

TARGET INCOME FUND 5

AUGUST 2021



ALL DATA AS AT 31 JULY 2021 UNLESS OTHERWISE STATED

FUND INFORMATION

Launch Date: 22 February 2016

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

Fund Size: RM162,601,239.87

Initial Offer Price: RM1.0000

NAV per Unit: n.a.

EPF Investment Scheme: Nil

ISIN No: MYU940000AT1

FEES, CHARGES AND EXPENSES

Annual Management Fee:
Up to 0.20% of the Fund's NAV per annumAnnual Trustee Fee:
Up to 0.06% of the Fund's NAV 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:
Distribution of income, if any, will be on annual basis, after deduction of taxation and expenses

Fund NAV:	NAV	Date
52-Week High	1.0409	06-04-2021
52-Week Low	1.0070	03-08-2020

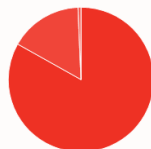
FUND MANAGER

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

FUND OBJECTIVE

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

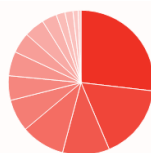
ASSET ALLOCATION



1. Unquoted Fixed Income Securities	83.18%
2. Cash & cash equivalents	16.14%
3. Derivatives	0.68%

* as percentage of NAV.

COUNTRY ALLOCATION



1. China	26.85%	8. Virgin Islands (British)	4.60%
2. Cash	16.82%	9. Hong Kong	4.54%
3. Australia	10.44%	10. Philippines	3.31%
4. Malaysia	9.75%	11. United States	1.98%
5. United Kingdom	7.19%	12. Indonesia	1.79%
6. United Arab Emirates	5.49%	13. Sri Lanka	1.15%
7. Singapore	5.45%	14. India	0.64%

* as percentage of NAV.

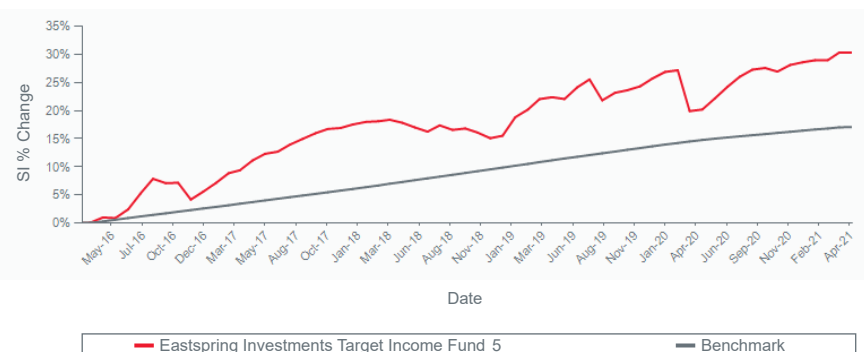
TOP HOLDINGS

1. Ausnet Services Holdings Pty Ltd	10.44%	4. HSBC Holdings Plc	3.60%
2. Nan Fung Treasury (II) Limited	4.60%	5. Standard Chartered Plc	3.59%
3. Esic Sukuk Limited	4.40%		

* as percentage of NAV.

FUND PERFORMANCE

Eastspring Investments Target Income Fund 5 - 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.

TARGET INCOME FUND 5

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PERFORMANCE TABLE

	1 month	6 months	1 year	3 years	5 years	Since Inception
Fund	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Benchmark *	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Lipper Ranking	n.a.	n.a.	n.a.	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, 31 July 2021 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

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

The continued spread of highly infectious COVID-19 variants and dovish signals from policymakers sent US Treasuries on a torrid rally in July. Beijing's regulatory clampdown on a myriad of sectors further added to demand for safe-haven assets. Ten-year UST yields dropped 25 bps in July to 1.22%, while the real ten-year yield—after stripping out the expected impact of inflation over the next decade—sank to an all-time low of -1.18%. Against this backdrop, Asian and emerging-markets (EM) USD bond markets saw a mixed performance, as the JP Morgan Asia Credit Index (JACI) declined 0.42% last month amid weakening risk sentiment, while returns of the Emerging Markets Bond Index Global Diversified (EMBIGD; +0.42%) was supported by lower US yields.

The tumble in UST yields came despite US CPI inflation exceeding expectations for the third month in a row, suggesting that Delta virus fears had taken precedence over inflation risk. Meanwhile, major central banks made it clear that monetary conditions would remain ultra-loose for the foreseeable future. Minutes of the Federal Reserve meeting in June highlighted that Fed officials were still reluctant to pin down the timeline for scaling back bond purchases, on account of high uncertainty on the economic outlook. The European Central Bank last month raised its goal for inflation, targeting for consumer-price growth of 2% over the medium term with a "symmetric" aim, which effectively allows it to stay accommodative for longer.

China made a surprise shift in July, with the People's Bank of China (PBOC) cutting the reserve requirement ratio, the amount of cash most banks must hold in reserve, by 50 bps. Besides loosening monetary policy, Chinese authorities signalled during the quarterly Politburo economic meeting last month that they will unleash fiscal support for the economy.

Latest economic data coming out from Asia and EM continued to indicate a macro environment that is overall conducive to credit. However, COVID variants remain the most immediate threat to the growth outlook of EM economies. The recent surge in infection rates has hit EM Asia particularly hard, leading to significantly stricter mobility curbs in some countries and clouding the region's recovery outlook.

China's economic activity expanded 5.5% in the second quarter on a two-year average growth basis, which took out base effects from last year's pandemic. The growth was slightly higher than the preceding three months (5.0%) and indicated a more balanced recovery as consumer spending picked up. Retail sales increased 13.9% in the second quarter and 12.1% in June from a year earlier, both topping forecasts.

The JACI posted a loss for the first time since March, as losses from widening credit spreads (-1.34%) overshadowed gains from Treasuries (+0.94%). Investment-grade (IG) bonds (+0.54%) performed relatively well due to the tailwind from falling bond yields, in contrast to losses in the high-yield (HY) segment (-3.64%). Chinese corporates weighed on EM fixed income asset returns after suffering the double whammy of more negative headlines over China Evergrande Group and the government's crackdown on everything from property to technology and private education. The default of a mid-sized Chinese developer in July also diminished risk appetite on the country's issuers.

Evergrande's bond prices continued to be rattled by rating downgrades and news reports about wary lenders and unpaid dues to suppliers. Led by the selloff in Evergrande and a few other prominent developers, real estate (-5.64%) was the worst performing corporate sector in JACI last month, with high-yield real estate credits (-8.63%) suffering the brunt of the selloff.

OTHER INFORMATION ABOUT THE FUND

Year	2017	2018	2019	2020
Annual Fund Performance (%)	11.36	-1.71	8.82	2.31
Annual Benchmark Performance (%)	3.40	3.59	3.45	2.45
Date/Distribution (RM)	27 Apr, 0.0592	26 Apr, 0.0592	24 Apr, 0.0592	24 Apr, 0.0592
Distribution Yield (%)	5.64	5.61	5.72	5.86

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

n.a.

This is a close-ended fund. Units are no longer available for sale on the basis of the ("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).