EASTSPRING INVESTMENTS ASIAN HIGH YIELD BOND MY FUND

Replacement Information Memorandum

This Replacement Information Memorandum is dated 6 March 2020.

This Replacement Information Memorandum is issued to replace the Replacement Information Memorandum for Eastspring Investments Asian High Yield Bond MY Fund dated 2 October 2017.

MANAGER
EASTSPRING INVESTMENTS BERHAD
200001028634 (531241–U)

TRUSTEE
DEUTSCHE TRUSTEES MALAYSIA BERHAD
200701005591 (763590-H)

INVESTORS ARE ADVISED TO READ THE REPLACEMENT INFORMATION MEMORANDUM AND OBTAIN PROFESSIONAL ADVICE BEFORE SUBSCRIBING TO THE FUND.

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

RESPONSIBILITY STATEMENT

This replacement information memorandum has been seen and approved by the directors of Eastspring Investments Berhad and they collectively and individually accept full responsibility for the accuracy of all information contained herein and confirm, having made all enquiries which are reasonable in the circumstances, that to the best of their knowledge and belief, there are no other facts omitted which would make any statement herein misleading.

STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia will not be liable for any non-disclosure on the part of Eastspring Investments Berhad and takes no responsibility for the contents of the replacement information memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon the whole or any part of the content of this replacement information memorandum.

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 IMMEDIATELY.

RISK DISCLOSURE STATEMENTS

In the event some of the underlying investments of Eastspring Investments Asian High Yield Bond MY Fund are not actively traded, potential investors are warned that under such circumstances, they may face difficulties in redeeming their investments.

Investors are advised to read this replacement information memorandum and obtain professional advice before subscribing to Eastspring Investments Asian High Yield Bond MY Fund.

ADDITIONAL STATEMENTS

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 replacement information memorandum that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the replacement information memorandum or the conduct of any other person in relation to the Eastspring Investments Asian High Yield Bond MY Fund.

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1. DEFINITIONS

In this replacement information memorandum, the following abbreviations or words shall have the following meanings unless expressly stated:

"**accredited investors**" refers to:

(a) Central Bank of Malaysia ("BNM") established under the *Central Bank of Malaysia Act 2009*;

(b) a holder of a Capital Markets Services Licence;

(c) an executive director or chief executive officer of a holder of a Capital Markets Services Licence;

(d) a unit trust scheme or a prescribed investment scheme;

(e) a closed end fund approved by the SC;

(f) a licensed bank as defined in the *Financial Services Act 2013* or a licensed Islamic bank as defined in the *Islamic Financial Services Act 2013*;

(g) a Labuan bank as defined in the *Labuan Financial Services and Securities Act 2010*;

(h) a licensed insurer as defined in the *Financial Services Act 2013*;

(i) an insurance licensee as defined in the *Labuan Financial Services and Securities Act 2010*;

(j) a takaful licensee as defined in the *Labuan Islamic Financial Services and Securities Act 2010*;

(k) a licensed takaful operator as defined in the *Islamic Financial Services Act 2013*; or

(l) a private retirement scheme as defined in the *Capital Market Services Act 2007*;

"**ABS**" refers to Asset Backed Securities. ABS are generally limited recourse obligation, which are payable solely from the underlying assets ("ABS Assets") of the relevant issuer or proceeds thereof. Consequently, holders of ABS rely solely on distributions on the ABS Assets or proceeds thereof for payment. In addition, interest payment on ABS (other than the most senior tranches of a given issue) are generally subject to deferral. If distributions on the ABS Assets are insufficient to make payments on the ABS, no other assets will be available for payment of the deficiency and following realisation of the underlying assets, the obligations of the issuer of the related ABS security will be extinguished;

"**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;

"**AUD**" means Australian Dollar, the official currency of Australia;

"**BNM**" means Bank Negara Malaysia;

"**Bond Connect**" is a new initiative launched in July 2017 for mutual access between Hong Kong and mainland China bond markets through a cross-border platform. Under the northbound trading of Bond Connect ("Northbound Trading"), eligible foreign investors can invest in the CIBM;

"**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 collective investment schemes in which the Fund is invested therein declared certain business days as non-business days;

"**CIBM**" refers to PRC inter-bank bond market;

"**CIBM Direct Access Program**" refers to a program to allow eligible overseas institutional investors to invest in the CIBM after completing a prior filing with PBOC under the PBOC Circular [2016] No. 3 and other implementing rules;

"**Class(es)**" means any class of Units representing similar interest in the assets of the Fund although a class of Units of the Fund may have different features from another class of Units of the same Fund;

"**CLN(s)**" means Credit Linked Note. CLNs, normally issued by financial institutions, are structured products whose principal and interest payments are contingent on the performance of specified borrower companies. In return for assuming the credit risk of these borrower companies, investors are offered higher returns;

"**CoCos**" means Contingent Convertible Bond(s). CoCos are convertible bond securities where the conversion of the bond into equity occurs at stated conversion rate if a pre-specified trigger event occurs. Under the terms of a CoCo, certain triggering events, including events under the control of the management of the CoCo issuer, could cause the permanent write-down to zero of principal investment and/or accrued interest, or a conversion to equity. These triggering events may include (i) a deduction in the issuing bank's Core Tier 1/Common Equity Tier 1 (CT1/CET1) ratio (or other capital ratios) below a pre-set limit, (ii) a regulatory authority, at any time, making a subjective determination that an institution is "non-viable", i.e., a determination that the issuing bank requires public sector support in order to prevent the issuer from becoming insolvent, bankrupt, unable to pay a material part of its debts as they fall due or otherwise carry on its business and requiring or causing the conversion of the CoCos into equity in circumstances that are beyond the control of the issuer or (iii) a national authority deciding to inject capital. Because conversion occurs after a specified event, conversion may occur when the share price of the underlying equity is less than when the bond was issued or purchased, resulting in greater potential compared to conventional convertible securities for capital loss. CoCo terms may vary from issuer to issuer and bond to bond;

"**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 22 May 2015 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;

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

"deposits" means moneys placed with financial institutions in fixed deposits or current account;

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

"**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 Asian High Yield Bond MY**" means Eastspring Investments Asian High Yield Bond MY Fund;

"**Hedged-class**" means a particular Class that aims to reduce the effect of exchange rate fluctuations between the base currency of the Fund and the currency denomination of the Class in which Unit Holders are exposed to when investing in that Class;

"**high net-worth entities**" refers to:

(a) a corporation with total net assets exceeding RM10 million or its equivalent in foreign currencies based on the last audited accounts;
(b) a partnership with total net assets exceeding RM10 million or its equivalent in foreign currencies;
(c) a company that is registered as a trust company under the *Trust Companies Act 1949* which has assets under management exceeding RM10 million or its equivalent in foreign currencies;
(d) a corporation that is a public company under the *Companies Act 2016* which is approved by the SC to be a trustee under the Act and has assets under management exceeding RM10 million or its equivalent in foreign currencies;
(e) a pension fund approved by the Director General of Inland Revenue under section 150 of the *Income Tax Act 1967*; or
(f) a statutory body established by an Act of Parliament or an enactment of any State;

"**high net-worth individuals**" refers to:

(a) an individual whose total net personal assets, or total net joint assets with his or her spouse, exceeds RM3 million or its equivalent in foreign currencies, excluding the value of the individual's primary residence;
(b) an individual who has a gross annual income exceeding RM300,000 or its equivalent in foreign currencies per annum in the preceding 12 months; or
(c) an individual who, jointly with his or her spouse, has a gross annual income exceeding RM400,000 or its equivalent in foreign currencies per annum in the preceding 12 months;

"Information Memorandum" means this replacement information memorandum and includes any supplementary or replacement information memorandum, as the case may be;

"**Investment Manager of the Target Fund**" means Eastspring Investments (Singapore) Limited;

"**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;

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

"Labuan FSA" means the Labuan Financial Services Authority;

"**long-term**" means a period of five (5) years or more;

"**Manager**" means Eastspring Investments Berhad;

"**MBS**" refers to Mortgage Backed Securities. MBS are generic term for debt securities backed or collateralised by the income stream from an underlying pool of commercial and/or residential mortgages. The interests and principal payments from the pool of mortgages are redirected to investors;

"**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. Where the Fund has more than one Class, there shall be a NAV of the Fund attributable to each Class;

"**NAV per Unit**" means the NAV of the Fund divided by the number of Units in circulation, at the valuation point. Where the Fund has more than one Class, there shall be a NAV per Unit for each Class, the NAV per Unit of a Class at a particular valuation point shall be the NAV of the Fund attributable to that Class divided by the number of Units in circulation for that Class at the same valuation point;

"**PBOC**" refers to the People's Bank of China;

"**PRC**" refers to the People's Republic of China;

"**RM**" means Ringgit Malaysia, the official currency of Malaysia;

"**RMB**" means Renminbi, the official currency of China;

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

"**Sophisticated Investor**" refers to accredited investors, high net-worth entities or high net-worth individuals;

"Target Fund" means Eastspring Investments - Asian High Yield Bond Fund;

"**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. If the Fund has more than one Class, it means a unit issued for each Class;

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

"**USD**" means United States Dollar, the official currency of the United States of America; 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. KEY DATA

THIS SECTION IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT THE FUND. INVESTORS ARE ADVISED TO READ THE INFORMATION MEMORANDUM AND OBTAIN PROFESSIONAL ADVICE BEFORE SUBSCRIBING TO THE FUND.

