

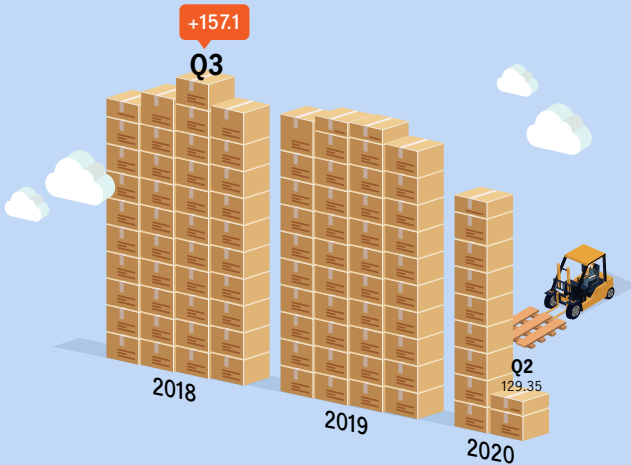
New GRID for Asia after COVID-19



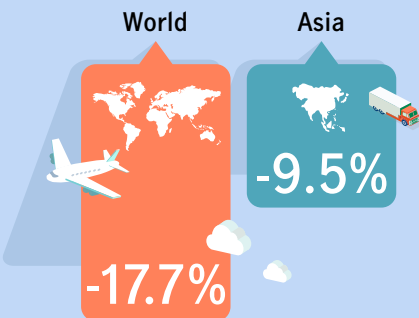
DeG: Deglobalisation

Amid geopolitical swings and weaker economic growth, the post-COVID world is expected to move towards deglobalisation, with looser trading ties and countries becoming more self-reliant.

Global merchandise trade volume index peaked in Q3 2018¹



Cumulative trade volume change (Q2 2020 vs Q3 2018 peak)¹



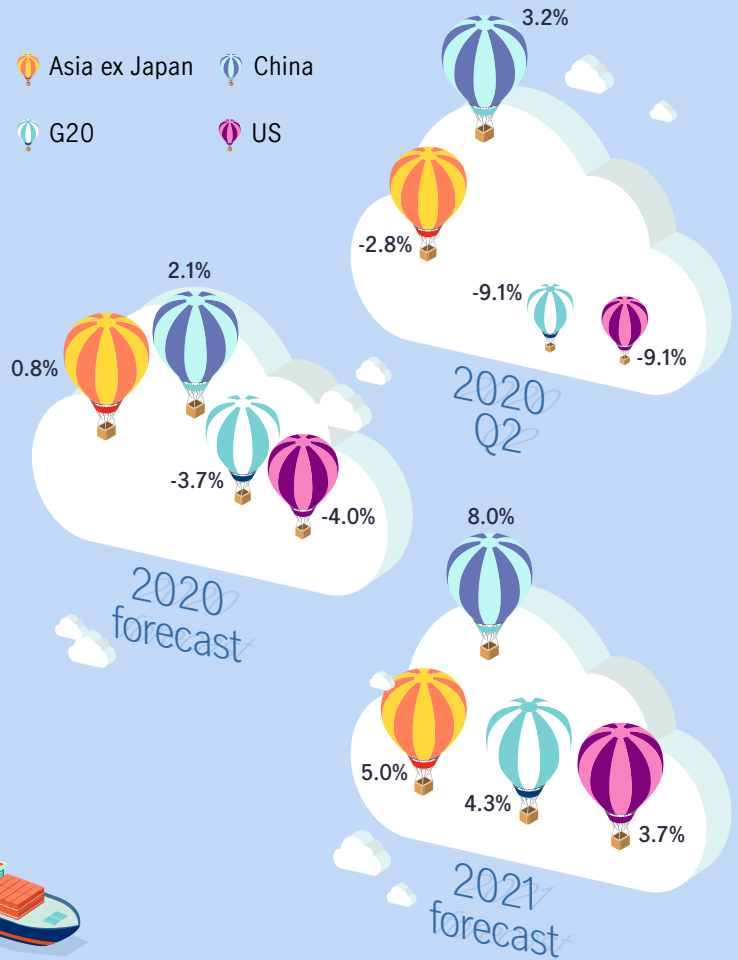
61% of Asia's trade was intra-regional in 2019¹



R: Resumption of growth

Asia ex Japan is expected to outpace developed territories with positive GDP growth for 2020, and further improvements in 2021.

