

This document is important and requires your attention. If you are in any doubt about the action to be taken, you should consult your distributor, stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

1 March 2021

NOTICE TO UNITHOLDERS OF EASTSPRING INVESTMENTS UNIT TRUSTS – ASIAN BALANCED FUND (“THE FUND”)

Dear Unitholder,

CHANGES TO THE INVESTMENT OBJECTIVES OF THE UNDERLYING FUNDS

The Fund is organised as a feeder fund which feeds into the Luxembourg-domiciled:

- i. Eastspring Investments – Asian Equity Income Fund (the “**Asian Equity Underlying Fund**”) for its equity participation; and
- ii. Eastspring Investments – US High Investment Grade Bond Fund (the “**US Hig Bond Underlying Fund**”) and Eastspring Investments – US Investment Grade Bond Fund (the “**US IG Bond Underlying Fund**”) (collectively, the “**Underlying Bond Funds**”) for its bond participation.

(the Asian Equity Underlying Fund and the Underlying Bond Funds, collectively, the “**Underlying Funds**”)

As manager of the Fund, we, Eastspring Investments (Singapore) Limited, wish to inform you that the investment objective of the Asian Equity Underlying Fund will be amended with effect from 1 April 2021 (the “**Effective Date**”) to clarify that the Sub-Fund may invest up to 20% of its net assets in Chinese A-shares by way of Chinese onshore securities via the stock-connect program. The investment objectives of the Underlying Bond Funds will be amended with effect from the Effective Date due to the increase of Total Loss-absorbing Capacity Term Sheet (“**TLAC**”) debt issuances by the majority of large global systemically important banks (“**G-SIB banks**”) following the adoption of Financial Principles of Loss-Absorbing and Recapitalisation of G-SIB banks by the Financial Stability Board. The current and new investment objectives of the Asian Equity Underlying Fund and the Underlying Bond Funds reflecting the changes are set out in Annex 1.

In short, the percentage of net assets of the Underlying Funds that may be invested into certain instruments will increase under the new investment objectives.

To further explain on TLAC and G-SIBs (as defined below), US globally systemically important banking organizations and certain US

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intermediate holding companies of foreign globally systemically important banking organizations (together, “G-SIBs”) are required to maintain a certain amount of TLAC compared to risk weighted assets. TLAC is intended to ensure that G-SIBs have a minimum level of long-term debt instruments that can be called upon should it fail and need to be wound down rapidly. The underlying principle to TLAC is that there must be sufficient loss-absorbing and recapitalisation capacity available in any resolution to implement an orderly resolution that minimizes any impact on financial stability and ensures the continuity of critical functions and avoids exposing taxpayers (that is, public funds) to loss with a high degree of confidence.

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Beginning in January of 2019, G-SIBs have been required by the Federal Reserve to issue significant amounts of long-term debt to external parties to bolster their total loss absorbing capacity. This additional long-term debt requirement will significantly enhance their resiliency by (1) providing more stable funding, (2) enhancing market discipline, and (3) providing a backstop to equity capital that can bear losses and re-capitalize a firm in the event of severe financial distress.

As the Underlying Bond Funds are invested in the US market, the above-mentioned changes have therefore resulted in the amendments of their investment objectives.

Corresponding changes will be made to the descriptions of the respective Underlying Funds and where applicable, the risk disclosures applying to the Fund as set out in the prospectus of the Fund on or around the Effective Date. When available, the revised prospectus of the Fund may be obtained from our appointed distributors or may be collected at Eastspring Investments (Singapore) Limited, 10 Marina Boulevard #32-01 Marina Bay Financial Centre Tower 2 Singapore 018983, during business hours and will be accessible at www.eastspring.com.sg. For a full list of changes to the Underlying Funds, please refer to the notice to shareholders of the Underlying Funds and the prospectus of the Underlying Funds which will be accessible at www.eastspring.com.sg.

Notwithstanding the above changes to the Underlying Funds, **please note that there is no change to the investment objective, focus and approach of the Eastspring Investments Unit Trusts – Asian Balanced Fund.**

The options available to you are:

Option 1 – Continue to hold your Units

You may choose to continue holding your units in the Fund (“Units”), in which case, no action is required on your part.

Option 2 – Switch your Units into units of another Eastspring Singapore fund

Should you choose not to continue holding your Units, you may switch your Units into units of another fund managed by us, as listed in Annex 2.

If you purchased your Units through a distributor, you may only switch into a fund which is available from your distributor. Therefore you should check with your distributor which funds are available on their platform.

If you had invested into the Fund using monies from your CPF Ordinary Account, CPF Special Account or your SRS Account, please note you can only switch into another fund that is eligible for investment using CPF Ordinary Account monies, CPF Special Account monies, or SRS Account monies respectively.