FUND INFORMATION	USD Class	RM Hedged-class	AUD Hedged-class
Fund Name	Eastspring Investments Asian High Yield Bond MY Fund		
Fund Category / Type	Wholesale (Feeder Fund) / Income and growth		
Launch Date	16 June 2015		
Initial Offer Period	A period of twenty-one (21) days commencing from 16 June 2015 to 6 July 2015		
Initial Offer Price	USD0.5000	RM0.5000	AUD0.5000
Base Currency	USD		
Fund Objective	The Fund aims to maximise income* and capital appreciation by investing in the Eastspring Investments - Asian High Yield Bond Fund, which invests primarily^ in Asian high yield bonds. **Income distributed will be reinvested into additional Units in each Class unless Unit Holder opts for the distribution to be paid out*. *^primarily means at least 66% of the Target Fund's net asset value*. *Please refer to page 17 for details.*		
Investment Strategy	To achieve the Fund's objective, the Fund will invest a minimum of 95% of the Fund's NAV in the Target Fund; the remaining Fund's NAV not invested in the Target Fund will be invested in liquid assets. *Please refer to page 17 for details.*		
Asset Allocation	• Minimum of 95% of the Fund's NAV in the Target Fund; and • Maximum of 5% of the Fund's NAV in liquid assets.		
Principal Risks of the Fund	• Fund management of the Target Fund risk • Country risk • Currency risk *Please refer to page 9 for details.*		
Principal Risks of the Target Fund	• Credit or default risk • Counterparty and settlement risks • Interest rate risk • Foreign exchange / Currency risk • Custody risk • Liquidity risk • Risk of investing in below investment grade bonds • Emerging markets risk • Derivatives risk • Risks of investing in ABS and MBS • Risk of investing in CoCo(s) • Risks of investing in Defaulted Securities and Distressed Securities • Risk associated with instruments with loss absorption features • Risk relating to PRC Tax Consideration • PRC debt instrument risk • Risk associated with CIBM Direct Access Program • Risk associated with Bond Connect • Income distribution risk *Please refer to pages 9-16 for details.*		
Performance Benchmark	J.P Morgan Asia Credit Index ("JACI") Non-Investment Grade *Source: Eastspring Investments (Singapore) Limited and Bloomberg*		
Investor's Profile	This Fund is suitable for Sophisticated Investors who:- • seek income and capital appreciation; • want to participate in Asian high yield bonds; • have high risk tolerance; • are comfortable with the volatility and risk of a fund that invests in non-investment grade and/or unrated bonds; and • adopt a long-term investment horizon.		
Income Distribution Policy	Subject to the availability of income, income distribution will be declared at least on a quarterly basis.		
Financial Year End	31 March		

FUND INFORMATION	USD Class	RM Hedged-class	AUD Hedged-class
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. This table describes the fees and charges that you may **directly** incur when you buy or redeem Units of the Fund.			
Sales Charge	<table><tr><th>Authorised Distributors</th><th>Sales charge as a percentage of the initial offer price during the initial offer period and thereafter, on the NAV per Unit of a Class</th></tr><tr><td>Manager</td><td rowspan="3">Up to 3.00%</td></tr><tr><td>IUTA</td></tr><tr><td>UTC or CUTA</td></tr></table>*The sales charge is negotiable due to the different levels of services provided by each Authorised Distributors and/or the size of the investment undertaken.*		
Repurchase Charge	Nil		
Switching Fee	Unit Holders are permitted to switch from the Fund to any other funds managed by the Manager where the currency denomination of the fund that they intend to switch into is the same as the currency denomination of the Class that they intend to switch from. There is no limit on the frequency of switching. Any investor of any other funds managed by the Manager who intends to switch into this Fund must be a Sophisticated Investor. There is no switching fee imposed on switching of Units but if a Unit Holder of the Fund wishes to switch into any other funds managed by the Manager and the sales charge of the Fund is less than the sales charge of the other funds to be switched into, the Unit Holder shall pay the difference between the two (2) sales charges of these two transacted funds. However, no sales charge will be imposed if the fund to be switched into has a lower sales charge than the Fund.		
Transfer Fee	Nil		
Other Charges	Charges, for instance bank charges, telegraphic or online transfer charges and courier charges shall be borne by the Unit Holder in order to execute transactions on behalf of the Unit Holder.		
This table describes the fees and expenses that you may **indirectly** incur when you invest in the Fund.			
Annual Management Fee	Up to 1.25% of the Fund's NAV per annum. *There is **no double charging** of the annual management fee. Annual management fee paid to the Target Fund will rebate back to the Fund in full.*		
Annual Trustee Fee	Up to 0.06% of the Fund's NAV, subject to a minimum of RM18,000 per annum or its equivalent in the base currency of the Fund (excluding foreign custodian fees and charges).		
Other expenses related to the Fund	• commissions or fees paid to dealers; • auditors' fee; • tax adviser's fee; • valuation fee*; • taxes; • custodial charges; • cost of printing the annual and quarterly reports; • independent investment committee members' 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.* 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.		

FUND INFORMATION	USD Class	RM Hedged-class	AUD Hedged-class
TRANSACTION INFORMATION Investors intending to invest in a foreign currency class are required to have a foreign currency account with any financial institutions as all transactions relating to the foreign currency class will ONLY be made via telegraphic transfer.			
Minimum Initial Investment – **Lump sum**	USD5,000	RM1,000	AUD5,000
Minimum Initial Investment – **Regular investment**	Not applicable	RM100	Not applicable
Minimum Additional Investment – **Lump sum**	USD5,000	RM100	AUD5,000
Minimum Additional Investment – **Regular investment**	Not applicable	RM100	Not applicable
Minimum Redemption (Units)	1,000	1,000	1,000
	If the Units in a Unit Holder's account are less than the minimum holding of Units for a particular Class after a redemption application is made, all Units of that particular Class that the Unit Holder holds will be redeemed automatically.		
Frequency of Redemption	No limit.		
Period of Payment for Redemption Proceeds	The Manager shall pay you the redemption proceeds, via e-payment according to your bank account details as stated in the form, no later than fifteen (15) Business Days from the date the Manager receives the duly completed transaction form.		
Cooling-Off Period	The period of six (6) Business Days from the date the Manager receives the duly completed transaction form. A cooling-off right is only given to a qualified Sophisticated Investor. *Please refer to page 35 for details.*		
Switching between Funds	*(i) Switching from this Fund into other funds managed by the Manager* Unit Holders are permitted to switch from the Fund to any other funds managed by the Manager where the currency denomination of the fund that they intend to switch into is the same as the currency denomination of the Class that they intend to switch from. There is no limit on the frequency of switching. Any investor of any other funds managed by the Manager who intends to switch into this Fund must be a Sophisticated Investor. If a Unit Holder of the Fund wishes to switch into any other funds managed by the Manager and the sales charge of the Fund is less than the sales charge of the other funds to be switched into, the Unit Holder shall pay the difference between the two (2) sales charges of these two transacted funds. However, no sales charge will be imposed if the fund to be switched into has a lower sales charge than the Fund. *(ii) Switching between Classes of the Fund* Unit Holders are not allowed to switch between Classes of the Fund.		
Minimum Switched Out (Units)	1,000	1,000	1,000
	There is no limit on the frequency of switching; however, there is a minimum number of 1,000 Units to be switched for each Class. The Manager may at its sole discretion disallow switching into any fund which is managed by the Manager from time to time. *If the Units in a Unit Holder's account are less than the minimum holding of Units for a particular Class after a switching application is made, all Units of that particular Class that the Unit Holder holds will be switched automatically.* *The units of other funds are not allowed to switch into Units of the Fund during initial offer period except at the Manager's discretion.*		
Minimum Transfer (Units)	Any number of Units. Both the transferor and transferee should maintain the minimum holding of Units for the Fund after a transfer is made.		
Minimum Holding (Units)	1,000	1,000	1,000
INFORMATION OF THE TARGET FUND			
Name of the Target Fund	Eastspring Investments – Asian High Yield Bond Fund		
Management Company	Eastspring Investments (Luxembourg) S.A.		
Investment Manager	Eastspring Investments (Singapore) Limited		
Domiciled Country	Grand Duchy of Luxembourg		

Regulatory Authority	Commission de Surveillance du Secteur Financier (“CSSF”)
Date of establishment	30 March 2012
Share Class	ADM
Currency of Share Class	USD
OTHER INFORMATION	
Deed	The deed dated 22 May 2015

The Fund is established with a multi class structure which has more than one (1) Class. Investors should note that the Fund is allowed to establish new Classes and/or new Hedged-classes from time to time without prior consent from the Unit Holders in the future by way of a supplemental information memorandum or replacement information memorandum.

The Manager reserves the right to change the minimum amounts and number of units stipulated under the transaction information section above from time to time.

