

# TARGET INCOME FUND 12

## FEBRUARY 2022

ALL DATA AS AT 31 JANUARY 2022 UNLESS OTHERWISE STATED

### FUND INFORMATION

Launch Date: 26 October 2020

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

Fund Size: MYR187,889,232.65

Initial Offer Price: RM1.0000

NAV per Unit: MYR0.9253

EPF Investment Scheme: NIL

ISIN No: MYU940000CP5

### FEES, CHARGES AND EXPENSES

Annual Management Fee: NIL

Annual Trustee Fee:

Up to 0.06% of the Fund? NAV per annum subject to a minimum of RM15,000 (excluding foreign custodian fees and charges) per annum.

Sales Charge:

Up to 3.00% of the NAV per unit (during offer period)

Redemption charge:

2.00% of the Offer Price (during the offer period)

Redemption Payment Period: Ten (10) Calendar Days

### TRANSACTION DETAILS

Minimum initial investment (during offer period):

Lump Sum: RM1000\*

Regular Investment: n.a.

Minimum Additional Investment (during offer period):

Lump Sum: RM100 \*

Regular Investments: n.a.

\* The Manager reserves the right to change the minimum amounts stipulated above from time to time

### DISTRIBUTIONS

Income Distribution Policy:

On annual basis, subject to the availability of income after deduction of taxation and expenses

Fund NAV:

	NAV	Date
52-Week High	n.a.	n.a.
52-Week Low	n.a.	n.a.

### FUND MANAGER

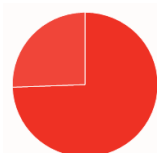
Fund Manager: Manager's Delegate (External Fund Manager) - Eastspring Investments (Singapore) Limited

### FUND OBJECTIVE

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

\*Income declared will be paid out by way of e-payment (i.e. telegraphic, online transfer or other forms of electronic payment) according to Unit Holders' instructions in the account opening form.

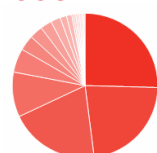
### ASSET ALLOCATION



1. Unquoted Fixed Income Securities	74.58%
2. Cash & cash equivalents	25.62%
3. Derivatives	-0.20%

\* as percentage of NAV.

### COUNTRY ALLOCATION



1. Cash	25.42%	10. India	1.43%
2. China	22.58%	11. Ukraine	1.18%
3. Malaysia	19.99%	12. Oman	0.47%
4. United States	10.03%	13. Bahrain	0.44%
5. United Arab Emirates	5.33%	14. Brazil	0.43%
6. Indonesia	3.41%	15. Saudi Arabia	0.43%
7. Singapore	2.95%	16. Uzbekistan	0.42%
8. Hong Kong	2.55%	17. Pakistan	0.40%
9. Turkey	2.17%	18. Virgin Islands (British)	0.37%

\* as percentage of NAV.

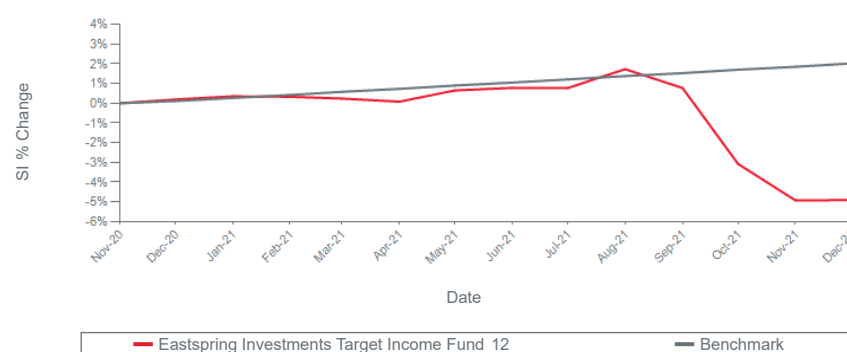
### TOP HOLDINGS

1. United States Of America	10.03%	4. Government Of Malaysia	5.33%
2. Cagamas Berhad	8.21%	5. Hong Leong Assurance Berhad	2.66%
3. Abu Dhabi National Energy Company - P.J.S.C	5.33%		

\* as percentage of NAV.

### FUND PERFORMANCE

Eastspring Investments Target Income Fund 12 - 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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## FEBRUARY 2022

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### PERFORMANCE TABLE

	1 month	6 months	1 year	3 years	5 years	Since Inception
Fund	-1.24%	-6.81%	-6.42%	n.a.	n.a.	-6.09%
Benchmark *	0.16%	0.95%	1.90%	n.a.	n.a.	2.18%
Lipper Ranking	9 of 29	17 of 28	15 of 25	n.a.	n.a.	n.a.

