

**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 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 (the “**SICAV**”) dated February 2022 as amended and supplemented by the First Addendum dated 1 April 2022 (“**Hong Kong Summary Prospectus**”).

Notice is hereby given to the Shareholders of the SICAV that the board of directors of the SICAV (the “**Board of Directors**”) has decided to amend the Hong Kong Summary Prospectus, with effect from 1 July 2022 (the “**Effective Date**”).

The main changes made to the Hong Kong Summary Prospectus relate to the following items:

- Amendments to the section 1.5 "Charges and expenses paid by the SICAV" of the Hong Kong Summary Prospectus to cross-refer the Investment Management Fee to the new Appendix 9 of the Hong Kong Summary Prospectus listing the current and maximum fees owed to the Investment Manager and to include a new section 1.5.2 "Operating and Servicing Expenses" in the Hong Kong Summary Prospectus which further implements a new expense model instead of the previous variable rates model (“**Change in Fee Structure**”, see section (1) in this notice below). The current and/or maximum rates of the Investment Management Fee will also be reduced for certain Sub-Funds, as set out in Annex 1 of this notice,
- Updates and enhancements to the re-numbered section 1.5.3 “Other expenses”,
- Inclusion of a section 6.11 "Conflict of interest in relation to third parties" to mention that the Management Company may grant rebates and commission to third parties under certain objective criteria and to reflect the fair treatment of Shareholders by ensuring a full transparency on the level of remuneration received by the recipients of such amounts,
- Amendment to the Appendix 1 "DIRECTORY" of the Hong Kong Summary Prospectus to reflect the appointment of Mr Stephane Licht as conducting officer of the Management Company of the SICAV,
- Amendments to the Appendix 3 "RISK CONSIDERATIONS" of the Hong Kong Summary Prospectus to update the risk disclosure in relation to Total Return Swaps and include a section relating to the Russian invasion of Ukraine,
- Amendment to the sections relating to collateral management in Appendix 3 "RISK CONSIDERATIONS" and collateral policy in Appendix 5 "RISK MANAGEMENT" of the Hong Kong Summary Prospectus to reflect that the SICAV may re-invest cash collateral,

- Inclusion of an Appendix 9 "SUMMARY OF CHARGES AND EXPENSES" of the Hong Kong Summary Prospectus containing a summary of charges and expenses at Sub-Fund and share class level.

In addition, the Board of Directors would like to inform the Shareholders of the changes made to the Sub-Fund(s) in which they invest:

**(1) Change in Fee Structure**

Currently, the Sub-Funds charge a depositary fee of up to 0.12% of the relevant Sub-Funds' Net Asset Value relating to safekeeping of assets of the relevant Sub-Funds, and an administration fee in various rates in consideration of distribution-related services provided to the relevant Sub-Funds. Further, the Management Company currently collects from the SICAV the amount of customary annual fees due to the central administration, registrar and transfer agent and listing agent; and is entitled to receive from the SICAV on demand reimbursement for its reasonable cash disbursements in the performance of its duties. In addition, the SICAV currently bears all its operating expenses (including without limitation the costs of buying and selling securities, governmental charges, legal and auditing fees, directors' fees, interest, printing, reporting and publication expenses, paying agency fees, postage and telephone).

With effect from the Effective Date, to preserve Shareholders from fluctuations in the Sub-Funds' operating and servicing expenses so that Shareholders will have a greater degree of certainty around ongoing charges and maximizing transparency and comparability, a new expense model will be adopted, such that an overall operating and servicing expenses (representing, inter alia, Management Company expenses, custody, depositary and safekeeping charges, transfer, registrar and payment agency fees, administration, domiciliary and fund accounting services, transaction fees, collateral management fees, audit fees, SICAV's Directors' fees, professional and documentation costs, etc.) will be imposed.

You may refer to the section headed 1.5.2 "Operating and Servicing Expenses" in the updated Hong Kong Summary Prospectus for more details.

