

# EASTSPRING INVESTMENTS TARGET INCOME FUND 9

## Prospectus

This Prospectus is dated 16 December 2019 and expires on 29 January 2020.

Units will only be offered for sale from 16 December 2019 until 29 January 2020.

The date of constitution of the Eastspring Investments Target Income Fund 9 is 16 December 2019\*.

*\*The constitution date of this Fund is also the launch date of this Fund.*

### **MANAGER**

EASTSPRING INVESTMENTS BERHAD  
200001028634 (531241-U)

### **TRUSTEE**

DEUTSCHE TRUSTEES MALAYSIA BERHAD  
200701005591 (763590-H)

**INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE PROSPECTUS.  
IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.**

**FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED  
BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 9.**

## **RESPONSIBILITY STATEMENT**

This prospectus has been reviewed and approved by the directors of Eastspring Investments Berhad and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in the prospectus false or misleading.

## **STATEMENTS OF DISCLAIMER**

The Securities Commission Malaysia has authorised the Fund and a copy of this prospectus has been registered with the Securities Commission Malaysia.

The authorisation of the Fund, and registration of this prospectus, should not be taken to indicate that Securities Commission Malaysia recommends the said Fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this prospectus.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of Eastspring Investments Berhad, which is responsible for the said Fund and takes no responsibility for the contents in this prospectus. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this prospectus, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

**INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF INVESTORS ARE UNABLE TO MAKE THEIR OWN EVALUATION, THEY ARE ADVISED TO CONSULT PROFESSIONAL ADVISERS.**

## **ADDITIONAL STATEMENTS**

No Units of the Fund will be issued or sold based on this prospectus after the expiry date of this prospectus.

Investors should note that they may seek recourse under the *Capital Markets and Services Act 2007* for breaches of securities laws including any statement in the prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the prospectus or the conduct of any other person in relation to the Eastspring Investments Target Income Fund 9.

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# 1. DEFINITIONS

In this prospectus, the following abbreviations or words shall have the following meanings unless expressly stated:

“**Act**” means the *Capital Markets and Services Act 2007* as may be amended from time to time;

“**Authorised Distributors**” refers to IUTA, CUTA, UTC, and any other entities authorised by the Manager to market and distribute the Fund;

“**BNM**” means Bank Negara Malaysia;

“**Bursa Malaysia**” means the stock exchange managed and operated by Bursa Malaysia Securities Berhad;

“**Business Day**” means a day on which Bursa Malaysia is open for trading. The Manager may also declare certain Business Days as non-Business Days when one or more of the foreign markets in which the Fund is invested therein is closed for trading;

“**Commencement Date**” means the next Business Day immediately after the expiry of the Offer Period;

“**CUTA**” means Corporate Unit Trust Advisers, and is an institution, a corporation or an organisation that is licensed by the SC and registered with the Federation of Investment Managers Malaysia to market and distribute unit trust funds;

“**Deed**” means the deed dated 20 September 2019 entered into between the Manager and the Trustee in respect of the Fund as may be modified by a supplemental deed from time to time;

“**deposits**” means moneys placed with financial institutions in fixed deposits or current account;

“**Early Termination**” means the termination of the Fund before the Maturity Date;

“**Early Termination Date**” means a date which falls on a Business Day when the Fund’s assets are fully liquidated and the Fund is terminated. (please refer to Chapter 3: “Investment Strategy” for further details”);

“**External Investment Manager**” means Eastspring Investments (Singapore) Limited;

“**financial institution**”

- if the institution is in Malaysia -
  - i. licensed bank;
  - ii. licensed investment bank; or
  - iii. licensed Islamic bank; or
- if the institution is outside Malaysia, any institution that is licensed, registered, approved or authorised by the relevant banking regulator to provide financial services;

“**Fund or Eastspring Target Income Fund 9**” means Eastspring Investments Target Income Fund 9;

“**Guidelines**” means the Guidelines on Unit Trust Funds issued by the SC as may be amended from time to time;

“**IOSCO**” means the International Organization of Securities Commissions;

“**IUTA**” means Institutional Unit Trust Advisers, and is an institution, a corporation or an organisation that is licensed by the SC and registered with the Federation of Investment Managers Malaysia to market and distribute unit trust funds;

“**LOFSA**” means the Labuan Offshore Financial Services Authority;

“**liquid assets**” means any permitted investments capable of being converted into cash within seven (7) days;

“**Manager**” means Eastspring Investments Berhad;

“**MARC**” means Malaysian Rating Corporation Berhad;

**"Maturity Date or Maturity"** means the date which falls on the fifth (5<sup>th</sup>) anniversary of the Commencement Date; if that date does not fall on a Business Day, it shall be the following Business Day. If the Fund is terminated earlier in accordance with the provisions of the Deed, "Maturity Date" or "Maturity" shall mean the date of such early termination;

**"Net Asset Value or NAV"** means the value of all the Fund's assets less the value of all the Fund's liabilities, at the point of valuation;

**"NAV per Unit"** means the NAV of the Fund divided by the number of Units in circulation, at the valuation point;

**"Offer Period"** means the period during which Units of the Fund are offered for sale;

**"OTC"** means over-the-counter;

**"RAM"** means RAM Rating Services Berhad;

**"SC"** means the Securities Commission Malaysia established under the Securities Commission Malaysia Act 1993;

**"Trustee"** means Deutsche Trustees Malaysia Berhad;

**"Unit(s)"** means an undivided share in the beneficial interest and/or right in the Fund and a measurement of the interest and/or right of a Unit Holder in the Fund;

**"Unit Holder(s)"** or **"you"** means the person for the time being who is registered pursuant to the Deed as a holder of Units, including a jointholder; and

**"UTC"** means Unit Trust Consultant registered with the Federation of Investment Managers Malaysia to market and distribute unit trust funds.

## 2. CORPORATE DIRECTORY

### MANAGER

NAME : **EASTSPRING INVESTMENTS BERHAD**  
COMPANY NO. : 200001028634 (531241-U)  
REGISTERED OFFICE : Level 25, Menara Hong Leong  
No. 6, Jalan Damanlela  
Bukit Damansara  
50490 Kuala Lumpur  
BUSINESS OFFICE : Level 22, Menara Prudential  
Persiaran TRX Barat  
55188 Tun Razak Exchange  
Kuala Lumpur  
TELEPHONE NO. : 603-2778 3888  
FAX NO. : 603-2789 7220  
EMAIL : cs.my@eastspring.com  
WEBSITE : www.eastspring.com/my

### TRUSTEE

NAME : **DEUTSCHE TRUSTEES MALAYSIA BERHAD**  
COMPANY NO. : 200701005591 (763590-H)  
REGISTERED OFFICE & BUSINESS OFFICE : Level 20, Menara IMC  
No. 8, Jalan Sultan Ismail  
50250 Kuala Lumpur  
TELEPHONE NO. : 603-2053 7522  
FAX NO. : 603-2053 7526

### 3. FUND INFORMATION

**Fund Name**

Eastspring Investments Target\* Income Fund 9

*\* The Fund aims (i.e. Target) to distribute income on an annual basis from the coupon payments received from the bonds investments.*

**Base Currency**

Ringgit Malaysia

**Fund Category / Type**

Bond (close-ended) / Income

**Offer Period**

A period of forty-five (45) days commencing from 16 December 2019 to 29 January 2020.

*The Offer Period may be shortened by the Manager when the Manager is of the view that it is in the best interests of the Unit Holders to commence investing.*

*The Manager reserves the right not to proceed with the Fund before or on the Commencement Date if the amount of capital raised by the Fund is less than Ringgit Malaysia one hundred million (RM100,000,000). You will be refunded your amount invested in the Fund including the sales charge paid with accrued interest (if any) less bank and administrative charges (if any).*

**Offer Price**

RM1.0000

**Fund Objective**

The Fund endeavours to provide regular income\*\* during the tenure of the Fund.

*\*\*Income declared will be paid out by way of e-payment (i.e. telegraphic, online transfer or other forms of electronic payment) according to Unit Holders' instructions in the account opening form.*

**ANY MATERIAL CHANGE TO THE FUND'S OBJECTIVE WOULD REQUIRE UNIT HOLDERS' APPROVAL.****Investment Strategy**

The Fund is a 5-years close-ended bond fund, in which, to achieve its objective, the Fund will invest a minimum of 70% of the Fund's NAV in local and/or foreign bonds.

Not more than 40% of the Fund's NAV may be invested either in non-rated bonds and/or bonds rated below investment grade by RAM, MARC or other rating agencies (i.e. lower than BBB3 rating by RAM or its equivalent rating by MARC or below investment grade rating by other rating agencies) while the remainder will be invested in investment grade bonds. Non-rated bonds are bonds that have not received a credit rating from one or more of the abovementioned credit rating agencies.

Although the Fund is expected to invest up to 40% of the Fund's NAV in non-rated bonds and/or bonds rated below investment grade, there is a risk that this limit may be exceeded if investment grade bonds held within the portfolio were downgraded to below investment grade. This may result in the Fund being exposed to higher credit risk. In the event the 40% limit is exceeded, the External Investment Manager will rectify such breach within a reasonable period of not more than three (3) months by disposing of the non-rated bonds and/or bonds rated below investment grade to 40% of the Fund's NAV.

In addition, up to 30% of the Fund's NAV may be invested in liquid assets.

The External Investment Manager may deviate from the above asset allocation near\*\*\* the Early Termination Date or Maturity Date as the External Investment Manager intends to invest proceeds from maturing or liquidated bonds in liquid assets to preserve the amount of proceeds received near the Early Termination Date or Maturity Date.

The External Investment Manager may also deviate from the above asset allocation for the first two (2) months from the Fund's Commencement Date.

The Fund has a restrictive mandate of a fixed tenure of five (5) years. This may limit the available investable universe and lead to investment concentration.

Coupons payments received from the bonds less any expenses may be distributed as income in accordance with the distribution policy of the Fund.

*\*\*\* less than nine (9) months before the Fund's Early Termination Date or Maturity Date*

### **On Maturity Date**

At the maturity of the bonds, issuers of the bonds held by the Fund will be obligated to pay the face value (i.e. notional amount) provided there is no occurrence of credit default by the issuer. The External Investment Manager will mitigate the Fund's credit or default risk by performing stringent credit research and analysis to ascertain the creditworthiness of the issuer.

Upon the Maturity Date of the Fund, the Fund's NAV per Unit will then be audited by the auditor of the Fund, in which after the auditing process has been completed, the final maturity proceeds of the Fund will be paid to Unit Holders. Unit Holders will receive the proceeds within two (2) months from the Maturity Date of the Fund.

On the Maturity Date, the Fund may still hold bonds which have defaulted. The recovery process of these bonds may extend beyond the Maturity Date and may or may not be successful. If successful, the Manager will distribute the proceeds from the recovery based on the number of Units held by a Unit Holder on the date the bond has defaulted, within two (2) months from the date when the Manager receives the proceeds from the bonds. Under such circumstances, should there be any defaulted bond at the time of the Maturity Date of the Fund, we will inform the Unit Holders which bond has defaulted and the status of the bond, by way of letter. In the same letter, we will also inform the Unit Holders that should we receive any proceeds from the defaulted bond, we will distribute the proceeds that they are entitled to within two (2) months from the date when we receive the proceeds from the bond.

### **Early Termination Process**

The Fund has an Early Termination feature where the Manager may terminate the Fund before the Maturity Date. The following shall trigger the Early Termination process.

An Early Termination event may occur, if the Manager determines that any of the following cumulative total return\*\*\*\* threshold is achieved, after taking into consideration the market conditions and liquidation costs:

1. at any point in time from the Commencement Date to any date before the completion of its 3rd year, if the Fund achieves a cumulative total return of 15.50% or higher; or
2. at any point in time from the Commencement Date to any date before the completion of its 4th year, if the Fund achieves a cumulative total return of 20.00% or higher; or
3. at any point in time from the Commencement Date to any date before the Maturity Date, if the Fund achieves a cumulative total return of 24.50% or higher.

*\*\*\*\* cumulative total return means the cumulative total return of the Fund and includes prior income distribution(s) (if any), as well as appreciation of the Fund's NAV per Unit. Unit Holders should note that the cumulative total return is not a guaranteed return.*

The Early Termination event may occur at the sole discretion of the Manager and is not automatically triggered when a specific NAV is achieved as the Manager will have to take into account the market conditions and liquidation costs before liquidating the Fund's assets. The Manager shall inform the Unit Holders that the Early Termination event has occurred by way of written communication within ten (10) Business Days from the occurrence of the event.

The Early Termination Date occurs when the Fund's assets are fully liquidated and the Fund is terminated. The Early Termination Date will be within fifteen (15) Business Days from the Early Termination event.

Unit Holders are allowed to redeem Units from the day when the Early Termination event occurs until the day before the Early Termination Date subject to payment of a repurchase charge. Unit Holders are not allowed to redeem Units on the Early Termination Date.

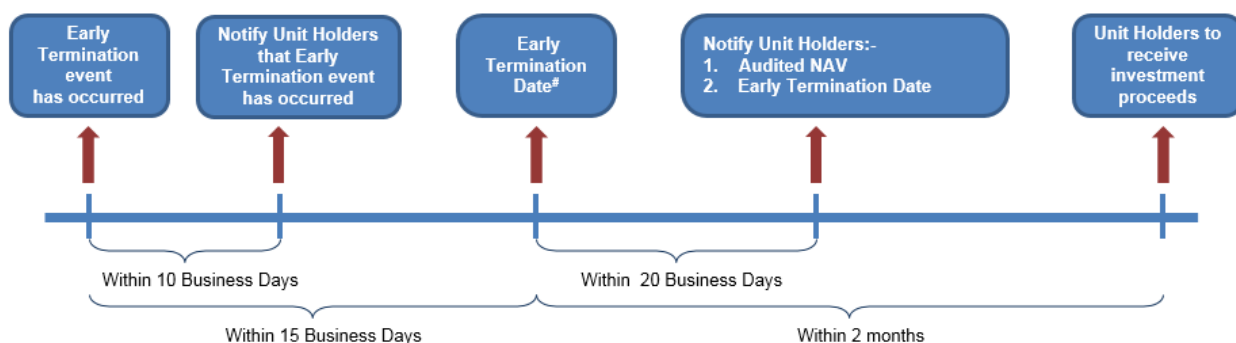
After the Early Termination Date, the Fund's NAV per Unit will then be audited by the auditor of the Fund. Once the Fund's NAV per Unit is audited by the auditor of the Fund, the Manager shall inform the Unit Holders by way of written communication the: (a) audited NAV per Unit; and (b) Early Termination Date, within twenty (20) Business Days from the Early Termination Date. The Manager shall use the audited NAV per Unit to calculate the final cumulative total return to the Unit Holders.

