

# TARGET INCOME FUND 4 OCTOBER 2017

ALL DATA AS AT 30 SEPTEMBER 2017 UNLESS OTHERWISE STATED

## FUND INFORMATION

Launch Date: 23 August 2015  
Fund Category/Fund Type: Bond (close-ended)/Income  
Fund Size: RM102,020,345.70  
Initial Offer Price: RM1.000  
NAV per Unit: RM1.1229  
EPF Investment Scheme: Nil

## FEES, CHARGES AND EXPENSES

Annual Management Fee:  
Up to 0.20% of the NAV of the Fund per annum  
Annual Trustee Fee:  
Up to 0.06% of the NAV of the Fund 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:  
The Fund's income distribution is non-guaranteed and subject to the availability of income. Distribution of income, if any, will be on annual basis, after deduction of taxation and expenses

Fund NAV:	NAV	Date
52-Week High	1.1248	26-09-2017
52-Week Low	1.0270	28-11-2016

## 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  
Fax: 603 - 2052 3386  
E-mail: cs.my@eastspring.com

## FUND OBJECTIVE

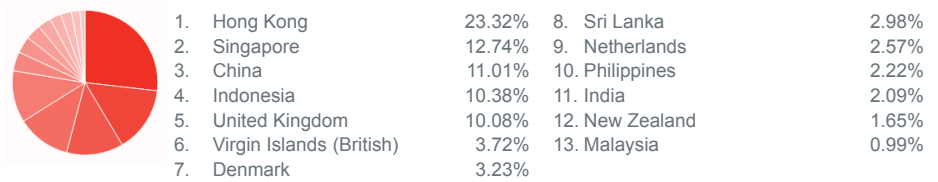
The Fund endeavours to provide regular income during the tenure of the Fund.

## ASSET ALLOCATION



\* as percentage of NAV.

## COUNTRY ALLOCATION



\* as percentage of NAV.

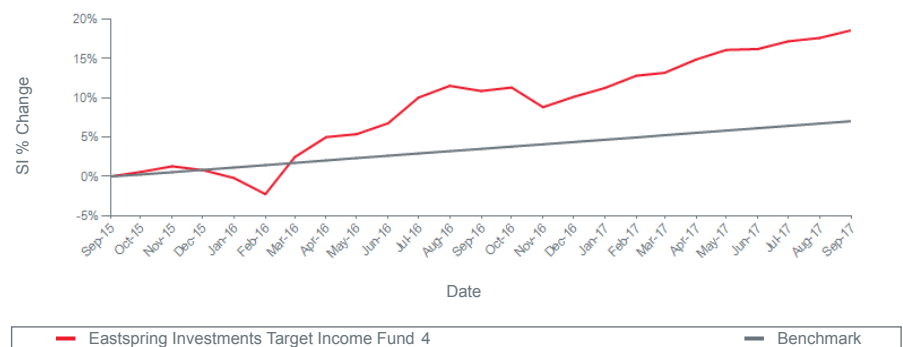
## TOP HOLDINGS

1. HSBC Holdings Plc	16.69%	4. China Life Insurance Co Ltd	4.23%
2. New World Development Co Ltd	6.26%	5. Nan Fung Treasury (ii) Limited	3.72%
3. Pratama Agung Pte. Limited	4.29%		

\* as percentage of NAV.

## FUND PERFORMANCE

Eastspring Investments Target Income Fund 4 - 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	0.83%	4.78%	6.96%	n.a.	n.a.	18.60%
Benchmark *	0.28%	1.69%	3.40%	n.a.	n.a.	7.03%
Lipper Ranking	5 of 48	2 of 43	11 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, 30 September 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) was flat in September as higher US Treasury ("UST") yields offset the effect of tightening spreads.

In September, continued geopolitical tensions between North Korea and the US initially contributed to safe haven flows into UST yields. However, this was reversed after economic releases that generally support the case for rate tightening, such as a pickup in US core inflation and firm labour market data brought Federal Reserve ("Fed") policy back into focus. At the September policy meeting, the Fed announced that it will commence balance sheet normalisation in October and signalled that a December rate hike is on track with its dot plot. Bond yields were further boosted by the prospect of tax rate cuts under the tax reform framework unveiled by President Trump. As a result, the 2-year UST yield and the 10-year UST yield closed the month higher by 16 basis points and 22 basis points respectively.

Investor sentiment in Asian USD bonds was generally stable in over the month, with spreads closing the month tighter across all sectors. Financial markets' reacted in a muted fashion to S&P's downgrade of China's and Hong Kong's sovereign ratings as this followed a similar move by Moody's Investor Service in May.

The investment grade sector underperformed the high yield sector over the month as the longer duration investment grade sector was more adversely hit by the rise in UST yields. High yield sovereign bonds did well on the back of strong investor demand, while high yield corporate bonds were boosted by the broad outperformance of commodity-related names. By country, Korea was the worst performing country as geopolitical tensions in the Korean Peninsula weighed on market sentiment.

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 geopolitical concerns globally. Credit spreads stayed largely rang-bound year-to-date, while Treasury return also supported by declines in longer term UST yields.

Investor demand for yield led to strong inflows into Emerging Market sovereign bonds, and this contributed to the outperformance of Asian sovereign bonds. High yield sovereign bonds, in particular, turned in a solid showing over the year-to-date period. Investment grade sovereign bonds also did well, led by Indonesia.

Corporate bonds also held up well, with high yield corporate bonds outperforming investment grade corporate bonds in spite of the drag from some idiosyncratic events.

### ANNUAL PERFORMANCE FOR THE CALENDAR YEAR ENDED

Year					2016
Fund (%)					9.23
Benchmark (%)					3.51
Date/Distribution (RM)					31 Oct, 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 4 ("Fund") Prospectus, the Fund's First Supplementary Prospectus and the Fund's Second Supplementary Prospectus each respectively dated 23 August 2015 (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.