We will waive the switching fees within the period from **1 March 2021** to **31 March 2021** (both dates inclusive) for any switches of Units into units of the funds listed in Annex 2.

A valid and completed switching instruction to switch Units must be provided to your distributor **by 3pm Singapore time on 31 March 2021** in order to enjoy the switching fee waiver. Switching instructions received after this time will not be eligible for the switching fee waiver.

Any transaction charges imposed by CPF agent banks for switches of Units within the period from **1 March 2021** to **31 March 2021** (both dates inclusive) will be borne by us.

Important: Refer to the footnote in Annex 2 for prevailing requirements on switching of Units into units of the funds listed in Annex 2.

Option 3 – Redeem your Units

Should you choose not to continue holding your Units, you may redeem your holdings based on the prevailing net asset value of the Units by submitting a completed redemption instruction to your distributor. There is no redemption fee payable upon redemption.

Any transaction charges imposed by CPF agent banks for redemptions of Units within the period from **1 March 2021** to **31 March 2021** (both dates inclusive) will be borne by us.

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

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

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

Eastspring Investments (Singapore) Limited

(Company Registration No. 199407631H)

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ANNEX 1

Existing Investment Objective		New Investment Objective from the Effective Date (changes are in bold for easy reference)
Asian Equity Underlying Fund	<p>The Asian Equity Underlying Fund's aims to maximize income by investing primarily in equity and equity-related securities of companies, which are incorporated, listed in or have their area of primary activity in the Asia Pacific ex-Japan Region. The Asian Equity Underlying Fund may also invest in depository receipts including ADRs and GDRs, debt securities convertible into common shares, preference shares and warrants.</p>	<p>The Asian Equity Underlying Fund's aims to maximize income by investing primarily in equity and equity-related securities of companies, which are incorporated, listed in or have their area of primary activity in the Asia Pacific ex-Japan Region. The Asian Equity Underlying Fund may also invest in depository receipts including ADRs and GDRs, debt securities convertible into common shares, preference shares and warrants.</p> <p><u>The Asian Equity Underlying Fund may invest up to 20% of its net assets in Chinese A-shares by way of Chinese onshore securities via the stock-connect program.</u></p>
US HIG Bond Underlying Fund	<p>The US HIG Bond Underlying Fund invests in a diversified portfolio consisting primarily of high quality bonds and other fixed income / debt securities denominated in US Dollars, issued in the US market (including "Yankee" and "Global" bonds) rated single A flat and above. The US HIG Bond Underlying Fund may invest up to 15% of its net assets in CMBS, MBS and ABS. The US HIG Bond Underlying Fund may invest no more than 25% of its net assets in debt instruments with loss absorption features out of which up to 5% of its net assets may be invested in CoCos with loss absorption features (such as Additional Tier 1 capital and Tier 2 capital instruments with mechanical triggers (i.e. debt instruments with write-down or conversion into equity features with pre-specified triggers)) and up to</p>	<p>The US HIG Bond Underlying Fund invests in a diversified portfolio consisting primarily of high quality bonds and other fixed income / debt securities denominated in US Dollars, issued in the US market (including "Yankee" and "Global" bonds) rated single A flat and above. The US HIG Bond Underlying Fund may invest up to 15% of its net assets in CMBS, MBS and ABS. The US HIG Bond Underlying Fund may invest no more than 2540% of its net assets in debt instruments with loss absorption features out of which up to 5% of its net assets may be invested in CoCos with loss absorption features (such as Additional Tier 1 capital and Tier 2 capital instruments with mechanical triggers (i.e. debt instruments with write-down or conversion into equity features with pre-specified triggers)) and up to</p>