There are fees and charges involved and investors are advised to consider them before investing in the Fund.

4. RISK FACTORS

GENERAL RISK OF INVESTING IN A WHOLESALE 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 wholesale 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 wholesale fund.

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 wholesale fund at a loss to rectify the non-compliance and in turn affect the value of investors' investment in the wholesale 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.

Inflation risk

This risk refers to the risk that investor's investments in a wholesale 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.

SPECIFIC RISKS ASSOCIATED WITH THE FUND

Fund management of the Target Fund risk

While the Manager will exercise due skill and care in selecting the Target Fund, it does not have control over the management of the Target Fund and there is no guarantee that the investment objective of the Fund will be met. This may result in Unit Holders suffering losses in their investments in the Fund.

The Target Fund may change its objective and become inconsistent with the objective of the Fund. In such instances, the Manager will replace the Target Fund with another collective investment scheme which the Manager considers to be more appropriate in meeting the objective of the Fund. Such change would require the Unit Holders' approval.

Country risk

The Fund invests in the Target Fund which is domiciled in Luxembourg. Any adverse changes in the Luxembourg's economic fundamentals, social and political stability, currency movements and foreign investment policies in Luxembourg may have an impact on the prices of the securities that the Target Fund invests in and consequently may also affect the Fund's NAV.

Currency risk

The Fund may offer Units in multiple currency Classes, which will expose the Unit Holder to currency risk in respect to the currency of Units of a Class (other than USD Class) against the base currency of the Fund.

The Fund will be offering a Hedged-class to reduce the currency risk of Units of the Hedged-class against the base currency of the Fund. For example, the Unit Holder who buys Units in the AUD Hedged-class will be subject to currency risk as his or her unit holdings will be in AUD, while the Fund's base currency is in USD. The Manager will mitigate the currency risk by hedging the AUD Hedged-class.

For Hedge-class' strategy, Unit Holders should note that any gains or losses arising from hedging may further increase or decrease the returns of the investment.

SPECIFIC RISKS ASSOCIATED WITH THE TARGET FUND

Credit or default risk

Investments in fixed income securities are subject to adverse changes in the financial condition of the issuer, or in general economic conditions, or both, or an unanticipated rise in interest rates, which may impair the ability of the issuer to meet its debt obligations, especially if the issuer is highly leveraged, which may lead to potential default by the issuer.

Such issuer's ability to meet its debt obligations may also be adversely affected by specific projected business forecasts, or the unavailability of additional funding. Also, an economic downturn or an increase in interest rates may increase the potential for default by the issuers of these securities.

Counterparty and settlement risks

The Target Fund will be exposed to credit risk of the counterparties with which the Target Fund trades particularly in relation to fixed income securities, options, futures, contracts and other financial derivative instruments that are traded over-the-counter. Such financial derivative instruments are not afforded the same protections as may apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house.

The Target Fund will be subject to the possibility of the insolvency, bankruptcy or default of a counterparty with which it trades, which could result in substantial losses to the Target Fund.

The Target Fund will also be exposed to a credit risk on parties with which it trades securities, and may also bear the risk of settlement default, in particular in relation to debt securities such as bonds, notes and similar debt obligations or instruments. Unit Holders should also note that settlement mechanisms in emerging markets are generally less developed and reliable than those in more developed countries and that this therefore increases the risk of settlement default, which could result in substantial losses for the Target Fund in respect of investments in emerging markets.

Interest rate risk

Bonds and other fixed income securities are subject to interest rate fluctuations. In general, the prices of debt securities rise when interest rates fall, whist their prices fall when interest rate rise.

Foreign exchange/Currency risk

The base currency of the Target Fund is denominated in USD. As the investment of the Target Fund may be denominated in currencies other than USD, the fluctuation in the exchange rates of these foreign currencies may have an impact on the income and value of the Target Fund. Generally, the Investment Manager of the Target Fund does not hedge the foreign currency exposure (if any) of the Target Fund although they may have the discretion to do so. The Target Fund may be exposed to exchange rate risk if the Investment Manager of the Target Fund does not hedge the foreign currency exposure (if any) of the Target Fund. Also, in the event a currency hedging strategy executed does not meet its intended objective this could have adverse impact to the value of the Target Fund. The net asset value of the Target Fund may be affected unfavourably by adverse movements in foreign currency exchange rates and by changes in exchange rate controls.

Custody Risk

Assets of the Target Fund are safe kept by the depositary and shareholders are exposed to the risk of the depositary not being able to fully meet its obligation to restitute in a short time frame all of the assets of the Target Fund in the case of bankruptcy of the depositary. The assets of the Target Fund will be identified in the depositary's books as belonging to the depositary. Securities held by the depositary will be segregated from other assets of the depositary which mitigates but does not exclude the risk of non-restitution in case of bankruptcy. However, no such segregation applies to cash which increases the risk of non-restitution in case of bankruptcy. The depositary does not keep all the assets of the Target Fund itself but uses a network of third-party delegates which are not necessarily part of the same group of companies as the depositary. Investors are exposed to the risk of bankruptcy of the third-party delegates in the same manner as they are to the risk of bankruptcy of the depositary.

Liquidity risk

The Target Fund could face liquidity risk arising from investments in securities that have low trading volumes, imposed trading restrictions or temporary suspensions from trading. Investments in securities that have high liquidity risk may reduce return or incur substantial losses to the Target Fund if the Target Fund is unable to sell these securities at opportune times or prices. Liquidity could dry up in a very short time especially during a crisis.

Risk of investing in below investment grade bonds

Bonds that are below investment grade or are unrated are more susceptible to credit risk, and in particular high yield bonds^ offer higher yields to compensate for the reduced creditworthiness or increased risk of default that these securities carry. Such securities are generally subject to lower liquidity, higher volatility and greater risk of loss of principal and interest than high-rated debt securities.

^high yield bonds mean securities that are rated below BBB- (or equivalent) by rating agencies.

Emerging markets risk

Unit Holders should be aware that the Target Fund's investments in emerging markets may involve, due to the economic and political development process which some of these countries are undergoing, a higher degree of risk and special consideration not typically associated with investment in more developed markets which could adversely affect the value of the Target Fund's investments. Among other things, investment in emerging markets involves risks such as the restriction on foreign investment, currency risk, political and economic uncertainties, legal and taxation risks, foreign exchange controls, regulatory risk, counterparty risk, higher market volatility, less public information about companies and the illiquidity of the companies' assets depending on the market conditions in certain emerging markets. Moreover, companies may be subject to considerably less state supervision and less differentiated legislation. Their accounting and auditing do not always match western standards.

Investments in some emerging countries are also exposed to higher risks in respect of the possession and custody of securities. Ownership of companies is for the most part determined by registration in the books of the company or its registrar (who is not, however, an agent of the depositary nor liable to the latter). Certificates evidencing the ownership of companies are frequently not held by the depositary, any of its correspondents or an efficient central depositary. As a result and due to lack of efficient regulation by government bodies, the Target Fund may lose the possession of or the registration of shares in companies through fraud, serious fault or negligence. Debt instruments involve a higher custody risk and settlement risk as, in accordance with market practice, such paper is held by local institutions which are not, however, always sufficiently insured against loss, theft, destruction or insolvency while holding the assets.

Investment in fixed income securities issued by emerging market sovereigns and corporations would usually carry lower credit ratings. These securities usually offer higher yields to compensate for the reduced creditworthiness or increased risk of default that these securities carry.

When the Investment Manager of the Target Fund makes investments in less developed markets, where accounting and other standards may be lower than seen elsewhere, their usual rigorous standards will be applied to endeavour that quality investments are purchased.

Derivatives risk

The Target Fund may invest in derivatives which will be subject to risks. While the judicious use of the derivatives by the Investment Manager of the Target Fund can be beneficial, derivatives involve risks different from, and, in some cases, greater than, the risk presented by more traditional securities investments. The Target Fund may use financial derivative instruments ("FDIs") for hedging and efficient portfolio management purposes, however, the Target Fund's use of derivatives may become ineffective in such endeavours and the Target Fund may suffer significant losses. The leverage element of a FDI can result in a loss significantly greater than the amount invested in the FDI by the Target Fund. Some of the risks associated with derivatives are market risk, management risk, credit risk, counterparty risk, liquidity risk, volatility risk, over the counter ("OTC") transaction risk, operational risk and leverage risk.

Investment in derivative may require the deposit of initial margin and additional margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, the investment may be liquidated at a loss. Therefore, it is essential that such investments in derivatives are monitored closely. The Investment Manager of the Target Fund has the necessary controls for investment in derivatives and has in place systems to monitor the derivative positions for the Target Fund.

The Investment Manager of the Target Fund does not intend to use derivative transactions for speculation or leverage but may use them for efficient portfolio management and/or risk management. Unit Holders should refer to paragraph below for further information on the risks associated with derivatives and the risk management and compliance procedures and controls adopted by the Investment Manager of the Target Fund in this respect. In particular, the investment in credit default swaps, volatility derivatives, ABS and MBS are subject to the following risks:

(a) Management risk

FDIs are highly specialised instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a FDI requires an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions.