Lipper Fund Category: Target Maturity Other &amp; Non-Islamic

\*5-year Maybank fixed deposit rate as at Commencement Date.

Fund performance and Lipper ranking are sourced from Lipper for Investment Management, 31 January 2022 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.

### FUND MANAGER'S COMMENTARY

Global bond markets started 2022 with a tumble, hurt by rising expectation of a more aggressive monetary policy tightening cycle, as the Federal Reserve signalled it will combat inflation forcefully. Minutes from the December Federal Open Market Committee (FOMC) meeting indicated a higher likelihood that the central bank could raise interest rates sooner and at a faster pace than previously expected. The more hawkish policy stance was confirmed at last month's FOMC meeting, when Fed Chair Jerome Powell suggested that rate hikes could begin in March and might happen at every meeting. The Fed also stated that it would start to reduce its massive balance sheet after the rate increases commence.

The US Treasury (UST) curve continued to flatten with markets ramping up pricing of Fed rate hikes, while questioning whether receding pandemic-era stimulus and the Omicron virus strain pose a risk to economic momentum. Escalating US-Russia tension over Ukraine also encouraged demand for safe havens and supported the outperformance of longer-dated rates. Two- and ten-year UST yields rose 45 bps and 27 bps to 1.18% and 1.78% respectively in January. The surge in two-year yields was the most since the month of December 2009, bringing it to levels last seen in February 2020.

Despite the surge in Omicron cases, Asian and emerging-markets (EM) economies remain on a relatively solid fundamental footing. Although China's gross domestic product growth slowed to 4.0% year-on-year (YoY) in the three months ended December, the fourth-quarter expansion still brought full-year growth to 8.1%, well above the government target of over 6%. Singapore's non-oil domestic exports (NODX) grew at a better-than-expected pace of 18.4% YoY in December, marking the 13th straight month of annual growth. At around 12% growth for the full year by our estimates, 2021 was the best year for Singapore's shipments since 2010, when NODX surged by approximately 23%.

Beijing pressed on with its pro-growth policy shift in past weeks. The State Council in January called for the quickening of infrastructure investments outlined in its 2021-25 development plan, by deploying RMB 1.2 trillion leftover allocations from last year's local governments' special-purpose bonds issuance and RMB 1.46 trillion from the 2022 quota. Meanwhile, the People's Bank of China (PBOC) unexpectedly cut benchmark rates (the seven-day reverse repurchase rate and one-year medium-term lending facility rate) by 10 bps, the first reduction since April 2020. Following close on the heels of the PBOC's rate cuts, Chinese lenders lowered the one- and five-year loan prime rates (LPR) by 10 bps and 5 bps respectively. The five-year LPR is widely seen as a market barometer for authorities' attitude towards the property sector.

Asian and EM USD bonds succumbed to losses in January, with the JP Morgan Asia Credit Index and Emerging Markets Bond Index Global Diversified posting total returns of -2.19% and -2.85% respectively. Both indices saw their worst monthly decline since March 2020 amid the sharp rise in yields and widening credit spreads due to deteriorating risk sentiment. In the sovereign space, the high-yield (HY) segment performed relatively well, held up by HY sovereigns that have high exposures to commodity prices. On the other hand, HY corporate bonds continued to underperform their investment-grade counterparts, with the real estate sector remaining a substantial laggard amid persistent selloffs among China's highly leveraged property developers.

### OTHER INFORMATION ABOUT THE FUND

Year					n.a.
Annual Fund Performance (%)					n.a.
Annual Benchmark Performance (%)					n.a.
Date/Distribution (RM)					n.a.
Distribution Yield (%)					n.a.

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

This is a close-ended fund. Units are no longer available for sale on the basis of the Eastspring Investments Target Income Fund 12 Prospectus dated 26 October 2020 ("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.

Prudential plc, incorporated and registered in England and Wales. Registered office: 1 Angel Court, London EC2R 7AG. Registered number 1397169. Prudential plc is a holding company, some of whose subsidiaries are authorized and regulated, as applicable, by the Hong Kong Insurance Authority and other regulatory authorities. Prudential plc is 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 Limited, a subsidiary of M&G plc. A company incorporated in the United Kingdom.