

First Sentier Asian Quality Bond Fund

31 December 2020

Minimum initial investment	S\$1,000
Minimum subsequent investment	S\$100
Share class	Class A (SGD - Q Dist)
Inception date	1 November 2016
Benchmark	JP Morgan Asia Credit Investment Grade Index (SGD Index) (Hedged to SGD)

Initial charge	4.0% (Cash / SRS)
Management fee	1.0% p.a.
Distribution frequency**	Quarterly
ISIN code	SG9999009385
Total fund size	S\$19.7mn

Source: First Sentier Investors, as at 31 December 2020

	Annualised Performance in SGD (%)			
	1 year	3 years	5 years	Since inception
Fund (Ex initial charges)	4.8	3.8	N/A	3.1
Fund (Inc initial charges)	0.6	2.4	N/A	2.1
Benchmark*	6.7	5.4	N/A	4.4

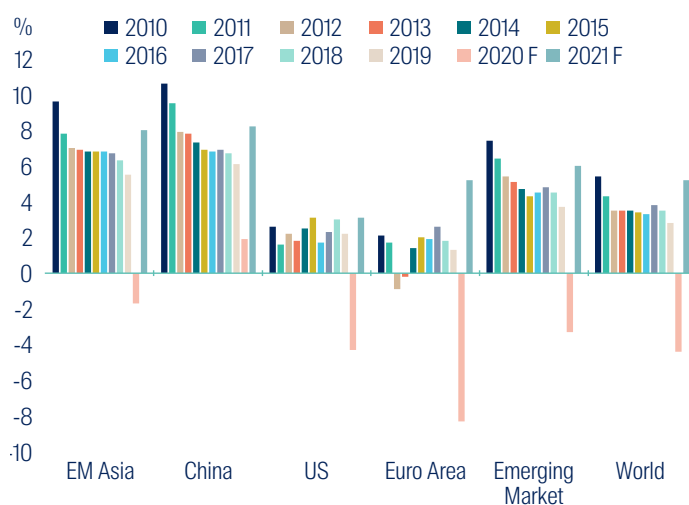
Source: Lipper, First Sentier Investors, as at 31 December 2020. Since inception: 1 November 2016. Single pricing basis with net income reinvested. *JP Morgan Asia Credit Investment Grade Index (SGD Index) (Hedged to SGD)

Why invest in the First Sentier Asian Quality Bond Fund?

1. Asia's growth is expected to recover quicker than other regions

- IMF projected world GDP to grow 5.2% in 2021 from -4.4% forecasted in 2020
- Asia growth outlook is expected to recover to 8% in 2021 from -1.7% forecasted in 2020

IMF Global Real GDP Growth & Outlook

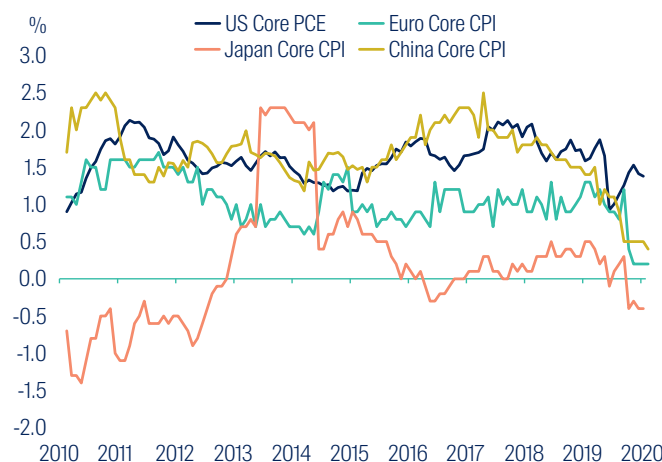


Source: First Sentier Investors, IMF as of October 2020

2. Inflation is expected to pick up but remains low

- In Asia, inflation has been benign for at least the past 5 years
- Contraction in economic growth from COVID-19 brings inflation even lower in 2020; in 2021, if vaccine rollout is successful and growth is sustained we may see pick-up in inflation
- However, structural factors (e.g. de-globalization, aging population, heavy indebtedness) would continue to put downward pressure on inflation

