

EASTSPRING INVESTMENTS
Société d'Investissement à Capital Variable
Registered Office: 26 boulevard Royal
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Grand-Duchy of Luxembourg
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NOTICE TO HONG KONG SHAREHOLDERS

**This document is important and requires your immediate attention.
If in doubt, contact your independent professional adviser.**

Unless otherwise defined herein, terms used in this Notice shall have the same meanings as those defined in the Hong Kong Summary Prospectus of the Eastspring Investments (“SICAV”) dated April 2017 (“Summary Prospectus”).

Notice is hereby given to the Hong Kong Shareholders of the SICAV that the board of directors of the SICAV (the "**Board of Directors**") has decided to amend the Summary Prospectus and Product Key Facts Statements (where applicable) dated April 2017.

With effect from 2 October 2017, the main changes that will be made to the Summary Prospectus relate to:

- the amendment of section 2.2.3 of the Summary Prospectus to clarify that the Management Company has the discretion to authorize a shorter settlement period for payments of redemption proceeds; and
- the amendment of section 6.4 of the Summary Prospectus to clarify that the Board of Directors reserves the right to fix a minimum amount of distribution payment per Classes of Shares, below which the actual payment of the dividends will be reinvested in further Shares of the same Share Class and not paid directly in cash to the Shareholders. The current level of such minimum amount is currently as follows:

Currency	Minimum distribution payment
USD	100
AUD	100
EUR	50
GBP	100
HKD	500
NZD	100

In addition thereto, the Board of Directors would like to inform the shareholders of the proposed changes to the following sub-funds:

(1) Notice to the shareholders of the "Eastspring Investments – Asian Bond Fund" sub-fund

With effect from 2 October 2017, the investment objective of Eastspring Investments – Asian Bond Fund will be amended to provide more clarity on the maximum limit of certain asset types and shall read as follows (changes are shown as mark-ups):

"This Sub-Fund invests in a diversified portfolio consisting primarily of fixed income/debt securities issued by Asian entities or their subsidiaries. This Sub-Fund's portfolio primarily consists of securities denominated in US dollars as well as the various Asian currencies and aims to maximize total returns through investing in fixed income / debt securities that are rated as well as unrated.

This Sub-Fund may invest up to 20% of its net assets in ABS, MBS, Contingent Convertible Bonds ("CoCos"), Distressed Securities and Defaulted Securities, with a limit of 10% for Distressed Securities and Defaulted Securities combined. In addition, this Sub-Fund may invest up to 10% of its net assets in synthetic fixed income instruments (including credit-linked notes). It may also hold up to 10% of its net assets in equity securities to the extent that such securities result from the conversion or exchange of a preferred stock or debt obligation.

*This Sub-Fund may make investments up to 10% of its net assets in Chinese onshore debt securities through the China interbank bond market direct access program (the "CIBM Direct Access Program") and/or China Hong Kong Bond Connect ("Bond Connect")."*¹

(2) Notice to the shareholders of the "Eastspring Investments – Asian High Yield Bond Fund" sub-fund

With effect from 2 October 2017, the investment objective of Eastspring Investments – Asian High Yield Bond Fund will be amended to provide more clarity on the maximum limit of certain asset types and shall read as follows(changes are shown as mark-ups):

"This Sub-Fund invests in a diversified portfolio consisting primarily of high yield fixed income / debt securities issued by Asian entities or their subsidiaries. This Sub-Fund's portfolio primarily consists of securities denominated in US dollars as well as the various Asian currencies and aims to maximize total returns through investing primarily in fixed income / debt securities rated below BBB-.

This Sub-Fund may invest up to 20% of its net assets in ABS, MBS, Contingent Convertible Bonds ("CoCos"), Distressed Securities and Defaulted Securities, with a limit of 10% for Distressed Securities and Defaulted Securities combined. In addition, this Sub-Fund may invest up to 10% of its net assets in synthetic fixed income instruments (including credit-linked notes). It may also hold up to 10% of its net assets in equity securities to the extent that such securities result from the conversion or exchange of a preferred stock or debt obligation.

