

# TARGET INCOME FUND 4

## SEPTEMBER 2020



ALL DATA AS AT 31 AUGUST 2020 UNLESS OTHERWISE STATED

### FUND INFORMATION

Launch Date: 23 August 2015

Fund Category/Fund Type: Bond (close-ended)/Income

Fund Size: RM90,319,330.37

Initial Offer Price: RM1.000

NAV per Unit: RM1.0582

EPF Investment Scheme: Nil

ISIN No: MYU940000AS3

### 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	1.1025	23-10-2019
52-Week Low	1.0003	25-03-2020

### FUND MANAGER

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

Eastspring Investments Berhad 200001028634 (531241-U)  
Level 22, Menara Prudential,  
Persiaran TRX Barat,  
55188 Tun Razak Exchange,  
Kuala Lumpur  
Tel: 603 - 2778 3888  
E-mail: cs.my@eastspring.com  
Web: www.eastspring.com/my

### FUND OBJECTIVE

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

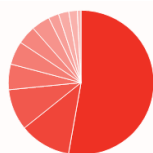
### ASSET ALLOCATION



1. Cash & cash equivalents	51.34%
2. Unquoted Fixed Income Securities	47.23%
3. Derivatives	1.43%

\* as percentage of NAV.

### COUNTRY ALLOCATION



1. Cash	52.77%	7. Hong Kong	4.10%
2. Malaysia	11.45%	8. Qatar	2.31%
3. Ukraine	9.20%	9. Virgin Islands (British)	2.30%
4. Singapore	5.72%	10. India	1.90%
5. Sri Lanka	5.25%	11. United Kingdom	0.83%
6. China	4.17%		

\* as percentage of NAV.

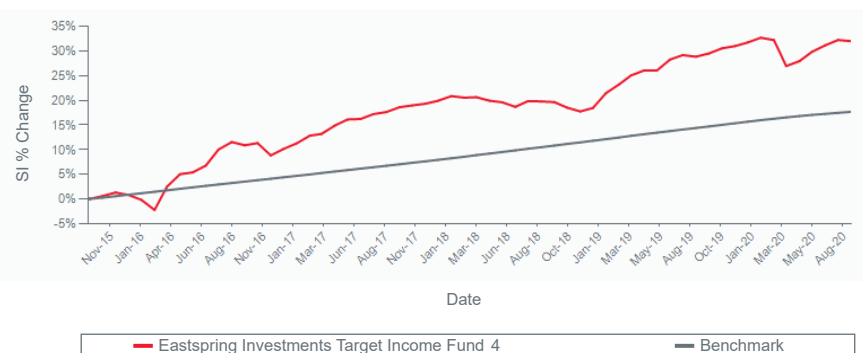
### TOP HOLDINGS

1. Government Of Malaysia	11.45%	4. New World Development Co Ltd	2.80%
2. Ukraine	9.20%	5. Avenue International Holding Limited	2.31%
3. The Democratic Socialist Republic Of Sri Lanka	5.25%		

\* 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	-0.17%	-0.16%	2.46%	12.23%	n.a.	32.01%
Benchmark *	0.18%	1.22%	2.88%	10.26%	n.a.	17.68%
Lipper Ranking	29 of 32	22 of 26	15 of 19	2 of 5	1 of 2	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, 31 August 2020 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.

### LIPPER LEADERS RATING (OVERALL)

Total Return	Consistent Return	Preservation	Lipper Leaders Key
④	④	③	Lowest Highest
			① 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

In August, Asian and Emerging (EM) USD bonds generally registered a muted return. While risk sentiment continues to hold firm, providing support to the narrowing of credit spreads, broadly higher government bond yields offset some of the gains.

During the month, broadly positive risk sentiment, buttressed by upbeat US jobs and factory data, buoyed risk assets. Concerns over the resurgence of COVID-19, particularly as cases continued to rise in Europe, took some of the shine off risk assets, but expectations that a vaccine would soon be available counterbalanced such worries. Meanwhile, US-China tensions appeared to worsen as President Trump placed new restrictions on TikTok and Wechat, while more Chinese companies were sanctioned. However, Washington struck a more conciliatory tone on the Phase one trade deal with Beijing as it reaffirmed its commitment to the trade deal. Aside from trade and growth issues, the other key development was the Fed's announcement of a change in its monetary policy framework to a flexible average inflation targeting, which would allow inflation to rise moderately above 2% for periods if it was consistently running below this long-term target. This was perceived by the market as being more tolerant of higher inflation, which led the US Treasury (UST) yields higher in August.

Despite the rise in US interest rates, performance of Asian and EM USD credits was supported by the positive risk sentiment, which drove continued spread tightening particularly in the high yield sector. This contributed to the outperformance of high yield bonds, led by high yield sovereigns, such as Sri Lanka. Investment grade credits, in contrast, registered a slight decline, weighed down partly by their longer duration profile and more modest spread tightening. In the corporate bond segment, high yield metals-and-mining credits was a key outperforming sector, while investment grade TMT corporate bonds lagged, hampered partly by the negative newsflow on Chinese tech companies' operations in the US.

### OTHER INFORMATION ABOUT THE FUND

Year	2016	2017	2018	2019
Annual Fund Performance (%)	9.23	8.91	-1.23	11.22
Annual Benchmark Performance (%)	3.51	3.40	3.59	3.45
Date/Distribution (RM)	31 Oct, 0.0592	27 Oct, 0.0592	31 Oct, 0.0592	24 Oct, 0.0592
Distribution Yield (%)	5.62%	5.55%	5.90%	5.37

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 August 2020, the Volatility Factor (VF) for this Fund is 3.7 and is classified as "Low" (Source: Lipper). "Low" generally includes funds with VF that are higher than 3.625 but not more than 10.300. 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. 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.

This is a close-ended fund. Units are no longer available for sale on the basis of the Eastspring Investments Target Income Fund Prospectus dated 26 April 2012 ("Prospectus"). Investors are advised to read and understand the contents of the 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 for a copy of the Prospectus and PHS. The Prospectus has 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 Prospectus. 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 Prospectus as well as fees, charges and expenses involved before investing.

Eastspring Investments companies (excluding JV companies) are ultimately wholly-owned/indirect subsidiaries/associate 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 or with the Prudential Assurance Company, a subsidiary of M&G plc (a company incorporated in the United Kingdom).