

# TARGET INCOME FUND 4 JULY 2018

ALL DATA AS AT 30 JUNE 2018 UNLESS OTHERWISE STATED

## FUND INFORMATION

Launch Date: 23 August 2015  
Fund Category/Fund Type: Bond (close-ended)/Income  
Fund Size: RM94,868,297.48  
Initial Offer Price: RM1.000  
NAV per Unit: RM1.0646  
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	1.0606	21-05-2018

## FUND MANAGER

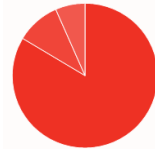
Fund Manager: Manager's Delegate (External Fund Manager) - Eastspring Investments (Singapore) Limited

Eastspring Investments Berhad (531241-U)  
Level 12, Menara Prudential,  
10, Jalan Sultan Ismail,  
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E-mail: cs.my@eastspring.com

## FUND OBJECTIVE

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

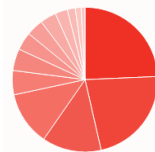
## ASSET ALLOCATION



1. Unquoted Fixed Income Securities	83.60%
2. Derivatives	9.81%
3. Cash & cash equivalents	6.59%

\* as percentage of NAV.

## COUNTRY ALLOCATION



1. Hong Kong	20.32%	8. Denmark	3.17%
2. China	18.51%	9. Philippines	2.99%
3. Singapore	11.01%	10. Netherlands	2.32%
4. United Kingdom	10.04%	11. New Zealand	1.48%
5. Sri Lanka	4.52%	12. Malaysia	1.06%
6. Indonesia	4.08%	13. Pakistan	0.74%
7. Virgin Islands (British)	3.36%		

\* as percentage of NAV.

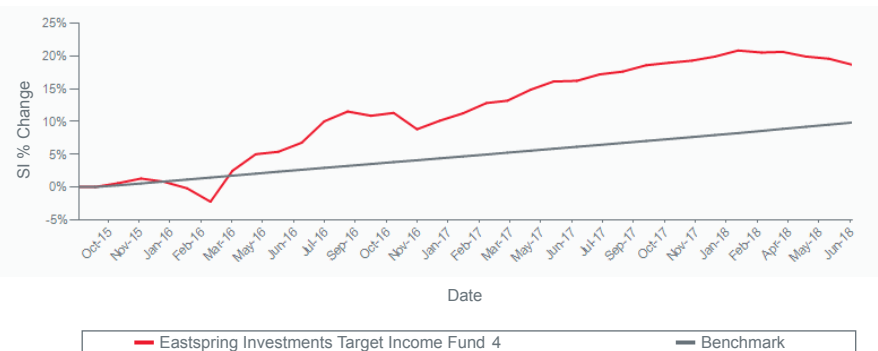
## TOP HOLDINGS

1. HSBC Holdings Plc	16.30%	4. Yuexiu REIT MTN Co Ltd	3.80%
2. New World Development Co Ltd	5.82%	5. Nan Fung Treasury (II) Limited	3.36%
3. New China Life Insurance Co Ltd	4.14%		

\* 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	-0.76%	-1.03%	2.12%	n.a.	n.a.	18.68%
Benchmark *	0.30%	1.78%	3.49%	n.a.	n.a.	9.84%
Lipper Ranking	34 of 36	27 of 35	20 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, 30 June 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 June, Asian USD-denominated bonds were weaker, with the representative JPMorgan Asia Credit Index posting a -0.54% return 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, 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 and 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.

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.

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.

### ANNUAL PERFORMANCE FOR THE CALENDAR YEAR ENDED

Year	2016	2017
Fund (%)	9.23	8.91
Benchmark (%)	3.51	3.40
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 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.