This Sub-Fund may make investments up to 10% of its net assets in Chinese onshore debt securities through the China interbank bond market direct access program (the "CIBM Direct Access Program") and/or China Hong Kong Bond Connect ("Bond Connect").

The Sub-Fund applies both a "top-down" and "bottom-up" investment management approach in deriving its duration, credit and currency allocation strategies. From a "top-down" perspective,

¹ For further details of "CIBM Direct Access Program", "Bond Connect", "CoCos", "Distressed Securities" and "Defaulted Securities", please refer to item (4) of this Notice.

economic and market analysis are carried out to determine the outlook for interest rate markets, as well as credit and currency trends. This is necessarily combined with a “bottom-up” credit selection process, which is based on research and analysis of credit issuers, to identify value opportunities and avoid potential default events.

The strongest investment ideas from the above analyses then become candidates for inclusion in the portfolio. There is also a strong emphasis on risk management in the portfolio construction process to ensure that active risks are taken in a diversified manner and that potential returns commensurate with the risks taken on each investment.

The Sub-Fund may invest more than 10% (but no more than 35%) in fixed income/debt securities issued or guaranteed by each sovereign in Asia that is rated below investment grade based on the professional judgement of the Investment Manager. Notwithstanding the above, the Sub-Fund shall continue to be subject to sub-section 9(b) of Appendix 4 “Investment Objectives and Restrictions”.²

(3) Notice to the shareholders of the "Eastspring Investments – Asian Local Bond Fund" sub-fund

With effect from 2 October 2017, the investment objective of Eastspring Investments – Asian Local Bond Fund will be amended to provide more clarity on the maximum limit of certain asset types and shall read as follows(changes are shown as mark-ups):

"This Sub-Fund invests in a diversified portfolio consisting primarily of fixed income / debt securities issued by Asian entities or their subsidiaries. This Sub-Fund's portfolio primarily consists of securities denominated in the various Asian currencies and aims to maximize total returns through investing in fixed income / debt securities that are rated as well as unrated.

This Sub-Fund may invest up to 20% of its net assets in ABS, MBS, Contingent Convertible Bonds (“CoCos”), Distressed Securities and Defaulted Securities, with a limit of 10% for Distressed Securities and Defaulted Securities combined. In addition, this Sub-Fund may invest up to 10% of its net assets in synthetic fixed income instruments (including credit-linked notes). It may also hold up to 10% of its net assets in equity securities to the extent that such securities result from the conversion or exchange of a preferred stock or debt obligation.

This Sub-Fund may make investments up to 10% of its net assets in Chinese onshore debt securities through the China interbank bond market direct access program (the “CIBM Direct Access Program”) and/or China Hong Kong Bond Connect (“Bond Connect”).

The Sub-Fund may invest more than 10% (but no more than 35%) in fixed income/debt securities issued or guaranteed by each sovereign in Asia that is rated below investment grade based on the professional judgement of the Investment Manager. Notwithstanding the above, the Sub-Fund shall continue to be subject to sub-section 9(b) of Appendix 4 “Investment Objectives and Restrictions”.³

² For further details of “CIBM Direct Access Program”, “Bond Connect”, “CoCos”, “Distressed Securities” and “Defaulted Securities”, please refer to item (4) of this Notice.

³ For further details of “CIBM Direct Access Program”, “Bond Connect”, “CoCos”, “Distressed Securities” and “Defaulted Securities”, please refer to item (4) of this Notice.

(4) Implications to Shareholders

(i) CIBM Direct Access Program and Bond Connect

By way of background, PRC inter-bank bond market (“CIBM”) is the over-the-counter market for bonds issued and traded in mainland China. A new scheme was launched in 2016 to open up CIBM to eligible foreign institutional investors to access onshore bonds directly. Under this scheme, foreign institutions can trade bonds directly through onshore settlement agents (i.e. banks) in mainland China. Unlike QFII and RQFII, there are no specific quota limits imposed on the foreign institutional investor.

