

# TARGET INCOME FUND 4 DECEMBER 2017

ALL DATA AS AT 30 NOVEMBER 2017 UNLESS OTHERWISE STATED

## FUND INFORMATION

Launch Date: 23 August 2015  
Fund Category/Fund Type: Bond (close-ended)/Income  
Fund Size: RM95,925,721.87  
Initial Offer Price: RM1.000  
NAV per Unit: RM1.0702  
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	1.1254	19-10-2017
52-Week Low	1.0322	02-12-2016

## FUND MANAGER

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

## FUND OBJECTIVE

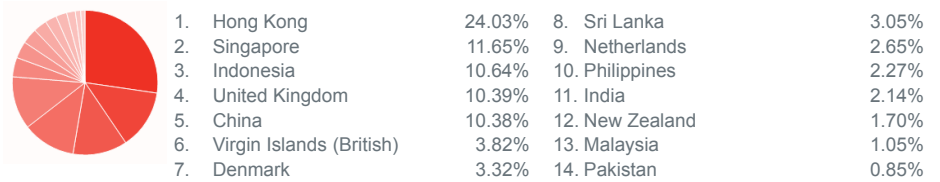
The Fund endeavours to provide regular income during the tenure of the Fund.

## ASSET ALLOCATION



\* as percentage of NAV.

## COUNTRY ALLOCATION



\* as percentage of NAV.

## TOP HOLDINGS

1. HSBC Holdings Plc	17.26%	4. China Life Insurance Co Ltd	4.30%
2. New World Development Co Ltd	6.44%	5. Nan Fung Treasury (ii) Limited	3.82%
3. Pratama Agung Pte. Limited	4.37%		

\* 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	0.28%	2.75%	9.64%	n.a.	n.a.	19.31%
Benchmark *	0.28%	1.69%	3.40%	n.a.	n.a.	7.63%
Lipper Ranking	8 of 46	12 of 43	2 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 November 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

Over the month, Asian USD-denominated bonds delivered a -0.18% return, as represented by the JP Morgan Asia Credit index. Weakness in performance was driven by a combination of a rise in US Treasury ("UST") yields and marginally wider spreads over the month.

UST yields rose on the back of continued improvement in the US economy, aided by a surprise rise in consumer confidence and an uptick in existing home sales. Investor sentiment was boosted by the progressing US tax reform plans, while some uncertainty was removed with the selection of Jerome Powell as the next Federal Reserve chairman, although investors have all but priced in the widely-anticipated December rate hike. The 2-year UST yield rose 18bps to 1.78%, while the 10-year UST yield rose a more modest 3bps to 2.41%, resulting in a further flattening of the UST curve.

Asian USD credit spreads widened modestly over the month across both investment grade and high yield segments. This, alongside the marginal rise in US interest rates, weighed on the overall performance of Asian USD bond market.

Economic growth indicators in the region generally pointed to continued resilience in manufacturing and exports. The Caixin China Manufacturing Purchasing Managers Index ("PMI") remained over the 50 mark for the sixth consecutive month (50.8 in November), signaling expansion in the sector, while export growth posted a 6.9% year of year ("y-o-y") increase in November, continuing a trend of export growth since March. Indonesia's exports also registered a strong double-digit 18.4% yoy growth rate in October, while Taiwan and South Korea export growth moderated following a blistering pace of growth in the previous month. On the back of improving domestic economic conditions, the Bank of Korea hiked rates for the first time since 2011, raising the seven-day repurchase rate to 1.5% (from 1.25%).

Within the Asian USD-denominated bond space, Asian high yield bonds underperformed over the month, as bond price weakness outstripped accrual income. High yield sovereign bonds underperformed, on the back of weakness in Pakistan and Sri Lanka, although Mongolia outperformed within the segment. On a year-to-date basis, Asian USD bonds have delivered decent returns. Returns have been driven primarily by interest income, although bond price performance has also been positive over the period. Yield-seeking behavior has remained strong in Asia despite global geopolitical concerns and ongoing monetary policy tightening in the US, as evidenced by continued robust new issue demand in the region.

Overall, Asian sovereign bonds have outperformed alongside improvements in the global economy. High yield sovereign bonds, in particular, turned in a solid showing over the year-to-date period. Investment grade sovereign bonds have also fared well, led by Indonesia sovereign bonds.

Corporate bonds also performed well on a year-to-date basis, 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	2017
Fund (%)	9.23	-
Benchmark (%)	3.51	-
Date/Distribution (RM)	31 Oct, 0.0592	27 Oct, 0.0592
Distribution Yield (%)	5.75%	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.