The Manager shall use the audited NAV per Unit on the Early Termination Date to compute the proceeds to be received by each Unit Holder. Unit Holders should note that the audited NAV per Unit on the Early Termination Date may differ from the NAV per Unit on the Early Termination event due to market conditions and liquidation costs during the liquidation process. The proceeds to be received by each Unit Holder will be based on the Units held on the Early Termination Date. Unit Holders will receive the proceeds within two (2) months from the Early Termination Date.

On the Early Termination Date, the Fund may still hold bonds which have defaulted. The recovery process of these bonds may extend beyond the Early Termination Date and may or may not be successful. If successful, the Manager will distribute the proceeds from the recovery based on the number of Units held by a Unit Holder on the date the bond has defaulted, within two (2) months from the date when the Manager receives the proceeds from the bonds. Under such circumstances, should there be any defaulted bond at the time of the Early Termination Date, we will inform the Unit Holders which bond has defaulted and the status of the bond, by way of letter. In the same letter, we will also inform the Unit Holders that should we receive any proceeds from the defaulted bond, we will distribute the proceeds that they are entitled to within two (2) months from the date when we receive the proceeds from the bond.

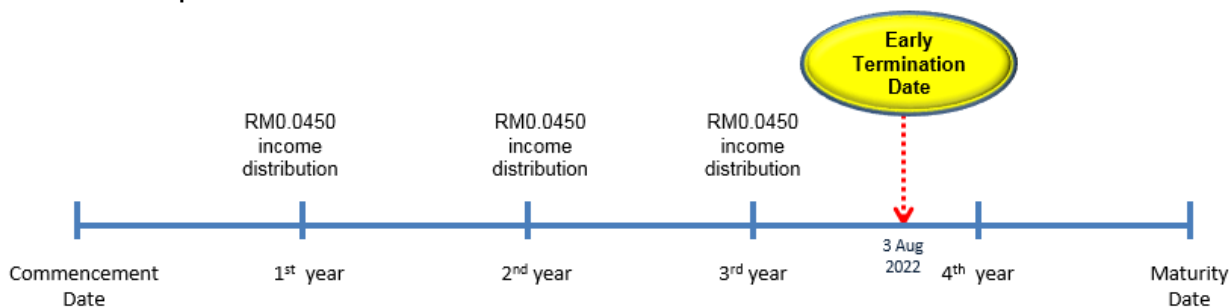


**Illustration: Early Termination timeline**



#Early Termination Date occurs within 15 Business Days from the Early Termination event; it is the date when the Fund's assets are fully liquidated and the Fund is terminated. Unit Holders are not allowed to redeem on the Early Termination Date.

**Illustration to compute cumulative total return**



Commencement Date	1 June 2019
1 <sup>st</sup> year	1 June 2019 to 31 May 2020
2 <sup>nd</sup> year	1 June 2020 to 31 May 2021
3 <sup>rd</sup> year	1 June 2021 to 31 May 2022
4 <sup>th</sup> year	1 June 2022 to 31 May 2023
Maturity Date	1 June 2024
Early Termination event	13 July 2022
Early Termination Date	3 August 2022
Offer Price	RM1.0000
NAV per Unit on Early Termination event	RM1.0900
Audited NAV per Unit on Early Termination Date, i.e. 3 August 2022 <sup>##</sup>	RM1.0945
	<b>Distribution per Unit</b>
Assuming 1 <sup>st</sup> year income distribution	RM0.0450
Assuming 2 <sup>nd</sup> year income distribution	RM0.0450
Assuming 3 <sup>rd</sup> year income distribution	RM0.0450

<sup>##</sup>Audited NAV per Unit on Early Termination Date may differ from the NAV per Unit on Early Termination event due to market conditions and liquidation costs during the liquidation process.

**Illustration to compute cumulative total return on Early Termination event**

$$\text{Cumulative total return} = \frac{(\text{NAV per Unit on Early Termination event} + \text{cumulative income distribution}) - 1 \times 100}{\text{Offer Price}}$$

$$\text{Cumulative total return} = \frac{(1.0900 + 0.0450 + 0.0450 + 0.0450) - 1 \times 100}{1.0000}$$

$$\text{Cumulative total return} = 22.50\%$$

22.50% is the cumulative total return to determine if the Early Termination event has occurred.

### Illustration to compute cumulative total return on Early Termination Date

Final cumulative total return =  $\frac{(\text{Audited NAV per Unit on Early Termination Date} + \text{cumulative income distribution}) - 1 \times 100}{\text{Offer Price}}$

Final cumulative total return =  $\frac{(1.0945 + 0.0450 + 0.0450 + 0.0450) - 1 \times 100}{1.0000}$

Final cumulative total return = 22.95%

22.95% is the final cumulative total return on the Early Termination Date.

### Illustration to compute Early Termination proceeds for Unit Holders

	Note	Formula	
Balance of Units held by a Unit Holder on 3 August 2022	(a)		10,000
Audited NAV per Unit on Early Termination Date, i.e. 3 August 2022	(b)		RM 1.0945
Early Termination proceeds to be received by a Unit Holder		(a) x (b)	<u>RM 10,945</u>

### Derivatives

The Fund may enter into derivative instruments such as foreign exchange forward contracts, cross currency swaps, credit default swaps ("CDS") and interest rate swaps for the purposes of hedging and not for speculative purposes.

The Fund will only invest in derivatives that are issued by counterparties with a strong credit rating. A Malaysian counterparty must have a credit rating of at least AA3 or P2 by RAM, or its equivalent rating by any other domestic rating agencies. A foreign counterparty, on the other hand, must have a credit rating of at least A as rated by any global rating agencies. Should the credit rating of the counterparty be downgraded by the rating agencies to below the minimum credit rating, the External Investment Manager will unwind the affected invested derivative instrument or hold the derivative instrument to maturity if its period to maturity is less than six (6) months.

The hedging strategy employed by the External Investment Manager is detailed below.

Foreign exchange forward contracts and other currency derivatives may be used to hedge the returns and principal of all foreign denominated bonds back to Ringgit Malaysia. Should the Fund employ hedging, it will limit the potential upside where Unit Holders would not be able to enjoy additional returns when these currencies move favourably against Ringgit Malaysia.

Interest rate swaps may be used to hedge the interest rate risk borne by the Fund. Prices of fixed-coupon bonds in general have an inverse relationship to interest rate. Interest rate swaps are instruments that allow the External Investment Manager to exchange fixed coupons for floating-rate coupons. Positions in such derivatives may reduce the impact of falling fixed-coupon bonds prices during periods of rising interest rates.

The Fund may also enter into CDS to allow hedging of the credit risk of bonds. The gains made from CDS as a result of a bond default will help offset the losses from the underlying bonds.

The Fund will invest in foreign markets where the regulatory authority is an ordinary or associate member of the IOSCO.

### Trading policy

As this is a close-ended bond fund, the Fund will be managed on a semi-active basis by the External Investment Manager. Semi-active management of the portfolio refers to the possibility that investments in the portfolio may be:

- Traded or rebalanced if needed from credit or default risk and/or from uptrend interest rate concerns; and
- Reinvesting proceeds from the bonds which have matured or called back before the Fund's Early Termination Date or Maturity Date.

### Asset Allocation

Asset Class	% of the Fund's NAV
Bonds	Minimum of 70%
Liquid assets	Maximum of 30%

### Performance Benchmark

5-year Maybank fixed deposit rate as at the Commencement Date.

*Please note that investors may obtain information on the benchmark from the Manager upon request.*

*As the Fund will invest in local and foreign markets across various bonds of different ratings, the risk profile of the Fund is not the same as the risk profile of the performance benchmark.*

## Income Distribution Policy

Subject to the availability of income, distribution of income, if any, will be on annual basis, after deduction of taxation and expenses.

## TEMPORARY DEFENSIVE POSITIONS

If and when the External Investment Manager considers the market, economic, political or other conditions to be adverse to the Fund, the External Investment Manager may take temporary defensive position to respond to those conditions. In such circumstances, the Fund may temporarily increase its holdings in liquid assets by more than the allocated percentage of the Fund's asset allocation.

## RISK MANAGEMENT STRATEGIES

The risk management strategies employed by the Manager includes the following:-

- monitoring market and economic conditions;
- monitoring adherence to the Fund's objective and investment restrictions and limits;
- monitoring the performance of the Fund;
- taking temporary defensive positions, when required; and
- escalating and reporting investment matters to the investment committee, senior management team, risk management committee, audit and compliance committee and board of directors.

## PERMITTED INVESTMENTS

Unless otherwise prohibited by the relevant authorities or any relevant law and provided always that there are no inconsistencies with the objective of the Fund, the Fund is permitted under the Deed to invest in the following:

- Bonds;
- Money market instruments;
- Derivatives;
- Deposits with financial institutions; and
- Any other form of investments as may be permitted by the relevant authorities from time to time.

## INVESTMENT RESTRICTIONS AND LIMITS

The investment restrictions and limits for the Fund shall be as follows, or any other limits as may be prescribed by the SC from time to time:

- (a) The value of the Fund's investments in unlisted securities must not exceed 10% of the Fund's NAV. However, this exposure limit does not apply to debentures traded on an OTC market;
- (b) The value of the Fund's investments in debentures issued by any single issuer must not exceed 20% of the Fund's NAV and must not exceed 30% of the Fund's NAV if the debentures are rated by any domestic or global rating agency to be of the best quality and offer highest safety for timely payment of interest and principal;
- (c) The value of the Fund's investments in debentures issued by any one group of companies must not exceed 30% of the Fund's NAV;
- (d) The value of the Fund's placement in deposits with any single institution must not exceed 20% of the Fund's NAV;
- (e) The Fund's exposure from its derivatives position should not exceed the Fund's NAV at all times;
- (f) For investments in derivatives, the exposure to the underlying assets of that derivative must not exceed the investment spread limits stipulated herein and the value of the Fund's OTC derivative transaction with any single counter-party must not exceed 10% of the Fund's NAV;
- (g) The aggregate value of the Fund's investments in debentures, money market instruments, deposits and OTC derivatives issued by or placed with (as the case may be) any single issuer or institution must not exceed 25% of the Fund's NAV. Where the single issuer limit is increased to 30% of the Fund's NAV, pursuant to paragraph (b), the aggregate value of the Fund's investment must not exceed 30% of the Fund's NAV;
- (h) The Fund's investments in debentures must not exceed 20% of the debentures issued by any single issuer;
- (i) The Fund's investments in money market instruments must not exceed 10% of the instruments issued by any single issuer. This limit does not apply to money market instruments that do not have a predetermined issue size; and
- (j) There will be no restriction or limit for securities or instruments issued or guaranteed by the Malaysian government or BNM.

The investment restrictions and limits mentioned herein must be complied with at all times based on the most up-to-date value of the Fund's investments. However, a 5% allowance in excess of the restrictions or limits is permitted where the restriction or limit is breached through an appreciation or depreciation of the NAV (whether as a result of an appreciation or depreciation in value of the Fund's assets, or as a result of repurchase of Units or payment made from the Fund). The External Investment Manager will not make any further acquisitions to which the relevant restriction or limit is breached, and the External Investment Manager will within a reasonable period of not more than three (3) months from the date of the breach take all necessary steps and actions to rectify the breach.

## Investors' Profile

Investors who:

- seek regular income distribution;
- have five (5) years investment horizon; and
- have a moderate risk tolerance.

## Deed

The deed dated 20 September 2019.

## **Financial Year End**

Last calendar day of February

## **RISK FACTORS**

### **General Risks of Investing in Unit Trust Fund**

#### **Market risk**

Market risk refers to potential losses that may arise from adverse changes in the market conditions. Market conditions are generally, affected by, amongst others, economic and political stability. If the market which the unit trust fund invests in suffers a downturn or instability due to adverse economic or political conditions, this may adversely impact the market prices of the investments of a unit trust fund.

#### **Liquidity risk**

Liquidity risk refers to two scenarios. The first scenario is where an investment cannot be sold due to unavailability of a buyer for that investment. The second scenario is where the investment is thinly traded. This may cause the unit trust fund to dispose the investment at an unfavourable price in the market and may adversely affect investor's investment.

#### **Inflation risk**

This risk refers to the risk that investor's investment in unit trust fund may not grow or generate income at a rate that keeps pace with inflation, thus reducing investor's purchasing power even though the investment in monetary terms may have increased.

#### **Risk of non-compliance**

This risk arises from non-compliance with laws, rules and regulations, prescribed practices and the management company's internal policies and procedures, for example, due to oversight by the management company. Such non-compliance may force the management company to sell down the securities of the unit trust fund at a loss to rectify the non-compliance and in turn affect the value of the investors' investment in the unit trust fund. To mitigate this risk, the Manager has put in place internal controls to ensure its continuous compliance with laws, rules and regulations, prescribed practices and the Manager's internal policies and procedures.

#### **Management company risk**

The performance of a unit trust fund depends on the experience, expertise and knowledge of the management company. Should there be a lack of any of the above qualities by the management company, it may adversely affect the performance of the unit trust fund.

### **Specific Risks when Investing in the Fund**

#### **Credit or Default risk**

Credit risk refers to the creditworthiness of the issuers of the bonds and their expected ability to make timely payment of coupon and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the bonds. In the case of rated bonds, this may lead to a credit downgrade which will in turn adversely affect the value of the bonds. This could then adversely affect the value of the Fund.

Default risk relates to the inability of the issuer of the bonds held by the Fund to make the coupon or principal payments when due. In the event the issuer defaults in the coupon or principal payments, the value of the Fund will be adversely affected.

If there is a default in the bonds held by the Fund, the External Investment Manager may institute recovery proceedings and the proceedings may extend beyond the Early Termination Date or Maturity Date. As such, a Unit Holder should be aware that the proceeds that they will receive upon the Early Termination Date or Maturity Date of the Fund may not be the full amount payable and the remaining amount payable can only be made upon successful recovery.

As the Fund can invest up to 40% of the Fund's NAV in non-rated bonds and/or bonds rated below investment grade, the credit risk and default risk of this Fund is relatively higher as compared to other bond funds with smaller exposure to non-rated bonds and/or bonds rated below investment grade.

