

# GLOBAL TARGET INCOME FUND JULY 2018

ALL DATA AS AT 30 JUNE 2018 UNLESS OTHERWISE STATED

## FUND INFORMATION

Launch Date: 18 July 2016  
Fund Category/Fund Type: Bond/Income  
Fund Size: RM440,680,563.25  
Initial Offer Price: RM0.5000  
NAV per Unit: RM0.5054  
EPF Investment Scheme: Nil

## FEES, CHARGES AND EXPENSES

Annual Management Fee:  
Up to 1.25% of the Fund's NAV per annum

Annual Trustee Fee:  
Up to 0.07% 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 NAV per Unit

Redemption charge: Nil

Redemption Payment Period: Ten (10) calendar days

## TRANSACTION DETAILS

Minimum Initial Investment:  
Lump sum: RM1,000\*  
Regular investment: RM100\*

Minimum Additional Investment:  
Lump sum and 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	0.5412	17-10-2017
52-Week Low	0.5054	29-06-2018

## FUND MANAGER

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

## FUND OBJECTIVE

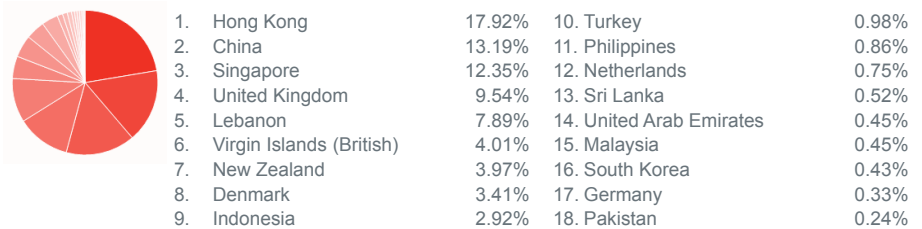
The Fund endeavours to provide regular income.

## ASSET ALLOCATION



\* as percentage of NAV.

## COUNTRY ALLOCATION



\* as percentage of NAV.

## TOP HOLDINGS

1. HSBC Holdings Plc	14.93%	4. Nan Fung Treasury (II) Limited	4.01%
2. Republic Of Lebanon	7.89%	5. Westpac Banking Corporation	3.97%
3. Lippo Malls Indonesia Retail Trust	6.24%		

\* as percentage of NAV.

## FUND PERFORMANCE

Eastspring Investments Global Target 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.

### PERFORMANCE TABLE

	1 month	6 months	1 year	3 years	5 years	Since Inception
Fund	-0.90%	-2.53%	2.60%	n.a.	n.a.	6.40%
Benchmark *	0.36%	2.16%	4.24%	n.a.	n.a.	8.11%
Lipper Ranking	1 of 2	1 of 2	1 of 2	n.a.	n.a.	n.a.

Lipper Fund Category: Bond Global

The number of funds within the category should be at least five for a meaningful assessment

\* 12 month Maybank fixed deposit rate + 1% per annum

Fund performance and Lipper ranking are sourced from Lipper for Investment Management and benchmark is from [www.maybank2u.com.my](http://www.maybank2u.com.my), 30 June 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.

### FUND MANAGER'S COMMENTARY

Over the month of June, Asian USD-denominated bonds were weaker, with the representative JPMorgan Asia Credit Index posting a -0.54% return (in USD terms) over the month on spread widening, which was partially offset by positive Treasury return effects. Asian non-investment grade continued with their underperformance, as high yield credit spreads widened more than their investment-grade counterparts.

The Federal Reserve (Fed) continued with its monetary policy normalisation in June, hiking rates for the seventh time in the current cycle in June. This brought the Fed Funds rate to a 1.75-2% range, while the Fed also guided for a quicker pace of monetary tightening, with two more hikes in 2018 followed by three hikes in 2019. Across the Atlantic, the European Central Bank (ECB) guided for a "tapering" of asset purchases to €15 billion (from the current €30 billion monthly pace) from October, before ending purchases in December. The ECB also suggested that rates would remain at record lows until "at least the summer of 2019".

Tighter monetary policy was also the order of the day in Asia. The Reserve Bank of India hiked rates for the first time in four years, while the Philippines hiked rates for a second consecutive month. Bank Indonesia hiked rates by a larger-than-expected 50 bps (the third hike in two months) to stabilise the rupiah. Currency volatility in Asia rose as the previously-resilient yuan depreciated by more than 3% against the greenback in June; currencies like the Indonesian rupiah, South Korean won and Thai baht fell by between -2.9% to -3.4% against the US dollar.

Short-end UST yields rose, accompanying the Fed's rate hike, although the long-end remained better anchored on weak investor risk sentiment, emanating from the ongoing Sino-US trade spat, which has heightened fears over an all-out "trade war". The UST curve flattened in June, with the 2-year UST yield rising 10 bps while the 10-year UST yield was almost unchanged.

Risk appetite for Asian credit deteriorated further in June, with investor flows from Emerging Market assets decidedly negative in the month, alongside marked weakness seen in the China yuan. Negative sentiment on China was further compounded by concerns that the National Development & Reform Commission (NDRC) was looking to stifle offshore issuance; mitigating this was a reserve requirement ratio cut for big banks, the third so far in 2018. On the back of weakening investor sentiment, Asian credit spreads widened further in June, particularly in the non-investment grade segment – higher-yielding sovereign and quasi-sovereign segments displayed notable weakness with Pakistan and selected China local government financing vehicle (LGFV) bonds underperforming over the month. Weak investor sentiment was also evident in the broader Emerging Market hard currency bond segment, with the JPMorgan EMBI Global Diversified index registering a -1.19% return over the month – Gabon, Argentina, Egypt and Nigeria were amongst the weaker-performing hard currency market segments, each registering monthly losses exceeding -5%.

### ANNUAL PERFORMANCE FOR THE CALENDAR YEAR ENDED

Year					2017
Fund (%)					10.59
Benchmark (%)					4.13
Date/Distribution (RM)					23 Oct, 0.0270
Distribution Yield (%)					5.00%

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

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 credit or default risk, counterparty risk, interest rate risk, country risk, currency risk, income distribution 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.