

MEDIA RELEASE

For immediate release

EASTSPRING INVESTMENTS BERHAD DECLARES INCOME DISTRIBUTION FOR EASTSPRING INVESTMENTS TARGET INCOME FUND 5

24 April 2019, Kuala Lumpur - Eastspring Investments Berhad today announced the gross income distribution for Eastspring Investments Target Income Fund 5 (“Fund”):

Fund Name	Financial Year End	Gross Distribution (RM/Unit)	Dividend Yield as at 31 March 2019	Type of Distribution
Eastspring Investments Target Income Fund 5	31 December	0.0592	5.75%	Annual

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All unit holders who have maintained their unit holdings in the Fund as at 23 April 2019 will be entitled to the income distribution.

This 5 year closed-ended bond fund is the fifth in a series of target income funds. This distribution is consistent with the Fund’s objective which endeavours to provide regular income¹ during the tenure of the Fund.

Market Outlook from the External Investment Manager, Eastspring Investments (Singapore) Limited

Following the bout of market volatility in 2018, investor sentiment in the Asian credit market experienced a strong turnaround in recent months. The dovish shift in the Fed and supportive policy measures in China spurred investor demand for yield that resulted in significant spread tightening, particularly in the high yield space.

While we are inclined to be more cautious in adding risk after the strong market runup, we expect performance to be underpinned by bond carry from here. Investor demand for yield is likely to be sustained as interest rate expectation remains anchored amid the slowing growth environment and benign Fed’s monetary policy path. The looser financing conditions, and generally adequate liquidity positions, should also mitigate refinancing risks for high yield issuers. However, ongoing macro and political uncertainties could still result in bouts of volatility, which we would see as opportunities to buy on dips.

The Fund thus continues to hold an overweight in high yield corporates for the more attractive bond carry. However, we remain mindful that the slower growth environment could still lead to idiosyncratic stress, which warrants more selective approach in credit selection.

In terms of sectors, the Fund maintains an overweight China property positioning, and is also overweight Indonesia real estate and metals & mining credits. Underweights include China financials, China Technology, Media and Telecoms (TMT), Malaysia and Korea quasi-sovereign bonds, as well as sovereign bonds in Indonesia and the Philippines.

¹ Income declared will be paid out either by way of E-payment according to unit holders’ instructions in the account opening form or by cheque.

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Over the past month, the Fund continued to pare its holdings in local currency bonds in Singapore and Indonesia. We have also taken opportunity of the strong credit rally in March to take profit in selective hard currency Indonesian and China credits. At the same time, we added to China real estate and selective TMT positions partly via new issuances, which contributed to an overall increase in China exposure. Additionally, we reduced our position in Korean industrials, thereby increasing our underweight there slightly.

end

ABOUT EASTSPRING INVESTMENTS

Eastspring Investments is a leading asset manager in Asia that manages over US\$193 billion assets on behalf of institutional and retail clients as at 31 December 2018. Operating in Asia since 1994 in 11 major markets plus offices in North America and Europe. Eastspring Investments is the Asian asset management business of Prudential plc, one of the world's largest financial services companies.

ABOUT EASTSPRING INVESTMENTS BERHAD

Established in 2000 and based in Kuala Lumpur, Eastspring Investments Berhad is one of the leading asset management companies in Malaysia in both institutional and retail, with over RM39.3 billion in assets under management in the country as at 31 December 2018. It manages unit trust funds, wholesale funds as well as private mandates.

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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 First Supplementary Prospectus each respectively dated 22 February 2016 (collectively, the "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 distributions 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.

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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.

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.

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