

# ASIA SELECT INCOME FUND

## APRIL 2018



ALL DATA AS AT 31 MARCH 2018 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: RM91,888,032.22

Initial Offer Price: RM0.5000

NAV per Unit: RM0.7529

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	0.7860	24-01-2018
52-Week Low	0.7379	28-06-2017

### FUND MANAGER

Fund Manager: Eastspring Investments Berhad

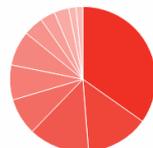
### AWARDS / RATINGS

The Edge-Thomson Reuters Lipper Malaysia Fund Awards 2018  
Best Mixed Asset MYR Conservative - Malaysia Pension, 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.

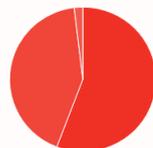
### ASSET ALLOCATION



1. Trust	34.83%	7. AA2	4.41%
2. Cash & cash equivalents	13.92%	8. NR (Govt)	3.28%
3. AA3	13.45%	9. AAA	3.26%
4. AA1	8.20%	10. AAA (S)	1.63%
5. AA- IS	7.78%	11. AA2 (S)	1.50%
6. A1	7.74%		

\* as percentage of NAV.

### COUNTRY ALLOCATION



Eastspring Investments - Dragon Peacock

1. China related	55.80%
2. India related	42.30%
3. Cash and others	1.90%

\* as percentage of NAV.

### TOP HOLDINGS

#### Equity Holdings

1. Eastspring Investments - Dragon Peacock Fund	34.83%
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#### Bond Holdings

1. Affin Bank Berhad	6.64%
2. Lebuhraya DUKE Fasa 3 Sdn Bhd	4.49%
3. RHB Bank Berhad	4.38%

\* as percentage of NAV.

### FUND PERFORMANCE

Eastspring Investments Asia Select Income Fund - 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.

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### PERFORMANCE TABLE

	1 month	6 months	1 year	3 years	5 years	Since Inception
Fund	-1.93%	-0.24%	4.00%	21.31%	47.34%	121.02%
Benchmark *	-1.56%	0.49%	6.65%	20.93%	50.04%	146.79%
Lipper Ranking	14 of 16	12 of 16	7 of 16	2 of 14	1 of 11	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, 31 March 2018. 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	4	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 equity markets were volatile in March as concerns of a possible global trade war escalated with trade-protectionist measures proposed by the US and China. The US began with tariffs on steel and aluminium imports, then specifically narrowed its target at China's technology and telecommunications exports, triggering retaliatory measures by China. China and Hong Kong equity markets fell 3.3% and 2.6% respectively, with Chinese internet stocks leading the decline. Markets succumbed to risk aversion as the widely expected rate hike in the US materialised on the back of steady pickup in inflation. China and Hong Kong also raised their key short-term borrowing rates following the lead from the US. Solid trade data from China provided some relief for the Greater China market as China's exports unexpectedly surged at the fastest rate in three years during February, suggesting economic growth remains resilient even as trade relations with the US deteriorates. Moreover, China has become less dependent on exports in the last ten years as the country's domestic demand has increasingly taken a bigger portion of its economic engine. Further support came with announcement of key government positions signalling continuity in government policies as policymakers look to rein in risks from the financial system without hurting China's economic growth.

India stocks underperformed the region, dragged lower amid noise on trade protectionism, rising crude oil price, and a sombre political sentiment domestically. Early in the month, India released better than expected, 7.2% Gross Domestic Product ("GDP") growth in the December quarter, maintaining its status as the world's fastest growing major economy. Retail inflation eased, allaying concerns of a rate hike in the near term, although it remained above the 4% medium-term target of the Reserve Bank of India. India announced its plan to cut Financial Year 2019 gross government borrowing by INR500bn. Also, the supply is largely evenly spread over the first half and the latter part of the year; only c.52% of gross borrowing is scheduled for 1HFY19 versus c.60-65% in previous years. This brought the much needed relief to bond markets as its benchmark 10 year treasury yield eased 33 basis points to 7.4% over the month.

#### Fixed Income:

In the March meeting, the US Federal Reserve ("Fed") raised its key interest rates by 25bps to between 1.50%-1.75% for the first time this year as widely expected. However, the Fed appeared to be slightly hawkish as the Fed continues to remain positive on future growth while raising the Fed Fund Rates projections for 2019 and 2020. On the domestic front, Bank Negara Malaysia ("BNM") has projected Malaysia's 2018 headline inflation to average between 2-3%. Core inflation is expected to remain moderate in 2018, due to smaller cost pass-through to retail prices compared to the previous year. Overall, Bank Negara believes that inflationary pressures from domestic demand factors will be contained in 2018 due to improving labour market conditions.

There will be three Government bond auctions in April with total estimated issuance of circa RM 10bil with no MGS/GII maturities during the month. As such, Malaysia's sovereign bond market is expected to be well supported from onshore real money investors. MYR corporate bond market is expected to see continuous decent supply in the pipeline in the coming months and we expect demand for corporate bonds to remain well supported.

### ANNUAL PERFORMANCE FOR THE CALENDAR YEAR ENDED

Year	2013	2014	2015	2016	2017
Fund (%)	3.80	9.84	8.67	6.43	12.15
Benchmark (%)	4.41	11.28	9.48	4.27	15.28
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 28 February 2018, the Volatility Factor (VF) for this Fund is 5.1 and is classified as "Low" (Source: Lipper). "Low" generally includes funds with VF that are higher than 1.785 but not more than 6.045. 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, the Eastspring Investments First Supplementary Master Prospectus dated 2 February 2018 (collectively, the "Prospectuses"), as well as 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 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 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.