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EASTSPRING INVESTMENTS BERHAD LAUNCHES EIGHTH CLOSED-ENDED GLOBAL BOND FUND

New Fund raises over RM100 million in first five days of Offer Period

26 July 2019, Kuala Lumpur – Eastspring Investments Berhad’s new global bond fund, the Eastspring Investments Target Income Fund 8 (“Fund”) has raised over RM100 million in the first five days of its offer period (“OP”). This is the eighth bond fund Eastspring has launched in the Malaysian market in 8 years.

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The new Fund is a five-year closed-ended bond fund¹ that aims to provide potential regular income distribution of between 4.7 - 5% per annum² with lower volatility compared to equity funds. The targeted payout is derived from coupon income from bonds. The Fund is ideal for investors who seek regular income distribution and have a medium to high risk tolerance.

A unique feature of the Fund is that at the end of the third year of investment, part of the proceeds from matured bonds (approximately 40% of the Fund’s Net Asset Value (“NAV”)) are returned to unitholders.

“Against the current backdrop of a challenging equity market, conservative Malaysian investors are looking for income funds without long lock-in periods. Given the uptake in the first week of IOP, the Fund has been well received,” says Yap Siok Hoon, Chief Sales and Marketing Officer.

“The Fund has been structured to return about 40% of the portfolio at the end of year 3 from the commencement date of the Fund, whilst providing the potential for 4.7%-5% per annum² in income distribution. This provides some form of liquidity for investors.

“Whilst past performance of our funds is no indication of future funds, I am pleased to report that our past Target Income Funds have consistently met their objectives of providing their targeted income distribution over the years,” says Ms Yap.

¹ While this is a 5-year close-ended bond fund, approximately 40% of the Fund’s investment amount raised at the commencement date will be invested in local and/or foreign bonds with a maturity period of up to 3 years. At the end of year 3 from the commencement date of the Fund, Eastspring Investments Berhad (“Manager”) will return the maturity proceeds from the bonds that has matured in year 3 to the unit holders. Please refer to the investment strategy section of the Fund’s prospectus for further details. As such, unit holders need to take note on the staggered maturity date of the Fund.

² The potential annual income distribution is an indicative payout based on the model portfolio as of 22 May 2019. It is not a guaranteed distribution and is subject to the availability of income. Distribution of income, if any, will be declared on an annual basis after deduction of taxation and expenses. Investor’s principal investment may be affected if they make an early redemption or in the occurrence of a default of the underlying bonds in the Fund. In addition, the potential annual income distribution of 4.70% to 5.00% per annum is determined based on the following assumptions that: 1) the model portfolio can be implemented on the commencement date (i.e. the next business day immediately after the expiry of the offer period; 2) there is no default of bond or early payment on the principal and/or coupon payment; and 3) the Fund’s investments in callable bonds are called back by the issuer on the specified call dates. Year 3 is based on the commencement date of the Fund. Payment is within 2 months.

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With a minimum investment of RM1,000, investors can purchase the Fund at RM1.00 per unit during the 45-day offer period (from 15 July 2019 to 28 August 2019). Applications for units can be made through any of Eastspring Investments Berhad's branches, authorised unit trust consultants and distributing banks.

The Fund will be managed by Eastspring Investments (Singapore) Limited, one of the largest Asian fixed income managers with SGD 45.3 billion of fixed income Assets Under Management ("AUM")³.

Commenting on the global market outlook, Eric Fang, Fund Manager, Eastspring, said:

"We believe that global bonds will remain well supported for the remainder of 2019. The accommodative monetary policy stance of major central banks is expected to keep interest rates low, while fueling investor demand for yield. Demand for global credits, especially those in Asia and the broader emerging markets, are expected to be well supported given the higher yield pick-up relative to developed market bonds. Having said that, the softer growth environment and ongoing trade uncertainties could lead to a rise in idiosyncratic risks as the more challenging macroeconomic conditions exert pressure on weaker companies. This warrants a more rigorous selection process when investing in credits."

** End **

ABOUT EASTSPRING INVESTMENTS

Eastspring Investments is a leading Asia-based asset manager that manages over USD 193 billion (as at 31 December 2018) of assets on behalf of institutional and retail clients. Operating in Asia since 1994, Eastspring Investments is the Asian asset management business of Prudential plc, an international financial services group, and has one of the widest footprints across the region*. We provide investment solutions across a broad range of asset classes including equities, fixed income, multi asset solutions and alternatives and are committed to delivering high quality investment outcomes for our clients over the long term. Eastspring Investments is a signatory to the United Nations-supported Principles for Responsible Investment (PRI), a voluntary program which encourages best practice in environmental, social and corporate governance issues. For more information on Eastspring Investments, please visit: www.eastspring.com

*Eastspring Investments (excluding JV companies) companies are ultimately wholly-owned / indirect subsidiaries / associate of Prudential plc of the United Kingdom. Eastspring Investments companies (including JV's) 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.

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 approximately RM40 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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Investors are advised to read and understand the contents of the Eastspring Investments Target Income Fund 8 (“Fund”) Prospectus dated 15 July 2019 (“Prospectus”) and the Fund’s Product Highlights Sheet (“PHS”) before investing. The Prospectus and PHS are available at offices of Eastspring Investments Berhad or its authorised distributors, and investors have the right to request a copy of the Prospectus and PHS.

The Prospectus has been registered with the Securities Commission Malaysia who take no responsibility for its content. Units will only be issued upon receipt of the application form accompanying the Prospectus. Past performance of the Manager is not an indication of the Manager’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.

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 and derivatives risk. Investors are advised to consider these risks and other general risks as elaborated in the Prospectus, as well as the fees, charges and expenses involved before investing.