

TARGET INCOME FUND 5 JUNE 2018

ALL DATA AS AT 31 MAY 2018 UNLESS OTHERWISE STATED

FUND INFORMATION

Launch Date: 22 February 2016
Fund Category/Fund Type: Bond (close-ended)/Income
Fund Size: RM174,526,850.24
Initial Offer Price: RM1.0000
NAV per Unit: RM1.0486
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	1.1232	13-03-2018
52-Week Low	1.0404	23-05-2018

FUND MANAGER

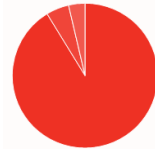
Fund Manager: Manager's Delegate (External Fund Manager) - Eastspring Investments (Singapore) Limited

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10, Jalan Sultan Ismail,
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FUND OBJECTIVE

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

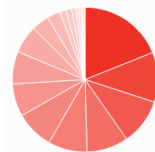
ASSET ALLOCATION



1. Unquoted Fixed Income Securities	91.27%
2. Derivatives	5.08%
3. Cash & cash equivalents	3.65%

* as percentage of NAV.

COUNTRY ALLOCATION



1. United Kingdom	17.25%	10. Virgin Islands (British)	3.54%
2. China	10.15%	11. Sri Lanka	2.72%
3. Australia	9.42%	12. Netherlands	1.26%
4. United States	8.43%	13. United Arab Emirates	1.13%
5. Philippines	7.89%	14. Denmark	0.86%
6. Singapore	7.78%	15. New Zealand	0.60%
7. Hong Kong	6.66%	16. South Korea	0.45%
8. Argentina	6.63%	17. Indonesia	0.43%
9. Malaysia	5.65%	18. Pakistan	0.42%

* as percentage of NAV.

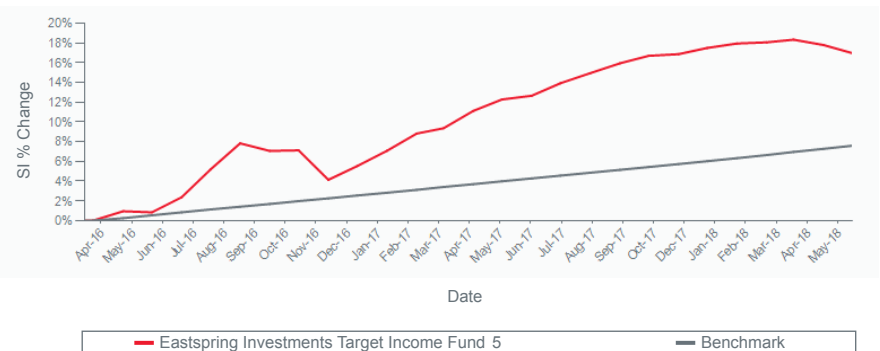
TOP HOLDINGS

1. HSBC Holdings Plc	11.26%	4. Standard Chartered Plc	8.27%
2. Ausnet Services Holdings Pty Ltd	9.42%	5. SMC Global Power Holdings Corp.	7.02%
3. Lend Lease (US) Capital Inc.	8.43%		

* 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	-0.70%	0.10%	4.19%	n.a.	n.a.	16.99%
Benchmark *	0.30%	1.76%	3.47%	n.a.	n.a.	7.59%
Lipper Ranking	35 of 38	14 of 37	1 of 34	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, 31 May 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

Over the month of May, Asian USD-denominated bonds turned in a flat performance, with the representative JPMorgan Asia Credit Index posting a 0.002% return over the month. Asian non-investment grade underperformed as high yield credit spreads widened more than their investment-grade counterparts, while Asian investment grade corporate bonds outperformed on more modest spread widening for the sector accompanied by a fairly high sensitivity to the decline in UST yields.

Economic growth remained generally constructive across major economies. China's Manufacturing PMI suggested a 22nd consecutive month of expansion for the sector, while PMIs in the US and Europe also remained in expansionary territory, suggesting a continued trend of growth for the global economy. While the US Federal Reserve and Bank of England were on hold in the month, Asian central banks remained on a tightening path. Bangko Sentral ng Pilipinas hiked the benchmark overnight lending rate by 25 bps to quell rising inflationary expectations in the Philippines, while Bank Indonesia hiked the 7-day reverse repurchase rate twice in May (for a 50 bps increase), in a move to maintain "market confidence and macroeconomic stability" following marked weakness in the Indonesian rupiah and domestic bond market.

After rising in April, UST yields traded in a volatile fashion, breaching the psychological 3% mark (to 3.11%) in May again, before ending the month 9 bps lower at 2.86%. The UST curve shifted lower in a near-parallel fashion, with the 2-year and 5-year UST yields falling by 6 bps and 10 bps respectively. Accompanying the volatility in risk free rates was a deterioration of risk appetite for higher-yielding Asian credit, emanating from an increasing focus on the risk of China onshore credit defaults coupled with policy changes (from the China Ministry of Finance) to de-link implied local government support in the issuance of bonds by Local Government Financing Vehicles (LGFVs). Adding to investor jitters, China Energy Reserve and Chemicals Group (CERCG) failed to meet a USD350 million bond maturity in the month, triggering cross-defaults on the firm's other offshore bonds (approximately USD1.8 billion in total).

The higher perceived default risk in the Asian high yield sector was reflected via a more sizable widening of spreads in the Asian non-investment grade segment, which saw Asian high yield bonds underperforming their investment-grade counterparts in May. By country, Thailand, Taiwan and Korea outperformed, while Sri Lanka and Pakistan were notable underperformers. Amongst the various sectors, Asian real estate was a weak spot, weighed down by the weak performance of non-investment grade real estate bonds.

ANNUAL PERFORMANCE FOR THE CALENDAR YEAR ENDED

Year	2017	2018
Fund (%)	11.36	-
Benchmark (%)	3.40	-
Date/Distribution (RM)	27 Apr, 0.0592	26 Apr, 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 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 0% 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.