

EASTSPRING INVESTMENTS ISLAMIC CHINA A-SHARES FUND

Your doorway to China opportunities



EASTSPRING INVESTMENTS

ISLAMIC CHINA A-SHARES FUND

Eastspring Investments Islamic China A-Shares Fund ("Fund") is an open-ended equity fund that **aims to provide you with capital appreciation in the long-term** by investing in Shariah-compliant equities and Shariah-compliant equity-related securities, such as Islamic American depositary receipts ("ADRs"), Shariah-compliant rights issues and Shariah-compliant warrants listed in the China A-Shares market.

The Fund will focus on attractive valuation companies, companies that have a consistent track record of earnings growth or upward earnings revisions and high dividend yielding Shariah-compliant equities in the China A-Shares market.

FUND HIGHLIGHTS



China's growth opportunities



Diversify to mitigate sector risks



Diversify to mitigate portfolio risks



Experienced fund management team



Performance stability

REASONS TO INVEST IN THE FUND



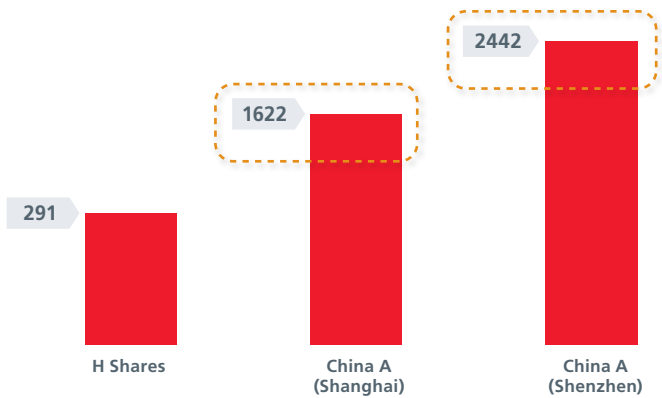
China's growth opportunities

The Fund invests in Shariah-compliant equities and Shariah-compliant equity-related securities, such as Islamic ADRs, Shariah-compliant rights issues and Shariah-compliant warrants listed in the China A-Shares market.

With nearly **4,200 listed companies**, Shanghai and Shenzhen stock exchanges' combined market capitalisation reached USD12.2 tln at the end-2020. It is now the **world's second-largest stock market**, after the United States (USD45 tln)¹.

The Fund's exposure to the **world's second largest market** by capitalisation offers potentially good growth opportunities.

Number of counters listed in Hong Kong, Shanghai and Shenzhen Stock Exchange



Source: Hong Kong Stock Exchange, 24 June 2021.

¹ China Spotlight A-share market's coming of age, Insitute of International Finance, 20 April 2021



Diversify to mitigate portfolio risk

China A-Shares has shown **low return correlation** with global equity markets. When the Fund is held as part of an investment portfolio, it **provides investors lower volatility** and market specific risks.

Weekly MSCI market return (USD) correlation, past 5 years

	CN-A	CN-H	APJ	JP	US	EU	EM	WD	Avg
CN-A		73%	62%	36%	43%	42%	60%	49%	52%
CN-H	73%		90%	59%	61%	64%	89%	71%	72%
APJ	62%	90%		69%	74%	81%	98%	86%	80%
AeJ	65%	93%	99%	67%	70%	76%	98%	82%	81%
JP	36%	59%	69%		63%	75%	67%	75%	64%
US	43%	61%	74%	63%		79%	72%	96%	70%
EU	42%	64%	81%	75%	79%		80%	90%	73%
EM	60%	89%	98%	67%	72%	80%		84%	79%
WD	49%	71%	86%	75%	96%	90%	84%		79%

CN-A: China A-Shares;

CN-H: China H-Shares;

APJ: Asia Pacific;

AeJ: Asia Pacific ex-Japan;

JP: Japan;

US: United States of Americas;

EU: Europe Union;

