

# TARGET INCOME FUND 5 SEPTEMBER 2017

ALL DATA AS AT 31 AUGUST 2017 UNLESS OTHERWISE STATED

## FUND INFORMATION

Launch Date: 22 February 2016  
Fund Category/Fund Type: Bond (close-ended)/Income  
Fund Size: RM187,570,641.03  
Initial Offer Price: RM1.0000  
NAV per Unit: RM1.0882  
EPF Investment Scheme: Nil

## FEES, CHARGES AND EXPENSES

Annual Management Fee:  
Up to 0.20% of the Fund's NAV per annum

Annual Trustee Fee:  
Up to 0.06% of the Fund's NAV per annum subject to a minimum of RM15,000 per annum (excluding foreign custodian fees and charges)

Sales Charge:  
Up to 3.00% of the Offer Price (during the offer period)

Redemption charge:  
3.00% of NAV per Unit of the Fund

Redemption Payment Period: Ten (10) calendar days

## TRANSACTION DETAILS

Minimum Initial Investment  
Lump Sum: RM1000\*  
Regular Investment: n.a.

Minimum Additional Investment  
Lump Sum: RM100 (during the offer period)\*  
Regular: n.a.

\* The Manager reserves the right to change the minimum amounts stipulated above from time to time

## DISTRIBUTIONS

Income Distribution Policy:  
Distribution of income, if any, will be on annual basis, after deduction of taxation and expenses

Fund NAV:	NAV	Date
52-Week High	1.1116	26-04-2017
52-Week Low	1.0374	01-12-2016

## FUND MANAGER

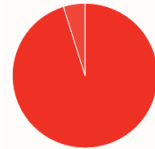
Fund Manager: Manager's Delegate (External Fund Manager) - Eastspring Investments (Singapore) Limited

Eastspring Investments Berhad (531241-U)  
Level 12, Menara Prudential,  
10, Jalan Sultan Ismail,  
50250 Kuala Lumpur.  
Tel: 603 - 2332 1000  
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E-mail: cs.my@eastspring.com

## FUND OBJECTIVE

The Fund endeavours to provide regular income during the tenure of the Fund.

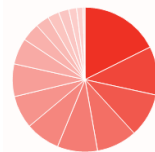
## ASSET ALLOCATION



1. Unquoted Fixed Income Securities	100.12%
2. Cash & cash equivalents	5.05%
3. Derivatives	-5.17%

\* as percentage of NAV.

## COUNTRY ALLOCATION



1. United Kingdom	17.59%	9. Malaysia	5.86%
2. Singapore	10.88%	10. Virgin Islands (British)	4.10%
3. Australia	9.83%	11. Sri Lanka	3.05%
4. United States	9.01%	12. China	2.56%
5. Indonesia	8.94%	13. India	2.30%
6. Hong Kong	7.71%	14. Denmark	1.77%
7. Argentina	7.34%	15. Netherlands	1.40%
8. Philippines	7.31%	16. South Korea	0.47%

\* as percentage of NAV.

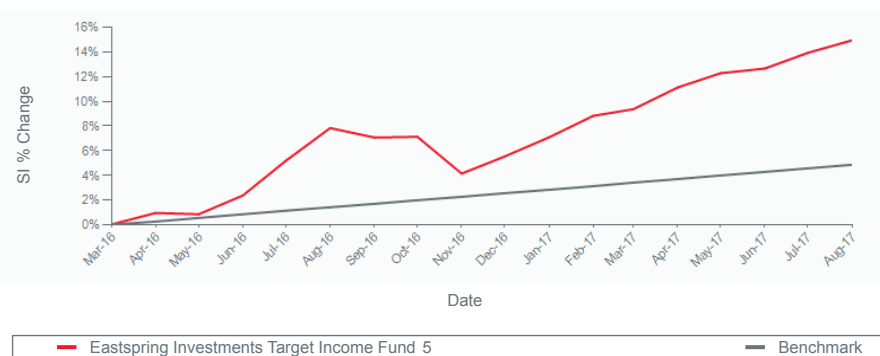
## TOP HOLDINGS

1. HSBC Holdings Plc	11.23%	4. Standard Chartered Plc	8.78%
2. Ausnet Services Holdings Pty Ltd	9.83%	5. Republica Argentina	7.34%
3. Lend Lease (US) Capital Inc.	9.01%		

\* as percentage of NAV.

## FUND PERFORMANCE

Eastspring Investments Target Income Fund 5 - Since Inception (SI) Return Vs Benchmark



The performance is calculated on NAV-to-NAV basis with gross income or dividend reinvested

Source: Lipper for Investment Management. Past performance is not necessarily indicative of future performance.

### PERFORMANCE TABLE

	1 month	6 months	1 year	3 years	5 years	Since Inception
Fund	0.90%	5.64%	6.61%	n.a.	n.a.	14.95%
Benchmark *	0.28%	1.69%	3.40%	n.a.	n.a.	4.85%
Lipper Ranking	2 of 49	2 of 42	9 of 35	n.a.	n.a.	n.a.

