

# Eastspring Investments Unit Trusts – Singapore Select Bond Fund



RATINGS<sup>AA</sup> Class A Morningstar Overall Rating<sup>\*</sup> ★★★★★

## FUND DETAILS

Fund size (mil)	1,135.4
Fund base currency	SGD
Fund dealing frequency	Daily
Net asset value (Class A)	SGD 1.418
ISIN (Class A)	SG9999007454
Inception date (Class A)	08-Apr-11
Benchmark (BM)	Markit iBoxx ALBI Singapore Index

## FUND MEASURES

3 year tracking error(%) (Class A)	0.8
3 year sharpe ratio (Class A)	1.5
3 year volatility(%) (Class A)	2.3

Source: Morningstar

## SECTOR WEIGHTS (%)

Treasury	24.5
Banking	17.4
Other REIT	15.4
Foreign agencies	12.7
Other financial institutions	5.6
Home construction	2.7
Other industry	2.4
Retail REIT	2.0
Others	16.2
Cash and cash equivalents	1.1

Due to rounding, the allocation table may not add up to 100% or may be negative.

## COUNTRY WEIGHTS (%)

Singapore	62.3
China	9.5
Australia	5.2
United Kingdom	3.8
France	3.0
Thailand	2.8
Malaysia	2.6
Germany	2.2
Others	7.5
Cash and cash equivalents	1.1

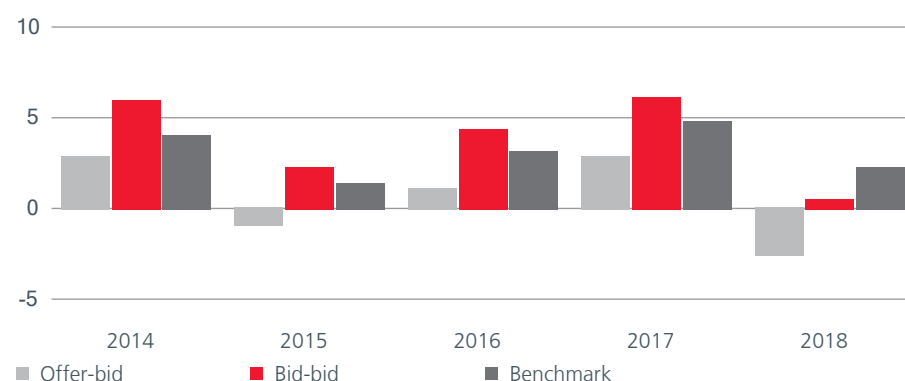
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## INVESTMENT OBJECTIVE

The Eastspring Investments Unit Trusts - Singapore Select Bond Fund aims to maximise total returns over time by investing primarily in Singapore-dollar denominated debt securities and foreign currency debt securities which will be hedged back into Singapore Dollars.

## 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	-2.7	-2.4	4.0	5.8	3.4	3.3	–	3.8
Bid-bid	0.4	0.6	7.3	9.1	4.4	3.9	–	4.1
Benchmark	0.3	0.6	4.8	6.8	3.7	3.1	–	3.0

(p.a.): per annum. Source: Eastspring Investments (Singapore) Limited. 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. For full details, please refer to the performance disclosure.

## TOP 10 HOLDINGS (%)

1.	SINGAPORE (REPUBLIC OF)	3.375%	09/01/2033	5.8
2.	SINGAPORE (REPUBLIC OF)	2.75%	03/01/2046	5.5
3.	SINGAPORE (REPUBLIC OF)	2.25%	08/01/2036	3.0
4.	SINGAPORE (REPUBLIC OF)	2.75%	04/01/2042	2.4
5.	SINGAPORE (REPUBLIC OF)	2.875%	09/01/2030	2.3
6.	SINGAPORE TECHNOLOGIES TELEMEDIA PTE LTD	4.05%	12/02/2025	1.8
7.	SINGAPORE (REPUBLIC OF)	2.875%	07/01/2029	1.8
8.	SINGAPORE (REPUBLIC OF)	2.625%	05/01/2028	1.7
9.	RESORTS WORLD LAS VEGAS LLC/RWLV CAPITAL INC	4.625%	04/16/2029	1.6
10.	CREDIT AGRICOLE SA	3.8%	04/30/2031	1.5

## Eastspring Investments Unit Trusts – Singapore Select Bond Fund

### RATINGS (%)

AAA	25.6
AA	0.8
A	10.0
BBB	34.4
Non-Rated	28.1
Cash and cash equivalents	1.1

Credit ratings by S&P/Moody's/Fitch.