GDP (year-on-year growth)²

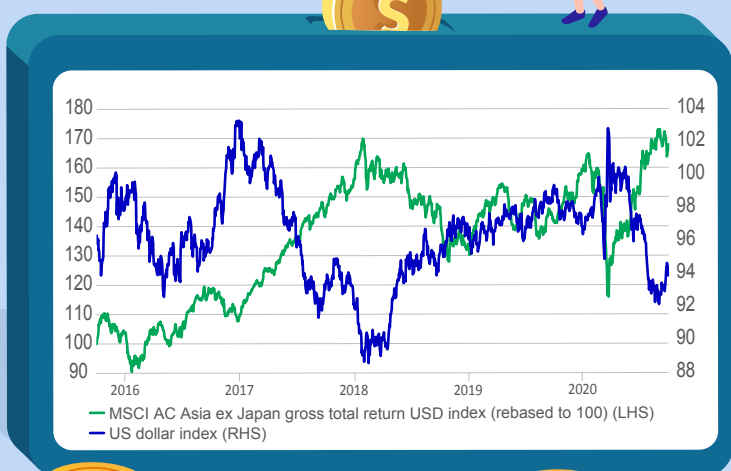


Low Interest rate

We believe that the US Federal Reserve will keep interest rates lower for longer and the US dollar will remain under pressure. Given the inverse relationship between the US dollar and Asia ex Japan equities, capital seeking a higher potential yield or total return may flow into Asia ex Japan equities.

US dollar index vs Asia ex Japan equities³

5-year correlation
-0.57



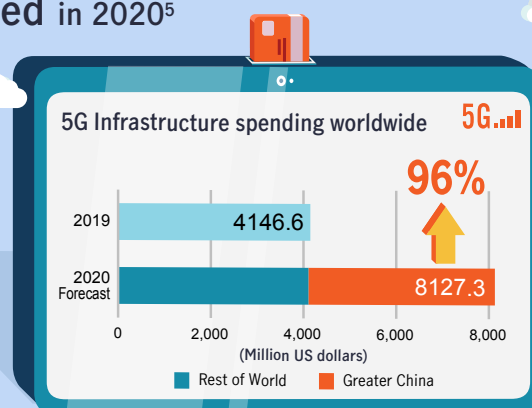
Digitalisation

COVID is accelerating the digitalisation process: from government and corporate spending (e.g. network and hardware investment) to the shape of consumption (e.g. online shopping).

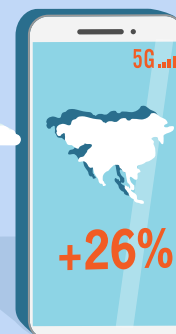
Asia Pacific retail eCommerce sales forecast in 2020⁴



5G Infrastructure spending almost doubled in 2020⁵



Expected increase in enterprise spending on telecommunications across Asia⁶



1. World Trade Organisation (WTO), United Nations conference on trade and development (UNCTAD), September 2020. World merchandise trade volume index was rebased to 100 in 2005.
2. Organisation for Economic Co-operation and Development (OECD), 14 September 2020. Bloomberg, 14 October 2020.
3. Bloomberg, as of 30 September 2020. Correlation is calculated based on monthly performance from 30 September 2015 to 30 September 2020. Asia ex Japan equities are represented by MSCI AC Asia ex Japan gross total return USD index. Past performance is not indicative of future performance. Investors cannot invest directly in an index.
4. eMarketer, May 2020.
5. Gartner, July 2020.
6. Citi research, 4 October 2020.

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