(b) Counterparty risk

The use of FDIs involves the risk that a loss may be sustained as a result of the failure of another party to the contract (a "counterparty") to make required payments or otherwise comply with the contract's term. Additionally, in respect of certain instruments such as credit default swaps losses could result if the Target Fund does not correctly evaluate the creditworthiness of the company on which the credit default swap is based.

The Target Fund will be exposed to credit risk of the counterparties with which the Target Fund trades with particularly in relation to options, futures, contracts and other derivatives such as total return swap that are not traded on a regulated market. A total return swap is an agreement in which one party makes payment based on the total return of an underlying asset, which includes both the income it generates and any capital gains or losses, in exchange for payments based on an interest rate, either fixed or variable, from the other party. Such instruments are not afforded the same protection as may apply to participating trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house. The Target Fund will be subject to the possibility of the insolvency, bankruptcy or default of the counterparty with which it trades, which could result in substantial losses to the Target Fund.

(c) Liquidity risk

The Target Fund may lose money or be prevented from earning capital gains if or when particular derivatives are difficult to purchase or sell, possibly preventing the Target Fund from selling such securities at an advantageous time or price that would have been most beneficial to the Target Fund, or possibly requiring the Target Fund to dispose off other investments at unfavourable times and prices in order to satisfy its obligations.

(d) Lack of availability

Because the markets for FDIs are relatively new and still developing, suitable FDI transactions may not be available in all circumstances for risk management or other purposes. Upon the expiration of a particular contract, the Investment Manager of the Target Fund may wish to retain the derivative position of the Target Fund in the FDIs by entering into a similar contract, but may be unable to do so if the counterparty to the original contract is unwilling to enter into the new contract and no other suitable counterparty can be found. There is no assurance that the Target Fund will engage in FDI transactions at any time or from time to time. The ability to use FDIs may also be limited by certain regulatory and tax considerations.

(e) Market and other risks

FDIs are subject to the risk that the market value of the instrument will change in a way detriment to the interest of the Target Fund. If the Investment Manager of the Target Fund incorrectly forecasts the values of securities, currencies or interest rates or other economic factors in using FDIs, the Target Fund might have been in a better position if it had not entered into the transaction at all. While some strategies involving FDIs can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other investments. The Target Fund may also have to buy or sell a security at a disadvantageous time or price because the Target Fund is legally required to maintain offsetting positions or asset coverage in connection with certain FDI transactions.

The Target Fund may be exposed to other risks in using FDIs including the risk of mispricing or improper valuation of FDIs and the inability of FDIs to correlate perfectly with underlying assets, rates and indices. Many FDIs, in particular, privately negotiated FDIs, are complex and often valued subjectively. Improper valuation can result in increased cash payment requirements to counterparties or a loss of value to the Target Fund. Also, the value of FDIs may not correlate perfectly, or at all, with the value of the assets, reference rates or indices they are designed to closely track. In addition, the use of FDIs may cause the Target Fund to realise higher amounts of short-term capital gains than if the Target Fund had not used such instruments.

Risks of investing in ABS and MBS

ABS and MBS are generally limited recourse obligations of the issuers thereof payable solely from the underlying assets ("ABS and MBS Assets") of the relevant issuer or proceeds thereof. Consequently, holders of ABS and MBS including where applicable, the Target Fund, must rely solely on distributions on the ABS and MBS Assets or proceeds thereof for payment in respect thereof. In addition, interest payments on ABS and MBS (other than the most senior tranche or tranches of a given issue) are generally subject to deferral. If distributions on the ABS and MBS Assets (or, in the case of a market value ABS and MBS security – as explained hereinafter) – proceeds from the sale of the ABS and MBS Assets are insufficient to make payments on the ABS and MBS, no other assets will be available for payment of the deficiency and following realisation of the underlying assets, the obligations of the issuer of the related ABS and MBS security to pay such deficiency including to the Target Fund will be extinguished.

With a market value ABS and MBS deal, principal and interest payments to the Target Fund come from both collateral cash flows as well as sales of collateral. Payments to tranches are not contingent on the adequacy of the collateral's cash flows, but rather the adequacy of its market value. Should the market value of collateral drop below a certain level, payments are suspended to the equity tranche. If it falls even further, more senior tranches are impacted. An advantage of a market value ABS and MBS is the added flexibility they afford the Investment Manager of the Target Fund. It is not constrained by a need to match the cash flows of collateral to those of the various tranches.

ABS and MBS Assets may be highly illiquid and private in nature. ABS and MBS Assets are subject to greater liquidity, market value, credit interest rate, reinvestment and certain other risks compared to other debt securities. These risks could be exacerbated to the extent that the portfolio is concentrated in one or more particular ABS and MBS Assets. ABS and MBS Assets are typically actively managed by the Investment Manager of the Target Fund, and as a result ABS and MBS Assets will be traded, subject to rating agency and other constraints, by such Investment Manager of the Target Fund. The aggregate return on the ABS and MBS Assets will depend in part upon the ability of the relevant Investment Manager of the Target Fund to actively manage the related portfolio of the ABS and MBS Assets.

The ABS and MBS Assets will be subject to certain portfolio restrictions. However, the concentration of the ABS and MBS Assets in any one security type subjects the holders of ABS and MBS to a greater degree of risk with respect to defaults on the ABS and MBS Assets.

Prices of the ABS and MBS Assets may be substantially volatile, and will generally fluctuate due to a variety of factors that are inherently difficult to predict, including but not limited to changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic and international economic or political events, developments or trends in any particular industry, and the financial condition of the obligors of the ABS and MBS Assets. In addition, the ability of the issuer to sell ABS and MBS Assets prior to maturity is subject to certain restrictions set forth in the offering and constitutive documents of the relevant ABS and MBS. The ABS and MBS Assets are often exposed to extension and prepayment risks and risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the value of the securities.

Risk of investing in CoCos

The main feature of a CoCo is its ability to absorb losses as required by global bank regulators as part of a bank's regulatory capital requirements and new debt global bail-in regimes such as the European Special Resolution Regime ("SRR"), but other corporate entities may also choose to issue them.

Under the terms of a CoCo, the instruments become loss absorbing upon certain triggering events, including events under the control of the management of the CoCo issuer which could cause the permanent write-down to zero of principal investment and/or accrued interest, or a conversion to equity. Any such changes, including changes over which the issuer or its group has a discretion, may have a material adverse impact on its reported financial position and accordingly may give rise to the occurrence of a trigger event in circumstances where such a trigger event may not otherwise have occurred, notwithstanding the adverse impact this will have on the position of the Target Fund as a holder of the CoCos.

In addition to the liquidity risk detailed above, CoCos have specific risks associated such as:

(a) Unknown risk
CoCos are innovative and currently still untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform. In the event a single issuer of CoCo activates a trigger or suspends coupons, it is uncertain whether the market will view the issue as an idiosyncratic event or systemic. In the latter case, potential price contagion and volatility to the entire asset class is possible. This risk may in turn be reinforced depending on the level of underlying instrument arbitrage. Furthermore, activation of a trigger or suspension of coupon payments could cause a broader sell-off of contingent convertible instruments, thereby decreasing liquidity in the market. In an illiquid market, price formation may be increasingly stressed.

(b) Coupon cancellation risk
Coupon payments on CoCos are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. As a result of the uncertainty surrounding coupon payments, CoCos may be volatile and their price may decline rapidly in the event that coupon payments are suspended.

(c) Trigger level risk
Trigger levels differ and determine exposure to conversion risk depending on the distance of the capital ratio to the trigger level. It might be difficult for the Investment Manager of the Target Fund to anticipate the triggering events that would require the debt to convert into equity.

(d) Valuation and write-down risks
The value of CoCos may need to be reduced due to a higher risk of overvaluation of such asset class on the relevant eligible markets. Therefore, the Target Fund may lose its entire investment or may be required to accept cash or securities with a value less than its original investment.

(e) Capital structure inversion risk

Contrary to classic capital hierarchy, the Target Fund investing in CoCos may suffer a loss of capital when equity holders do not. In certain scenarios, the Target Fund investing in CoCos will suffer losses ahead of equity holders, e.g. when a high trigger principal write-down contingent convertible instruments is activated. This cuts against the normal order of capital structure hierarchy where equity holders are expected to suffer the first loss.

(f) Call extension risk
CoCos are issued as perpetual instruments, callable at pre-determined levels only with the approval of the issuer. It cannot be assumed that the perpetual CoCo will be called on call date. CoCos are a form of permanent capital. The Target Fund may not receive return of principal as expected on call date or indeed at any date.

(g) Conversion risk
It might be difficult for the Investment Manager of the Target Fund to assess how the securities will behave upon conversion. In case of conversion into equity, the Investment Manager of the Target Fund might be forced to sell these new equity shares since the investment policy of the Target Fund does not allow equity in its portfolio. This forced sale may itself lead to liquidity issue for these shares.

(h) Industry concentration risk
As the issuers of CoCos may be unevenly distributed across sectors of industry, contingent convertible instruments may be prone to industry concentration risks.

