

## MEDIA RELEASE

For immediate release

### EASTSPRING INVESTMENTS BERHAD DECLARES INCOME DISTRIBUTION FOR EASTSPRING INVESTMENTS ASIAN HIGH YIELD BOND MY FUND

29 June 2018, Kuala Lumpur - Eastspring Investments Berhad today announced the gross income distribution for Eastspring Investments Asian High Yield Bond MY Fund ("Fund"). The Fund is a wholesale feeder fund which aims to maximise income and capital appreciation by investing in the Eastspring Investments - Asian High Yield Bond Fund ("Target Fund"), which invests primarily in Asian high yield bonds.

The distribution rates for each currency class are as follows:

Currency Class	Gross Distribution (Respective Currency/Unit)	Dividend Yield (based on net asset value per unit as at 31 May 2018)	Type of Distribution
USD Class	0.0070	1.50%	Quarterly
RM Hedged -Class	0.0072	1.50%	Quarterly

All unit holders who have maintained their unit holdings in the Fund as at 28 June 2018 will be entitled to the income distribution.

#### Market Outlook from the Investment Manager of the Target Fund

Asian High Yield USD-denominated bonds (as represented by the JP Morgan Asia Credit – Non Investment Grade Index) registered a -1.2% return over the month of May, the worst monthly performance for the segment since August 2015. Returns for the high yield segment were impacted by a widening of credit spreads in Asian high yield corporate bonds, partially offset by a decline in US Treasury yields.

After rising in April, UST yields traded in a volatile fashion, breaching the psychological 3% mark (to 3.11%) in May again, before ending the month 9 bps lower at 2.86%. The UST curve shifted lower in a near-parallel fashion, with the 2-year and 5-year UST yields falling by 6 bps and 10 bps respectively. Accompanying the volatility in risk free rates was a deterioration of risk appetite for higher-yielding Asian credit, emanating from an increasing focus on the risk of China onshore credit defaults coupled with policy changes (from the China Ministry of Finance) to de-link implied local government support in the issuance of bonds by Local Government Financing Vehicles (LGFVs).

The higher perceived default risk in the Asian high yield sector was reflected via a more sizable widening of spreads in the Asian non-investment grade segment, which saw Asian high yield bonds underperforming their investment-grade counterparts in May. High yield sovereigns outperformed, although the segment still registered a loss for the month, while high yield quasi-sovereigns underperformed, with the weak performance of China LGFV bonds weighing on the segment. Within the Asian high yield corporate bond segment, Oil & Gas was an underperformer (due to the impact of CERCG), while Utilities and Real Estate were also laggards. Pulp & Paper was a notable outperformer due to the positive performance of a specific credit, while Technology, Media and Telecom outperformed, albeit posting a modest loss in 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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Investors are advised to read and understand the contents of the Eastspring Investments Asian High Yield Bond MY Fund ("Fund") Replacement Information Memorandum dated 2 October 2017 ("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. Investors have the right to request for a copy of the Info Memo and PHS.

The Info Memo has been deposited with the Securities Commission Malaysia who takes no responsibility for its contents. Units will only be issued upon receipt of the application form. 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 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 the respective currency class(es), i.e. Malaysian Ringgit, US Dollar and Australian Dollar will remain unchanged after the issue of the additional units.

Investments in the Fund is exposed to fund management of the Target Fund risk, country risk and currency risk. Investors are advised to consider these risks and other general risks as elaborated in the Info Memo 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 0% 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.