

TARGET INCOME FUND 5 MARCH 2018

ALL DATA AS AT 28 FEBRUARY 2018 UNLESS OTHERWISE STATED

FUND INFORMATION

Launch Date: 22 February 2016
Fund Category/Fund Type: Bond (close-ended)/Income
Fund Size: RM188,372,262.93
Initial Offer Price: RM1.0000
NAV per Unit: RM1.1178
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	1.1197	26-01-2018
52-Week Low	1.0505	27-04-2017

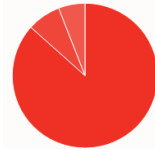
FUND MANAGER

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.

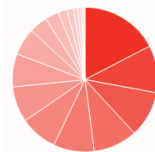
ASSET ALLOCATION



1. Unquoted Fixed Income Securities	86.64%
2. Cash & cash equivalents	7.46%
3. Derivatives	5.90%

* as percentage of NAV.

COUNTRY ALLOCATION



1. United Kingdom	15.03%	10. Virgin Islands (British)	3.55%
2. Philippines	9.16%	11. China	2.72%
3. Australia	8.90%	12. Sri Lanka	1.69%
4. Indonesia	8.48%	13. Netherlands	1.24%
5. United States	7.86%	14. Denmark	0.81%
6. Hong Kong	7.23%	15. New Zealand	0.60%
7. Singapore	6.92%	16. South Korea	0.42%
8. Argentina	6.40%	17. Pakistan	0.41%
9. Malaysia	5.22%		

* as percentage of NAV.

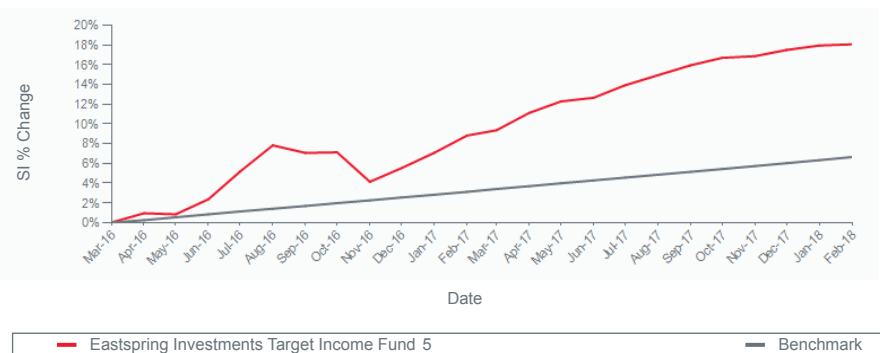
TOP HOLDINGS

1. HSBC Holdings Plc	9.46%	4. Standard Chartered Plc	7.75%
2. Ausnet Services Holdings Pty Ltd	8.90%	5. SMC Global Power Holdings Corp.	6.47%
3. Lend Lease (US) Capital Inc.	7.86%		

* 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	0.10%	2.72%	8.51%	n.a.	n.a.	18.08%
Benchmark *	0.30%	1.71%	3.42%	n.a.	n.a.	6.64%
Lipper Ranking	18 of 40	2 of 39	1 of 33	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, 28 February 2018 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 (as represented by the JP Morgan Asia Credit Index) posted a -0.85% return over the month of February. Contributing to the negative returns for the segment was the monthly rise in US Treasury yields, while a weakening of investor sentiment in the month coincided with a widening of Asian credit spreads. Credit spread widening was particularly evident in the sovereign segment, with Asian sovereign bonds a key underperformer over the month.

Even as global economic momentum continued to gather strength over the month, investor risk aversion returned, with investors focusing on signs of inflation and potential rate hikes. The month started with a higher-than-expected reading on the US average hourly earnings measure, raising concerns about possible wage-push inflation, while January's CPI reading also came in above expectations. Jerome Powell was sworn in as the 16th Chairman of the US Federal Reserve ("Fed"), and painted a fairly robust picture of US economic growth in his first testimony to Congress, an indication that the Federal Reserve would stay the course to normalise rates in 2018. Minutes from the January 2018 Federal Open Market Committee meeting also corroborated this, with "a majority of participants" noting that "a stronger outlook for economic growth raised the likelihood that further gradual policy firming would be appropriate".

Against this backdrop of rising inflation scrutiny by investors, yields traded in a more volatile fashion, with the 2-year, 5-year and 10-year US Treasury yields finishing the month between 11 and 16 bps higher. The 10-year US Treasury yield, a bellwether for longer term US rates, surged to an intra-month high of 2.95% in February, the highest level since January 2014, before easing marginally lower to close the month at 2.86%.

Along with the impact of higher US Treasury yields, credit spreads widened across the Asian credit space in February, contributing to overall performance weakness. Asian sovereign bonds were a notable underperformer in February – the non-investment grade sovereign segment saw appreciable spread widening, while the long-duration Asian investment grade sovereign segment was hurt by the rise in base rates, as evidenced by the weak performance for longer-dated Indonesia and Philippines USD denominated bonds. By country, the Maldives, Sri Lanka and Indonesia were key underperformers in the month.

ANNUAL PERFORMANCE FOR THE CALENDAR YEAR ENDED

Year					2017
Fund (%)					11.36
Benchmark (%)					3.40
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.