflation overall. Tariffs can potentially have a negative impact on the economy by increasing the risk of re-accelerated inflation and/or stagflation, and as such has the potential to disrupt the Fed’s easing cycle. Therefore, we will keep a close eye on the progress and clarity (and sequencing) of Trump's upcoming policies, although it may take some time to gain more clarity on the details.	Medium	High
China’s growth slowdown (and its drag on global growth) may continue for longer. Looking ahead, should the US economy experience a notable slowdown, global growth will likely lose a crucial driver of global demand, which China may not be capable of replacing immediately. Despite the recently announced stimulus measures, China, given its still weak domestic demand conditions and weak private sector sentiment, will unlikely in our view be able to meaningfully help offset the slowdown in global growth. A meaningful recovery in the economy requires more sizeable and targeted stimulus measures, especially those aimed at reviving consumption, boosting private sector sentiment, and reviving the property sector, amongst other factors. The persistent deflationary trend in China poses a risk of spillover effects, raising concerns about further potential drag on global economic growth.	Medium	Medium
Geopolitical tensions still loom in the background and can significantly impact investor sentiment, though we generally view these drivers as more transitory in nature as fundamentals (e.g., growth, inflation, earnings) ultimately drive market returns. A deepening of the Middle East tensions, for example, may cause further energy-driven inflation and potentially increase global trade costs in the event of supply disruptions. At the same time, we also recognise that volatility around such events can create opportunities. As geopolitical events tend to trigger sharp bouts of market volatility, we will continue to diligently monitor the ongoing geopolitical tensions, such as the Russia-Ukraine crisis and the Middle East conflict, as well as the evolving US policy towards China, among others.	Medium	Medium

Data source: Eastspring Investments (Singapore) Limited. Views are as of 31 December 2024. The information provided here is subject to change at Eastspring’s discretion without prior notice.

Asset Allocation Views

While continued US exceptionalism may be hard to ignore, diversification remains relevant as ever

We are entering 2025 on a positive note. The US economy has expanded at a faster than expected pace in 2024, and the labour market remains robust, defying the impacts of tighter monetary policy implemented over recent years.

As such, we are constructive on risk assets such as higher yielding credit and global equities on a tactical basis. We are currently cautious on US Treasuries given the resilience of the US economy, which may disrupt the Fed's easing cycle, as the odds of a US recession are decreasing and shifting towards inflationary growth.

From a medium-term perspective, the world has become increasingly unpredictable in 2025. For example, forecasts for US real GDP growth range from 0.5% to 2.9% for this year, as economists are uncertain about which policies President Trump will prioritise and the order in which he will implement them.

At this juncture, we believe that maintaining a disciplined approach to portfolio risk is just as important as focusing on investment strategies, particularly as Trump's policies begin to influence the market post-inauguration. As such, active risk management and diversification across various assets remain key.

Asset Allocation Views

● Underweight ● Neutral ● Overweight

↑↓ Upgrade/downgrade in view from previous quarter – No change

Asset	3m		12m		Rationale
Global Equities	● (Overweight)	↑	● (Neutral)	↑	Market consensus suggests that a Trump presidency, backed by a unified government, will likely bolster US economic growth and extend a period of US economic outperformance. With increased expectation of tax cuts and pro-corporate policies, which are likely to boost corporate earnings over the near-term, we have become more constructive on risk assets on a tactical basis, favouring global equities over bonds from a cross-asset standpoint. Within global equities, we have a tactical preference for the US. Over the longer 12m horizon, we maintain a more neutral stance, when considering the ambiguity surrounding the scope, timing, and sequencing of Trump's proposed policies, as there is still significant uncertainty surrounding their potential impact.
Government Bonds	● (Neutral)	–	● (Neutral)	↓	Following a strong rally in the third quarter which saw the Barclays U.S. Treasuries Index return 4.7% amid the US Treasury 10Y yield falling by -55 bps, the 10Y yield reversed course and rose +77 bps in the fourth quarter and the Barclays U.S. Treasuries Index declined by -3.1%. Given increased risk of inflation resurgence, Fed easing into a still resilient US economy, and a potentially inflationary GOP platform under President Trump, we remain neutral on long-dated government bonds (e.g., US Treasuries) on a tactical basis. US Treasury yields are likely to remain range-bound for now, barring any major catalysts to the upside (i.e., inflation "scare") or the downside (i.e., recession-like conditions). We also maintain a neutral stance over the longer 12-month horizon, as the likelihood of a US recession has decreased due to the resilience of the US consumer base, despite real US rates hovering near 2%.
US Investment Grade Credit	● (Neutral)	–	● (Neutral)	–	Investment grade and high yield credit spreads in the US currently remain at historically tight levels, and we anticipate that they will continue to be supported in the short-term. This is due to the expected pro-business and pro-growth policies of the Trump administration 2.0, as well as the assumption that US Treasury yields will remain range-bound. Over the shorter-term, we currently prefer US high yield bonds over US Investment Grade bonds within US credit.
Cash	● (Neutral)	–	● (Neutral)	↓	A neutral cash stance over the next 12 months reflects the need to remain agile and responsive to market changes. This approach allows for flexibility and the ability to take advantage of investment opportunities as they arise.