Lipper Fund Category: Target Maturity Other

\* 5-year Maybank fixed deposit rate as at Commencement Date.

Fund performance and Lipper ranking are sourced from Lipper for Investment Management, 31 August 2017 and the benchmark is obtainable from Eastspring Investments Berhad upon request. Performance is calculated on a Net Asset Value ("NAV") to NAV basis with gross income or dividend reinvested. Past performance is not necessarily indicative of future performance.

### FUND MANAGER'S COMMENTARY

The Asian USD bond market (represented by the JP Morgan Asia Credit Index) reported a gain of 0.94% in August. The positive performance was driven by lower US Treasury ("UST") yields as Asian credit spreads were range-bound.

During the month, UST yields fell as renewed geopolitical tensions with North Korea and political uncertainty in the US supported "safe haven" bids for US Treasuries. The rising risk of fiscal brinkmanship in the US had raised concerns over a potential breach in the debt ceiling, and consequently, government shutdown. Lacklustre inflation prints, as well as a lack of insight on the Federal Reserve's ("Fed") policy outlook from Fed Chairwoman Janet Yellen during the Jackson Hole symposium further kept a lid on UST yields. 10-year UST yields closed the month lower by 18bps.

The high yield sector outperformed the investment grade sector over the month. High yield sovereign bonds led the charge, with Sri Lankan and Mongolian sovereign bonds driving the outperformance. High yield corporates also held up well, led by Chinese high yield property developers following better-than-expected corporate earnings announcements.

Within the investment grade space, Korean bonds weighed on performance across sectors, particularly in the corporate space. On the other hand, investment grade sovereign and quasi-sovereign bonds turned in decent returns over the month as their long duration profiles benefitted from the fall in UST yields.

Asian USD bonds have had a decent showing over the year-to-date period. Yield-seeking behavior was strong in Asia as investors generally brushed off macroeconomic and geopolitical concerns globally. Treasury return was also supported by declines in longer term UST yields on the back of soft inflation numbers.

Investor demand for yield helped to prop up the performance of high yield sovereign bonds which outperformed over the year. This was followed by investment grade sovereign bonds, which was driven higher by Indonesia following its sovereign rating upgrade by S&P. Corporate bonds also held up well, with high yield corporate bonds outperforming investment grade corporate bonds over the year-to-date period.

### ANNUAL PERFORMANCE FOR THE CALENDAR YEAR ENDED

Year					2017
Fund (%)					-
Benchmark (%)					-
Date/Distribution (RM)					27 Apr, 0.0592
Distribution Yield (%)					5.75

Source: Distribution and Distribution Yield are sourced from the fund's Annual Report. Fund and Benchmark for current year are based on Year to Date (YTD) figures which is sourced from Lipper for Investment Management. Past performance is not necessarily indicative of future performance.

### IMPORTANT INFORMATION

This is a close-ended fund. Units are no longer available for sale on the basis of the Eastspring Investments Target Income Fund 5 ("Fund") Prospectus, the Fund's First Supplementary Prospectus each respectively dated 22 February 2016 (collectively referred to as "Prospectuses"). Investors are advised to read and understand the contents of the Prospectuses and the Fund's Product Highlights Sheet ("PHS") before investing. The Prospectuses and PHS are available at offices of Eastspring Investments Berhad or its authorised distributors and investors have the right to request for a copy of the Prospectuses and PHS.

The Prospectuses have been registered with the Securities Commission Malaysia who takes no responsibility for its contents. Units will only be issued upon receipt of the application form accompanying the Prospectuses. Past performance of the Fund is not an indication of the Fund's future performance. Unit prices and distribution payable, if any, may go down as well as up. Where a unit split/distribution is declared, investors are advised that following the issue of additional units/distribution, the Net Asset Value ("NAV") per unit will be reduced from pre-unit split NAV/cum-distribution NAV to post-unit split NAV/ex-distribution NAV.

Where a unit split is declared, investors are advised that the value of their investment in Malaysian Ringgit will remain unchanged after the issue of the additional units. Investments in the Fund are exposed to credit or default risk, counterparty risk, interest rate risk, country risk, currency risk, taxation risk, income distribution risk, asset mismatch risk, concentration risk, reinvestment risk, ratings downgrade risk and derivatives risk. Investors are advised to consider these risks and other general risks as elaborated in the Prospectuses as well as fees, charges and expenses involved before investing.

All fees, charges and expenses payable by the unit holder are subject to Goods and Services Tax ("GST") at a rate of 6% or such other prescribed rate as may be imposed from time to time, and incurred by the unit holder directly when purchasing or redeeming units of the Fund and indirectly when investing in the Fund. The fees, charges and expenses disclosed are exclusive of GST or any other taxes or duties that may be imposed by the government or other authorities from time to time.

Eastspring Investments companies (excluding JV companies) are ultimately wholly-owned/indirect subsidiaries of Prudential plc of the United Kingdom. Eastspring Investments companies (including JV 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.