In the event that the 40% limit is exceeded, the External Investment Manager will rectify such breach within a reasonable period of not more than three (3) months by disposing of the non-rated bonds and/or bonds below investment grade to 40% of the Fund's NAV.

#### **Counterparty risk**

The Fund will be exposed to credit risk of the counterparties with whom the Fund trades with. The Fund may place cash deposits, invest in bonds and money market instruments, and also enter into derivative contracts for hedging purposes. In the event that the counterparty is not able to fulfil its obligations especially in the event of bankruptcy, this may lead to a loss to the Fund. Counterparty risk may be mitigated by conducting credit evaluation on the counterparty to ascertain the creditworthiness of the counterparty.

#### **Interest rate risk**

Generally, the value of bonds or money market instruments will move inversely to interest rate movements. Therefore, the value of bonds or money market instruments may fall when interest rates rise and this may lower the market value of the bonds or money market instruments. Bonds of longer duration tend to be more sensitive to interest rate changes. Any early withdrawals of deposits placed by the Fund will also be subject to interest rate risk, in the sense that there would be a loss of the accrued interest. Furthermore, when the interest rates fall, financial institutions may offer deposits at a lower interest rate and as such, the deposits will be reinvested

in a lower interest rate risk. Both the loss of accrued interest or reinvestment at a lower rate risk will in turn adversely affect the value of the Fund.

### **Country risk**

The Fund may be affected by risks specific to the countries in which it invests. Such risks may be caused by but not limited to changes in the country's economic fundamentals, social and political stability, currency movements and foreign investment policies. These factors may have an impact on the prices of the Fund's investment in that country and consequently may also affect the Fund's NAV.

### **Currency risk**

As the investments of the Fund may be denominated in currencies other than the base currency of the Fund, any fluctuation in the exchange rate between the base currency and the currencies in which the investments are denominated may have an impact on the value of these investments. Investors should be aware that if the currencies in which the investments are denominated depreciate against the base currency, this will have an adverse effect on the NAV of the Fund in the base currency of the Fund and vice versa. Investors should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.

The impact of the exchange rate movement between the base currency of the Fund and the currency of the underlying investments may result in a depreciation of the value of the investments as expressed in the base currency of the Fund.

### **Taxation risk**

Unit Holders should also be aware that the proceeds from the sale of bonds in some markets or the receipt of any coupons and other income may be subject to tax, levies, duties or other charges imposed by the authorities in that market, including taxation levied by withholding at source. Tax law and practice in certain countries may not be clearly established. It is therefore possible that the current interpretation of the law or understanding of practice might change, or that the law might be changed with retrospective effect to the detriment of the Fund.

### **Income distribution risk**

It should be noted that the distribution of income is not guaranteed. The distribution of income is made from realised gains and/or realised income. As such, the Fund may not be able to distribute income if it does not receive such cash flows.

### **Asset mismatch risk**

This risk arises when there is a mismatch between the Early Termination Date or Maturity Date of the Fund and the maturity of the bonds in which the Fund holds. A mismatch of maturity may potentially result in a loss to the Fund. For example:

#### Upon Maturity Date of the Fund

Assuming that the Fund matures on 1 June 2024 (five (5) years from the Commencement Date of 1 June 2019) but the Fund is holding a bond that matures only in 2025. Upon the Maturity Date, the Fund is forced to sell that bond at the prevailing market price (as at 1 June 2024) which may be lower than the purchase price of the bond.

#### Upon Early Termination of the Fund

Assuming that the Fund early terminates on 1 June 2021 (two (2) years from the Commencement Date of 1 June 2019) but the Fund is holding a bond that matures only in 2025. Upon the Early Termination, the Fund is forced to sell that bond at the prevailing market price (as at 1 June 2021) which may be lower than the purchase price of the bond.

### **Concentration risk**

The Fund has a restrictive mandate of a fixed tenure of five (5) years. This may limit the available investable universe and lead to investment concentration whereby the Fund may have to focus a greater portion of its assets in a smaller selection of bonds. As a result, changes in the price of a particular bond will lead to higher volatility in relation to the Fund's NAV.

### **Reinvestment risk**

This risk arises when an issuer of fixed income securities decides to repay the principal earlier than the intended maturity date, especially during times of declining interest rates. As a result, the Fund may experience lower returns due to the Fund having to reinvest the proceeds from the early repayment of the fixed income securities in lower yielding fixed income instruments.

### **Derivatives risk**

The External Investment Manager may invest in derivatives for hedging purposes. Derivatives' market values may be subject to wide fluctuations and expose the Fund to potential gains and losses due to mark-to-market value. Some of the risks associated with derivatives are, but not limited to, market risk, management company risk, counterparty risk, and liquidity risk. To the extent hedging transactions are imperfect, there is no guarantee that it will be possible to remove all currency, interest rate or credit exposures. In the event the hedging strategy does not meet its intended objective, this could have an adverse impact on the NAV of the Fund.

**THE ABOVE SHOULD NOT BE CONSIDERED TO BE AN EXHAUSTIVE LIST OF THE RISKS WHICH INVESTORS SHOULD CONSIDER BEFORE INVESTING INTO THE FUND. INVESTORS SHOULD BE AWARE THAT AN INVESTMENT IN THE FUND MAY BE EXPOSED TO OTHER RISKS FROM TIME TO TIME. INVESTORS SHOULD CONSULT A PROFESSIONAL ADVISER FOR A BETTER UNDERSTANDING OF THE RISKS.**

## **BASES OF VALUATION FOR THE FUND**

The bases of valuation of the respective assets classes of the Fund are as follows:

### **Unlisted bonds**

Investments in unlisted bonds denominated in Ringgit Malaysia will be valued on a daily basis using fair value prices quoted by a bond pricing agency registered with the SC. An example of such an agency is the Bond Pricing Agency Malaysia Sdn. Bhd. If the Manager is of the view that the price quoted by the bond pricing agency differs from the market price by more than twenty (20) basis points, the Manager may use the market price provided that the Manager records the basis for not using the bond pricing agency price and obtains the necessary internal approvals for not using the bond pricing agency price. The Manager will keep the audit trail of all the decisions and basis for adopting the market yield.

Foreign unlisted bonds will be valued daily by using the prices quoted by Reuters. Where Reuters' prices are not available, these foreign unlisted bonds will be valued at fair value, as determined in good faith by the Manager on the methods or bases approved by the Trustee.

### **Money market instruments**

Money market instruments will be valued each day based on the price quoted by a bond pricing agency registered with the SC.

### **Derivatives**

Derivatives are marked-to-market on a daily basis, where possible. Otherwise, the valuation will be based on fair value as determined in good faith by the Manager on methods or bases that have been verified by the auditor of the Fund and approved by the Trustee.

### **Deposits**

Deposits placed with financial institutions will be valued each day by reference to the principal value of such investments and interest accrued thereon, if any, for the relevant period.

### **Listed fixed income securities**

In respect of the Fund's investments in listed fixed income securities, valuation is based on the market price obtained at the close of the respective stock exchanges. However, if:

- a. a valuation based on the market price does not represent the fair value of the listed fixed income securities, for example during abnormal market conditions; or
- b. no market price is available, including in the event of a suspension in the quotation of the listed fixed income securities for a period exceeding fourteen (14) days, or such shorter period as agreed by the Trustee,

then the listed fixed income securities would be valued at fair value, as determined in good faith by the Manager based on the methods or bases approved by the Trustee after appropriate technical consultation.

### **Foreign Exchange Rate Conversion**

Where the value of an asset of the Fund is denominated in a foreign currency, the assets are translated on a daily basis to the base currency of the Fund using the bid foreign exchange rate quoted by either Reuters or Bloomberg, at United Kingdom time 4.00 p.m. the same day.

## **VALUATION OF THE FUND**

### **Valuation Point**

The Fund will be valued at least once every Business Day. The Fund adopts a forward pricing basis which means that prices of Units will be calculated based on the NAV of the Fund at the next valuation point after the application to redeem Units is received by the Manager.

As the Fund invests in foreign markets, the valuation of the Fund is conducted after the close of a Business Day but not later than 5.00 p.m. of the following Business Day (T+1) due to the different time zones of the foreign markets. Consequently, the daily NAV of the Fund will be published two (2) Business Days later instead of the next Business Day. If application for redemption is received by the Manager on or before the cut-off time of 4.00 p.m. on any Business Day, say, Tuesday, the Tuesday's Unit pricing shall apply and will be calculated on Wednesday (if Wednesday is a Business Day). Tuesday's Unit pricing will be published on Thursday (T+2).

You may contact the Manager directly or visit the Manager's website, [www.eastspring.com/my](http://www.eastspring.com/my) to obtain the latest NAV per Unit of the Fund.

## **POLICY ON GEARING**

The Fund is not permitted to obtain cash financing or borrow other assets (including those within the meaning of the Securities Borrowing and Lending Guidelines) in connection with its activities. However, the Fund may obtain cash financing for the purpose of meeting redemption request for Units and for short-term bridging requirement. Such financings are subject to the following:

- the Fund's financing is only on a temporary basis and that financing is not persistent;
- the financing period should not exceed a month;
- the aggregate financing of the Fund should not exceed 10% of the Fund's NAV at the time the financing is incurred; and
- the Fund may only obtain financing from financial institutions.

## 4. FEES, CHARGES AND EXPENSES

The fees, charges and expenses disclosed are exclusive of any taxes or duties that may be imposed by the government or other authorities from time to time.

### FEES AND CHARGES

Below are the fees and charges that you may **directly** incur when purchasing or redeeming Units of the Fund:

#### Sales Charge

The table below sets out the maximum rate of sales charge imposed by the Authorised Distributors:

Authorised Distributors	Sales charge as a percentage of the offer price during the Offer Period
Manager	Up to 2.00%
IUTA	
UTC or CUTA	

The sales charge is negotiable due to the different levels of services provided by each Authorised Distributor and/or the size of the investment undertaken.

**Note:** All sales charge will be rounded to two (2) decimal places.

#### Repurchase Charge

The Manager will impose a repurchase charge of 3.00% of NAV per Unit of the Fund. The repurchase charge is non-negotiable and will be retained by the Fund. No repurchase charge will be imposed during the Offer Period, Early Termination Date or on Maturity Date.

#### Switching Fee

Not applicable, as switching facility is not available for this Fund.

#### Transfer Fee

Nil.

### FEES AND EXPENSES

Below are the fees and expenses that you may **indirectly** incur when you invest in the Fund:

#### Annual Management Fee

The Manager is entitled to an annual management fee of up to 0.40% of the Fund's NAV per annum calculated and accrued daily.

#### Annual Trustee Fee

The Trustee is entitled to a trustee fee of up to 0.06% 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.

### OTHER EXPENSES RELATED TO THE FUND

Only expenses that are directly related and necessary for the operation and administration of the Fund and permitted by the Deed may be charged to the Fund. The list of expenses related to the Fund is set out below:

- commissions or fees paid to brokers or dealers;
- auditors' fee;
- tax adviser's fee;
- valuation fee\*;
- taxes;
- custodial charges (i.e. foreign sub-custodial charges only);
- cost of printing the annual and interim reports;
- independent investment committee member fee;
- any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred by the Fund; and
- any other expenses allowed under the Deed.

\*These are fees incurred for the valuation of any investment of the Fund by independent valuers for the benefit of the Fund.



## OTHER FEES AND CHARGES

### Other charges

In executing transactions upon a Unit Holder's request, certain charges may be incurred. A Unit Holder shall bear these transaction charges, for instance bank charges, telegraphic or online transfer charges and courier charges. The Manager reserves the right to vary such conditions from time to time, which shall be communicated to the Unit Holder in writing.

## REBATES AND SOFT COMMISSIONS

Neither the Trustee nor the Manager is entitled to any rebates or to share in any commission from any broker or dealer in consideration for direct dealings in the investments of the Fund. Accordingly, any rebates and shared commissions will be directed to the account of the Fund.

Notwithstanding the aforesaid, the Manager may receive goods and services by way of soft commissions provided always that the goods and services are of demonstrable benefit to the Unit Holder and in the form of research and advisory services that assist in the decision making process relating to the Fund's investments and that the transaction is executed on terms which are the most favourable for the Fund.

Soft commissions which are not allowed include, among others, entertainment allowance, travel, accommodation and membership fee.

**THERE ARE FEES AND CHARGES INVOLVED AND INVESTORS ARE ADVISED TO CONSIDER THEM BEFORE INVESTING IN THE FUND.**

## CALCULATION OF UNIT PRICES

### Pricing

Computation of NAV and NAV per Unit

NAV per Unit = NAV of the Fund / Units in circulation

### Illustration: Computation of the NAV and NAV per Unit

NAV before deducting management fee and trustee fee		RM	48,000,000.00
Less: Management fee for the day (0.40% per annum)			
48,000,000 X 0.40% / 365		RM	(526.03)
Less: Trustee fee for the day (0.06% per annum)			
48,000,000 X 0.06% / 365		RM	(78.90)
NAV after deducting management fee and trustee fee	(a)	RM	47,999,395.07
Units in circulation	(b)		42,888,888
NAV per Unit (a) / (b)		RM	1.1191569
NAV per Unit (rounded to four decimal places)		RM	1.1192

### Pricing Policy

- **Single Pricing Policy**

The Manager adopts the single pricing policy, i.e. the selling price and repurchase price are fixed at the offer price during the Fund's Offer Period. After the Offer Period, the repurchase price will be the NAV per Unit rounded to four (4) decimal places.

- **Forward Pricing**

The Fund is valued on a forward pricing basis. The daily NAV per Unit is valued at the next valuation point after the application to redeem Units is received by the Manager.

• **Incorrect valuation and pricing**

The Manager shall ensure that the Fund and the Units are correctly valued and priced according to the Deed and all relevant laws. Where there is a significant error in the valuation of the Fund and pricing of Units, the Manager shall take remedial action to correct the error. The Manager's remedial action will involve the reimbursement of money in the following manner:

- (a) if there is an over valuation and pricing in relation to the redemption of Units, the Manager shall reimburse the Fund; and
- (b) if there is an under valuation and pricing in relation to the redemption of Units, the Fund shall reimburse the Unit Holder or former Unit Holder.

The reimbursement of money shall be made to Unit Holder if the incorrect valuation and pricing:

- (a) is equal or more than 0.50% of the NAV per Unit; and
- (b) results in a sum total of RM10.00 or more.