Data source: Multi Asset Portfolio Solutions team. Asset class views are as of the team's most recent monthly meeting in early January 2025 and should not be taken as a recommendation. 3m = 3-month view. 12m = 12-month view. The information provided here is subject to change at the discretion of the Investment Manager without prior notice.

Asset Allocation Views (cont.)

Asset Allocation Views

Global Equities	3m		12m		Rationale
US	●	↑	●	↑	The rationale provided for “Global Equities” also applies to the US market (which constitutes ~65% of MSCI AC World Index's total market capitalisation). Given the continued strength of the US economy, we currently have a tactical preference for US equities relative to European and Emerging Markets (EM) equities. Over the 12m horizon, we maintain a neutral position as the impact of policy on growth, inflation and the equity market remains unclear.
Europe	●	–	●	↑	European equities are generally highly sensitive to the global business cycle due to their pro-cyclical nature and significant exposure to China. Over the 3m horizon, the team prefers US over European equities, given the pro-business policies anticipated from the Trump administration and ongoing economic challenges in both Europe and China. Over the longer 12m horizon, given the policy uncertainty in both the US and China, we maintain a neutral position.
Emerging Markets (EMs)	●	↓	●	–	While we recognise the relative valuation attractiveness of Asian and Emerging Markets equities, we remain constructive on US equities over the next 3m on a relative basis given the US’ strong pro-business policy and ongoing challenges in the Chinese economy. Over the longer 12m horizon, given the policy uncertainty in both the US and China, we maintain a neutral position on Emerging Markets equities.
Asia Pacific ex-Japan	●	↓	●	–	While we recognize the relative valuation attractiveness of Asian and Emerging Markets equities, we remain constructive on US equities over the next 3m on a relative basis given the strong pro-business policy and continual challenges in the Chinese economy. Over the longer 12m horizon, given the policy uncertainty in both the US and China, we maintain a neutral position on Asian equities.

Government Bonds	3m		12m		Rationale
US	●	–	●	↓	Since the strong US rates rally in the third quarter, we have turned less constructive on US Treasuries, primarily due to what has been priced into markets. We are increasingly concerned about fundamental shifts in the bond markets, particularly regarding US fiscal funding issues related to potential fiscal profligacy. The inflationary impact of Trump’s policies may also keep yields higher for longer. We maintain a neutral stance over the longer 12-month horizon as the impact of policy on the inflation outlook remains unclear.
Europe	●	–	●	↓	European government bond yields will likely, broadly follow the movements of US Treasuries. See the rationale provided for “Government Bonds”.
Singapore	●	–	●	↓	With inflation progressively moving downwards in Singapore, and while the bandwidth for MAS to ease is wider compared to the Fed, we anticipate the market to be range bound over the short-term. We maintain a neutral stance over the 12m horizon as we brace for Trump’s economic and trade policies.

Data source: Multi Asset Portfolio Solutions team. Asset class views are as of the team’s most recent monthly meeting in early January 2025 and should not be taken as a recommendation. 3m = 3-month view. 12m = 12-month view. The information provided here is subject to change at the discretion of the Investment Manager without prior notice.

Asset Allocation (cont.)