EM: Emerging Market

WD: World

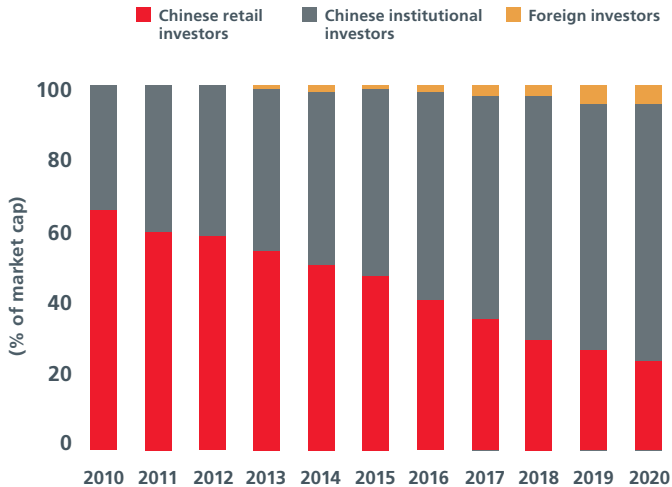
Source: FactSet, MSCI, Goldman Sachs Global Investment Research, October 2020



Performance stability

Institutional exposure into China A-Shares have gradually **helped to stabilise** the market, which will in turn contribute towards the stability of the Fund's performance.

Estimated holdings of China's stock market float



Source: <https://www.ft.com/content/a1aa3a25-484d-480d-83bf-8f9c90504f22>, China Renaissance. Note: Institutional holdings include state and corporate strategic investments; 2020 figures as of 30 June 2021.



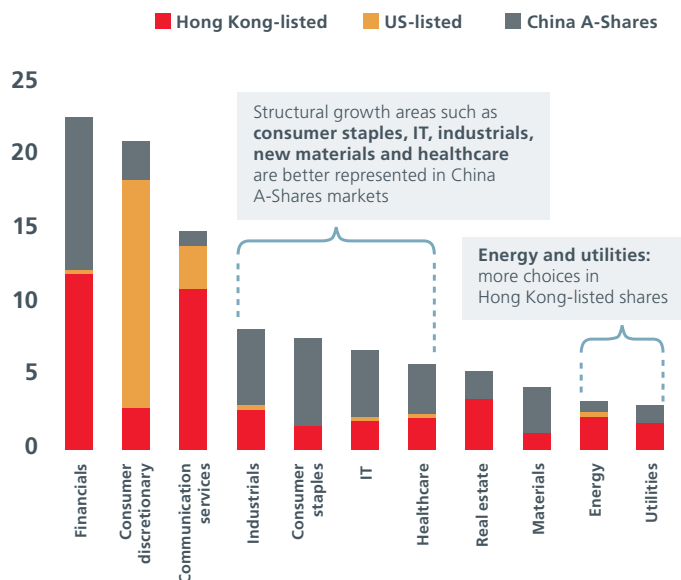
Diversify to mitigate sector risks

Onshore A-shares and Hong Kong-listed Chinese equities **focus on different sectors** of the Chinese equity market offering more diversification to investors keen on tapping on China's growth.

Generally, energy and utility companies tend to be better represented in China equities listed in Hong Kong, and new stocks are regularly being listed on the Hong Kong exchange – which is **growing more representative of the new “digital China”**.

Meanwhile, so-called “new economy” companies and small- to mid-cap stocks (in areas such as consumer, IT, industrials and healthcare) tend to be **better represented in A-shares**.

Sector breakdown of MSCI China All Shares Index



Source: Bloomberg, Allianz Global Investors. Data as at 30 June 2020.



Experienced fund management team

In Malaysia, we have **more than 12 years' experience investing in Greater China**, and today, manage a total of RM1.5 billion (as of 30 June 2021) Chinese equities.



Our local team is **complemented by global investment experts**. Eastspring Investments has invested in China since 2000. Our experience in China dates back as early as 2000 where our parent company, Prudential plc established the first Sino-British insurance joint venture in China.