Illustration on how Units are allocated

Units will **ONLY** be sold during the Offer Period at the offer price.

	Investment amount	RM	10,000.00
Add:	Sales charge (2.00% X investment amount)	RM	200.00
	Total amount payable by you	RM	10,200.00
	Investment amount	RM	10,000.00
Divide:	Offer price	RM	1.0000
	Number of Units purchased		10,000

Illustration on how redemption proceeds are calculated

(a) During Offer Period

During the Offer Period, the repurchase price shall be the offer price, RM1.0000

	Units intended for redemption		10,000
	Repurchase amount (10,000 Units x RM1.0000)	RM	10,000.00
Less:	Repurchase charge (Nil)	RM	(Nil)
	Net amount payable to you	RM	10,000.00

(b) After Offer Period

Assuming the NAV per Unit after the Offer Period is RM1.0200

	Units intended for redemption		10,000
	Repurchase amount (10,000 Units x RM1.0200)	RM	10,200.00
Less:	Repurchase charge (3.00% X RM10,200)	RM	(306.00)
	Net amount payable to you	RM	9,894.00

(c) On the Early Termination Date or Maturity Date

On the Early Termination Date or Maturity Date, the Fund shall be compulsorily terminated and all Units held by each Unit Holder will be duly redeemed. The NAV per Unit will be calculated by dividing the NAV by the number of Units in circulation at the close of business on the Early Termination Date or Maturity Date. No repurchase charge will be imposed on Units held by the Unit Holder on the Early Termination Date or Maturity Date.

## 5. TRANSACTION INFORMATION

### DISTRIBUTION CHANNELS

The Fund is distributed through the Manager's head office, branch offices and Authorised Distributors.

Should a Unit Holder wish to consider investment or subsequent investment during the Offer Period, redemption or transfer of Units, the Unit Holder must complete the relevant transaction forms which can be obtained from the distribution channels of the Manager.

Please refer to the Directory of Sales Office section at the end of this prospectus for more information.

### HOW TO PURCHASE UNITS

When purchasing Units of the Fund, investors must forward the following completed documents\* to the Manager:

Individual	Non-individual
<ul style="list-style-type: none"><li>• Master account opening form</li><li>• Transaction form</li><li>• Proof of payment which is acceptable by the Manager</li><li>• Suitability assessment form</li><li>• Certified true copy of identity card, passport or other identification</li></ul>	<ul style="list-style-type: none"><li>• Master account opening form</li><li>• Transaction form</li><li>• Proof of payment which is acceptable by the Manager</li><li>• Suitability assessment form</li><li>• Certified true copy of board resolution</li><li>• Certified true copy of latest annual return</li><li>• Certified true copy of corporate structure (where applicable)</li><li>• Certified true copy of identity card or passport of directors and authorised representatives</li><li>• Certified true copy of form 24 / return of allotment of shares under section 78 of the Companies Act 2016 (not required for a public listed company or an entity licensed by the SC, BNM or LOFSA)</li><li>• Certified true copy of form 49 / notification of change in the register of directors, managers and secretaries under section 58 of the Companies Act 2016</li><li>• Certified true copy of the constitution (if any)</li><li>• Certified true copy of the certificate of incorporation</li><li>• Certified true copy of form 13 / application for change of name under section 28 of the Companies Act 2016 (if applicable)</li><li>• Certified true copy of form 44 / notification of change in the registered address under section 46 of the Companies Act 2016 (if applicable)</li><li>• Personal data protection notice form for directors and authorised representatives</li><li>• Foreign Account Tax Compliance Act ("FATCA") and Common Reporting Standards ("CRS") Self Certification Form – Controlling Person</li></ul>

\* The documents listed may be subject to changes from time to time.

A Unit Holder may be required to forward to the Manager additional documents to authenticate his identification when transacting Units of the Fund. The Manager reserves the right to reject any application without providing any reason.

The Manager allows a Unit Holder the convenience of maintaining all his investments in ONE single master account regardless of the number of funds he invests with the Manager.

### PURCHASE APPLICATION AND ACCEPTANCE

Purchase application should be made before the cut-off time of 4.00 p.m. on any Business Day during the Offer Period. The Units will be issued at the offer price after the purchase application is received by the Manager. The cut-off time will be determined based on the stamped time and date made at the Manager's head office and branch offices.

When the purchase application is received after the cut-off time stated above, the purchase application will be deemed to have been received on the next Business Day. The Manager reserves the right to vary the terms and conditions of investment and payment modes from time to time, which shall be communicated to you in writing. The Manager reserves the right to reject any application without providing any reason. The Manager may also reject any application that is incomplete and/or not accompanied by the required documents.

Upon confirming your purchase of Units, you will receive a *confirmation advice*.

## HOW TO PAY FOR AN INVESTMENT

A Unit Holder can make payment via telegraphic or online transfer by submitting the telegraphic or online transfer statement together with the application to the Manager.

A Unit Holder can also make payment by issuing cheque or bank draft made payable to “Eastspring Investments Berhad”.

Cheques can be deposited directly into the Manager’s bank account by using a bank deposit slip at any branch of the Manager’s principal bankers stated below. The original client’s copy of the bank deposit slip (proof of payment) must be sent together with the application for Units.

The Manager will not accept any cash payment, Automated Teller Machine (“ATM”) cash payment, or third-party payment (i.e. payment made via an account that is not under the name of the Unit Holder).

All fees, charges and expenses incurred or to be incurred for payment shall be borne by the Unit Holder.

<b>INVESTORS MUST NOT MAKE PAYMENT IN CASH TO ANY INDIVIDUAL AGENT WHEN PURCHASING UNITS OF THE FUND.</b>
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Details of the Manager’s account with its principal bankers are as follows:

Bank	Account no.
Deutsche Bank (Malaysia) Berhad	0003111-00-0
Malayan Banking Berhad	514011-576079
Standard Chartered Bank Malaysia Berhad	312-143583032
HSBC Bank Malaysia Berhad	305-417255-101

**Note:** Please refer to the transaction form for the full bank transfer instruction details.

## HOW TO REDEEM UNITS

A Unit Holder may redeem all or some of the Units held on any Business Day by completing a transaction form.

Redemption application should be made before the cut-off time of 4.00 p.m. on any Business Day. The Units will be redeemed at the NAV per Unit calculated at the next valuation point (i.e. forward pricing) after the redemption application is received by the Manager. The cut-off time will be determined based on the stamped time and date made at the Manager’s head office and branch offices.

When the redemption application is received after the cut-off time stated above, the redemption application will be deemed to have been received on the next Business Day. The Manager reserves the right to vary the terms and conditions for redemption from time to time, which shall be communicated to you in writing.

Upon confirming your redemption of Units, you will receive a *confirmation advice*.

Any correspondence will ONLY be sent to you at the correspondence address and/or email address that is registered by the Manager as provided by you in your application form.

In the event the Units carry more than one Unit Holder’s name, i.e. “Joint Application”, the redemption application will be signed by all the jointholders. If the application specifies “Either Applicant to sign”, any one Unit Holder who is registered as a jointholder will have the authority to sign the redemption application. In all cases, redemption proceeds will be paid to the principal account holder or in the names of both account holders in the register of Unit Holders.

The Manager shall pay the redemption proceeds to you within ten (10) calendar days via e-payment according to your bank account details as stated in the form from the date the Manager receives the duly completed transaction form. If you redeem immediately after the purchase of Units, the Manager shall have the right to withhold the redemption application until sufficient time has elapsed to ensure that the amount remitted by you (for purchase of Units) is realised and credited to the Manager’s principal bank account.

## COOLING-OFF PERIOD & COOLING-OFF RIGHT

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:-

- the Manager’s staff; and
- persons registered with a body approved by the SC to deal in unit trusts.

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.

The refund to the Unit Holder pursuant to the exercise of his cooling-off right should be the sum of:

- (a) the offer price on the day the Units were first purchased; and
- (b) the sales charge originally imposed on the day the Units were purchased.

The cooling-off period shall be within six (6) Business Days which shall be effective from the date the Manager receives the duly completed transaction buy form.

Unit Holder may exercise cooling-off right on any Business Day within the eligibility period by giving a written notice to the Manager.

Cooling-off application should be made before the cut-off time of 4.00 p.m. on any Business Day. The cut-off time will be determined based on the stamped time and date made at the Manager's head office and branch offices.

When a cooling-off application is received after the cut-off time stated above, the cooling-off application will be deemed to have been received on the next Business Day. The Manager reserves the right to vary the terms and conditions of cooling-off from time to time, which shall be communicated to you in writing.

Upon confirming your cooling-off application, you will receive a *confirmation advice*.

Cooling-off proceeds will only be paid to Unit Holders once the Manager has received cleared funds for the original investment. Such proceeds shall be refunded to Unit Holder within ten (10) calendar days from the date the Manager receives the duly completed transaction form.

## **SWITCHING BETWEEN FUNDS**

Switching facility is not available for this Fund.

## **TRANSFER OF UNITS**

A Unit Holder may transfer some or all of his Units held in the Fund to another Unit Holder by completing a transfer form.

A transfer is subject to the minimum balance and terms and conditions applicable for the Fund. However, both the transferor and the transferee should maintain the minimum holding of Units for the Fund after the transfer is made. If the transferee does not have any account with the Manager prior to this transfer application, he must forward the completed documents listed in page 16 to the Manager for account opening in addition to a transfer form.

Original transfer application should be made before the cut-off time of 4.00 p.m. on any Business Day. The cut-off time will be determined based on the stamped time and date made at the Manager's head office.

When the original transfer application is received after the cut-off time stated above, the transfer application will be deemed to have been received on the next Business Day. The Manager reserves the right to vary the terms and conditions for transfer from time to time, which shall be communicated to you in writing.

Upon confirming your transfer of Units, you will receive a *confirmation advice*.

## **HOW TO KEEP TRACK OF YOUR INVESTMENT**

A Unit Holder will receive annual and interim reports of the Fund from the Manager within two (2) months from the Fund's annual financial year end and semi-annual financial year end, respectively. Both the reports will disclose the performance and investment updates of the Fund.

A Unit Holder can obtain the Manager's latest information, products and services, and market outlook at the Manager's website, [www.eastspring.com/my](http://www.eastspring.com/my). A Unit Holder can register for a "myEastspring" account at [www.myeastspring.com.my](http://www.myeastspring.com.my) to view his account balance, transaction details and generate the latest statement of account.

A Unit Holder can also review and track the performance of their Units by checking the Unit prices published every Business Day on the Manager's website, [www.eastspring.com/my](http://www.eastspring.com/my).

A Unit Holder can always contact the Manager's client services personnel to assist in the following:

1. enquire on the latest Unit price and account balance;
2. any transaction related enquiries, for example top up investment (during Offer Period), redemption or transfer;
3. request to change personal details, for example address or telephone no;
4. request for confirmation advices on purchase (during Offer Period) and other transactions related to your Unit holdings, half yearly statements and copy of annual and/or interim reports; and
5. other queries regarding the Fund's performance.

A Unit Holder may communicate with the Manager via:

**Client services tel:** 603-2778 1000

**Client services fax:** 603-2789 7225

**Email:** [cs.my@eastspring.com](mailto:cs.my@eastspring.com)

**THE FUND'S PRINTED ANNUAL AND INTERIM REPORTS ARE AVAILABLE UPON REQUEST.**

## AVENUE FOR ADVICE

Investors may:

- visit any of the Manager's offices listed under the Directory of Sales Office section at the end of this prospectus; or
- contact any of the Manager's client services at 603-2778 1000 for advice in relation to the Fund; or
- contact any of the Manager's Authorised Distributors for further advice.

## SUSPENSION OF REDEMPTION OF UNITS

Pursuant to clause 10.22 of the Guidelines, the Trustee should suspend the dealing in Units of the Fund:

- (a) where a request is made by the Manager to cancel Units to satisfy a redemption request in which the Trustee considers that it is not in the best interests of the Unit Holders to permit the Fund's assets to be sold or that the Fund's assets cannot be liquidated at an appropriate price or on adequate terms; or
- (b) due to exceptional circumstances, where there is good and sufficient reason to do so, considering the interests of the Unit Holders.

Please note that the transaction procedures such as investment (during Offer Period), redemption, cooling-off and transfer of Units via our distribution channels may differ from that described in this prospectus, and you are advised to check with the relevant Authorised Distributor for details on these procedures.

## TRANSACTION DETAILS

The table below sets out the **minimum initial and additional investment amount** for the Fund.

Fund name	Minimum initial investment	Minimum additional investment (during the Offer Period)
	Lump sum (RM)	Lump sum (RM)
Eastspring Target Income Fund 9	1,000	100

The table below sets out the **minimum redemption, transfer and holding of Units** for the Fund.

Fund name	Minimum redemption	Minimum transfer	Minimum holding
	Units	Units	Units
Eastspring Target Income Fund 9	1,000 Refer note 1	Any number of Units Refer note 2	1,000

**Note 1:** 1,000 Units or such other lower quantity as the Manager may determine from time to time

**Note 2:** Both the transferor and transferee should maintain the minimum holding of Units for the Fund after a transfer is made.

*The Manager reserves the right to change the above stipulated amounts and quantity from time to time.*

In the case of a partial redemption, instructions will be carried out only if the minimum holding of Units (being 1,000 Units or such other lower quantity as the Manager may determine from time to time) remains in the Fund after the redemption. If the Units in a Unit Holders' account are less than the minimum holding of Units after a redemption application is made, all Units that the Unit Holder holds in the Fund will be redeemed automatically.

In the event a master account has more than one registered owner, the first-named Unit Holder (as determined by reference to the original master account application form) shall receive the confirmation advices, notices and correspondence with respect to the master account, as well as any redemption proceeds or income distribution or other distributions. In addition, such first-named Unit Holder shall have the voting rights, as permitted, associated with such Units.

In the case of jointholders, any one of such jointholders may vote either personally or by proxy as comprised in the jointholding. If the jointholders are present at any meeting either personally or by proxy, the jointholder whose name stands first in the register of Unit Holders shall alone be entitled to vote.

## INCOME DISTRIBUTION POLICY

Subject to the availability of income, distribution of income, if any, will be on annual basis, after deduction of taxation and expenses.

## UNCLAIMED MONEYS POLICY

Any unclaimed moneys will be filed with and paid to the Registrar of Unclaimed Moneys after the lapse of one (1) year from the date of payment in accordance with the requirements of the Unclaimed Moneys Act 1965. A Unit Holder will have to liaise directly with the Registrar of Unclaimed Moneys to claim their moneys.

