

# ASIA SELECT INCOME FUND

## OCTOBER 2017



ALL DATA AS AT 30 SEPTEMBER 2017 UNLESS OTHERWISE STATED



A member of Prudential plc (UK)

### FUND INFORMATION

Launch Date: 18 November 2005

Fund Category/Fund Type: Balanced/growth and income

Fund Size: RM70,700,495.83

Initial Offer Price: RM0.5000

NAV per Unit: RM0.7547

EPF Investment Scheme: Yes (Effective 1 August 2016)

### FEES, CHARGES AND EXPENSES

Annual Management Fee:  
Up to 1.50% of the NAV per annum

Annual Trustee Fee:  
Up to 0.07% of the NAV per annum, subject to a minimum of RM18,000 per annum and a maximum of RM350,000 per annum (excluding foreign custodian fees and charges)

Sales Charge:  
Up to 5.00% of the NAV per Unit

Redemption charge: Nil

Redemption Payment Period: Ten (10) calendar days

### TRANSACTION DETAILS

Minimum Initial Investment:  
Lump Sum: RM1000\*  
Regular Investment: RM100\*

Minimum Additional Investment:  
Lump Sum & Regular Investment: RM100\*

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

### DISTRIBUTIONS

Income Distribution Policy:  
At least once a year, subject to the availability of income

Fund NAV:	NAV	Date
52-Week High	0.7731	09-06-2017
52-Week Low	0.7045	15-11-2016

### FUND MANAGER

Fund Manager: Eastspring Investments Berhad

### AWARDS / RATINGS

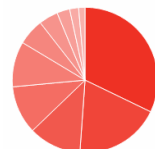
The Edge-Thomson Reuters Lipper Malaysia Fund Awards 2017

Best Mixed Asset MYR Conservative - Malaysia Provident, 3 years and 5 years

### FUND OBJECTIVE

The Fund seeks to provide a stable income stream and an opportunity for capital appreciation by investing primarily in a portfolio of Malaysian investment grade fixed income securities and a collective investment scheme primarily the Eastspring Investments – Dragon Peacock Fund, which invests in equities and equity-related securities of corporations which are incorporated in, or listed in, or operating principally from, or carrying on significant business in, or derive substantial revenue from, or whose subsidiaries, related or associated corporations, derive substantial revenue from the People's Republic of China (PRC) and India.

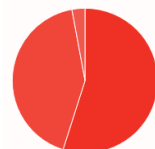
### ASSET ALLOCATION



1. Trust	32.16%	6. AA- IS	5.85%
2. AA3	18.99%	7. AAA	4.28%
3. Cash & cash equivalents	11.68%	8. AA1	2.86%
4. AA2	10.69%	9. AA2 (S)	1.98%
5. A1	10.08%	10. NR (Govt)	1.43%

\* as percentage of NAV.

### COUNTRY ALLOCATION



Eastspring Investments - Dragon Peacock

1. China related	54.90%
2. India related	42.20%
3. Cash and others	2.90%

\* as percentage of NAV.

### TOP HOLDINGS

#### Equity Holdings

1. Eastspring Investments - Dragon Peacock Fund	32.16%
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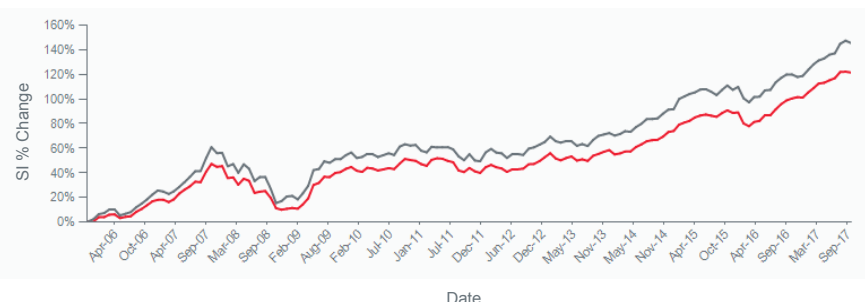
#### Bond Holdings

1. Affin Bank Berhad	8.65%
2. Lebuhraya DUKE Fasa 3 Sdn Bhd	5.85%
3. RHB Bank Berhad	5.68%
4. Hong Leong Bank Berhad	4.95%
5. Krung Thai Bank Public Co Ltd	4.32%

\* as percentage of NAV.

### FUND PERFORMANCE

Eastspring Investments Asia Select Income Fund - Since Inception (SI) Return Vs Benchmark



— Eastspring Investments Asia Select Income Fund — 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.

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### PERFORMANCE TABLE

	1 month	6 months	1 year	3 years	5 years	Since Inception
Fund	-0.32%	4.25%	11.41%	32.83%	50.91%	121.55%
Benchmark *	-0.77%	6.13%	11.63%	33.34%	53.93%	145.59%
Lipper Ranking	14 of 16	2 of 16	1 of 16	1 of 11	1 of 10	n.a.

