

30 May 2023

NOTICE ON IMPLEMENTATION OF SWING PRICING POLICY FOR THE EASTSPRING INVESTMENTS UNIT TRUSTS (THE “FUND”) – SINGAPORE ASEAN EQUITY FUND (THE “SUB-FUND”)

Dear Unitholder,

We are writing to you, in our capacity as manager of the Fund, to inform you of the upcoming implementation of swing pricing for the Sub-Fund, which will take effect from 30 June 2023 (the “**Effective Date**”).

Background

The Sub-Fund is currently single priced and may experience a reduction in value as a result of amongst others, the transaction costs incurred in the purchase and sale of its underlying investments and/or the spread between the buying and selling prices of such investments caused by subscriptions and redemptions of units of the Sub-Fund (hereinafter referred to as “**Units**”) or switching of Units. Such a reduction in value may adversely affect existing unitholders in the Sub-Fund, an effect which is known as “dilution”.

Dilution Adjustment or Swing Pricing and its Purpose

In order to mitigate the effect of such dilution and to protect unitholders’ interests, it is intended that the Sub-Fund may from time to time apply a “dilution adjustment” or “swing pricing” as part of its daily valuation policy with effect from the Effective Date.

Swing pricing protects the interests of existing unitholders by reducing the extent to which dilution affects the value of the Sub-Fund. This will mean that in certain circumstances the Manager will make adjustments in the calculations of the net asset value (“**NAV**”) per Unit to mitigate the impact of dealing and other costs on occasions when these are deemed to be significant if, in its opinion, it is in the interest of existing unitholders (in the case of subscriptions) or remaining unitholders (in the case of redemptions) to do so. Further details are set out below.

Implementation of Dilution Adjustment or Swing Pricing

The Manager reserves the right to make a dilution adjustment where the net volume of subscriptions or redemptions (including switches) of Units exceeds a particular threshold (the “**Swing Threshold**”) as determined by the Manager from time to time.

As the adjustment in the calculation of the NAV per Unit (the “**Swing Factor**”) will be made by reference to the costs of dealing in the underlying investments of the Sub-Fund, including any dealing spreads, which may vary with market conditions, the Swing Factor will vary over time but will generally not exceed 2% of the NAV per Unit as at the valuation point on the relevant Dealing Day. However, subject to the trust deed constituting the Eastspring Investments Unit Trusts (as amended) (“**Deed**”) and the applicable laws and regulations, in exceptional circumstances, the Manager may, in consultation with the Trustee, temporarily increase the Swing Factor beyond 2% of the NAV per Unit if, in its opinion, it is in the interest of existing unitholders (in the case of subscriptions) or remaining unitholders (in the case of redemptions) to do so. Such increase shall be notified to the relevant unitholders as soon as it is practicable to do so.

Where a dilution adjustment is made, it will increase the NAV per Unit when the Sub-Fund is in a net subscription position and decrease the NAV per Unit when the Sub-Fund is in a net redemption position. In particular, the NAV per Unit will be adjusted upwards or downwards (as the case may be) by an amount which reflects the dealing costs which may be incurred by the Sub-Fund and the estimated bid/offer spread of the assets in which the Sub-Fund invests.

As dilution is related to the subscription and redemption (including switches) requests received by the Sub-Fund from time to time, it is not possible to accurately predict whether dilution will occur at any future point in time. Consequently, it is also not possible to accurately predict how frequently the Manager will need to make such dilution adjustments.

In the usual course of business, the application of such a dilution adjustment will be triggered mechanically and on a consistent basis.

Calculation of Performance Returns and Fees

You should note that:

- (i) the performance returns will be calculated based on the NAV per Unit after the swing pricing adjustment has been applied and therefore, the returns of the Sub-Fund may be influenced by the level of subscription and/or realisation activity at the relevant time;
- (ii) swing pricing could increase the variability of the returns of the Sub-Fund as the returns are calculated based on the adjusted NAV per Unit; and
- (iii) the fees and charges applicable to the Sub-Fund (including fees based on the NAV) will be based on the NAV before the swing pricing adjustment is applied.

Save as described above, all other key features of the Sub-Fund and the way the Sub-Fund is managed will remain unchanged.

Unitholders are not required to take any action in relation to the changes described above.

The above changes will be reflected in an updated prospectus for the Fund, the Deed and the updated product highlights sheet for the Sub-Fund on or around the Effective Date. Unitholders may obtain a copy of the updated prospectus and updated product highlights sheet for the Sub-Fund from our website: <https://www.eastspring.com/sg>.

Important: You may wish to obtain independent professional or legal advice in the event that you have any doubts relating to the contents in this notice.

If you have any questions on the above or regarding your investment, please contact your financial adviser, agent, relationship manager or contact us at (65) 6349 9711 during normal business hours.

Thank you for your valuable support and we look forward to continually serving you.

Eastspring Investments (Singapore) Limited

(Company Registration No. 199407631H)