**POLICY ON ANTI-MONEY LAUNDERING, ANTI-TERRORISM FINANCING AND PROCEEDS OF UNLAWFUL ACTIVITIES ACT 2001**

The Manager has an anti-money laundering and anti-terrorism financing policy in place where Unit Holder's due diligence will be performed by the Manager and its Authorised Distributors on all Unit Holders without exception. Application for Units must be accompanied by proper identification documents for the Manager's verification. All Unit Holders will be checked against various reliable sources on money laundering, terrorism financing and proceeds of unlawful activities information. Enhanced due diligence process will be conducted on high risk Unit Holders which would require the Manager's senior management's review and approval, where applicable. Suspicious transactions, if any, will be reported to the Manager's internal money laundering prevention officer for further review and onward reporting to the Financial Intelligence and Enforcement Department of BNM and the SC.

In compliance with the applicable anti-money laundering, anti-terrorism financing and proceeds of unlawful activities laws and the guidelines, the Manager, together with its Authorised Distributors reserve the right to request all relevant information pertaining to the Unit Holders' information as may, in the Manager's opinion or its Authorised Distributors' opinion, be necessary to verify the identity of the Unit Holders.

**UNIT PRICES AND DISTRIBUTIONS PAYABLE, IF ANY, MAY GO DOWN AS WELL AS UP.**

## 6. The Management and the Administration of the Fund

### BACKGROUND OF THE MANAGER

Eastspring Investments Berhad was incorporated in November 2000 and is part of the Prudential Group. The ultimate parent company of the Prudential Group is Prudential plc whose shares are listed on the London, New York, Hong Kong and Singapore stock exchanges. The Manager is a duly approved unit trust management company by the SC since 5 January 2005 and holds a capital markets services licence for fund management and dealing in securities restricted to unit trust funds.

### ROLES, DUTIES AND RESPONSIBILITIES OF THE MANAGER

The Manager is responsible for the daily management and administration of the Fund in accordance with the provisions of the Deed and all relevant laws and guidelines. The Manager may undertake cross trades through a dealer or a financial institution on an arm's length and fair value basis and subject to the best interest of the Unit Holder. Below is the cross trade policy of the Manager.

#### Cross Trade Policy

Cross trade is defined as a buy and sell transaction of the same security between two or more clients' accounts managed by a fund management company. The Manager may conduct cross trades provided the following conditions which are imposed by the regulators are met:

- the cross trade is in the best interests of both clients;
- the reasons for cross trades are documented prior to execution of the trades;
- the cross trade is executed through a dealer or a financial institution on an arm's length and fair value basis; and
- the cross trade transaction is disclosed to both clients.

All cross trades will be executed in accordance with the Manager's policy which is in line with the regulatory requirements. Post transactions, all cross trades will be reviewed by the Manager's compliance officer and the investment committee.

Cross trades between (i) the personal account of an employee of the Manager and any clients' account; and (ii) the Manager's proprietary accounts and any clients' account, are strictly prohibited.

The Manager's main duty includes:

- arranging for the sale and redemption of Units of the Fund;
- keeping proper records of the Fund and reporting to the Unit Holder; and
- providing sales, marketing and customer service support to the Unit Holder and fund distributors of the Fund.

The Manager has established a risk and compliance department under the supervision of the chief risk and compliance officer who is responsible for the operational risk, legal and compliance functions of the Manager. The chief risk and compliance officer reports to the board of directors and the audit and compliance committee. The internal audit unit of the Prudential Group conducts all internal audit functions and reports to the audit and compliance committee.

### MATERIAL LITIGATION AND ARBITRATION

As at 31 August 2019, the Manager is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any facts likely to give rise to any proceedings which might materially affect its business and/or financial position.

### BOARD OF DIRECTORS

#### Roles and functions of the board of directors

The board of directors oversee the overall management of Eastspring Investments Berhad. The board of directors comprise of four (4) members who meets every quarter or more frequently, when required.

#### **Bernard Teo Thye Peng**

*Chairman, non-independent, non-executive director*

#### **Iskander bin Ismail Mohamed Ali**

*Independent director, non-executive director*

#### **John Campbell Tupling**

*Independent director, non-executive director*

#### **Raymond Tang Chee Kin**

*Non-independent, executive director*

### INVESTMENT COMMITTEE

#### Roles and functions of the investment committee

The investment committee is responsible for monitoring the investment management policies of the Fund in accordance with the objectives of the Fund and the provisions of the Deed.



## FUND MANAGEMENT FUNCTION

The Manager's investment team is headed by the chief investment officer. The chief investment officer is supported by a team of experienced fund managers who are responsible to manage the Fund.

### **Doreen Choo Choy Wan** *Chief Investment Officer*

Doreen Choo joined the Manager in August 2018 and is the **designated person responsible for the fund management of the Fund**. She is the chief investment officer and is responsible for all asset classes and investment performance, as well as the growth and development of our investment offering in Malaysia. With more than 20 years of industry experience, Doreen joins us from CIMB-Principal Asset Management Berhad where she has worked for the past 13 years, initially as an equity fund manager and subsequently as Head of Equities in 2015. Doreen previously worked at PricewaterhouseCoopers (PwC) as Manager, Valuation & Strategy (Corporate Advisory) with a particular focus on equity valuations across industries. Doreen is a Chartered Financial Analyst (CFA) charterholder and holds a Degree of Bachelor of Arts in Economics from University Malaya.

## MANAGER'S DELEGATE

### EXTERNAL INVESTMENT MANAGER

#### **Background of Eastspring Investments (Singapore) Limited**

Eastspring Investments (Singapore) Limited was incorporated in Singapore in 1994 and has been managing discretionary funds since 1995. As at 30 June 2019, Eastspring Investments (Singapore) Limited had approximately S\$153.89 billion of assets under management, of which approximately S\$153.53 billion were discretionary funds managed in Singapore. Eastspring Investments (Singapore) Limited is licensed and regulated by the Monetary Authority of Singapore under the Securities and Futures Act (Chapter 289), Singapore.

Eastspring Investments (Singapore) Limited is an ultimately wholly-owned subsidiary of Prudential plc ("Prudential"). Eastspring Investments (Singapore) Limited and Prudential are not affiliated in any manner with Prudential Financial, Inc., a company whose principal place of business is in the United States of America.

#### **Roles and duties of the External Investment Manager**

The Manager has appointed Eastspring Investments (Singapore) Limited as the External Investment Manager for the Fund. The External Investment Manager is responsible to invest the investments of the Fund in accordance with the Fund's objective and its Deed, subject to the Act, the Guidelines and any practice notes issued by the SC from time to time, as well as the internal policies and procedures of the Manager. The External Investment Manager reports to the investment committee of the Fund on a regular basis on the status of the portfolio, proposed investment strategy and other matters relating to the portfolio of the Fund. The remuneration of the External Investment Manager is borne by the Manager.

The designated fund managers for the Fund are Eric Fang Yung Wei and Yeo Li Ping. Their profiles are set out below.

#### **Eric Fang Yung Wei**

Eric Fang joined Eastspring Investments (Singapore) Limited, the Asian asset management business of Prudential plc, in November 2007. Eric is the lead portfolio manager of Eastspring Investments-Global Emerging Markets Bond Fund and is also responsible for managing selected credit-focused portfolios. Prior to joining Eastspring Investments (Singapore) Limited, he was a senior analyst with AmlInvestment Management where he carried out credit research and was responsible for managing fixed income and balanced funds. Prior to that, he was a senior fixed income analyst with KAF Investment Bank where he was responsible for buy and sell side credit research and strategy. Eric has 15 years of investment experience. Eric holds a Bachelor of Business in Banking & IT from Charles Sturt University, Australia.

#### **Yeo Li Ping**

Yeo Li Ping joined Eastspring Investments (Singapore) Limited, the Asian asset management business of Prudential plc, in September 2017. Li Ping holds a dual role as a portfolio manager and senior credit analyst. Apart from management of Asian hard currency fixed income portfolios, Li Ping is also responsible for conducting credit research and generating macro credit strategy. Prior to joining Eastspring Investments (Singapore) Limited, Li Ping was the lead credit analyst in Asia for Loomis Sayles. She also spent 6 years at Schroders Asset Management as a credit analyst and 2 years in Western Asset Management. Li Ping began her career in fixed income in 2000 as a senior investment analyst in UOB Asset Management's bond team. Prior to that she worked in Standard Chartered Bank and Keppel Tat Lee in the priority banking center and corporate banking respectively. Having worked in four asset management firms, Li Ping has established extensive Asian credit research experience in both investment grade and high yield sectors. Li Ping has 25 years of investment experience. Li Ping holds a Business degree (in Financial Analysis) from Nanyang Technological University, Singapore. She is also a Chartered Financial Analyst ("CFA") charterholder.

## MATERIAL LITIGATION

As at 31 August 2019, the External Investment Manager is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any facts likely to give rise to any proceedings which might materially affect the business and/or financial position of itself.

**OTHER INFORMATION**

Further information on the Manager, investment committee, fund manager and External Investment Manager are provided on the Manager's website.

## **7. The Trustee**

### **BACKGROUND OF THE TRUSTEE**

Deutsche Trustees Malaysia Berhad (“DTMB”) (Company No. 763590-H) was incorporated in Malaysia on 22 February 2007 and commenced business in May 2007. DTMB is registered as a trust company under the Trust Companies Act 1949, with its business address at Level 20, Menara IMC, 8 Jalan Sultan Ismail, 50250 Kuala Lumpur.

DTMB is a member of Deutsche Bank Group (“Deutsche Bank”). Deutsche Bank provides commercial and investment banking, retail banking, transaction banking and asset and wealth management products and services to corporations, governments, institutional investors, small and medium-sized businesses, and private individuals.

### **EXPERIENCE IN TRUSTEE BUSINESS**

DTMB is part of Deutsche Bank’s Securities Services, which provides trust, custody and related services on a range of securities and financial structures. As at 31 August 2019, DTMB is the trustee for one hundred and eighty (180) collective investment schemes including unit trust funds, wholesale funds, exchange-traded funds and private retirement schemes.

DTMB’s trustee services are supported by Deutsche Bank (Malaysia) Berhad (“DBMB”), a subsidiary of Deutsche Bank, financially and for various functions, including but not limited to financial control and internal audit.

### **ROLES, DUTIES AND RESPONSIBILITIES OF THE TRUSTEE**

DTMB’s main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of Unit Holders of the Fund. In performing these functions, the Trustee has to exercise due care and vigilance and is required to act in accordance with the relevant provisions of the Deed, the Act and all relevant laws.

### **TRUSTEE’S DISCLOSURE OF MATERIAL LITIGATION**

As at 31 August 2019, the Trustee is not engaged in any material litigation and arbitration, including those pending or threatened and the Trustee is not aware of any facts likely to give rise to any proceedings which might materially affect the business or financial position of the Trustee.

### **TRUSTEE’S DELEGATE**

The Trustee has appointed DBMB as the custodian of the assets of the Fund. DBMB is a wholly-owned subsidiary of Deutsche Bank AG. DBMB offers its clients access to a growing domestic custody network that covers over 30 markets globally and a unique combination of local expertise backed by the resources of a global bank. In its capacity as the appointed custodian, DBMB’s roles encompass safekeeping of assets of the Fund; trade settlement management; corporate actions notification and processing; securities holding and cash flow reporting; and income collection and processing.

All investments of the Fund are registered in the name of the Trustee for the Fund, or where the custodial function is delegated, in the name of the custodian, to the order of the Trustee for the Fund. As custodian, DBMB shall act only in accordance with instructions from the Trustee.

## 8. Salient Terms of the Deed

Please be advised that if you invest in Units through an IUTA which adopts the nominee system of ownership, you would not be considered to be a Unit Holder under the Deed and you may, consequently, not have all the rights ordinarily exercisable by a Unit Holder (for example, the right to call for a Unit Holder's meeting and to vote thereat and the right to have your particulars appearing in the register of Unit Holders of the Fund).

### RIGHTS OF UNIT HOLDERS

As a Unit Holder, and subject to the provisions of the Deed, you have the right:

1. to receive distribution of income, if any;
2. to participate in any increase in the value of the Units;
3. to call for Unit Holders' meetings and to vote for the removal of the Trustee or the Manager through a special resolution;
4. to receive annual and interim reports of the Fund; and
5. to enjoy such other rights and privileges as are provided for in the Deed.

However, you would not have the right to require the transfer to you any of the Fund's assets. Neither would you have the right to interfere with or question the exercise by the Trustee (or the Manager on the Trustee's behalf) of the rights of the Trustee as the registered owner of the Fund's assets.

### LIABILITIES OF UNIT HOLDERS

As a Unit Holder, and subject to the provisions of the Deed, your liabilities would be limited to the following:

1. you will not be liable for any amount in excess of the purchase price paid for the Units as determined in accordance with the Deed at the time the Units were purchased and any charges payable in relation thereto.
2. you will not be under any obligation to indemnify the Manager and/or the Trustee in the event that the liabilities incurred by the Manager and/or the Trustee in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the value of the Fund's assets.

### MAXIMUM FEES AND CHARGES PERMITTED BY THE DEED

The maximum rate of direct fees and charges permitted by the Deed are as follows:

Sales charge	3.00% (based on the offer price of the Fund)
Repurchase charge	3.00% (based on the NAV per Unit of the Fund)

The maximum rate of indirect fees and charges permitted by the Deed are as follows:

Charges	% of the Fund's NAV per annum
Annual management fee	0.40%
Annual trustee fee	0.06% (subject to a minimum of RM15,000 per annum excluding foreign custodian fees and charges).

### PROCEDURES TO INCREASE THE DIRECT AND INDIRECT FEES AND CHARGES DISCLOSED IN THE PROSPECTUS

#### Sales Charge

The Manager may not charge a sales charge at a rate higher than that disclosed in this prospectus unless:

- a) the Manager has notified the Trustee in writing of and the effective date for the higher charge;
- b) a supplemental prospectus or replacement prospectus in respect of the Fund setting out the higher charge is registered, lodged and issued; and
- c) such time as may be prescribed by any relevant law has elapsed since the effective date of the supplemental prospectus or replacement prospectus.