A comparison between the previous variable rates model and the new lump sum expense model is summarised in the below table:

<b>Current expense model</b>	<b>New expense model from the Effective Date</b>
<p>+ <b>Annual Investment Management Fee</b></p> <p>(This fee covers Eastspring Investment's management of the Fund)</p> <p>+ <b>Annual Administration Fee</b></p> <p>(This fee covers distribution-related services provided to the Fund)</p> <p>+ <b>Variable Fund Expenses</b></p> <p>(These include the costs that must be met to ensure the Fund is appropriately governed and administered including but not</p>	<p>+ <b>Annual Investment Management Fee</b></p> <p>(This fee covers Eastspring Investment's management of the Fund)</p> <p>+ <b>Fixed Fund Expenses</b> (new operating and servicing expenses)</p> <p>(These include the costs that must be met to ensure the Fund is appropriately governed and administered to be listed in section 1.5.2 "Operating and Servicing Expenses" of the updated Hong Kong Summary Prospectus.)</p> <p>= <b>Ongoing Charge*</b></p>

<p>limited to services such as depositary, central administration, registrar and transfer agent, listing agent and other expenses.)</p> <p>= <b>Ongoing Charge</b></p>	<p>*Includes "Other Expenses" to be listed in section 1.5.3 of the updated Hong Kong Summary Prospectus. These costs cannot be predicted in advance.</p>
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The SICAV has agreed with the Management Company that the fee charged to cover operating and servicing expenses is normally set by the Management Company, for each Sub-Fund and/or Share Class, at a fixed annual percentage, and such fixed annual percentage shall not exceed the maximum percentage of 0.30% of the Net Asset Value of the relevant Sub-Fund. Such fixed annual percentage will correspond to anticipated expenses determined on an arm's length basis by the SICAV and the Management Company, taking into account the historical pattern of the actual fees charged. The excess of such expenses above such fixed annual percentage will be borne directly by the Management Company or its affiliates, and equally the Management Company or its affiliates may retain any surplus.

The Management Company, taking into account the historical pattern of the actual fees charged, has determined that the operating and servicing expenses of up to 0.30% of the Net Asset Value of the relevant Sub-Fund is a reasonable fee level. The Management Company is of the view that such change in fee structure is in the best interest of the Shareholders.

The expenses will be accrued daily and will be payable monthly in arrears.

The actual amount paid for operating and servicing expenses will be shown in the semi-annual and annual report of the SICAV.

Please refer to Annex 2 for the more details of the expected impact of such change in fee structure on the fees and expenses paid by the SICAV and the ongoing charges of the Sub-Funds.

The costs and expenses that will be incurred in connection with the Change in Fee Structure, estimated to be USD 5,400, representing 0.00003% of the Net Asset Value of the Sub-Funds, will be borne by the Sub-Funds.

In accordance with the Hong Kong Summary Prospectus, Shareholders of the SICAV who do not consent to this change shall be entitled to request the redemption of their Shares or conversion of their Shares into other SFC-authorised<sup>1</sup> Sub-Fund(s) without redemption/conversion fees<sup>2</sup> (as applicable) from the date of this notice until the last business day before the Effective Date, i.e. 30 June 2022.

## (2) Securities Lending Transactions

Currently, none of the Sub-Funds will make use of securities lending transactions.

With effect from the Effective Date, for the purpose of efficient portfolio management to generate additional capital or income, the assets of each of the relevant Sub-Funds may be subject to securities lending transactions and in the proportions indicated below (the "**Introduction of Securities Lending**"):

<sup>1</sup> SFC authorisation is not a recommendation or endorsement of the Sub-Fund nor does it guarantee the commercial merits of the Sub-Fund or its performance. It does not mean the Sub-Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

<sup>2</sup> Please note that we will not impose any charges in respect of your redemption/conversion instructions. However, your distributor may charge you a redemption, conversion or transaction fees in respect of such instructions. You are advised to contact your distributor should you have any questions.