On the other hand, Bond Connect is a new initiative launched in July 2017 for mutual bond market access between Hong Kong and mainland China established by China Foreign Exchange Trade System & National Interbank Funding Centre, China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, and Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Unit.

Under the prevailing regulations in Mainland China, eligible foreign investors will be allowed to invest in the bonds circulated in the China Interbank Bond Market through the northbound trading of Bond Connect (“Northbound Trading Link”). There will be no investment quota for Northbound Trading Link.

Investors should note that the Summary Prospectus will be updated to include the risks associated with investments via the CIBM Direct Access Program and/or the Bond Connect. Please refer to the updated Summary Prospectus for further information relating to the CIBM and/or Bond Connect.

(ii) Cocos

CoCos are convertible bond securities where the conversion of the bond into equity occurs at stated conversion rate if a pre-specified trigger event occurs. Investment in contingent convertible bonds are also subject to additional risks such as liquidity risk, unknown risk, coupon cancellation, trigger level risk, valuation and write-down risks, capital structure inversion risk, call extension risk, conversion risk and industry concentration risk. Please refer to the updated Summary Prospectus for further information relating to the CoCos.

(iii) Distressed Securities

Distressed securities are securities, in which the issuer of such securities files a petition in bankruptcy, becomes subject to an involuntary insolvency proceeding that is not dismissed within 60 days of the filing of such proceeding or seeks relief from creditors under any bankruptcy or reorganization law.

Investors should note that the Summary Prospectus will be updated to include the risks associated with investments via distressed securities. Please refer to the updated Summary Prospectus for further information relating to distressed securities.

(iv) Defaulted Securities

Defaulted securities are securities, other than distressed securities, for which (i) a payment default has occurred and is continuing and (ii) such payment default constitutes an event of default under the terms of such securities.

Investors should note that the Summary Prospectus will be updated to include the risks associated with investments via defaulted securities. Please refer to the updated Summary Prospectus for further information relating to defaulted securities.

(5) Actions to be taken

The amendments made to the investment objective/policy described in item (1) to (3) above are immaterial and for clarification purposes only. As such, there will not be an increase in the overall risk profile of Eastspring Investments – Asian Bond Fund, Eastspring Investments – Asian High Yield Bond Fund and Eastspring Investments – Asian Local Bond Fund (the “Impacted Sub-Funds”) following the above changes. The rights and interests of the Shareholders would also not be materially prejudice as a result of the above changes.

In accordance with the Summary Prospectus, existing shareholders in the Impacted Sub-Fund(s) who do not consent to the above change(s) described in item (1) to (3) above shall be entitled to request the redemption of their shares without redemption fees⁴ until 29 September 2017 no later than 4 p.m. (Hong Kong time) in accordance with the dealing procedures set out in the Summary Prospectus.

* * *

The Board of Directors accepts responsibility for the accuracy of the contents of this Notice to Hong Kong Shareholders as at the date of its publication.

If you have any questions or concerns about the foregoing, please contact the Hong Kong Representative, Eastspring Investments (Hong Kong) Limited, at 13/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong and (+852) 2868 5330, or your usual contact agent.

The current Summary Prospectus and the Product Key Facts Statements will be updated in due course to reflect the changes set out in this Notice. The current version of the Summary Prospectus and Product Key Facts Statements is available on www.eastspring.com.hk⁵ and hardcopies can be made available free of charge upon request at the registered office of the Hong Kong Representative, Eastspring Investments (Hong Kong) Limited.

1 September 2017

EASTSPRING INVESTMENTS

By order of the Board of Directors

⁴ Please note that we will not impose any charges in respect of your redemption instructions. However, your bank or financial adviser may charge you a redemption or transaction fees in respect of such instructions. You are advised to contact your bank, distributor or financial adviser should you have any questions.

⁵ This website has not been reviewed by the SFC.