#### Repurchase Charge

The Manager may not charge a repurchase charge at a rate higher than that disclosed in this prospectus unless:

- a) the Manager has notified the Trustee in writing of and the effective date for the higher charge;
- b) a supplemental prospectus or replacement prospectus in respect of the Fund setting out the higher charge is registered, lodged and issued; and
- c) such time as may be prescribed by any relevant law has elapsed since the effective date of the supplemental prospectus or replacement prospectus.

### **Annual Management Fee**

The Manager may not charge an annual management fee at a rate higher than that disclosed in this prospectus unless:

- a) the Manager has come to an agreement with the Trustee on the higher rate;
- b) the Manager has notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective; such time as may be prescribed by any relevant law shall have elapsed since the notice is sent;
- c) a supplemental prospectus or replacement prospectus stating the higher rate is registered, lodged and issued thereafter; and
- d) such time as may be prescribed by any relevant law has elapsed since the date of the supplemental prospectus or replacement prospectus.

### **Annual Trustee Fee**

The Trustee may not charge an annual trustee fee at a rate higher than that disclosed in this prospectus unless:

- a) the Manager has come to an agreement with the Trustee on the higher rate;
- b) the Manager has notified the Unit Holders of the higher rate and the date on which such higher rate is to become effective; such time as may be prescribed by any relevant law shall have elapsed since the notice is sent;
- c) a supplemental prospectus or replacement prospectus stating the higher rate is registered, lodged and issued thereafter; and
- d) such time as may be prescribed by any relevant law has elapsed since the date of the supplemental prospectus or replacement prospectus.

### **PROCEDURES TO INCREASE THE MAXIMUM RATE OF THE DIRECT AND INDIRECT FEES AND CHARGES IN THE DEED**

Any increase in the sales charge, repurchase charge, annual management fee and annual trustee fee above the maximum rate prescribed in the Deed will require the prior consent of the Unit Holders and the registration of a supplemental deed and the issuance of a supplemental or replacement prospectus.

### **PERMITTED EXPENSES PAYABLE BY THE FUND**

Only the expenses (or part thereof) which are directly related and necessary to the operation and administration of the Fund may be charged to the Fund. These would include (but are not limited to) the following:

- a) commissions or fees paid to brokers or dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes (if any);
- b) taxes and other duties charged on the Fund by the government and/or other authorities;
- c) costs, fees and expenses properly incurred by the auditor of the Fund;
- d) costs, fees and expenses incurred for the valuation of any investment of the Fund by independent valuers for the benefit of the Fund;
- e) costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;
- f) costs, fees and expenses incurred for any meeting of Unit Holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- g) costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of the Fund;
- h) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Fund;
- i) costs, fees and expenses incurred in engaging any adviser for the benefit of the Fund;
- j) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- k) costs, fees and expenses incurred in the termination of the Fund or the removal of the Trustee or the Manager and the appointment of a new trustee or management company;
- l) costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are ordered by the court not to be reimbursed by the Fund);
- m) remuneration and out of pocket expenses of the independent members of the investment committee of the Fund, unless the Manager decides otherwise;
- n) costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority;
- o) (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodians taking into custody any foreign assets of the Fund;
- p) fees, charges, costs and expenses relating to the preparation, printing, posting, registration and/or lodgement of documents and reports which the Manager and/or the Trustee may be obliged to prepare, print, post, register and/or lodge in relation to the Fund by virtue of any relevant law;
- q) all costs and expenses associated with the distributions declared pursuant to the Deed and the payment of such distribution including without limitation fees, costs and/or expenses for the revalidation or reissuance of any distribution cheque or telegraphic transfer; and
- r) any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred under sub-paragraphs (a) to (q) above.

## **REMOVAL, REPLACEMENT AND RETIREMENT OF THE MANAGER AND TRUSTEE**

### **Removal or Replacement of the Manager**

The Trustee shall take all reasonable steps to remove the Manager, if the Manager:

- a) has failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the interests of Unit Holders for the Trustee to do so after the Trustee has given notice to the Manager of that opinion and the reasons for that opinion, and has considered any representations made by the Manager in respect of that opinion, and after consultation with the relevant authorities and with the approval of the Unit Holders by way of a special resolution; or
- b) is in breach of any of its obligations or duties under the Deed or the relevant laws; or
- c) has ceased to be eligible to be a management company under the relevant laws; or
- d) has gone into liquidation, except for the purpose of amalgamation or reconstruction or some similar purpose; or
- e) has had a receiver appointed; or
- f) has ceased to carry on business.

### **Retirement of the Manager**

The Manager shall have the power to retire in favour of some other corporation and as necessary under any relevant law upon giving to the Trustee three (3) months' notice in writing of its desire so to do, or such other period as the Manager and the Trustee may agree upon, provided such retirement is in accordance with the provisions of the Deed.

### **Removal or Replacement of the Trustee**

The Trustee may be removed and such corporation may be appointed as the replacement trustee of the Fund by special resolution of the Unit Holders at a duly convened meeting.

The Manager shall take all reasonable steps to replace the Trustee as soon as practicable after becoming aware that:

- a) the Trustee has ceased to exist; or
- b) the Trustee has not been validly appointed; or
- c) the Trustee was not eligible to be appointed or to act as trustee under any relevant law; or
- d) the Trustee has failed or refused to act as Trustee in accordance with the provisions or covenants of the Deed or any relevant law; or
- e) a receiver has been appointed over the whole or a substantial part of the assets or undertaking of the Trustee and has not ceased to act under that appointment; or
- f) a petition has been presented for the winding up of the Trustee (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction the Trustee becomes or is declared insolvent); or
- g) the Trustee is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 2016 or any relevant law.

### **Retirement of the Trustee**

The Trustee may retire upon giving three (3) months' notice in writing to the Manager of its desire so to do, or such other period as the Manager and the Trustee shall agree, provided such retirement is in accordance with the provisions of the Deed.

## **TERMINATION OF THE FUND**

The Fund will automatically terminate on the Early Termination Date or the Maturity Date. No Unit Holders' approval is required for the termination of the Fund on the Early Termination Date or the Maturity Date.

The Fund may be terminated or wound up upon:

- the SC's authorisation is withdrawn pursuant to section 256E of the Act; or
- a special resolution is passed at a Unit Holders' meeting to terminate the Fund.

## **MEETING OF UNIT HOLDERS**

### **Provisions governing Unit Holders' Meeting**

The quorum required for a meeting of Unit Holders shall be five (5) Unit Holders, whether present in person or by proxy; if the Fund has five (5) or less Unit Holders, the quorum required for a meeting of Unit Holders of the Fund shall be two (2) Unit Holders, whether present in person or by proxy; if the meeting has been convened for the purpose of voting on a special resolution, the Unit Holders present in person or by proxy must hold in aggregate at least twenty five per centum (25%) of the Units in circulation at the time of the meeting.

### **Meetings directed by Unit Holders**

Unless otherwise required or allowed by the relevant laws, the Manager shall, within twenty-one (21) days of receiving a direction from not less than fifty (50) or one-tenth (1/10), whichever is less, of all the Unit Holders, summon a meeting of the Unit Holders by:

- a) sending by post to each Unit Holder at his last known address or, in the case of jointholders, to the jointholder whose name stands first in the records of the Manager to the jointholder's last known address at least seven (7) days before the date of the proposed meeting a notice of the proposed meeting to all the relevant Unit Holders;
- b) publishing at least fourteen (14) days before the date of the proposed meeting an advertisement giving notice of the proposed meeting in a national language newspaper published daily and another newspaper approved by the relevant authorities; and
- c) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

The Unit Holders may direct the Manager to summon a meeting for any purpose including, without limitation, for the purpose of:

- a) requiring the retirement or removal of the Manager;
- b) requiring the retirement or removal of the Trustee;
- c) considering the most recent financial statements of the Fund;
- d) giving to the Trustee such directions as the meeting thinks proper; or
- e) considering any matter in relation to the Deed,

provided always that the Manager shall not be obliged to summon such a meeting unless a direction has been received from not less than fifty (50) or one-tenth (1/10), whichever is less, of all the Unit Holders.

### **Unit Holders meeting convened by the Manager or Trustee**

Unless otherwise required or allowed by the relevant laws and the Deed, the Manager or the Trustee may convene a Unit Holders' meeting pursuant to the relevant provisions of the Deed by giving Unit Holders' at least fourteen (14) days written notice specifying the place and time of the meeting and the terms of the resolutions to be proposed.

Where:

- a) the Manager is in liquidation;
- b) in the opinion of the Trustee, the Manager has ceased to carry on business; or
- c) in the opinion of the Trustee, the Manager has, to the prejudice of Unit Holders, failed to comply with the Deed or contravened any of the provisions of the Act,

the Trustee shall summon a Unit Holders' meeting by:

- a) sending by post at least twenty-one (21) days before the date of the proposed meeting a notice of the proposed meeting to each of the Unit Holders at the Unit Holder's last known address or, in the case of jointholders, to the jointholder whose name stands first in the records of the Manager at the jointholder's last known address; and
- b) publishing at least twenty-one (21) days before the date of the proposed meeting an advertisement giving notice of the meeting in a national language newspaper published daily and another newspaper approved by the relevant authorities.

## **SUSPENSION OF REDEMPTION OF UNITS**

The suspension of redemption of Units shall only be carried out if the interests of the Unit Holders would, in so far as the Trustee is concerned, be materially affected if the redemption of Units were not suspended. Other than this situation, the Trustee may, without the consent of the Unit Holders, suspend the redemption of Units in exceptional circumstances when there is good and sufficient reason to do so having regard to the interests of the Unit Holders. In such a case, the period of the suspension shall not exceed such time as may be prescribed by any relevant law unless the consent of the Unit Holders has been obtained.

## 9. Approvals and Conditions

1. **A variation to comply with Schedule C of the Guidelines (valuation of other unlisted bonds) was obtained on 26 September 2019.**

Variation of Schedule C (valuation of other unlisted bonds) of the Guidelines

Schedule C of the Guidelines specifies the valuation basis of securities in a unit trust fund portfolio. The variation obtained for the Fund from the SC allows the Fund's investment in unlisted bonds that are not denominated in Ringgit Malaysia to be valued based on a price quoted by Reuters quotations subject to the following conditions:

- The Manager to continuously keep abreast of development in Reuters's pricing methodology; and
- The Manager to continuously keep track on acceptability of Reuters's prices in the market place.



## 10. Related Party Transactions and Conflict of Interest

Eastspring Investments (Singapore) Limited and the Manager are within the same group of companies i.e. the Prudential group of companies; therefore, there is a possibility of conflict of interest element and/or related party transactions. However, the Manager has in place policies and procedures to deal with any conflict of interest and/or related party transactions situations. All transactions with related parties are to be executed on terms which are best available to the Fund and based on best execution and at arms-length transaction between independent parties.

The Manager observes high standards of integrity and fair dealing to your best and exclusive interests. The Manager will not conduct transactions in any manner which will result in unnecessary costs or risk to the Fund. The Manager will also avoid conflicts of interest and will act in a manner so as to avoid any disadvantage to the Fund, if such conflicts should arise. The Manager shall not, without the Trustee's prior approval, invest any money available under the Deed in any securities, property and assets in which the Manager or any of the Manager's officer (includes directors and staff) has a financial interest or from which the Manager or any of the Manager's officer, derives benefit.

A person shall be deemed to have a financial interest in securities if he has an interest or interests in one or more voting shares in the company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is not less than five per centum (5%) of the aggregate of the nominal amounts of all the voting shares in the company.

In making an investment transaction for the Fund, the Manager is obliged not to make improper use of its position in managing the Fund to gain, directly or indirectly, any advantage for the Manager or for any other person or to cause detriment to your interests. If the interests of the directors or the investment committee members conflict with the interests of the Fund, they will not be allowed to participate in the decision-making process in respect of the matter. Additionally, the Manager's, directors, investment committee members and employees have to disclose their personal dealings to the compliance unit, which monitors such dealings.

Eastspring Investments (Singapore) Limited, being named as the external investment manager for the Fund in the prospectus, and their associates are, or may be involved, in other financial, investment and professional activities which may on occasion cause conflicts of interest with the management of the Fund. These may include management of other funds, product development, investment operations services, IT services, purchases and sales of securities and serving as directors, officers, advisers or agents of other funds or other companies, including companies in which the Fund may invest. The External Investment Manager will ensure that the performance of its duties to the Fund will not be impaired by any such involvement that it may have. If a conflict of interest does arise, the External Investment Manager will endeavour to ensure that it is resolved fairly and in the interest of the Fund.

The associates of the External Investment Manager mean:

- (a) any person or company beneficially owning, directly or indirectly, 20 per cent or more of the issued ordinary share capital of External Investment Manager or able to exercise, directly or indirectly, 20 per cent or more of the total votes in External Investment Manager;
- (b) any person or company controlled by a person who meets one or both of the descriptions given in (a);
- (c) any company 20 per cent or more of whose ordinary share capital is beneficially owned, directly or indirectly, by External Investment Manager, and any company 20 per cent or more of the total votes in which can be exercised, directly or indirectly, by External Investment Manager; and
- (d) any director or officer of External Investment Manager or of any associate of External Investment Manager, as defined in (a), (b) or (c) above.

As at 31 August 2019, none of the Manager's directors or substantial shareholders has any direct or indirect interest in other corporations carrying on a similar business as the Manager, except as otherwise disclosed below:

- Prudential Corporation Holdings Limited (UK) is a substantial shareholder of Eastspring Investments (Hong Kong) Limited, Eastspring Investments Limited, Eastspring Asset Management Korea Co. Ltd, Eastspring Investments (Singapore) Limited, Eastspring AI-Wara' Investments Berhad and the Manager.

None of the Manager's advisers have any existing or potential interests or conflicts of interest in an advisory capacity in the Fund or the Manager.

### **Deutsche Trustees Malaysia Berhad**

As the Trustee for the Fund and the Manager's delegate for the fund accounting and valuation services, there may be related party transactions involving or in connection with the Fund within the following events:

- 1) Where the Fund invests in the products offered by Deutsche Bank AG and any of its group companies (e.g. money market placement, etc.);
- 2) Where the Fund has obtained financing from Deutsche Bank AG and any of its group companies, as permitted under the SC's guidelines and other applicable laws;
- 3) Where the Manager appoints the Trustee to perform its back office functions (e.g. fund accounting and valuation); and
- 4) Where the Trustee has delegated its custodian functions for the Fund to Deutsche Bank (Malaysia) Berhad.