Global Inflation

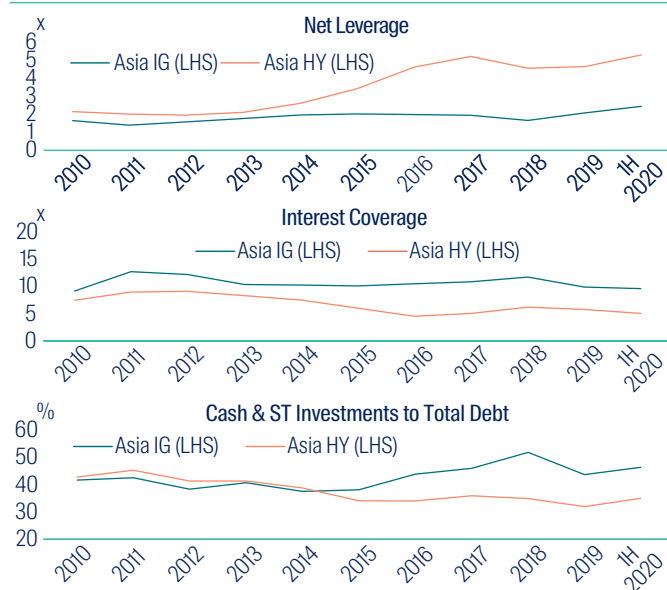


Source: Bloomberg as of 31 December 2020. US Core PCE & Japan Core CPI as of 30 November 2020

3. Credit fundamentals largely resilient

- Asia credit is well positioned to weather the pandemic-led down cycle

Asia IG Credit Fundamental

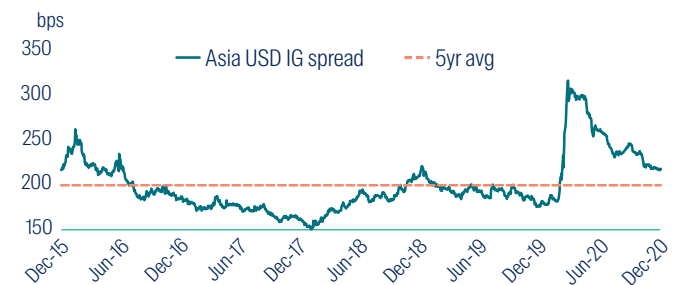


Source: Bloomberg and First Sentier Investors, as at 30 June 2020

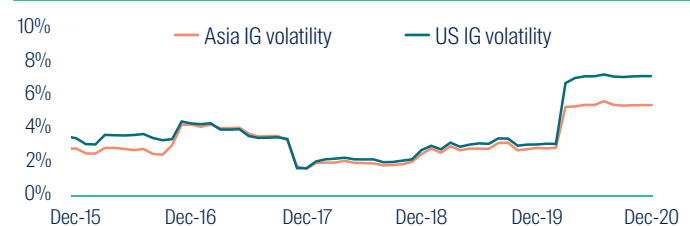
4. Asia credit offers better risk and returns profile

- Asia IG has lower volatility compared to US IG and offers spread premium
- A stronger outlook for growth and solid balance sheets in Asia make valuations relative to US Investment Grade attractive

Asia IG offers spread premium over US IG spreads



Asia IG volatility is lower versus US IG



Source: Bloomberg and First Sentier Investors, as of 31 December 2020

About the Asian Fixed Income team

The Asian Fixed Income team, headed by Jamie Grant, was established in Asia in 2003 and forms an integral part of our fixed income offering. The Asian fixed income capability is designed to provide relevant, high quality solutions investors interested in an exposure to Asia within appropriate risk tolerances. The capability extends to 16 Asian countries across three asset classes, namely interest rates, currency and credit. Centred in Hong Kong, with investors also in Singapore, our Asian Fixed Income team is comprised of highly experienced investment professionals focused exclusively on fixed income in Asia.

Jamie Grant Head of Emerging Markets and Asian Fixed Income			
Nigel Foo Senior Portfolio Manager		Nicole Hsieh Senior Portfolio Manager	
Adrian Au Senior Manager, Credit Analyst	Clarissa Soputro Fixed Income Analyst	Jin Hur Credit Analyst	Ken Wang Portfolio Dealer

Source: First Sentier Investors, as at 31 December 2020

Important Information

On 22 September 2020, First State Asian Quality Bond was rebranded as First Sentier Asian Quality Bond Fund.

**First Sentier Investors (Singapore) ("FSI") intends to make quarterly distributions on 31 January, 30 April, 31 July and 31 October each year. The distributions will be made out of the income, capital gains and/or capital of the Fund. Investors should note that the intention to make the quarterly distributions is not guaranteed by FSI or its distributors and FSI may in future review the distribution policy depending on prevailing market conditions.

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Applications for units of the Fund must be made on the application forms accompanying the prospectus. Investments in unit trusts are not obligations of, deposits in, or guaranteed or insured by First Sentier Investors (Singapore), and are subject to risks, including the possible loss of the principal amount invested.

Reference to specific securities (if any) is included for the purpose of illustration only and should not be construed as a recommendation to buy or sell the same. All securities mentioned herein may or may not form part of the holdings of FSI's portfolios at a certain point in time, and the holdings may change over time.

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