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	<p>20% of its net assets in non-preferred senior debt and other subordinated debts with loss absorption features.</p> <p>The US Hig Bond Underlying Fund may continue to hold securities that are downgraded below the minimum indicated rating after purchase but may not make additional purchases of such securities.</p> <p>Yankee bonds mean debt of foreign issuers issued in the US domestic market. Global bonds mean debt issued simultaneously in the eurobond and US domestic bond markets.</p>	<p>2040% of its net assets in <u>external LAC¹ debt instruments, TLAC² debt instruments</u>, non-preferred senior debt and other subordinated debts with loss absorption features.</p> <p>The US Hig Bond Underlying Fund may continue to hold securities that are downgraded below the minimum indicated rating after purchase but may not make additional purchases of such securities.</p> <p>Yankee bonds mean debt of foreign issuers issued in the US domestic market. Global bonds mean debt issued simultaneously in the eurobond and US domestic bond markets.</p>
<p>US IG Bond Underlying Fund</p>	<p>The US IG Bond Underlying Fund invests in a diversified portfolio consisting primarily of quality bonds and other fixed income / debt securities denominated in US Dollars, issued in the US market (including “Yankee” and “Global” bonds) rated BBB - and above. The US IG Bond Underlying Fund may invest up to 15% of its net assets in CMBS, MBS and ABS. The US IG Bond Underlying Fund may invest no more than 25% of its net assets in debt instruments with loss absorption features out of which up to 5% of its net assets may be invested in CoCos with loss absorption features (such as Additional Tier 1 capital and Tier 2 capital instruments with mechanical triggers (i.e. debt instruments with write-down or conversion into equity features with pre-specified triggers)) and up to 20% of its net assets in non-preferred senior debt and other</p>	<p>The US IG Bond Underlying Fund invests in a diversified portfolio consisting primarily of quality bonds and other fixed income / debt securities denominated in US Dollars, issued in the US market (including “Yankee” and “Global” bonds) rated BBB - and above. The US IG Bond Underlying Fund may invest up to 15% of its net assets in CMBS, MBS and ABS. The US IG Bond Underlying Fund may invest no more than 2540% of its net assets in debt instruments with loss absorption features out of which up to 5% of its net assets may be invested in CoCos with loss absorption features (such as Additional Tier 1 capital and Tier 2 capital instruments with mechanical triggers (i.e. debt instruments with write-down or conversion into equity features with pre-</p>

¹ External LAC debt instruments under the Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements (“LAC”) – Banking Sector Rules

² Debt instruments issued under a regime of non-Hong Kong jurisdictions which implements the Financial Stability Board’s standards for “Total Loss-absorbing Capacity Term Sheet” (“TLAC”)

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	<p>subordinated debts with loss absorption features.</p> <p>The US IG Bond Underlying Fund may continue to hold securities that are downgraded below the minimum indicated rating after purchase but may not make additional purchases of such securities.</p> <p>Yankee bonds mean debt of foreign issuers issued in the US domestic market. Global bonds mean debt issued simultaneously in the eurobond and US domestic bond markets.</p>	<p>specified triggers)) and up to 2040% of its net assets in <u>external LAC¹ debt instruments, TLAC² debt instruments</u>, non-preferred senior debt and other subordinated debts with loss absorption features.</p> <p>The US IG Bond Underlying Fund may continue to hold securities that are downgraded below the minimum indicated rating after purchase but may not make additional purchases of such securities.</p> <p>Yankee bonds mean debt of foreign issuers issued in the US domestic market. Global bonds mean debt issued simultaneously in the eurobond and US domestic bond markets.</p>
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ANNEX 2

List of Eastspring Singapore Funds

	Umbrella Fund	Fund Name	Mode of Subscription
1.	Eastspring Investments Unit Trusts	Asian Infrastructure Equity Fund	Cash & SRS (only SGD Class Units may be purchased with SRS monies)
2.		Dragon Peacock Fund	Cash & SRS (only Class A Units may be purchased with SRS monies)
3.		Global Balanced Fund	Cash & SRS
4.		Global Technology Fund	Cash & SRS
5.		Global Themes Fund	Cash & SRS (only SGD Class Units may be purchased with SRS monies)
6.		Pan European Fund	Cash, SRS & CPFIS-OA
7.		Singapore ASEAN Equity Fund	Cash, SRS & CPFIS-OA
8.		Singapore Select Bond Fund	Cash, SRS, CPFIS-OA & CPFIS-SA (only Class A and Class A _D may be purchased with SRS and CPF monies)
9.	Eastspring Investments Funds	Monthly Income Plan	Cash & SRS (only Class A, Class M and Class S (SGD) Units may be purchased with SRS monies)

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Footnote

Important: Prospectuses and product highlights sheets in relation to the funds listed above are available and may be obtained from your relationship manager, financial adviser or agent or from our website at www.eastspring.com.sg. You should read the relevant prospectus and product highlights sheet before deciding whether to switch into any of the funds listed above and we encourage you to seek advice from a financial adviser before making any investment decision. Should you choose not to consult a financial adviser, you should carefully consider whether an investment in any of the funds listed above is suitable for you and your individual circumstances.

Please note that any switch will be subject to the provisions of the relevant trust deed(s) and that no switch may be made if you do not meet the minimum initial subscription amount for any relevant fund listed above or if the switch will result in you holding a number of units in any relevant fund listed above below the minimum holding amount.

Please note that the investment objective, focus and approach of the funds listed above as well as the fees and charges payable by these funds may not be the same as that for the Fund. The value of units of a fund and income accruing to the units, if any, may fall or rise.