Due to rounding, the allocation table may not add up to 100% or may be negative.

### MATURITY (%)

0 - 1 year	1.7
1 - 3 years	15.9
3 - 5 years	22.7
5 - 10 years	30.6
10+ years	28.0
Cash and cash equivalents	1.1

Due to rounding, the allocation table may not add up to 100% or may be negative.

### RELEVANT CLASS DETAILS

Class	Currency	Net asset value	Bloomberg ticker	ISIN	Inception date	Subscription method	Initial sales charges% (max)	Annual management fee % (Current)
<b>A</b>	SGD	1.418	PRUSSBD SP	SG9999007454	08-Apr-11	Cash, CPFIS-OA#, CPFIS-SA#, SRS	5.000 CPF - 1.50	0.500
<b>A<sub>D</sub></b>	SGD	1.096	ESSBAD SP	SG9999007462	09-Nov-12	Cash, CPFIS-OA#, CPFIS-SA#, SRS	5.000 CPF - 1.50	0.500
<b>I</b>	SGD	1.099	ESISSBI SP	SG9999017107	07-Mar-18	Cash	5.000	0.350

Class	Currency	Annual admin fee% (max)	Minimum initial investment	Minimum subsequent investment	Distribution frequency	Ex-date	Dividend per unit
<b>A</b>	SGD	Nil	SGD 1,000	SGD 100	N.A.	N.A.	N.A.
<b>A<sub>D</sub></b>	SGD	Nil	SGD 1,000	SGD 100	Quarterly	01-Oct-19	0.0020669
<b>I</b>	SGD	Nil	SGD 10 Mil	SGD 1,000	N.A.	N.A.	N.A.

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 unit. "N.A." means that the relevant class does not distribute dividends.

### Returns (%)

Class / currency	1 m	3 m	YTD	1 y	3 y (p.a.)	5 y (p.a.)	10 y (p.a.)	Since inception (p.a.)
<b>A / SGD</b>								
Offer-bid	-2.7	-2.4	4.0	5.8	3.4	3.3	–	3.8
Bid-bid	0.4	0.6	7.3	9.1	4.4	3.9	–	4.1
Benchmark	0.3	0.6	4.8	6.8	3.7	3.1	–	3.0
<b>A<sub>D</sub> / SGD</b>								
Offer-bid	-2.6	-2.4	4.0	5.9	3.4	3.3	–	3.0
Bid-bid	0.4	0.6	7.3	9.1	4.5	3.9	–	3.5
Benchmark	0.3	0.6	4.8	6.8	3.7	3.1	–	2.4
<b>I / SGD</b>								
Offer-bid	0.4	0.6	7.4	9.4	–	–	–	5.6
Bid-bid	0.4	0.6	7.4	9.4	–	–	–	5.6
Benchmark	0.3	0.6	4.8	6.8	–	–	–	4.9

### Calendar year returns (%)

2018	2017	2016	2015	2014
-2.6	2.8	1.1	-0.8	2.7
0.5	6.0	4.2	2.2	5.9
2.1	4.7	3.1	1.3	4.0
-2.5	2.6	1.2	-0.9	2.8
0.5	5.8	4.3	2.2	5.9
2.1	4.7	3.1	1.3	4.0
–	–	–	–	–
–	–	–	–	–
–	–	–	–	–

### Performance Disclosure:

(p.a.): per annum. Source: Eastspring Investments (Singapore) Limited. Returns are based in the relevant 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 classes, if any, is also calculated on a hedged basis. From inception to 29-Apr-16, the benchmark was the HSBC Singapore Local Currency All Bond Index. Calendar year returns are based on the relevant class performance for the year, and if the relevant class was incepted during a particular year, the returns shown relate to the performance of that class since its inception to the end of that calendar year. Wef July 2018, the monthly fund and benchmark returns calculated are aligned to the last NAV date of the fund for the month. Past performance information presented is not indicative of future performance.