(i) Subordinated instruments
CoCos will, in the majority of circumstances, be issued in the form of subordinated debt instruments. Accordingly, in the event of liquidation, dissolution or winding-up of an issuer prior to a conversion, the Target Fund's rights and claims against the issuer in respect of or arising under the terms of the CoCos shall generally rank junior to the claims of all holders of unsubordinated obligations of the issuer.

Risks of investing in Defaulted Securities and Distressed Securities

The Target Fund may seek exposure to securities of issuers in weak financial condition, experiencing poor operating results, having substantial financial needs or negative net worth, facing special competitive or product obsolescence problems, involved in or the target of acquisition attempts or tender offers or in companies involved in liquidations, spin-offs, reorganizations or similar transactions or issuers that are involved in bankruptcy or reorganization proceedings. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, take considerable time or will result in a distribution the value of which will be less than the initial purchase price of the securities of such issuers. Investments of this type involve substantial financial business risks that can result in substantial or total losses. Among the problems involved in investments in troubled issuers is the fact that information as to the conditions of such issuers may be limited, thereby reducing the ability of the Investment Manager of the Target Fund to monitor the performance and to evaluate the advisability of continued investments in specific situations. The market prices of such securities are also subject to abrupt and erratic market movements and above-average price volatility, and the spread between the bid and ask prices of such securities may be greater than normally expected. It may take a number of years for the market price of such securities to reflect their intrinsic value. In accordance with CSSF Circular 02/77 and other applicable laws and regulations, where the investment limit^ in Defaulted Securities and Distressed Securities is breached due to passive reasons, the Company will take corrective actions in the best interest of the Target Fund as soon as practically possible.

^ *the combined investment limit of 10% of the net asset value of the Target Fund for Defaulted Securities and Distressed Securities.*

Risk associated with instruments with loss absorption features

The Target Fund may invest in instruments with loss absorption features which are subject to greater risks when compared to traditional debt instruments as such instruments typically include terms and conditions which may result in them being partly or wholly written off, written down, or converted to ordinary shares of the issuer upon the occurrence of a pre-defined trigger event (e.g. when the issuer is near or at the point of non-viability or when the issuer's capital ratio falls to a specified level). For example, the Target Fund may invest in:
(a) CoCos with loss absorption features (such as additional tier 1 capital and tier 2 capital instruments with mechanical triggers); and
(b) non-preferred senior debt and other subordinated debts with loss absorption features.

Such trigger events are likely to be outside of the issuer's control and commonly include a reduction in the issuer's capital ratio below a specified level or upon specific government or regulatory action being taken as a result of the issuer's ongoing financial viability. Trigger events are complex and difficult to predict and can result in a significant or total reduction in the value of such instruments, giving rise to consequential loss of the Target Fund.

Risk relating to PRC Tax Consideration

By investing in onshore Renminbi debt securities and other onshore permissible securities ("PRC Securities"), the Target Fund may be subject to withholding and other taxes imposed in the PRC. The tax laws, regulations and practice in the PRC are constantly changing, and they may be changed with retrospective effect.

The interpretation and applicability of the tax law and regulations by PRC tax authorities are not as consistent and transparent as those of more developed countries and may vary from region to region.

PRC debt instrument risk

The Target Fund may invest its assets in Renminbi-denominated debt instruments in the PRC through the inter-bank bond market in the PRC.

(a) General

Debt securities associated with the PRC and investment in Chinese bond market may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of such securities may be subject to fluctuations. The bid and offer spreads of the price of such securities may be large and the Target Fund may incur significant trading costs.

Unit Holders should note that as the PRC financial market is nascent, most of the Renminbi-denominated debt instruments may be unrated.

Renminbi-denominated debt instruments can be issued by a variety of issuers inside or outside the PRC including commercial banks, state policy banks, corporations, etc. These issuers may have different risk profiles and their credit quality may vary. Furthermore, Renminbi-denominated debt instruments are generally unsecured debt obligations not supported by any collateral. The Target Fund may be fully exposed to the credit or insolvency risk of its counterparties as an unsecured creditor.

(b) Liquidity risk

Renminbi-denominated debt instruments are not regularly traded and may have lower trading volumes than other more developed markets. An active secondary market for these instruments is yet to be developed. The bid and offer spread of the price of Renminbi-denominated debt instruments may be large and the Target Fund may incur significant trading and realisation costs.

(c) Interest rate risk

Changes in macroeconomic policies of the PRC (i.e. monetary policy and fiscal policy) will have an influence over capital markets affecting the pricing of debt instruments and thus, the return of the Target Fund. The value of Renminbi-denominated debt instruments held by the Target Fund generally will vary inversely with changes in interest rates and such variation may affect the value of the Target Fund's assets accordingly. Typically, when interest rates increase, the value of fixed income assets tend to depreciate. On the contrary, when interest rates decrease, the value of debt instruments tends to appreciate.

(d) Valuation risk

Renminbi-denominated debt instruments are subject to the risk of mispricing or improper valuation, i.e. operational risk that the debt instruments are not priced properly. Valuations are primarily based on valuations from independent third party sources where prices are available, accordingly valuations may sometimes involve uncertainty and judgemental determinations and independent pricing information may not be available at all times.

(e) Credit rating risk

Many of the debt instruments in the PRC do not have a rating assigned by international credit agencies. The credit appraisal system in the PRC is at an early stage of development; there is no standard credit rating methodology used in investment appraisal and the same rating scale may have a different meaning in different agencies. The assigned ratings may not reflect the actual financial strength of the appraised asset.

Rating agencies are private services that provide ratings of the credit quality of debt instruments. Ratings assigned by a rating agency are not absolute standards of credit quality and do not evaluate market risks. Rating agencies may fail to make timely changes to credit ratings and an issuer's current financial condition may be better or worse than a rating indicates.

(f) Credit rating downgrading risk

An issuer of Renminbi-denominated debt instruments may experience an adverse change in its financial condition which may in turn result in a decrease in its credit rating. The adverse change in financial condition or decrease in credit rating of an issuer may result in increased volatility in, and adverse impact on, the price of the relevant Renminbi-denominated debt instruments and negatively affect liquidity, making any such debt instruments more difficult to sell.

(g) Unrated or high yield debt instruments

Subject to the PRC regulations and the investment objective of the Target Fund, where the assets of the Target Fund may be invested in unrated or low grade debt instruments, such instruments are subject to greater risk of loss of principal and interest than higher rated debt instruments.

The lower ratings of certain debt instruments or unrated debt instruments held for the account of the Target Fund reflect a greater possibility that adverse changes in the financial condition of the issuer, or in general economic conditions, or both, or an unanticipated rise in interest rates, may impair the ability of the issuer to make payments of interest and principal. Such debt instruments generally carry a higher degree of default risk which may affect the capital value of an investment. Unrated debt instruments may be less liquid than comparable rated debt instruments and involve the risk that the Target Fund may not accurately evaluate the debt instrument's comparative credit rating.

(h) Risk of investing in urban investment bonds

Urban investment bonds are debt securities issued by local government agencies' financing vehicles ("LGFVs") in PRC and are listed or traded in the interbank bond market. LGFVs are separate legal vehicles established by the local government or their affiliates to raise funds for public welfare investment or infrastructure projects. Although urban investment bonds are issued by LGFVs and appear to be connected with local government bodies, the debt is backed by tax revenues or cash flow of investment projects and such debts are typically not guaranteed by local governments or the central government of the PRC. Such local governmental bodies or the central government are not obligated to provide financial support in case of default. Where the Target Fund may invest its assets in urban investment bonds, and in the event that the LGFVs default on payment of principal or interest of the urban investment bonds, in such case, the Target Fund could suffer significant loss and the Target Fund's net asset value could be adversely affected. The credit risk and price volatility of these bonds may be higher when compared with other bonds such as central bank bonds and policy bank bonds. Besides, liquidity may be low during adverse market situations.

(i) "Dim Sum" bond (i.e. bonds issued outside of PRC but denominated in RMB) market risks

The "Dim Sum" bond market is still a relatively small market which is more susceptible to volatility and illiquidity. Where the Target Fund may invest its assets in "Dim Sum" bonds, the operation of the "Dim Sum" bond market as well as new issuances could be disrupted causing a fall in the net asset value of the Target Fund should there be any promulgation of new rules which limit or restrict the ability of issuers to raise RMB by way of bond issuances and/or reversal or suspension of the liberalisation of the offshore RMB (Chinese yuan) market by the relevant regulator(s).

(j) PRC interbank bond market

The PRC interbank bond market is a quote-driven OTC market, where deals are negotiated between two counterparties through a trading system. The Target Fund will be subject to risks associated with OTC markets, including counterparty default risks on parties with whom the Target Fund trades and when placing cash on deposit. The Target Fund will also be exposed to the risk of settlement default by a counterparty of the Renminbi-denominated debt instruments. The risk of default of a counterparty is linked to the credit worthiness of the counterparty.

(k) Credit and counterparty risks

Investment in Renminbi-denominated debt instruments is subject to the risk of the counterparty may be unable or unwilling to make timely payments on principal and/or interest. The financial market of the PRC, including the PRC interbank bond market, is at an early stage of development. In the event of a default of a counterparty of the Renminbi-denominated debt instruments, the Target Fund's value will be adversely affected. The Target Fund may also encounter difficulties or delays in enforcing its rights against the counterparties of Renminbi-denominated debt instruments.