Asset Allocation Views

Credit	3m		12m		Rationale
US High Yield	🟢	↑	⚪	↑	For US high yield bonds, despite historically tight spreads, the indicators for the high yield credit cycle appear positive amid still resilient US economic data: upgrades exceeded downgrades in 2024; the distress ratio is well below the long-term average and the default rate ended 2024 close to 3%. US economic growth is seemingly holding up for now which will continue to support the asset class. We hold a neutral stance over the longer 12m horizon as the impact of policy on the growth and inflation outlook remains unclear.
US Investment Grade	⚪	–	⚪	–	Investment grade spreads in the US are also currently historically tight, and we anticipate that they will continue to be sustained in the short-term on the back of Trump's expected pro-business and pro-growth policies and range-bound US Treasury yields. Over the shorter-term, we prefer US high yield bonds over US investment grade bonds. We maintain a neutral stance over the longer 12m horizon as the impact of policy on the growth and inflation outlook remains unclear.
Emerging Markets (USD) Bonds	🟢	–	⚪	–	Over the 3m horizon, we are tactically more constructive towards Emerging Market USD bonds relative to US investment grade bonds given better than expected improvements in economic and earnings revisions data in Latin America.
Asian Credit	🟢	↑	⚪	–	Over the 3m horizon, we are constructive on Asian USD bonds relative to Singapore government bonds. Over the longer 12m horizon we maintain a neutral position given overall uncertainty for US and global monetary policy.

FX	3m		12m		Rationale
USD	⚪	–	🟢	–	We currently maintain a tactical neutral stance on the EUR / USD currency pair. While USD daily trading sentiment is positive for the USD on the technical front, this is somewhat offset by downgraded fundamentals based on our models. Over 12m, we are constructive on the USD on the back of a potentially "higher for longer" Fed monetary policy and the continued economic outperformance of the US versus Europe and versus the rest of the world.
EUR	⚪	–	🔴	–	Refer to the rationale for the "USD". The Eurozone economy is expected to face challenges in the near term due to the potential onset of a trade war. This comes on top of existing economic weaknesses and uncertainties related to the Trump presidency, which have already affected the value of the EUR. Over the longer 12m, we maintain an underweight in the EUR (versus the USD) on the back of a potentially "higher for longer" Fed monetary policy and the continued economic outperformance of the US vs Europe.
SGD	⚪	–	⚪	–	With core inflation declining 1.9% y/y in November, which is the lowest in three years, the Monetary Authority of Singapore (MAS) has room to potentially re-center and reduce the slope in upcoming meetings. Nevertheless, with Singapore's economy remaining resilient, and an above forecast fourth quarter GDP growth, there could be a delay to policy easing. The MAS is likely to wait for confirmation showing a sustained decrease in core inflation, as this reading is usually sticky, with volatility in travel costs.

Datasource: Multi Asset Portfolio Solutions team. Asset class views are as of the team's most recent monthly meeting in early January 2025 and should not be taken as a recommendation. 3m = 3-month view. 12m = 12-month view. The information provided here is subject to change at the discretion of the Investment Manager without prior notice.

Trump's tariff tango: Assessing the impact

As President-elect Donald Trump prepares to take office, his proposed tariff policies have stirred significant debate and concern. At the end of November, Trump announced his intention to levy a 25% tariff on all imports from Mexico and Canada, as well as an additional 10% tariff on all imports from China. Recent reports also indicate that Trump's administration is considering gradual tariff hikes on Chinese goods by 2-5% per month under emergency powers.

The potential economic impact of these tariffs could be significant. Research suggests that every 1% increase in the effective US tariff rate would raise US core Personal Consumption Expenditures (PCE) prices by 0.1% and lower US GDP by 0.05% (assuming full retaliation)[(1)]. If the tariffs which Trump announced in November are implemented, it could raise the US tariff rate by 7.3%, implying a 0.7% increase in US core PCE prices and a 0.4% hit to US GDP.

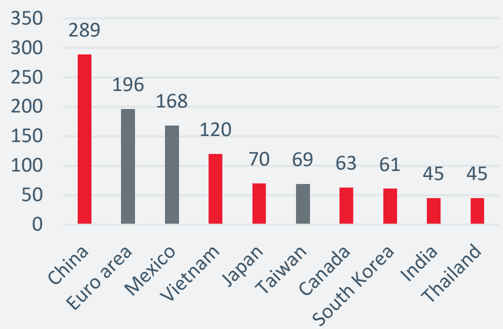
Across the Emerging Market (EM) economies, China, Mexico, Vietnam, South Korea, and Taiwan would potentially be most impacted by the incoming tariffs as these economies have the highest goods trade surplus with the US. China would probably be the Trump administration's first and biggest target. That said, the impact on China is expected to be less severe than during 2018-2019, as China's corporate sector has since diversified its supply chains. Nevertheless, China will need to increase its fiscal stimulus, as well as cut interest rates to achieve its 5% GDP growth target for 2025.

(1) Goldman Sachs Global Investment Research. January 2025.