The Trustee will rely on the Manager to ensure that any related party transactions, dealings, investments and appointments are on terms which are the best that are reasonably available for or to the Fund and are on an arm's length basis as if between independent parties.

While the Trustee has internal policies intended to prevent or manage conflicts of interests, no assurance is given that their application will necessarily prevent or mitigate conflicts of interests. The Trustee's commitment to act in the best interests of the Unit Holders of the Fund does not preclude the possibility of related party transactions or conflicts.

# 11. Taxation Adviser's Letter on Taxation of the Fund and Unit Holders

(Prepared for inclusion in this Prospectus)

## **PricewaterhouseCoopers Taxation Services Sdn Bhd**

Level 10, 1 Sentral, Jalan Rakyat  
Kuala Lumpur Sentral  
P.O. Box 10192  
50706 Kuala Lumpur

## **The Board of Directors**

Eastspring Investments Berhad  
Level 22, Menara Prudential  
Persiaran TRX Barat  
55188 Tun Razak Exchange  
Kuala Lumpur

Date: 31 October 2019

## **TAXATION OF THE FUND AND UNIT HOLDERS**

Dear Sirs,

This letter has been prepared for inclusion in the prospectus ("the Prospectus") in connection with the Eastspring Investments Target Income Fund 9 ("the Fund").

The taxation of income for both the Fund and the Unit Holders are subject to the provisions of the Malaysian Income Tax Act 1967 ("the Act"). The applicable provisions are contained in Section 61 of the Act, which deals specifically with the taxation of trust bodies in Malaysia.

### **TAXATION OF THE FUND**

The Fund will be regarded as resident for Malaysian tax purposes since the Trustee of the Fund is resident in Malaysia.

#### **(1) Domestic Investments**

##### **(i) General Taxation**

Subject to certain exemptions, the income of the Fund consisting of dividends or interest (other than interest which is exempt from tax) and other investment income derived from or accruing in Malaysia, after deducting tax allowable expenses, is liable to Malaysian income tax at the rate of 24 per cent.

Gains on disposal of investments in Malaysia by the Fund will not be subject to Malaysian income tax.

##### **(ii) Dividends and Other Exempt Income**

Effective 1 January 2014, all companies would adopt the single-tier system. Hence, dividends received would be exempted from tax and the deductibility of expenses incurred against such dividend income would be disregarded. There will no longer be any tax refund available for single-tier dividends received. Dividends received from companies under the single-tier system would be exempted.

The Fund may receive Malaysian dividends which are tax exempt. The exempt dividends may be received from investments in companies which had previously enjoyed or are currently enjoying the various tax incentives provided under the law. The Fund will not be taxable on such exempt income.

Interest or discount income derived from the following investments is exempt from tax:

- (a) Securities or bonds issued or guaranteed by the government of Malaysia;
- (b) Debentures<sup>1</sup> other than convertible loan stocks, approved or authorised by, or lodged with, the Securities Commission Malaysia; and
- (c) Bon Simpanan Malaysia issued by Bank Negara Malaysia.

Interest derived from the following investments is exempt from tax:

- (a) Interest paid or credited by any bank or financial institution licensed under the Financial Services Act 2013 and Islamic Financial Services Act 2013<sup>2</sup>;
- (b) Interest paid or credited by any development financial institution regulated under the Development Financial Institutions Act 2002;
- (c) Bonds, other than convertible loan stocks, paid or credited by any company listed in Bursa Malaysia Securities Berhad ACE Market; and
- (d) Interest paid or credited by Malaysia Building Society Berhad<sup>3</sup>.

The interest or discount income exempted from tax at the Fund's level will also be exempted from tax upon distribution to the Unit Holders.

## **(2) Foreign Investments**

Income of the Fund in respect of income received from overseas investment is exempt from Malaysian tax by virtue of Paragraph 28 of Schedule 6 of the Act and distributions from such income will be tax exempt in the hands of the Unit Holders. Such income from foreign investments may be subject to foreign taxes or withholding taxes. Any foreign tax suffered on the income in respect of overseas investment is not tax refundable to the Fund.

The foreign income exempted from Malaysian tax at the Fund's level will also be exempted from tax upon distribution to the Unit Holders.

## **(3) Hedging Instruments**

The tax treatment of hedging instruments would depend on the particular hedging instruments entered into.

Generally, any gain / loss relating to the principal portion will be treated as capital gain / loss. Gains / losses relating to the income portion would normally be treated as revenue gains / losses. The gain / loss on revaluation will only be taxed or claimed upon realisation. Any gain / loss on foreign exchange is treated as capital gain / loss if it arises from the revaluation of the principal portion of the investment.

## **(4) Tax Deductible Expenses**

Expenses wholly and exclusively incurred in the production of gross income are allowable as deductions under Section 33(1) of the Act. In addition, Section 63B of the Act provides for tax deduction in respect of managers' remuneration, expenses on maintenance of the register of Unit Holders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postages based on a formula subject to a minimum of 10 per cent and a maximum of 25 per cent of the expenses.

## **(5) Real Property Gains Tax ("RPGT")**

With effect from 1 January 2019, any gains on disposal of real properties or shares in real property companies<sup>4</sup> ("chargeable asset") would be subject to RPGT as follows:-

<b>Disposal time frame</b>	<b>RPGT rates</b>
Within 3 years	30%
In the 4 <sup>th</sup> year	20%
In the 5 <sup>th</sup> year	15%
In the 6 <sup>th</sup> year and subsequent years	10%

## **(6) Sales and Service Tax ("SST")**

Effective from 1 September 2018, SST has been reintroduced to replace the Goods and Services Tax ("GST"). Both the Sales Tax Act 2018 and Services Tax Act 2018 have been gazetted on 28 August 2018. The rates for sales tax are nil, 5 per cent, 10 per cent or a specific rate whereas the rate for service tax is at 6 per cent.

Sales tax will be chargeable on taxable goods manufactured in or imported into Malaysia, unless specifically exempted by the Minister. Whereas, only specific taxable services provided by specific taxable persons will be subject to service tax. Sales tax and service tax are single stage taxes. As such, SST incurred would generally form an irrecoverable costs to the business.

In general, the Fund, being collective investment vehicle, will not be caught under the service tax regime.

Certain brokerage, professional, consultancy or management services obtained by the Fund may be subject to service tax at 6 percent. However, fund management services and trust services are excluded from service tax. With effect from 1 January 2019, service tax will apply to any taxable service that is acquired by any business in Malaysia from a non-Malaysian service provider. In this connection, the Fund, being non-taxable person who acquire imported taxable services (if any) will need to declare its imported taxable services through the submission of prescribed declaration, i.e. Form SST-02A to the Royal Malaysian Customs Department ("RMCD").

## **TAXATION OF UNIT HOLDERS**

Unit Holders will be taxed on an amount equivalent to their share of the total taxable income of the Fund to the extent of the distributions received from the Fund. The income distribution from the Fund will carry a tax credit in respect of the tax paid by the Fund. Unit Holders will be entitled to utilise the tax credit against the tax payable on the income distribution received by them. No additional withholding tax will be imposed on the income distribution from the Fund.

Corporate Unit Holders, resident<sup>5</sup> and non-resident, will generally be liable to income tax at 24 per cent on distribution of income received from the Fund. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these Unit Holders.

Individuals and other non-corporate Unit Holders who are tax resident in Malaysia will be subject to income tax at graduated rates ranging from 1 per cent to 28 per cent. Individuals and other non-corporate Unit Holders who are not resident in Malaysia will be subject to income tax at 28 per cent. The tax credits attributable to the distribution of income will be utilised against the tax liabilities of these Unit Holders.

Non-resident Unit Holders may also be subject to tax in their respective jurisdictions and depending on the provisions of the relevant tax legislation and any double tax treaty with Malaysia, the Malaysian tax suffered may be creditable in the foreign tax jurisdictions.

The distribution of exempt income and gains arising from the disposal of investments by the Fund will be exempted from tax in the hands of the Unit Holders.

Any gains realised by Unit Holders (other than those in the business of dealing in securities, insurance companies or financial institutions) on the sale or redemption of the Units are treated as capital gains and will not be subject to income tax. This tax treatment will include in the form of cash or residual distribution in the event of the winding up of the Fund.

Unit Holders electing to receive their income distribution by way of investment in the form of new units will be regarded as having purchased the new Units out of their income distribution after tax.

Unit splits issued by the Fund are not taxable in the hands of Unit Holders.

We hereby confirm that the statements made in this report correctly reflect our understanding of the tax position under current Malaysian tax legislation. Our comments above are general in nature and cover taxation in the context of Malaysian tax legislation only and do not cover foreign tax legislation. The comments do not represent specific tax advice to any investors and we recommend that investors obtain independent advice on the tax issues associated with their investments in the Fund.

Yours faithfully,  
for and on behalf of

**PRICEWATERHOUSECOOPERS TAXATION SERVICES SDN BHD**

Lim Phaik Hoon  
Partner

PricewaterhouseCoopers Taxation Services Sdn Bhd have given their written consent to the inclusion of their report as taxation adviser in the form and context in which they appear in this Prospectus and have not, before the date of issue of the Prospectus, withdrawn such consent.

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<sup>1</sup> Structured products approved by the SC are deemed to be “debenture” under the Capital Markets and Services Act, 2007 and fall within the scope of exemption.

<sup>2</sup> Pursuant to the Finance Act 2018 which was gazetted on 27 December 2018, the exemption shall not apply to a wholesale money market fund with effect from 1 January 2019.

<sup>3</sup> Exemption granted through letters from Ministry of Finance Malaysia dated 11 June 2015 and 16 June 2015 and it is with effect year of assessment (“YA”) 2015.

<sup>4</sup> A real property company is a controlled company which owns or acquires real property or shares in real property companies with a market value of not less than 75 per cent of its total tangible assets. A controlled company is a company which does not have more than 50 members and is controlled by not more than 5 persons.

<sup>5</sup> Resident companies with paid up capital in respect of ordinary shares of RM2.5 million and below will pay tax at 17 per cent for the first RM500,000 of chargeable income with the balance taxed at 24 per cent with effect from YA 2019.

With effect from YA 2009, the above shall not apply if more than –

- (a) 50 per cent of the paid up capital in respect of ordinary shares of the company is directly or indirectly owned by a related company;
- (b) 50 per cent of the paid up capital in respect of ordinary shares of the related company is directly or indirectly owned by the first mentioned company;
- (c) 50 per cent of the paid up capital in respect of ordinary shares of the first mentioned company and the related company is directly or indirectly owned by another company.

“Related company” means a company which has a paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of the basis period for a YA.

## 12. Additional Information

### CONSENT

The Trustee, External Investment Manager and Trustee's delegate (custodian function) have given their consent for the inclusion of their names and statements in the form and context in which they appear in this Prospectus and have not withdrawn such consent.

The tax adviser has given its consent for the inclusion of its name and tax adviser's letter in the form and context in which they appear in this Prospectus and have not withdrawn such consent.

### LODGING A COMPLAINT

1. To lodge a complaint or for an internal dispute resolution, you can contact our client services personnel.

- (a) via phone to : 603-2778 1000
- (b) via fax to : 603-2789 7225
- (c) via email to : [cs.my@eastspring.com](mailto:cs.my@eastspring.com)
- (d) via letter to : Eastspring Investments Berhad, Level 22, Menara Prudential, Persiaran TRX Barat  
55188 Tun Razak Exchange, Kuala Lumpur

2. Investor can contact the Federation of Investment Managers Malaysia's Complaints Bureau:

- (a) via phone to : 603-2092 3800
- (b) via fax to : 603-2093 2700
- (c) via email to : [complaints@fimm.com.my](mailto:complaints@fimm.com.my)
- (d) via online complaint form : [www.fimm.com.my](http://www.fimm.com.my)  
available at
- (e) via letter to : Legal, Secretarial & Regulatory Affairs  
Federation of Investment Managers Malaysia  
19-06-1, 6<sup>th</sup> Floor, Wisma Tune  
No. 19 Lorong Dungun  
Damansara Heights  
50490 Kuala Lumpur

3. Should an individual or a sole proprietor investor be dissatisfied with the outcome of the internal dispute resolution process, he may refer his dispute to the Securities Industry Dispute Resolution Center (SIDREC) via the following modes. The individual or a sole proprietor investor may do so within 180 days of receiving the final answer from the Manager or after 90 days from filing the complaint (if there was no response from the Manager).

- (a) via phone to : 603-2282 2280
- (b) via fax to : 603-2282 3855
- (c) via email to : [info@sidrec.com.my](mailto:info@sidrec.com.my)
- (d) via letter to : Securities Industry Dispute Resolution Center  
Unit A-9-1, Level 9, Tower A  
Menara UOA Bangsar  
No. 5, Jalan Bangsar Utama 1  
59000 Kuala Lumpur

4. The investor can also direct his complaint to the SC even if he has initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Consumer & Investor Office:

- (a) via phone to the Aduan Hotline at : 603-6204 8999
- (b) via fax to : 603-6204 8991
- (c) via email to : [aduan@seccom.com.my](mailto:aduan@seccom.com.my)
- (d) via online complaint form available at : [www.sc.com.my](http://www.sc.com.my)
- (e) via letter to : Consumer & Investor Office  
Securities Commission Malaysia  
3 Persiaran Bukit Kiara  
Bukit Kiara  
50490 Kuala Lumpur

## 13. Documents Available for Inspection

Unit Holders may inspect without charge, at the registered office of the Manager or such other place as the SC may determine, the following documents or copies thereof, where applicable:

- the Deed;
- the current prospectus and supplemental or replacement prospectus, if any;
- the latest annual and interim reports of the Fund;
- each material contract disclosed in this prospectus and, in the case of contracts not reduced into writing, a memorandum which gives full particulars of the contracts;
- any report, letter or other document, valuation and statement by an expert, any part of which is extracted or referred to in this prospectus. Where a summary expert's report is included in this prospectus, the corresponding full expert's report shall be made available for inspection;
- where applicable, the audited financial statements of the Manager and the Fund for the current financial year and for the last three (3) financial years or if less than three (3) years, from the date of incorporation or commencement;
- writ and relevant cause papers for all material litigation and arbitration disclosed in this prospectus; and
- consents given by experts disclosed in this prospectus.