Renminbi-denominated debt instruments may be offered on an unsecured basis without collateral, and will rank equally with other unsecured debts of the issuer of the Renminbi-denominated debt instruments. As a result, if a counterparty becomes bankrupt or insolvent, proceeds from the liquidation of the counterparty's assets will be paid to the holders of Renminbi-denominated debt instruments only after all secured claims have been satisfied in full. In addition, the Target Fund may experience delays in liquidating its positions and may incur significant losses or the inability to redeem any gain on investment during the period in which the Target Fund seeks to enforce its rights.

Risk associated with CIBM Direct Access Program

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities. An investment in the CIBM may result in prices of certain debt securities traded on such market fluctuating significantly. The Target Fund investing in such market is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the Target Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

To the extent that the Target Fund transacts in the CIBM, the Target Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the Target Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

Although there is no quota limitation regarding investment via the CIBM Direct Access Program, the Target Fund is required to make further filings with the PBOC if it wishes to increase its anticipated investment size. There is no guarantee the PBOC will accept such further filings. In the event any further filings for an increase in the anticipated investment size are not accepted by the PBOC, the Target Fund's ability to invest in the CIBM will be limited and the performance of the Target Fund may be unfavourably affected as a result.

Investing in the CIBM is also subject to certain restrictions imposed by the mainland Chinese authorities on fund remittance and repatriation which may potentially affect the Target Fund's performance and liquidity. Any non-compliance with or failure to meet the fund remittance and repatriation requirements may result in regulatory sanctions which in turn may have an adverse impact on the portion of the Target Fund's investment via the CIBM Direct Access Program. Further, there is no assurance that the fund remittance and repatriation requirements in relation to investment in CIBM will not be changed as a result of change in government policies or foreign exchange control policies. The Target Fund may incur loss in the event such change in the fund remittance and repatriation requirements in relation to investment in CIBM occurs.

Since the relevant filings and account opening for investment in the CIBM have to be carried out via an onshore settlement agent, the Target Fund is subject to the risks of default or errors on the part of the onshore settlement agent. The Target Fund may also incur losses due to the acts or omissions of the onshore settlement agent in the process of settling any transactions. As a result, the net asset value of the Target Fund may be adversely affected.

In addition, Unit Holders should note that cash deposited in the cash account of the Target Fund with the relevant onshore settlement agent will not be segregated. In the event of the bankruptcy or liquidation of the onshore settlement agent, the Target Fund will not have any proprietary rights to the cash deposited in such cash account and may face difficulty and/or encounter delays in recovering such assets, or may not be able to recover it in full or at all, in which case the Target Fund will suffer losses.

The CIBM is also subject to regulatory risks. The relevant rules and regulations on investment in the CIBM is subject to change which may have potential retrospective effect. In the event that the relevant mainland Chinese authorities suspend account opening or trading on the CIBM, the Target Fund's ability to invest in the CIBM will be limited and, after exhausting other trading alternatives, the Target Fund may suffer substantial losses as a result.

Risk associated with Bond Connect

Bond Connect is a mutual bond market access between Hong Kong and mainland China established by China Foreign Exchange Trade System & National Interbank Funding Centre, China Central Depository & Clearing Co., Ltd, Shanghai Clearing House (together, the "**Mainland Financial Infrastructure Institutions**"), and Hong Kong Exchanges and Clearing Limited ("HKEx") and Central Moneymarkets Unit (together, the "**Hong Kong Financial Infrastructure Institutions**"). China bond market primarily consists of CIBM. Under the Northbound Trading, eligible foreign investors will be allowed to invest in the CIBM through Bond Connect.

Northbound Trading will follow the current policy framework for overseas participation in the CIBM. There will be no investment quota for Northbound Trading.

Under the prevailing regulations in mainland China, eligible foreign investors who wish to invest in the CIBM via Bond Connect may do so via an offshore custody agent approved by the Hong Kong Monetary Authority ("HKMA"), who will be responsible for the account opening with the relevant onshore custody agent approved by PBOC.

(a) Risk of Bond Connect

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the CIBM may result in prices of certain debt securities traded on such market fluctuating significantly. The Target Fund investing in such market is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the Target Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

To the extent that the Target Fund transacts in the CIBM, the Target Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the Target Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

Since the account opening for investment in the CIBM via Bond Connect has to be carried out via an offshore custody agent, the Target Fund is subject to the risks of default or errors on the part of the offshore custody agent.

Bond Connect is a programme novel in nature and will be subject to regulatory risks. The relevant rules and regulations on investment via Bond Connect is subject to change which may have potential retrospective effect. In the event that the relevant Chinese authorities suspend account opening or trading via Bond Connect, the Target Fund's ability to invest in CIBM will be limited and, may have an adverse effect on the Target Fund's performance as the Target Fund may be required to dispose of its CIBM holdings. The Target Fund may also suffer substantial losses as a result.

(b) Taxation Risk

There is no specific written guidance by the mainland China tax authorities on the treatment of income tax and other tax categories payable in respect of trading in CIBM by eligible foreign institutional investors via Bond Connect. Hence it is uncertain as to the relevant Target Fund's tax liabilities for trading in CIBM via Bond Connect. For further details on PRC taxes and associated risk, please refer to section 5.7 "PRC Taxation" and the risk factor headed "PRC Tax Consideration" under Appendix 3 "Risk Considerations" of the Target Fund's prospectus.

Income distribution risk

Distributions of interim dividends are at the discretion of the board of directors of the Eastspring Investments ("Company") and there is no guarantee that any distribution will be made and if distributions are made, such distributions are not in any way a forecast, indication or projection of the future or likely performance or distribution of the Target Fund. The making of any distributions shall not be taken to imply that further distributions will be made. The board of directors of the Company may also vary the frequency and /or amount of the distributions made.

When distributions are declared and paid out with respect to the Target Fund, the net assets attributable to the shares will stand reduced by an amount equivalent to the product of the number of shares outstanding and distribution amount declared per share. The distribution amount may be sourced from gross income, net realised capital gains and from capital from time to time. When dividends are paid out of gross income, all or part of the Target Fund's fees and expenses are effectively charged to the capital.

The board of directors of the Company may amend the distribution policy and by giving not less than one month's prior notice to investors of the Target Fund. The board of directors of the Company may in future review the distribution amount depending on prevailing market conditions, dividend payout of the underlying stocks and dividend policy of the Company. Distribution payments shall, subject to determination by the directors of the Company, be made out of either (a) income; or (b) net capital gains; or (c) capital of the Target Fund or a combination of (a) and/or (b) or (c).

The board of directors of the Company may at its discretion pay dividends out of the capital of the Target Fund or pay dividends out of gross income while charging or paying all or part of the Target Fund's fees and expenses to or out of the capital of the Target Fund, resulting in an increase in distributable income for the payment of dividends by the Target Fund and therefore, the Target Fund may effectively pay dividends out of capital. Payment of dividends out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of a Target Fund's capital or payment of dividends effectively out of the Target Fund's capital (as the case may be) may result in an immediate reduction of the net asset value per share. However, the payment of distributions will never result in the net asset of the Company falling below the legal minimum of €1,250,000.

An income equalisation amount may be calculated so that the distribution of dividends corresponds to the actual entitlement.

THE ABOVE SHOULD NOT BE CONSIDERED TO BE AN EXHAUSTIVE LIST OF THE RISKS WHICH INVESTORS SHOULD CONSIDER BEFORE INVESTING IN 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.

5. FUND INFORMATION

Fund Objective

The Fund aims to maximise income* and capital appreciation by investing in the Eastspring Investments - Asian High Yield Bond Fund, which invests primarily^ in Asian high yield bonds.

**Income distributed will be reinvested into additional Units in each Class unless Unit Holder opts for the distribution to be paid out*.
^Primarily means at least 66% of the Target Fund's net asset value.

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

Investment Strategy

To achieve the Fund's objective, the Fund will invest a minimum of 95% of the Fund's NAV in the Target Fund; the remaining Fund's NAV not invested in the Target Fund will be invested in liquid assets.

Asset Allocation

Asset Class	% of the Fund's NAV
Target Fund	Minimum of 95%
Liquid assets	Maximum of 5%

Performance Benchmark

J. P Morgan Asia Credit Index ("JACI") Non-Investment Grade

Source: *Eastspring Investments (Singapore) Limited and Bloomberg*

Note: The risk profile of the Fund is different from the risk profile of the performance benchmark.

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; 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:

- The Target Fund or a collective investment scheme having a similar objective;
- Deposits with financial institutions;
- Money market instruments;
- Derivatives;
- Liquid assets; and
- Any other form of investments which are in line with the Fund's objective.

INVESTMENT RESTRICTIONS AND LIMITS

The Fund is subject to the following investment restrictions and limits:
- The Fund must be invested in one (1) collective investment scheme; and
- The Fund may invest up to 5% of the Fund's NAV in liquid assets.