Lipper Fund Category: Mixed Asset MYR Conservative

\* 20% Morgan Stanley Capital International China Index (MSCI China Index) + 20% Morgan Stanley Capital International India Index (MSCI India Index) + 60% Quant Shop Malaysian Government Securities (MGS) Medium Index.

Fund performance and Lipper ranking are sourced from Lipper for Investment Management and benchmark is from www.msci.com and www.quantshop.com, 30 September 2017. 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.

### LIPPER LEADERS RATING (OVERALL)

Total Return	Consistent Return	Preservation	Lipper Leaders Key
5	5	5	Lowest ① Highest ⑤

The Lipper Leaders Ratings System is a set of tools that guide investors and their advisors to select funds that suit individual investment styles and goals. It uses investors-centred criteria to deliver a simple, clear description of a fund's success in meeting certain goals, such as preserving capital or building wealth through consistent strong returns.

Lipper Leader ratings are derived from highly sophisticated formulas that analyse funds against clearly defined criteria. Each fund is ranked against its peers based on the metric used (such as Total Return or Expense), and then the top 20% of funds in that ranking receive the Lipper Leader designation. Lipper Leaders measures are not predictive of future performance, but they do provide context and perspective for making knowledgeable fund investment decisions.

### FUND MANAGER'S COMMENTARY

**Equity:**  
Global stock markets were mixed in September with Developed Markets outperforming Emerging Markets for the first time in 2017. A slightly stronger US dollar was behind the switch as prospects of tax reform progressed in the US and Federal Reserve policymakers hinted at further rate rises. Confirmation that the Federal Reserve ("Fed") was beginning to reduce its balance sheet also supported the dollar while on the whole, global markets shrugged off geo-political concerns in Korea.

Meanwhile Morgan Stanley Capital International ("MSCI") China Index rose by 1.05%, a muted performance as a number of issues affected sentiment. Economic data came in below estimates while property counters succumbed to heavy selling pressure after officials imposed a new round of curbs to rein in the heated housing market. Meanwhile, S&P Global Ratings downgraded China's credit rating to A+ from AA-, citing risks from growing debt levels. This followed a downgrade by Moody's earlier this year. Investors also remained cautious ahead of the key party congress meeting in October.

MSCI India fell 3.7%, underperforming its peer group; both the MSCI Asia ex-Japan and MSCI Emerging Markets. Indian stocks were weighed down by a falling rupee caused in turn by slowing Gross Domestic Product ("GDP") figures and worsening current account deficit. Weak goods and services tax ("GST") collection data and fears of soft Q2 earnings too dented sentiment. Key outperforming sector was Utilities on the government's push to complete the electrification of remaining households by 2018.

**Fixed Income:**  
The US Federal Reserve ("Fed") left its federal funds rate unchanged at 1.00% - 1.25% in September's Federal Open Market Committee ("FOMC") meeting and indicated that one more rate hike was on the table for the current fiscal year as the Fed remains optimistic on the economy.

Separately, the Fed confirmed that it will wind down its balance sheet as the central bank is expected to start reducing its balance sheet in October. The Fed will trim its reinvestments by USD10bn in October and raising that amount gradually to USD50bn in the months to come.

On the domestic front, investors will be scrutinising the upcoming Budget 2018 which will be tabled by the Malaysian Government on 27th October. The Government is expected to maintain its fiscal prudence to avoid any risk of sovereign ratings downgrade and at the same time continue to address the welfare of the people and needs for nation's growth.

Malaysia's sovereign bond market may experience some volatility as there will be large government bond maturities in the next two months. MYR corporate bond market is expected to see slower supply in the pipeline as investors are taking a "wait and see" approach.

### ANNUAL PERFORMANCE FOR THE CALENDAR YEAR ENDED

Year	2013	2014	2015	2016	2017
Fund (%)	3.80	9.84	8.67	6.43	-
Benchmark (%)	4.41	11.28	9.48	4.27	-
Date/Distribution (RM)	-	27 Jun, 0.0247	26 Jun, 0.0310	-	23 Jun, 0.0344
Distribution Yield (%)	0.00	3.91	4.50	-	4.50

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

Based on the Fund's portfolio returns as at 31 August 2017, the Volatility Factor (VF) for this Fund is 4.9 and is classified as "Low" (Source: Lipper). "Low" generally includes funds with VF that are higher than 1.870 but not more than 6.225. The VF means that there is a possibility for the Fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six (6) months. The VF for the Fund may be higher or lower than the VC, depending on the market conditions. The Fund's portfolio may have changed since this date and there is no guarantee that the Fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC.

Investors are advised to read and understand the contents of the Eastspring Investments Master Prospectus dated 15 July 2017 ("MP") and the Fund's Product Highlights Sheets ("PHS") before investing. The MP 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 MP and PHS. The MP has 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 MP. 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 security risk, countries or foreign securities risk, currency risk, credit or default risk and interest rate risk. Investors are advised to consider these risks and other general risks as elaborated in the MP 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.