

ASIA SELECT INCOME FUND SEPTEMBER 2018



ALL DATA AS AT 31 AUGUST 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: RM96,541,075.09

Initial Offer Price: RM0.5000

NAV per Unit: RM0.7394

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	0.7213	28-06-2018

FUND MANAGER

Fund Manager: Eastspring Investments Berhad

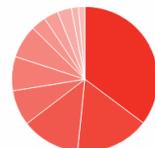
AWARDS / RATINGS

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.

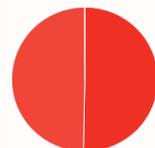
ASSET ALLOCATION



1. Trust	35.28%	7. AAA	3.32%
2. Cash & cash equivalents	16.32%	8. NR (Govt)	3.17%
3. AA3	12.95%	9. AA2	3.13%
4. AA1	7.89%	10. AAA (S)	1.56%
5. AA- IS	7.62%	11. AA2 (S)	1.41%
6. A1	7.35%		

* as percentage of NAV.

COUNTRY ALLOCATION



Eastspring Investments - Dragon Peacock

1. India related	50.30%
2. China related	49.60%
3. Cash and cash equivalents	0.10%

* as percentage of NAV.

TOP HOLDINGS

Equity Holdings

1. Eastspring Investments - Dragon Peacock Fund	35.28%
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Bond Holdings

1. Affin Bank Berhad	6.30%
2. Lebuhraya DUKE Fasa 3 Sdn Bhd	4.47%
3. RHB Bank Berhad	4.15%

* 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	0.46%	0.86%	2.27%	22.55%	52.00%	127.31%
Benchmark *	0.19%	1.07%	2.38%	24.72%	56.74%	153.39%
Lipper Ranking	9 of 16	6 of 16	6 of 16	1 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 August 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:
MSCI China underperformed Emerging Market peers and returned -3.8% in USD terms. MSCI Hong Kong also declined 2.3%. A 25% tariff was imposed by the US on a further USD16bn of imports from China going into effect on 23 August after trade talks between the two parties ended without major developments. China subsequently retaliated in kind. During the month, macro data from China disappointed, led by infrastructure spending which declined to 5.7% from 7.3%. Retail sales growth slowed, largely on the back of weaker auto sales, while industrial Production (IP) growth declined marginally. Conversely, real estate investment rose 13% and new construction was up 32% year-on-year (YoY) to the highest rate since 2014. On the policy front, authorities introduced a few measures including structural tax cuts and reinstating the "counter cyclical factor" to keep the yuan's daily midpoint fixed to a relatively stable value. MSCI India returned 1.0% in USD terms in August, shrugging off higher oil prices and Rupee breaching an all-time low versus the Dollar amid contagion fears from Turkey and Argentina. The market outperformed both the MSCI Emerging Markets index as well as the broader Asia Pacific ex-Japan index. India has consistently outperformed last few months for it is relatively less affected by trade tensions. Also, domestic indicators continue to hint at a pickup in growth and corporate revenues. The market in August was buoyed largely by a strong 1QFY19 reporting season where revenues and profits grew ahead of expectations; the local Nifty-50 index universe registered 24% growth in revenues from a year ago. On the macro front, 2Q18 GDP beat estimates and grew 8.2% year-on-year (YoY), driven by robust private consumption, investments and exports. Meanwhile, other economic prints also appeared encouraging, with Industrial Production for June surprisingly positively and growing 7.0% YoY, while July inflation CPI softened due to weaker food prices. Additionally, the trade deficit widened to a 62-month high of USD18.0bn in July on the back of weak sequential export growth.

Fixed Income:

All eyes will be on the next Federal Open Market Committee ("FOMC") meeting which will be held on 25-26 September. As at end August, investors see a solid chance of a rate move in September as market-implied chance of a US Federal Reserve ("Fed") hike has increased to 95%. Separately, the lack of improvement between US and China relation continues to dominate investors' focus. Global investors remain wary of the instability as this trade dispute may trigger huge financial repercussions. Malaysia's trade may also be affected by this trade dispute in the short-term but may eventually gain from trade diversion away from China, given high similarity in export structure with China. Bank Negara Malaysia maintained the Overnight Policy Rate ("OPR") at 3.25% during the fifth Monetary Policy Committee meeting on 5 September. Bank Negara believes that the current level of the OPR remains accommodative and consistent with the intended policy stance. Bank Negara will continue to monitor and assess the balance or risks surrounding the outlook for domestic growth and inflation. Overall, Malaysia's sovereign bond market is expected to remain volatile ahead of (1) intensifying US-China trade war, (2) rising interest rates in the US, and (3) further policy clarity from the newly elected government on matters such as the future direction in managing public finance.

ANNUAL PERFORMANCE FOR THE CALENDAR YEAR ENDED

Year	2014	2015	2016	2017	2018
Fund (%)	9.84	8.67	6.43	12.15	-
Benchmark (%)	11.28	9.48	4.27	15.28	-
Date/Distribution (RM)	27 Jun, 0.0247	26 Jun, 0.0310	-	23 Jun, 0.0344	25 Jun, 0.0343
Distribution Yield (%)	3.91	4.50	-	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 31 July 2018, the Volatility Factor (VF) for this Fund is 5.3 and is classified as "Low" (Source: Lipper). "Low" generally includes funds with VF that are higher than 1.885 but not more than 6.615. 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.

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.