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For immediate release

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

26 APRIL 2018, 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 2018	Type of Distribution
Eastspring Investments Target Income Fund 5	31 December 2017	0.0592	5.75%	Annual

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All unit holders who have maintained their unit holdings in the Fund as at 25 April 2018 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

As represented by the JP Morgan Asia Credit Index, the Asian USD bond market was largely unchanged over the month of March. Returns were driven primarily by the declines in longer-dated US Treasury (UST) yields, which helped to offset the negative effects of broad-based credit spread widening over the month. Investment grade Asian bonds outperformed their non-investment grade counterparts due to their longer duration nature – the investment grade Asian sovereign segment was a key outperformer in the month of March on its higher sensitivity to declining UST yields. While economic data points released over the month remained supportive of continued growth for the global economy, markets were roiled by rising trade war fears, which led to a pullback in investor risk appetite. The month of March started on a volatile note as US President Trump announced that he would be imposing steep tariffs on imported steel (25%) and aluminum (10%). While the US has since exempted numerous key allies, China remains subject to these newly-minted tariffs, while additional tariffs and investment restrictions have been imposed in relation to the US Trade Representative’s “Section 301” investigation, pertaining to alleged misappropriation of US intellectual property by China. China has since retaliated with a plan to impose tariffs on 128 US products, highlighting the strained trade relations between the two countries.

Jerome Powell’s first Federal Open Market Committee (FOMC) meeting as Chairman saw the US Federal Reserve (Fed) stay the course with a much-anticipated 25 bps rate hike in March, which brought the federal funds rate to a range of 1.5% to 1.75%. The latest Fed “Dot Plot” indicated an upward-revision to the

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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median end-2019 and end-2020 Fed Funds Target Rate forecast (to 2.875% and 3.375% respectively), suggesting that after an expected three hikes in 2018, the Fed expects to hike rates another three times in 2019, and twice in 2020. While short-term bond yields rose marginally on the back of the latest rate hike, bond market performance was dictated by the weaker investor sentiment in the month, which bolstered the performance of longer-dated US Treasuries – 5-year and 10-year US Treasury yields declined by 8 bps and 12 bps respectively (to 2.56% and 2.74% respectively) over the month of March.

As a reflection of increased investor risk aversion, Asian credit spreads widened in March, particularly for the non-investment grade sovereign segment, where Pakistan was a notable underperformer. On the whole, Asian high yield bonds were broadly weaker as negative effects from credit spread widening outweighed the positive effects of a decline in base rates. Investment-grade Asian USD credits outperformed thanks to their longer-duration nature; the segment benefited from the general decline in mid to longer-dated US Treasury yields over the month.

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ABOUT EASTSPRING INVESTMENTS

Eastspring Investments is a leading asset manager in Asia that manages over US\$188 billion assets on behalf of institutional and retail clients as at 31 December 2017. Operating in Asia since 1994 in 10 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 RM39.8 billion in assets under management in the country as at 31 December 2017. 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.

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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.

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. All fees, charges and expenses payable by the unit holder are subject to Goods and Services Tax ("GST") at a rate of 6% or such other prescribed rate as may be imposed from time to time, and incurred by the unit holder directly when purchasing or redeeming units of the Fund and indirectly when investing in the Fund. The fees, charges and expenses disclosed are exclusive of GST or any other taxes or duties that may be imposed by the government or other authorities from time to time.

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.