The impact on China would ripple through to other Asian and EM economies. The imposition of US tariffs on China in 2018-2019 saw China's exports to the EMs and Mexico rise sharply, and we expect a similar pattern to repeat. This could create a short-term deflationary effect on these economies.

In addition, if China fails to meet its GDP growth target, the resulting slowdown will also affect other economies that have large trade exposures to China, such as Korea, Taiwan & Malaysia. This would in turn pressure capital expenditures, consumer confidence, and growth within these economies.

Fig. Trade surplus with the US
(USD bn, 12-month trailing sum as of October 2024)



Source: Morgan Stanley Research. January 2025.

The situation turns more complex if the US imposes universal tariffs on all its imports. While China has become less reliant on exports to the US since 2018, the reverse is true of Asia (ex-China). Universal tariffs would require Asian supply chains to be reconfigured and potentially relocated to the US, slowing capital expenditure cycles for many corporates.

The US dollar is likely to remain supported as Fed fund rates stay higher for longer on the back of higher US inflation and the US' continued economic outperformance (versus the rest of the world). Selected EM economies may experience greater inflationary pressures from a weakening currency (versus the USD).

While this backdrop does not appear constructive for Asian and Emerging Market assets, the impact can be mitigated depending on how the different countries use their monetary and fiscal levers. Some EM economies may also benefit from stronger growth arising from trade reallocation.

Disclaimer

This document is produced by Eastspring Investments (Singapore) Limited and issued in:

Singapore by Eastspring Investments (Singapore) Limited (UEN: 199407631H)

Australia (for wholesale clients only) by Eastspring Investments (Singapore) Limited (UEN: 199407631H), which is incorporated in Singapore, is exempt from the requirement to hold an Australian financial services licence and is licensed and regulated by the Monetary Authority of Singapore under Singapore laws which differ from Australian laws.

Hong Kong by Eastspring Investments (Hong Kong) Limited and has not been reviewed by the Securities and Futures Commission of Hong Kong.

Indonesia by PT Eastspring Investments Indonesia, an investment manager that is licensed, registered and supervised by the Indonesia Financial Services Authority (OJK).

Malaysia by Eastspring Investments Berhad (200001028634/ 531241-U) and Eastspring Al-Wara' Investments Berhad (200901017585 / 860682-K).

Thailand by Eastspring Asset Management (Thailand) Co., Ltd.

United States of America (for institutional clients only) by Eastspring Investments (Singapore) Limited (UEN: 199407631H), which is incorporated in Singapore and is registered with the U.S Securities and Exchange Commission as a registered investment adviser.

European Economic Area (for professional clients only) and Switzerland (for qualified investors only) by Eastspring Investments (Luxembourg) S.A., 26, Boulevard Royal, 2449 Luxembourg, Grand-Duchy of Luxembourg, registered with the Registre de Commerce et des Sociétés (Luxembourg), Register No B 173737.

United Kingdom (for professional clients only) by Eastspring Investments (Luxembourg) S.A. - UK Branch, 1 Angel Court, London, EC2R 7AG.

Chile (for institutional clients only) by Eastspring Investments (Singapore) Limited (UEN: 199407631H), which is incorporated in Singapore and is licensed and regulated by the Monetary Authority of Singapore under Singapore laws which differ from Chilean laws.

The afore-mentioned entities are hereinafter collectively referred to as Eastspring Investments. The views and opinions contained herein are those of the author, and may not necessarily represent views expressed or reflected in other Eastspring Investments' communications. This document is solely for information purposes and does not have any regard to the specific investment objective, financial situation and/or particular needs of any specific persons 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. It may not be published, circulated, reproduced or distributed without the prior written consent of Eastspring Investments. Reliance upon information in this document is at the sole discretion of the reader. Please carefully study the related information and/or consult your own professional adviser before investing.

Investment involves risks. Past performance of 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.

Information herein is believed to be reliable at time of publication. Data from third party sources may have been used in the preparation of this material and Eastspring Investments has not independently verified, validated or audited such data. Where lawfully permitted, Eastspring Investments does not warrant its completeness or accuracy and is not responsible for error of facts or opinion nor shall be liable for damages arising out of any person's reliance upon this information. Any opinion or estimate contained in this document may subject to change without notice.

Eastspring Investments companies (excluding joint venture companies) are ultimately wholly-owned/indirect subsidiaries of Prudential plc of the United Kingdom. Eastspring Investments companies (including joint venture companies) 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 Limited, a subsidiary of M&G plc (a company incorporated in the United Kingdom).