### Commentary sources

1. Eastspring Investments (Singapore) Limited

### COMMENTARY

#### Fund Review

Singapore domestic bond markets were firmer in November, with the Markit iBoxx ALBI Singapore index posting a return of 0.32%. Local corporate bonds outperformed Singapore government securities (SGS). Nevertheless, the SGS market generally also posted a positive return, helped by lower bond yields led by the short end of the curve, which deviated from the broad rise in US Treasury yields. While the two-year and 10-year SGS yields were 9 bps and 4 bps lower respectively, yield increases were seen at the long end of the curve. In the domestic corporate bond segment, the value of primary market issuance rose to SGD1.5 billion in November from SGD1.2 billion in October.

In its annual Financial Stability Review, the Monetary Authority of Singapore (MAS) said global financial risks have intensified, given the uncertain outlook arising from ongoing trade and geopolitical tensions. Companies in trade-related sectors were particularly vulnerable, said the MAS, adding that corporate indebtedness has risen. Nevertheless, the domestic financial system was resilient as corporate leverage remained stable, while household finances have strengthened. The MAS' stress test also showed that local banks had the capacity to withstand severe shocks with ample capital buffers.

The Fund outperformed the benchmark modestly. The main positive contributor was the non-benchmark exposure to USD-denominated corporate bonds (hedged back to SGD), which benefited from accrual income as the positive impact of tighter credit spreads was offset by moderately higher US interest rates. Also adding value was the overweight to SGD-denominated corporate bonds, helped by positive carry effects.

#### Outlook

Growth headwinds are likely to persist amid sustained macroeconomic and geopolitical uncertainties, despite China and the US inching towards a Phase 1 trade deal. Investor sentiment too is expected to remain cautious. That said, still-easy monetary conditions provide issuers access to funding. In SGD corporate credits, the outlook remains constructive on supportive supply/demand technicals. Fundamentals are also largely intact, although we are mindful that weaker issuers could be hurt by a further deterioration in growth conditions and investor demand. We will maintain our moderately long duration positioning in the Fund, via our corporate bond holdings.

### IMPORTANT INFORMATION

Investment manager -  
**Eastspring Investments (Singapore)  
Limited**

**\*\*** Rating should not be taken as a recommendation.

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Morningstar Category: SGD Bond



A member of Prudential plc (UK) 

**For more information, please contact:**

Eastspring Investments (Singapore) Limited

UEN: 199407631H

10 Marina Boulevard

#32-01 Marina Bay Financial Centre Tower 2

Singapore 018983

T: (65) 6349 9711

F: (65) 6509 5382

[eastspring.com.sg](http://eastspring.com.sg)

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**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 Manager, Eastspring Singapore, and can be made out of (a) income; or (b) net capital gains; or (c) capital of the Fund or a combination 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 unit.

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

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### **Notes:**

As announced by the CPF Board in March 2018, for funds offered through the CPF Investment Scheme (CPFIS), sales charge will be removed progressively to reduce the cost of investing for CPFIS members. Refer to <https://www.cpf.gov.sg/members/News/news-categories-info/cpf-changes/2346> for further details (URL link as of March 2018).

#The CPF interest rate for the Ordinary Account (OA) is based on the 12-month fixed deposit and month-end savings rates of the major local banks. Under the CPF Act, the Board pays a minimum interest of 2.5% per annum when this interest formula yields a lower rate. The interest rate for the Special Account (SA) and Medisave Accounts (MA) is pegged to the 12-month average yield of 10-year Singapore Government Securities (10YSGS) plus 1%, or current floor interest rate of 4% per annum, whichever is the higher. The interest rate to be credited to the Retirement Account (RA) will be the weighted average interest of the entire portfolio of Special Government Securities (SSGS) which the RA savings are invested in, which earn a fixed coupon equal to the 12-month average yield of the 10YSGS plus 1% at the point of issuance, or current floor rate of 4% per annum, whichever is the higher. As announced in September 2018, the Government has decided to further extend the 4% floor rate for interest earned on SA, MA and RA monies for another year until 31 December 2019. In addition, the CPF Board will pay an extra interest rate of 1% per annum on the first S\$60,000 of a CPF member's combined balances, including up to S\$20,000 in the OA. Only monies in excess of S\$20,000 in the OA and S\$40,000 in the Special Account can be invested.

Investors should note that the applicable CPF policies and interest rates for each of the CPF accounts may be varied by the CPF Board from time to time. Please visit the CPF Board Website for further information on CPF policies and interest rates.