In 2002, our **award-winning Asian bond team** started investing in China offshore bonds and we further enhanced our access to and knowledge of the Chinese market through our joint venture with CITIC Group in 2005. In 2005, we also inceptioned our Greater China equity strategy and continued to build up our expertise in the Chinese markets through the establishment of an investment management wholly foreign-owned enterprise (IM WFOE) in 2018.



Our investment teams have **adhered to institutional-quality investment processes** with a strong emphasis on governance and risk management.

HERE'S HOW YOU CAN START YOUR INVESTMENT

From 13 September 2021 to 3 October 2021, you may invest in the Fund at the initial offer price of RM0.5000 per unit. Please talk to any of our authorised distributors to find out more.

FUND INFORMATION

Category / Type	Equity (Shariah-compliant) / Growth
Fund objective	The Fund seeks to provide investor with capital appreciation in the long-term.
Initial offer price	RM0.5000 per unit
Initial offer period	A period of twenty-one (21) days commencing from 13 September 2021 to 3 October 2021. The Fund may create new classes of units without having to seek unit holders' prior approval. You will be notified of the issuance of the new classes of units prior to its launch by way of a notification and the prospective investors will be notified of the same by way of a supplementary prospectus or replacement prospectus.
Asset allocation	<ul style="list-style-type: none"> ▶ Minimum of 70% of the Fund's Net Asset Value ("NAV") in Shariah-compliant equities and Shariah-compliant equity-related securities. ▶ Minimum of 1% and up to 30% of the Fund's NAV in Islamic money market instruments and/or Islamic deposits.
Sales charge	Up to 5.50% of the initial offer price during the initial offer period and thereafter, of the NAV per unit
Repurchase charge	Nil
Annual management fee	Up to 1.80% of the Fund's NAV per annum calculated and accrued daily.
Annual trustee fee	Up to 0.065% of the Fund's NAV per annum subject to a minimum of RM15,000 (excluding foreign custodian fees and charges) per annum calculated and accrued daily.
Minimum initial investment	<ul style="list-style-type: none"> ▶ Lump sum: RM1,000 ▶ Regular investment: RM100
Minimum additional investment	<ul style="list-style-type: none"> ▶ Lump sum: RM100 ▶ Regular investment: RM100
Investors' profile	Investors who: <ul style="list-style-type: none"> ▶ seek capital appreciation; ▶ want to participate in China A-Shares market; ▶ have high risk tolerance; and ▶ adopt a long-term investment horizon.
Specific risks	<ul style="list-style-type: none"> ▶ Islamic collective investment scheme risk ▶ Equity risk ▶ Single country risk ▶ Currency risk ▶ Counterparty risk ▶ Shariah status reclassification risk
Cooling-off period	The cooling-off period shall be within six (6) business days which shall be effective from the date Eastspring Investments Berhad ("Manager") receives the duly completed purchase application.
Cooling-off right	<p>The cooling-off right is only given to an individual investor who is investing in any of the unit trust funds managed by the Manager for the first time but shall not include the following persons:</p> <ul style="list-style-type: none"> ▶ the Manager's staff; and ▶ a person registered with a body approved by the Securities Commission Malaysia to deal in unit trusts. <p>The cooling-off right allows unit holder the opportunity to reverse an investment decision which could have been unduly influenced by certain external elements or factors.</p>

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Investors are advised to read and understand the contents of the Eastspring Investments Islamic China A-Shares Fund ("Fund") Prospectus dated 13 September 2021 (the "Prospectus"), as well as the Fund's Product Highlights Sheet ("PHS") before investing. The Prospectus and PHS are available at offices of Eastspring 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 SC who takes no responsibility for its contents. The registration of Prospectus with the SC does not amount to nor indicate that the SC has recommended or endorsed the product. Units will only be issued upon receipt of the application form accompanying the Prospectus. Past performance of Eastspring is not an indication of its 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 Islamic collective investment scheme risk, equity risk, single country risk, currency risk, counterparty risk and Shariah status reclassification 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. Investors may also wish to seek advice from a professional adviser before making a commitment to invest in units of any of our funds.

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 or with the Prudential Assurance Company, a subsidiary of M&G plc (a company incorporated in the United Kingdom).

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