BASES OF VALUATION FOR THE FUND

Unlisted collective investment schemes

Investments in unlisted collective investment schemes will be valued based on the last published repurchase price.

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.

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 and bases that have been verified by the auditor of the Fund and approved by the Trustee. Any changes in the value of the contracts are adjusted for, directly in the margin accounts, with corresponding recognition in the unrealised reserves.

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 4.00p.m. the same day.

VALUATION OF THE FUND

Valuation Point

The Fund must 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 purchase or redeem Units is received by the Manager.

As the Target Fund is a foreign fund, the valuation of the Fund's investment in the Target 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). Consequently, the daily NAV of the Fund will be published two (2) Business Days later instead of the next Business Day. If application for sale or 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). The Unit pricing for Tuesday will be published on Thursday (T+2).

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

CLASSES OF THE FUND

The Fund is established with a multi-class structure which has more than one (1) Class. Unit Holder of each Class has the same rights and liabilities under the Deed. Although the Fund has multiple Classes, Unit Holder should note that the assets of the Fund are pooled and invested as a single fund and are not segregated in respect of each Class. A separate price will be calculated for each Class and will be denominated in the currency of the respective Class.

Unit Holders should note that the Manager shall have the sole and absolute right to issue other classes of units with different and/or similar features including but not limited to currency denomination, fees, charges and transactions details without the need to obtain the Unit Holders' approval before introducing such other classes of units to the Fund provided that the issuance of such other classes of units shall not in the opinion of the Manager prejudice the right of the Unit Holders of the existing classes of Units. Unit Holders will be notified of the introduction of such other classes of units by way of a supplemental information memorandum or replacement information memorandum.

6. INFORMATION IN RELATION TO THE TARGET FUND

About Eastspring Investments

Eastspring Investments (“Company”) is an open-ended investment company with variable capital incorporated as a société d’investissement à capital variable (“SICAV”) registered in the Grand Duchy of Luxembourg on the official list of collective investment undertakings pursuant to Part I of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment ("2010 Law") and the Directive 2009/65/EC of the European Union Parliament and of the Council of 13 July 2009 as amended by the Directive 2014/91/EU of the European Union Parliament and of the Council of 23 July 2014 ("UCITS Directive"). The Target Fund is a sub-fund under the Company and is regulated by the Luxembourg Supervisory Authority, the CSSF.

The Company has appointed Eastspring Investments (Luxembourg) S.A. (“Management Company”), to act as its management company with effect 1 April 2013. Previously, the Company was self-managed. The Management Company is governed by chapter 15 of the 2010 Law, and is authorised to perform in particular the functions of collective portfolio management within the meaning of article 101(2) of the 2010 Law, including without limitation the creation, administration, management and marketing of the Undertakings for Collective Investment in Transferable Securities (“UCITS”).

The Company is an umbrella fund, and as such offers investors the opportunity to invest in one or more sub-funds (each “sub-fund” and collectively the “sub-funds”). Each sub-fund has its own specific investment objective, and on an ancillary basis, may hold liquid assets*. Each sub-fund is treated as a separate entity.

The Management Company is part of the Eastspring Investments Group which is Prudential plc’s asset management business in Asia. Eastspring Investments (Singapore) Limited has been appointed as the Investment Manager of the Company by the Management Company. The central administration (including the pricing and accounting functions), depositary and the registrar and transfer agency services of the Target Fund was delegated to Bank of New York Mellon SA/NV - Luxembourg branch by the Management Company.

**ancillary basis, liquid assets refer to mainly cash that may not constitute an investment objective of the sub-fund.*

About 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 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 Future Act (Chapter 289), Singapore.

Eastspring Investments (Singapore) Limited is an ultimately wholly-owned subsidiary of Prudential plc (“Prudential”). Eastspring Investment (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.

Eastspring Investments – Asian High Yield Bond Fund (“Target Fund”)

FUND CATEGORY: Fixed income

FUND TYPE: Income and growth

ASSET ALLOCATION:
- Minimum two-third (2/3) of the portfolio in high yield fixed income or debt securities issued by Asian entities or their subsidiaries.
- Maximum one-third (1/3) of the portfolio in other securities or assets not indicated above (for example cash, investment grade bonds).

INVESTMENT OBJECTIVE

The Target Fund invests in a diversified portfolio consisting primarily** of high yield fixed income or debt securities issued by Asian entities or their subsidiaries. This Target Fund’s portfolio primarily consists of securities denominated in USD as well as the various Asian currencies and aims to maximise total returns through investing primarily in fixed income or debt securities rated below BBB-.

The Target Fund may invest up to 20% of its net assets in ABS, MBS, CoCos, Distressed Securities and Defaulted Securities, with a limit of 10% for Distressed Securities and Defaulted Securities. The Target Fund may invest less than 30% of its net assets in debt instruments with loss absorption features out of which up to 10% of its net assets may be invested in CoCos with loss absorption features (such as additional tier 1 capital and tier 2 capital instruments with mechanical triggers (i.e. debt instruments with write-down or conversion into equity features with pre-specified triggers)) and up to 20% of its net assets in non-preferred senior debt and other subordinated debts with loss absorption features.

In addition, this Target Fund may invest up to 10% of its net assets in synthetic fixed income instruments (including credit-linked notes). It may also hold up to 10% of its net assets in equity securities to the extent that such securities result from the conversion or exchange of a preferred stock or debt obligation.

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

***primarily means at least 66% of the Target Fund net asset value*.

INVESTMENT STRATEGY

The Target Fund applies both the top-down and bottom-up investment management approach in deriving its duration, credit and currency allocation strategies. From a top-down perspective, economic and market analysis are carried out to determine the outlook for interest rate markets, as well as credit and currency trends. This is necessarily combined with a bottom-up credit selection process, which is based on research and analysis of credit issuers, to identify value opportunities and avoid potential default events.

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

Detailed below are excerpts of the investment limits and guidelines applicable to the Target Fund set out in the Company's prospectus which may be amended from time to time.

INCOME DISTRIBUTION POLICY:

For Class ADM, dividends may be declared on a monthly basis.

Dividends may be sourced from gross income, net realised capital gains and partially from capital from time to time. Any distributions involving payment of dividends out of capital may result in an immediate reduction of the net asset value.

PERMITTED INVESTMENTS & INVESTMENT RESTRICTIONS AND LIMITS OF THE TARGET FUND

1) The Target Fund may only invest in:

(a) transferable securities and money market instruments admitted to or dealt in on a Regulated Market, as defined in article 4 point 1(14) of the Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 ("Regulated Market");

"Regulated Market" means a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments – in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of the Directive 2004/39/EC.

(b) transferable securities and money market instruments dealt in on another Regulated Market in a Member State which operates regularly and is recognised and open to the public. For the purpose of this section, the term "Member State" refers to a Member State of the European Union, it being understood that the States that are contracting parties to the agreement creating the European Economic Area other than the Member States of the European Union, within the limits set forth by this agreement and related acts, are considered as equivalent to Member States of the European Union;

(c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State or dealt in on another Regulated Market in a non-Member State which operates regularly and is recognised and open to the public located within any other country of Europe, Asia, Oceania, the American continents or Africa;

(d) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another Regulated Market referred to under paragraphs (a) to (c) above and that such admission is secured within one year of issue;

(e) shares or units of Undertakings for Collective Investment in Transferable Securities ("UCITS") authorised according to the UCITS Directive and/or other Undertakings for Collective Investment ("UCI") within the meaning of Article 1(2)(a) and (b) of the UCITS Directive, should they be situated in a Member State or not, provided that:

   i. such other UCI are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in community law, and that cooperation between authorities is sufficiently ensured;
   ii. the level of guaranteed protection for unitholders in such other UCI is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive;
   iii. the business of the other UCI is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
   iv. no more than 10% of the UCITS or the other UCI assets, whose acquisition is contemplated, can be, according to its fund rules or instruments of incorporation, invested in aggregate in units of other UCITS or other UCIs;
   v. the Target Fund may not invest in units of other UCITS or UCIs for more than 10% of its assets, unless otherwise provided in respect of the Target Fund in its investment policy.

(f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve (12) months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a non-Member State provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in community law;

(g) financial derivative instruments ("derivatives"), including equivalent cash-settled instruments, dealt in on a Regulated Market referred to in paragraphs (a), (b) and (c); and/or over-the-counter ("OTC") derivatives ("OTC derivatives") provided that:

   i. the underlying consists of instruments covered by this sub-section 1), financial indices, interest rates, foreign exchange rates or currencies, in which the Company may invest according to its investment objectives as stated in the Company's articles of incorporation,
   ii. the counter-parties to OTC derivative transactions are institutions subject to prudential supervision*, and belonging to the categories approved by the CSSF, and
   iii. the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair market value at the Company's initiative;

(h) money market instruments other than those dealt in on a Regulated Market and referred to in paragraphs (a) to (d) above, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:

i. issued or guaranteed by a central, regional or local authority, a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or

ii. issued by an undertaking any securities of which are dealt in on Regulated Markets referred to in paragraphs (a), (b) or (c), or

iii. issued or guaranteed by an establishment subject to prudential supervision*, in accordance with criteria defined by community law or by an establishment which is subject to and comply with prudential rules considered by the CSSF to be at least as stringent as those laid down by community law, or

iv. issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent of this paragraph (h) and provided that the issuer is a company whose capital and reserves amount at least to ten million euros (EUR 10,000,000.) and which presents and publishes its annual accounts in accordance with Fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

**prudential supervision means that a credit institution or financial institution has to be supervised by an authority or a regulator, which has the primary objective of promoting stability of these financial institutions. It also means that this authority seeks to ensure that the depositors or investors of these institutions are protected in terms of solvency and viability*.