Name of Sub-Fund	Maximum proportion of AUM*	Expected proportion of AUM*
All Sub-Funds, with the exception of: <ul style="list-style-type: none"> <li>- Eastspring Investments – US High Investment Grade Bond Fund</li> <li>- Eastspring Investments – US High Yield Bond Fund</li> <li>- Eastspring Investments – US Investment Grade Bond Fund</li> <li>- Eastspring Investments – World Value Equity Fund</li> </ul>	25%	0% - 25%

\* In this context, AUM is defined as the NAV of the relevant Sub-Fund

Securities lending transactions consist in transactions whereby a lender transfers securities or instruments to a borrower, subject to a commitment that the borrower will return equivalent securities or instruments on a future date or when requested to do so by the lender, such transaction being considered as securities lending for the party transferring the securities or instruments and being considered as securities borrowing for the counterparty to which they are transferred. Sub-Funds engaging in securities lending transactions will be subject to additional risks relating to securities lending transactions, including operational risk, liquidity risk, counterparty risk, custody risks and legal risk. You may refer to the new risk factor headed “Securities Lending” under Appendix 3 “RISK CONSIDERATIONS” of the updated Hong Kong Summary Prospectus for more details.

*Progressive fee split for securities lending transactions*

Amendments will be made to the Appendix 5 "RISK MANAGEMENT" of the Hong Kong Summary Prospectus to reflect the Introduction of Securities Lending and also to update the section relating to the securities financing transactions in light of the CSSF FAQ dated 18 December 2020 on the use of Securities Financing Transactions by UCITS and, in particular, to implement a progressive fee split for securities lending transactions between the SICAV and the securities lending agent (i.e. The Bank of New York Mellon SA/NV), as further indicated per the below table:

<b>Fee split (retained by the SICAV/paid to the lending agent)</b>	<b>Minimum gross annual revenue (USD million)</b>
86/14	0 – 14.99
87/13	15
88/12	25
89/11	35
90/10	45

According to the initial fee split, the SICAV pays 14% of gross revenues from securities lending activities as costs/fees to the lending agent and retains 86% of the gross revenues from securities lending activities. When gross revenue generated from these transactions exceeds one of the level indicated in the above table, a new fee split will be applicable and take effect on the first business day of the following calendar month, noting that such fee split will always be in favour of the SICAV. Conversely, the fee split may be adjusted in the opposite direction (i.e. result in a decrease of the fee split), in the event that the gross annual revenue from securities lending transactions falls below one of the achieved level.

The costs and expenses that will be incurred in connection with the Introduction of Securities Lending, estimated to be USD 7,560, representing 0.00004% of the Net Asset Value of the relevant Sub-Funds, will be borne by the relevant Sub-Funds.

In accordance with the Hong Kong Summary Prospectus, Shareholders of the SICAV who do not consent to this change shall be entitled to request the redemption of their Shares or conversion of their Shares into other SFC-authorised<sup>1</sup> Sub-Fund(s) without redemption/conversion fees<sup>2</sup> (as applicable) from the date of this notice until the last business day before the Effective Date, i.e. 30 June 2022.

### **(3) Notice to the shareholders of the "Eastspring Investments – Global Market Navigator Fund" (for the purpose of this section, the "Sub-Fund")**

As the Sub-Fund invests in a diversified range of global assets, the investment objective of the Sub-Fund as currently disclosed in the Hong Kong Summary Prospectus will be amended to clarify that the Sub-Fund may invest up to 10% in aggregate of its net assets in Alternative Asset Classes (as defined below) and shall read as follows, with effect from the Effective Date:

*“The Sub-Fund aims to achieve positive absolute returns over the medium-term through the implementation of an actively managed investment strategy in a diversified range of global assets including cash, equities, bonds and currencies. Exposure to each of the asset classes will be primarily through exchange traded funds, index futures, direct equity and bonds (including high yield bonds, CMBS, ABS and MBS), swaps, options and foreign exchange forwards, each of which may be traded through recognised exchanges or via the over-the-counter markets<sup>3</sup>. **The Sub-Fund may also invest up to 10% in aggregate of its net assets in Alternative Asset Classes.** This objective may also be achieved through investments in unlisted collective investment schemes and other sub-funds of the SICAV on an ancillary basis below 30% of the net assets of the Sub-Fund. Underlying funds, other than sub-funds of the SICAV, may charge management fees of up to 1.00% per annum of their net assets. No management fee will be charged by other sub-funds of the SICAV.*

*This Sub-Fund may also invest up to 5% in aggregate of its net assets in Distressed Securities and Defaulted Securities. The Sub-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 subordinated debts with loss absorption features.”*

“Alternative Asset Classes” is defined as follows:-

**“Alternative Asset Classes** Alternative asset classes refer to the following sub asset classes: (i) real estate, (ii) infrastructure, (iii) private equity, (iv) commodities and (v) alternative investment funds. Further details are provided below.

Real estate, infrastructure, private equity:

The exposure to these asset classes will be achieved indirectly through the following eligible asset types:

- transferable securities (including closed ended investment funds)
- UCITS or other UCIs (as further described in Appendix 4)
- REITs

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<sup>3</sup> The use of derivatives is for efficient portfolio management and hedging purpose.

Commodities indexes including precious metals indexes:

The investment in such asset classes will mainly be obtained indirectly through:

- transferable securities (including closed-ended investment funds)
- UCITS or other UCIs (as further described in Appendix 4)
- financial indices compliant with article 9 of the Grand Ducal Regulation of 8 February 2008 and CSSF Circular 14/592
- derivatives investing in commodities including precious metals

Alternative investment funds:

This asset class refers to the "hedge funds like" strategies such as long/short, event driven, tactical trading and relative value strategies.

The exposure will mainly be obtained indirectly through the eligible asset types described below:

- closed-ended investment funds
- UCITS or other UCIs (as further described in Appendix 4)
- financial indices compliant with article 9 of the Grand Ducal Regulation of 8 February 2008 and CSSF Circular 14/592"

Shareholders of the Sub-Fund should note that this amendment is made for clarification purposes and does not amount to a material change.

Apart from the changes described in this notice, there will be no other changes in the operation or manner in which the Sub-Funds are being managed and there will be no other effect on existing investors as a result of the said changes. Except as disclosed herein, there will be no other changes in the features and risks applicable to the Sub-Funds, and there will be no other changes in the fee level or cost in managing the Sub-Funds. The rights or interests of existing investors will not be materially prejudiced following the Change in Fee Structure and Introduction of Securities Lending.

Corresponding changes will be made to the Hong Kong Summary Prospectus and KFS of the Sub-Funds in due course to reflect the changes set out in this notice and other enhanced disclosures, miscellaneous, editorial and/or administrative updates. You should refer to the updated Hong Kong offering documents for further details.

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The current version of the Hong Kong Summary Prospectus and KFS are available on [www.eastspring.com.hk](http://www.eastspring.com.hk)<sup>4</sup> and hardcopies will also be made available free of charge upon request at the registered office of the Hong Kong Representative, Eastspring Investments (Hong Kong) Limited.

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.

1 June 2022

EASTSPRING INVESTMENTS

By order of the Board of Directors

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<sup>4</sup> This website has not been reviewed by the SFC.

