

JAPAN DYNAMIC MY FUND [JPY CLASS] SEPTEMBER 2020



ALL DATA AS AT 31 AUGUST 2020 UNLESS OTHERWISE STATED

FUND INFORMATION

Launch Date: 16 June 2015

Fund Category/Fund Type: Wholesale (Feeder)/Growth

Fund Size (JPY Class): JPY21,202,884.00

Fund Size (Aggregate): RM21,267,681.57

Initial Offer Price: JPY1,000

NAV per Unit: JPY867.7617

EPF Investment Scheme: Nil

ISIN No: MYU940008AA4

FEES, CHARGES AND EXPENSES

 Annual Management Fee:
Up to 1.80% of the Fund's NAV per annum

 Annual Trustee Fee:
Up to 0.06% of the Fund's NAV, subject to a minimum of RM15,000 per annum or its equivalent in the base currency (excluding foreign custodian fees and charges)

 Sales Charge:
Up to 5.50% on the NAV per Unit of Class

Redemption charge: Nil

Redemption Payment Period: Fifteen (15) business days

TRANSACTION DETAILS

 Minimum Initial Investment:
Lump Sum: JPY50,000*
Regular Investment: not applicable

 Minimum Additional Investment
Lump Sum: JPY50,000*
Regular Investment: not applicable

* 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) is incidental

Fund NAV:	NAV	Date
52-Week High	1101.8490	17-12-2019
52-Week Low	687.6417	16-03-2020

FUND MANAGER

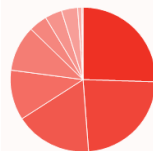
Fund Manager: Eastspring Investments Berhad

FUND OBJECTIVE

The Fund aims to generate long-term capital appreciation by investing in the Eastspring Investments - Japan Dynamic Fund ("Target Fund"), which invests primarily^ in securities of companies in Japan.

^primarily means at least 66% of the Target Fund's net asset value.

TARGET FUND ASSET ALLOCATION



1. Consumer discretionary	25.50%	6. Communication services	4.10%
2. Financials	23.30%	7. Health care	3.80%
3. Industrials	17.10%	8. Real estate	3.60%
4. Information technology	11.20%	9. Others	0.90%
5. Materials	10.20%	10. Cash and cash equivalents	0.30%

* as percentage of NAV.

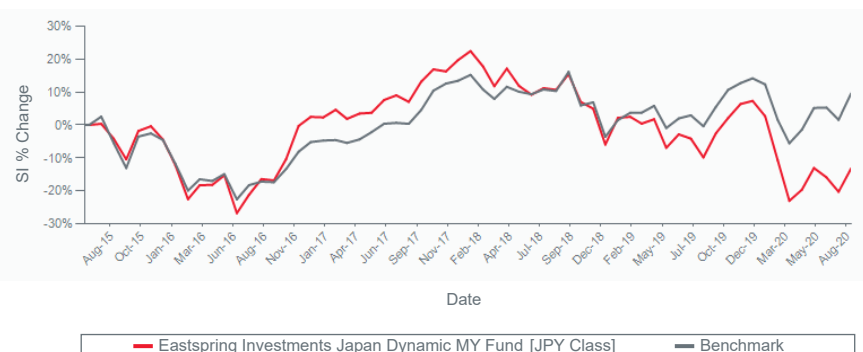
TARGET FUND TOP HOLDINGS

1. Honda Motor Ltd	5.60%	4. Ricoh Ltd	5.00%
2. Panasonic Corp	5.40%	5. Mitsubishi UFJ Financial Group Inc	4.70%
3. Sumitomo Mitsui Financial Group Inc	5.30%		

* as percentage of NAV.

FUND PERFORMANCE

Eastspring Investments Japan Dynamic MY Fund [JPY Class] - 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	8.94%	-2.80%	-3.72%	-18.93%	-9.40%	-13.22%
Benchmark *	7.93%	7.90%	10.05%	9.24%	16.05%	9.61%
Lipper Ranking ^	1 of 3	3 of 3	3 of 3	2 of 2	2 of 2	n.a.

Lipper Fund Category: Equity Japan

^Lipper Ranking is based on JPY Class. The number of funds within the category should be at least five for a meaningful assessment.

*Morgan Stanley Capital International (MSCI) Japan Index (Net)

Fund performance and Lipper ranking are sourced from Lipper for Investment Management and benchmark is from Eastspring Investments (Singapore) Limited and Bloomberg, 31 August 2020. 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
①	①	①	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

The MSCI Japan Index returned 7.94% in JPY terms in August. During the month, the change in market risk preferences led to a rotation away expensive technology-related stocks towards the kind of underappreciated stocks held in the Fund and this has been supportive for the Fund's performance in the shorter term. Towards the end of the month, however, we observed market volatility around the news flow relating to the resignation of Prime Minister Abe, which may reflect the market response to shorter term political uncertainty.

When valuations move to extremes of both expensive and cheap, any market surprise that challenges the status quo can create a rapid and sizeable shift in prices, and this is what has been recently observed. Year-to-date, valuation dispersion has moved to extremes as investor risk preferences have narrowly focused on the drivers of share price momentum in the market and as a result, pay any price for growth. Although this extreme market behaviour can weigh on strategy performance in the near term, the significant valuation support that can be found more than compensates the strategy for looking through this shorter-term performance headwind and taking a patient longer-term approach to value realisation.

Whilst shorter term market narratives may be driving uncertainty, share price volatility and market preferences, we continue observe improving trend fundamental health in corporate Japan. At a corporate level, we continue to observe some encouraging trends in Japan which have improved the resiliency of the overall market. One factor that may now be in the favour for some Japanese companies is their strong balance sheet health compared with global peers, which may contribute to an ability to fund ongoing operations amid this uncertain global environment. Long term restructuring efforts, including deleveraging of balance sheets, has led to high levels of cash and bankruptcy levels that continue to remain at decade lows. The labour market also remained tight, with the job-offers-to-applicant ratio printing 1.0 in July and unemployment rate printing 2.9% in July. During the most recent results season, we also observed a meaningful quarter-on-quarter recovery of operating and net profit, with earnings for over 60% of Topix companies beating consensus estimates.

Our focus on sustainable earnings differentiates us from a market that obsesses over recently reported earnings. The market's myopic view on recently reported earnings is the source of the local representativeness bias that drives the extrapolation of trends, and ultimately gives rise to herding behaviour.

OTHER INFORMATION ABOUT THE FUND

Year	2016	2017	2018	2019
Annual Fund Performance (%)	7.26	16.86	-21.47	14.16
Annual Benchmark Performance (%)	-0.66	19.67	-15.14	18.48
Date/Distribution (RM)	-	-	-	-
Distribution Yield (%)	-	-	-	-

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 20.6 and is classified as "Very High" (Source: Lipper). "Very High" generally includes funds with VF that are higher than 16.705. 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.

Investors are advised to read and understand the contents of the Eastspring Investments Japan Dynamic MY Fund ("Fund") Replacement Information Memorandum dated 6 March 2020 ("Info Memo") and the Fund's Product Highlights Sheet ("PHS") before investing. The Info Memo 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 Info Memo and PHS.

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