## 14. Compliance with Laws in Various Jurisdictions

In managing the Fund, the Manager may be obliged to comply with, observe or fulfil the requirements or expectations of the laws, regulations, orders, guidelines, codes, market standards and requests of or agreements with any public, judicial, tax, governmental or other regulatory authorities or self-regulatory bodies (the “*Authorities*” and each is an “*Authority*”) in various jurisdictions relating to any matter in connection with the Fund and/or the Manager’s business including without limitation, tax compliance, anti-money laundering, sanctions, anti-terrorism financing or the prevention and detection of crime (the “*Applicable Requirements*”) which may be amended, promulgated or introduced from time to time.

In this connection, the Manager may take all reasonable steps to ensure compliance with and adherence to the Applicable Requirements subject to compliance with the relevant laws in Malaysia.

### Disclosure of information to the Authorities

In complying with the Applicable Requirements and subject to the following, the Manager may be required to disclose any information relating to a Unit Holder and/or a Unit Holder’s investments to any Authority, including without limitation:

- (a) the Unit Holder’s account number, investment and redemption details, and the amount of income distribution paid to the Unit Holder;
- (b) if the Unit Holder is an individual, the name, nationality, address, tax identification number, and his United States person (“U.S. person”) status (if applicable); and
- (c) if the Unit Holder is a corporation or any other type of entity, the name, registered office, business address, place of establishment, tax identification number, information of the management, substantial shareholders, legal and beneficial owners or controllers and its U.S. person status (if applicable).

If the Manager intends to disclose the information of a Unit Holder and/or a Unit Holder’s investments to any Authority, the Manager will seek the prior consent of such Unit Holder (unless such consent has already been given by the Unit Holder in the subscription or application form or in any other subsequent document, or unless the relevant laws in Malaysia provide otherwise) whether by mail or such other mode of communication as it deems appropriate.

Such disclosure may be sent by the Manager, its delegates or related corporations, or any other entity as the Manager deems fit.

If the Manager requires any further information or documents for the purposes of its disclosure to an Authority, the Manager may request and a Unit Holder shall provide the Manager with such further information or documents within such time as may be reasonably required by the Manager.

Notwithstanding the above, if such disclosure becomes mandatory under the relevant laws in Malaysia, the Manager shall be entitled to make such disclosure to the Authority without the prior consent of, or any notification to, a Unit Holder.

### Updating of information by Unit Holder

A Unit Holder shall provide his or her assistance as may be necessary (including, where required, providing the Manager with further information and documents relating to the Unit Holder, associated persons or affiliates and where the Unit Holder is a corporation or any other type of entity, further information and documents relating to its management, and legal and beneficial owners) to enable the Manager to comply with its obligations under the Applicable Requirements.

The Unit Holder will update the Manager in a timely manner of any change to any of the details previously provided to the Manager whether at the time of subscription or at any other times. In particular, it is very important that the Unit Holder notifies the Manager immediately if:

- (a) the Unit Holder is an individual, and there is a change in his or her nationality, he or she acquires additional nationality or citizenship, or changes in his or her tax residency; or
- (b) the Unit Holder is a corporation or any other type of entity, and there is a change in its registered office, business address, substantial shareholders or their details, legal and beneficial owners or controllers or their details.

If any of these changes occurs or if any other information comes to the Manager’s attention concerning such changes, the Manager may be required to request certain documents or information from the Unit Holder. Such information and documents include but are not limited to duly completed and/or executed (and, if necessary, notarised) tax declarations or forms.

### Effect of non-compliance by Unit Holder

If:

- (a) a Unit Holder does not provide the Manager with the information or documents or any other assistance requested by the Manager in a timely manner;
- (b) a Unit Holder does not update the Manager in a timely manner of any change to any of the details previously provided to the Manager whether at the time of subscription or at any other times; or
- (c) any information or document provided by a Unit Holder is not up-to-date, accurate or complete such that the Manager is unable to comply with or adhere to the Applicable Requirements,

the Manager may continue to request for such information or document from the Unit Holder by letter, email, telephone or any other manner which the Manager may deem appropriate, or repurchase all the Units held by the Unit Holder by providing prior written notice to the Unit Holder of such repurchase if such repurchase is necessary, to ensure that the Manager is in compliance with the Applicable Requirements.

**Notice on Personal Data Protection**

All personal data of a Unit Holder contained in the subscription or application form and all and any further personal data collected in the course of the business relationship with the Manager may be processed by the Manager or its delegates and other related corporation, including those established outside Malaysia, the Trustee or its delegates and any other intermediaries related to the Fund. Such data shall be processed for the purposes of account opening and administration, anti-money laundering requirements, tax identification (including for the purpose of compliance with the Applicable Requirements), processing of transaction(s) and/or any other general business purposes (except for direct marketing and promotion of the Manager's other products and services) by the Manager.

For the purposes of the aforesaid notice, the term "personal data" shall have the same meaning prescribed in the Personal Data Protection Act 2010 ("the PDPA") and the term "processed" shall have the same meaning as "processing" as prescribed in the PDPA.

Please refer to the subscription or application form for further details on the personal data protection requirements.



## 15. Directory of Sales Office

### HEAD OFFICE

Eastspring Investments Berhad  
Level 22, Menara Prudential  
Persiaran TRX Barat  
55188 Tun Razak Exchange  
Kuala Lumpur

**General tel:** 603-2778 3888

**General fax:** 603-2789 7220

**Client services tel:** 603-2778 1000

**Client services fax:** 603-2789 7225

**Email:** [cs.my@eastspring.com](mailto:cs.my@eastspring.com)

**Website:** [www.eastspring.com/my](http://www.eastspring.com/my)

<b>SELANGOR</b>	<b>SABAH</b>
<p>Eastspring Investments Berhad A-17-P1 &amp; M Block A, Jaya One 72A, Jalan Universiti 46200 Petaling Jaya Selangor</p> <p><b>Tel:</b> 603-7948 1288 <b>Fax:</b> 603-7948 1299</p>	<p>Eastspring Investments Berhad Suite E3, 9<sup>th</sup> Floor, CPS Tower Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah</p> <p><b>Tel:</b> 6088-238 613 <b>Fax:</b> 6088-232 136</p>

**TRANSACTION FORM-BUY**

Master Account Number

Campaign code (if applicable)

 **Eastspring/Prudential Staff Own Investment**  
 (Please provide a copy of staff ID card)

 **Eastspring Agent Own Investment**  
 (Agent's Own Investment Benefit (AOIB) @ Zero Sales Charge  
 - Please complete AOIB form)

In accordance with the requirements of the Capital Markets and Services Act 2007 (CMSA), this Transaction Form-Buy should not be circulated unless accompanied by the latest prospectus or information memorandum and supplemental thereto (if any). You should read and understand the contents of the latest prospectus or information memorandum and supplemental thereto (if any) and product highlights sheet before completing this form. Complete in **BLOCK LETTERS** and **BLACK INK** only and tick (✓) where applicable.

**1 INDIVIDUAL/NON-INDIVIDUAL APPLICANT DETAILS****S/No.:****Principal Account Holder Full Name/Name of Organisation**

(as in NRIC/Passport/Company Registration)

**Principal Account Holder NRIC/Passport No./Company Registration No.****Joint Account Holder Full Name**

(as in NRIC/Passport/Birth Certificate)

**Joint Account Holder NRIC/Passport No. or Birth Certificate No.** (if minor)**Name of Contact Person**

(for non-individual applicants)

**Contact No.**

Country code\*

Area code

Phone number

**Office Extension**  
(where applicable)**2 BUY DETAILS****Name of Fund(s)****Currency**

(e.g. MYR, USD, SGD)

**Amount**

Eastspring Investments

Eastspring Investments

Eastspring Investments

Eastspring Investments

**Payment mode****Online Transfer**

(Please provide a copy of the online transfer receipt)

**Cheque/Bank Draft No.**

(for MYR class only)

(Payable to Eastspring Investments Berhad)

(Please provide a copy of the bank draft application form)

**EPF Members' Investment Scheme**

(Please provide a completed KWSP 9N Form)

**3 DECLARATION AND SIGNATURE(S)**

I/We acknowledge receipt and declare that I/we have read and understood the contents of the latest prospectus or information memorandum and supplemental thereto (if any) and product highlights sheet for the fund(s) and the Terms and Conditions of the Eastspring Investments Berhad ("Eastspring") Master Account ("Eastspring Master Account") and the Unit Trust Loan Financing Risk Disclosure Statement prior to completing the Transaction Form-Buy.

I/We undertake to be bound by the latest prospectus or information memorandum and supplemental thereto (if any) and product highlights sheet for the fund(s), the Terms and Conditions of the Eastspring Master Account and provisions of the deed and supplemental deed (if any) of the fund(s) for my/our initial and all subsequent transactions with Eastspring.

I/We am/are also aware of the fees and charges that I/we will incur directly or/and indirectly when investing in the fund(s).

I/We am/are not acting as a nominee for any undisclosed third party and none of the investment monies invested with Eastspring was derived from proceeds from an unlawful activity as defined by the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001.

I/We hereby agree to indemnify Eastspring against all actions, suits, proceedings, claims, damages, and losses which may be suffered by Eastspring as a result of any inaccuracy of declarations herein.

 I/We declare that there has been material change to the information provided in the previous suitability assessment ("SA") and I/we will submit a new SA form.
**For sole proprietor only**
 I hereby declare that I am the sole legal and beneficial owner of all the monies invested with Eastspring.
**For non-listed entities**
 I/We hereby declare that the company is NOT any one of the following:  
 (a) Financial institution; (b) A trust; (c) A non-listed entity of which more than 25% is directly/indirectly owned by any US person/entity; or (d) Required to file a tax return to the United States.
**For sophisticated investors only** (for the purchase of wholesale funds)
 I hereby declare that there has been a change to my status as sophisticated investor as defined under the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.
Principal Account Holder/Authorised Signatory 1  
Date:Joint Account Holder/Authorised Signatory 2  
Date:Company/Official Stamp  
(For non-individual applicants)**4 DETAILS OF EASTSPRING UNIT TRUST CONSULTANT ("UTC")/DISTRIBUTOR****UTC Code****Reporting Branch****Name****Contact No.**

Distributor Stamp

**UNIT TRUST LOAN FINANCING RISK DISCLOSURE STATEMENT****Investing in a Unit Trust Fund with Borrowed Money is More Risky than Investing with Your Own Savings**

You should assess if loan financing is suitable for you in light of your objectives, attitude to risk and financial circumstances. You should be aware of the risks, which would include the following:

1. The higher the margin of financing (that is, the amount of money you borrow for every ringgit of your own money which you put in as deposit or down payment), the greater the loss or gain on your investment.
2. You should assess whether you have the ability to service the repayments on the proposed loan. If your loan is a variable rate loan, and if interest rates rise, your total repayment amount will be increased.
3. If unit prices fall beyond a certain level, you may be asked to provide additional acceptable collateral (where units are used as collateral) or pay additional amounts on top of your normal instalments. If you fail to comply within the time prescribed, your units may be sold towards the settlement of your loan.

4. Returns on unit trusts are not guaranteed and may not be earned evenly over time. This means that there may be some years where returns are high and other years where losses are experienced. Whether you eventually realise a gain or loss may be affected by the timing of the sale of your units. The value of units may fall just when you want your money back even though the investment may have done well in the past.

This brief statement cannot disclose all the risks and other aspects of loan financing. You should therefore carefully study the terms and conditions before you decide to take a loan. If you are in doubt about any aspect of this risk disclosure statement or the terms of the loan financing, you should consult the institution offering the loan.

**GENERAL INFORMATION ON PAYMENT**

1. If payment is made by cheque:
  - (a) Cheque/bank drafts should be made payable to "EASTSPRING INVESTMENTS BERHAD" and must be drawn on a bank located in Malaysia. The investor should write his/her full name and NRIC No. on the back of each cheque.
  - (b) The cheque(s)/bank draft(s) must be attached to this Transaction Form. Alternatively, should the investor wish to deposit his/her cheque(s) into any of the Eastspring Investments Berhad bank accounts stated below, the investor is required to attach the cheque deposit slip stating his/her full name, NRIC No. and Master Account No. (if any).
2. If payment is made by EPF's Members Investment Scheme, please fill in the KWSP 9N form and send it back to us with this Transaction Form.
3. If payment is made by Online Transfer, please provide a copy of the online transfer receipt together with this Transaction Form.
4. Third party cheques and third party online transfers are not allowed.

**EASTSPRING INVESTMENTS BERHAD ACCOUNTS FOR ONLINE TRANSFER**

<b>Name of Bank:</b> Standard Chartered Bank	<b>Name of Bank:</b> HSBC Bank Malaysia Berhad	<b>Name of Bank:</b> Malayan Banking Berhad	<b>Name of Bank:</b> Deutsche Bank (Malaysia) Berhad
<b>Account Name:</b> Eastspring Investments Berhad	<b>Account Name:</b> Eastspring Investments Berhad	<b>Account Name:</b> Eastspring Investments Berhad	<b>Account Name:</b> Eastspring Investments Berhad
<b>Account No.:</b> 312-1-4358303-2	<b>Account No.:</b> 305-417255-101	<b>Account No.:</b> 514011576079	<b>Account No.:</b> 0003111-00-0

**TERMS AND CONDITIONS****Compliance with laws in various jurisdictions**

1. Eastspring may be obliged to comply with or, at its sole and absolute discretion, choose to have regard to, observe or fulfil the requirements or expectations of the laws, regulations, orders, guidelines, codes, market standard, good practices and requests of or agreements with public, judicial, taxation, governmental and other regulatory authorities or self-regulatory bodies (the "Authorities" and each an "Authority") in various jurisdictions relating to any matter in connection with its business including without limitation, tax compliance, anti-money laundering, sanctions, terrorism financing or the prevention and detection of crime as amended, promulgated and introduced from time to time (the "Applicable Requirements").
2. In this connection, Eastspring may disclose the particulars or any information concerning Unit Holders, Joint Holders and/or their investments to any Authority in connection with its compliance or adherence (voluntary or otherwise) with the Applicable Requirements.
3. If a Unit Holder and Joint Holder, where applicable, do not:
  - (a) provide to Eastspring in a timely manner with the information or documents required as set out in the Offering Document/Eastspring Master Account or additional information as requested from time to time; and/or
  - (b) provide to Eastspring with information or documents that are up-to-date, accurate or complete,
 such that Eastspring is unable to ensure its ongoing compliance or adherence (whether voluntary or otherwise) with the Applicable Requirements, the Unit Holder and Joint Holder, where applicable, accept and agree that Eastspring may take such steps as it deems fit as set out in the Offering Document of the relevant Funds.