### Annex 1

With effect from the Effective Date, the maximum rate of the Investment Management Fee of the below Sub-Funds will be reduced as follows:-

<b>Sub-Fund</b>	<b>Existing maximum Investment Management Fee (as a % of the Sub-Fund's net asset value)</b>	<b>New maximum Investment Management Fee (as a % of the Sub-Fund's net asset value)</b>
Eastspring Investments - Asia Real Estate Multi Asset Income Fund	1.50%	1.25%
Eastspring Investments - Asian Bond Fund	1.25%	1.00%
Eastspring Investments - Asian High Yield Bond Fund	1.25%	1.00%
Eastspring Investments - Asian Local Bond Fund	1.25%	1.00%
Eastspring Investments - Asian Low Volatility Equity Fund	1.50%	1.25%
Eastspring Investments - China Bond Fund	1.25%	1.00%
Eastspring Investments - Dragon Peacock Fund	1.75%	1.50%
Eastspring Investments - Global Emerging Markets Dynamic Fund	2.00%	1.50%
Eastspring Investments – Global Market Navigator Fund	1.50%	1.25%
Eastspring Investments - Japan Dynamic Fund	2.00%	1.50%
Eastspring Investments - US High Investment Grade Bond Fund	1.25%	1.00%
Eastspring Investments - US Investment Grade Bond Fund	1.25%	1.00%
Eastspring Investments - World Value Equity Fund	1.50%	1.25%

With effect from the Effective Date, the current rate of the Investment Management Fee of the below Sub-Funds will be reduced as follows:-

<b>Sub-Fund</b>	<b>Existing current Investment Management Fee</b> <u>(as a % of the Sub-Fund's net asset value)</u>	<b>New current Investment Management Fee</b> <u>(as a % of the Sub- Fund's net asset value)</u>
Eastspring Investments - Asian Local Bond Fund	1.25%	1.00%
Eastspring Investments - Asian Low Volatility Equity Fund	1.25%	1.00%
Eastspring Investments - Dragon Peacock Fund	1.75%	1.50%
Eastspring Investments - US High Investment Grade Bond Fund	1.25%	0.75%
Eastspring Investments - US Investment Grade Bond Fund	1.25%	0.75%
Eastspring Investments - World Value Equity Fund	1.50%	1.25%



## Annex 2

As a result of the change in fee structure as set out in part (1) of this notice, the ongoing charges figures of the Sub-Funds will change as follows:

Fund Name	Under the existing fee model <sup>^</sup>		Under the new fee model <sup>#</sup>		Ongoing charges figure		
	Existing depositary fee (as a % of the Sub-Fund's net asset value)	Existing current Administration Fee (as a % of the Sub-Fund's net asset value)	Operating and servicing expenses – current fixed annual percentage (as a % of the Sub-Fund's net asset value)	Expected impact on fees and expenses paid by the SICAV	Ongoing charges figure of Class A as at April 2022	Estimated ongoing charges figure <sup>##</sup> of Class A following the implementation of Change in Fee Structure	Expected impact on ongoing charges figure of Class A following the implementation of Change in Fee Structure
Eastspring Investments – Asian Bond Fund	Up to 0.12%	0.25%	0.25%	Decrease	1.34%	1.25%	Decrease
Eastspring Investments – Asian Equity Fund	Up to 0.12%	0.50%	0.25%	Decrease	2.16%	1.75%	Decrease
Eastspring Investments – Asian Equity Income Fund	Up to 0.12%	0.00%	0.25%	May increase, depending on the actual level of other expenses <sup>#</sup> .	1.65%	1.75%	Increase
Eastspring Investments – Asian High Yield Bond Fund	Up to 0.12%	0.25%	0.25%	Decrease	1.36%	1.25%	Decrease
Eastspring Investments – Asian Local Bond Fund	Up to 0.12%	0.25%	0.25%	Decrease	1.62%	1.25%*	Decrease

Eastspring Investments – Asia Sustainable Bond Fund	Up to 0.12%	0.25%	0.25%	Decrease	1.40%	1.25%	Decrease
Eastspring Investments – Asian Low Volatility Equity Fund	Up to 0.12%	0.25%	0.25%	Decrease	1.63%	1.25%*	Decrease
Eastspring Investments – Asia Real Estate Multi Asset Income Fund	Up to 0.12%	0.10%	0.25%	May increase, depending on the actual level of other expenses <sup>#</sup> .	1.45%	1.45%	No change
Eastspring Investments – Capital Reserve Fund	Up to 0.12%	0.05%	0.25%	May increase, depending on the actual level of other expenses <sup>#</sup> .	0.69%	0.75%	Increase
Eastspring Investments – China A Shares Growth Fund	Up to 0.12%	0.25%	0.25%	Decrease	1.85%	1.75%	Decrease
Eastspring Investments – China Bond Fund	Up to 0.12%	0.25%	0.25%	Decrease	1.26%	1.05%	Decrease
Eastspring Investments – China Equity Fund	Up to 0.12%	0.50%	0.25%	Decrease	2.17%	1.75%	Decrease
Eastspring Investments – Dragon Peacock Fund	Up to 0.12%	0.50%	0.25%	Decrease	2.40%	1.75%*	Decrease
Eastspring Investments – Global Emerging Markets Dynamic Fund	Up to 0.12%	0.30%	0.25%	Decrease	1.95%	1.75%	Decrease

Eastspring Investments – Global Market Navigator Fund	Up to 0.12%	0.00%	0.25%	May increase, depending on the actual level of other expenses#.	1.61%	1.50%	Decrease
Eastspring Investments – Greater China Equity Fund	Up to 0.12%	0.50%	0.25%	Decrease	2.14%	1.75%	Decrease
Eastspring Investments – India Equity Fund	Up to 0.12%	0.50%	0.25%	Decrease	2.21%	1.75%	Decrease
Eastspring Investments – Indonesia Equity Fund	Up to 0.12%	0.50%	0.25%	Decrease	2.19%	1.75%	Decrease
Eastspring Investments – Japan Dynamic Fund	Up to 0.12%	0.00%	0.25%	May increase, depending on the actual level of other expenses#.	1.60%	1.75%	Increase
Eastspring Investments – US High Investment Grade Bond Fund	Up to 0.12%	0.25%	0.25%	Decrease	1.59%	1.00%*	Decrease
Eastspring Investments – US High Yield Bond Fund	Up to 0.12%	0.25%	0.25%	Decrease	1.59%	1.50%	Decrease
Eastspring Investments – US Investment Grade Bond Fund	Up to 0.12%	0.25%	0.25%	Decrease	1.60%	1.00%*	Decrease
Eastspring Investments – World Value Equity Fund	Up to 0.12%	0.50%	0.25%	Decrease	2.14%	1.50%*	Decrease

^ Under the existing fee model, the SICAV also bears variable operating costs and expenses, which include without limitation, the costs of buying and selling securities, governmental charges, legal and auditing fees, directors' fees, interest, printing, reporting and publication expenses, paying agency fees, postage and telephone. Please refer to section "1.5.5 Other expenses" of the current Hong Kong Summary Prospectus for more details.

# "Other expenses" refer to expenses which will not be covered by the new operating and servicing expenses and will be paid by the SICAV out of the assets of each Sub-Fund, as will be listed in section 1.5.3 of the revised Hong Kong Summary Prospectus. Such other expenses include, but are not limited to, taxes, levies, duties, costs of purchasing or selling assets of the SICAV, costs of borrowing, any extraordinary expenses (such as litigation), etc., and cannot be predicted in advance.

## As the Sub-Fund will adopt a new expense model with effect from 1 July 2022, this ongoing charges figure is an estimate based on the estimated charges to the share class for a 12-month period and is expressed as a percentage of the estimated average net asset value of such share class over the same period. This estimated ongoing charges figure does not take into account the other expenses as will be listed in section 1.5.3 of the revised Hong Kong Summary Prospectus, and cannot be predicted in advance.

\* This estimate has taken into account the reduction of current management fee which will take effect from 1 July 2022.