2) However, the Target Fund:
   (a) may invest up to 10% of its net assets in transferable securities and money market instruments other than those referred to in sub-section (1) above;
   (b) may acquire movable and immovable property which is essential for the direct pursuit of the Target Fund's business;
   (c) may not acquire either precious metals or certificates representing them; and
   (d) may hold ancillary liquid assets.

3) Furthermore, the Target Fund may also subscribe for, acquire and/or hold shares issued or to be issued by one or more other sub-funds of the Company, if:
   (a) the target sub-fund does not, in turn, invest in the Target Fund invested in this target sub-fund;
   (b) no more than 10% of the net assets of the target sub-fund whose acquisition is contemplated may, pursuant to the prospectus of the Target Fund and the Articles of Incorporation of the Company, be invested in shares of other target sub-funds;
   (c) voting rights, if any, attaching to the relevant shares are suspended for as long as they are held by the Target Fund concerned; and
   (d) in any event, for as long as these shares are held by the Target Fund, their value will not be taken into consideration for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law.

4) Lastly, the Company may also, to the widest extent permitted by the 2010 Law and all applicable Luxembourg regulations:
   (a) create a sub-fund qualifying either as a feeder UCITS sub-fund or as a master UCITS sub-fund;
   (b) convert any existing sub-fund into a feeder UCITS sub-fund;
   (c) change the master UCITS of any feeder UCITS sub-fund.

Risk diversification

5) In accordance with the principle of risk diversification, the Target Fund will invest no more than 10% of its net assets in transferable securities or money market instruments issued by the same body. The Target Fund may not invest more than 20% of its net assets in deposits made with the same body.

6) The risk exposure to a counterparty of the Target Fund in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in sub-section (1)(f) above, or 5% of its net assets in any other case.

7) Moreover, the total value of the transferable securities and money market instruments held by the Target Fund in the issuing bodies in each of which it invests more than 5% of its net assets must not exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

8) Notwithstanding the limits laid down in sub-sections (5) and (6) above, the Target Fund may not combine:
   i. investments in transferable securities or money market instruments issued by,
   ii. deposits made with, and/or
   iii. exposures arising from OTC derivatives transactions undertaken with,

   a single body in excess of 20% of its net assets.

9) The following exceptions can be made:

(a) The aforementioned limit of 10% can be raised to a maximum of 25% for certain debt securities if they are issued by credit institution whose registered office is situated in a Member State and which is subject, by virtue of law, to particular public supervision for the purpose of protecting the holders of such debt securities. In particular, the amounts resulting from the issue of such debt securities must be invested, pursuant to the law in assets which sufficiently cover, during the whole period of validity of such debt securities, the liabilities arising there from and which are assigned to the preferential repayment of capital and accrued interest in the case of default by the issue. If the Target Fund invests more than 5% of its net assets in such debt securities as referred to above and issued by the same issuer, the total value of such investments may not exceed 80% of the value of the Target Fund's net assets.

(b) The aforementioned limit of 10% can be raised to a maximum of 35% for transferable securities or money market instruments issued or guaranteed by a Member State, by its local authorities, by another Eligible State* or by public international bodies of which one or more Member States are members.

**Eligible State refers to any Member State, any Member State of the Organisation for Economic Co-operation and Development ("OECD"), and any other state which the board of directors deem appropriate with regard to the investment objectives of the Target Fund. Eligible States in this category include countries in Africa, the Americas, Asia, Australasia and Europe*.

(c) The transferable securities and money market instruments referred to in exceptions (a) and (b) are not included in the calculation of the limit of 40% laid down in sub-section (7) above.

(d) The limits stated under sub-sections (5) to (8) and (9)(a) and (b) above, may not be combined and, accordingly, investments in transferable securities or money market instruments issued by the same body or in deposits or derivatives instruments made with this body in accordance with sub-sections (5) to (8) and (9)(a) and (b) above, may not, in any event, exceed a total of 35% of the Target Fund's net assets.

(e) Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules are regarded as a single body for the purpose of calculating the limits contained in sub-sections (5) to (9).

(f) The Target Fund may invest in aggregate up to 20% of its assets in transferable securities and money market instruments with the same group.

(g) Without prejudice to the limits laid down in sub-section (14) below, the limit of 10% laid down in sub-sections (5) to (9) is raised to a maximum of 20% for investment in equity and/or debt securities issued by the same body when the aim of the investment policy of the Company is to replicate the composition of a certain equity or debt securities index which is recognised by the CSSF, on the following basis:

- the composition of the index is sufficiently diversified;
- the index represents an adequate benchmark for the market to which it refers; and
- it is published in an appropriate manner.

This limit is 35% where that proves to be justified by exceptional market conditions in particular in Regulated Markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

10) When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of the above-mentioned restrictions.

11) The Target Fund is authorised to invest in accordance with the principle of risk spreading up to 100% of its net assets in different transferable securities and money market instruments issued or guaranteed by a Member State, its local authorities, an OECD member country, a G-20 member country, or public international bodies of which one or more Member State(s) are members, provided that in such event the Target Fund must hold securities from at least six different issues, but securities from any one issue may not account for more than 30% of the total amount.

12) The Target Fund has 6 months from its date of authorisation to achieve compliance with sub-sections (5) to (11) and (13).

(a) The Target Fund may acquire shares or units of UCITS and/or other UCI referred to in sub-section (1)(e). However, when the Target Fund invests in units of UCITS or other UCIs for more than 10% of its net assets according to sub-section (1)(e)(v), no more than 20% of its net assets can be invested in a single UCITS or other UCI.

For the purposes of applying this investment limit, each sub-fund of a UCI with multiple sub-funds, within the meaning of Article 181 of the 2010 Law, shall be considered as a separate entity, provided that the principle of segregation of commitments of the different sub-funds is ensured in relation to third parties.

Investments made in shares or units of UCI other than UCITS may not exceed, in aggregate, 30% of the net assets of the Target Fund.

When the Target Fund has acquired shares or units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCI do not have to be combined in the view of the limits laid down in sub-sections (5) to (9) (a) to (f).

(b) When the Target Fund invests in the shares or units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company to which the management company is linked by common management or control or by a substantial direct or indirect holding, that management company or other company may not charge any subscription or redemption fees on account of the UCITS' investment in the units of other UCITS and/or other UCI.

When the Target Fund invests a substantial proportion of its assets in other UCITS and/or other UCIs, the maximum level of the management fees that may be charged by the other UCITS and/or other UCIs in which it intends to invest shall not exceed 1% per annum of the relevant net assets. No management fee will be charged by other sub-funds of the Company. The Company will indicate in its annual report the total management fees charged both to the Target Fund and to the UCITS / UCI in which the Target Fund has invested during the relevant period.

13) The Company will not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

14) The Target Fund may not acquire more than:
- ➢ 10% of non-voting shares of the same issuer,
- ➢ 10% of the debt securities issued by the same issuer,
- ➢ 25% of the units of the same UCITS and/or other UCI, or
- ➢ 10% of the money market instruments of the same issuer.

The limits laid down in the second, third and fourth indents may be disregarded at the time of acquisition if at that time the gross amount of debt securities or money market instruments, or the net amount of the securities in issue, cannot be calculated.

15) The limits of sub-sections (13) and (14) above are waived as to:

(a) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;

(b) transferable securities and money market instruments issued or guaranteed by a non-Member State;

(c) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;

(d) shares held in the capital of a company incorporated in a non-Member State and investing its assets mainly in securities of issuers having their registered office in that State, if under the legislation of that State such a holding represents the only way in which the Target Fund can invest in the securities of the issuers of that State. This derogation only applies if the company has an investment policy complying with sub-sections (5) to (9) (a) to (f) as well as sub-sections (13) to (14) above. If the limits stated in sub-sections (5) to (9) (a) to (f) and (13) above are exceeded, the provisions laid down in (11) and (20) shall apply *mutatis mutandis*;

(e) shares held by the Target Fund in the capital of one or more subsidiary companies carrying on only the business of management, advice or marketing in the country or state where the subsidiary is located, in regard to the repurchase of units at shareholders' request exclusively on its or their behalf.

16) The Target Fund may not borrow more than 10% of its net assets, and then only from financial institutions and on a temporary basis. The Target Fund may, however, acquire foreign currency by means of a back-to-back loan. The Target Fund will not purchase securities while borrowings are outstanding in relation to it, except to fulfil prior commitments and/or exercise subscription rights. However, the Target Fund can borrow up to 10% of its net assets to make possible the acquisition of immovable property essential for the direct pursuit of its business. In this case, these borrowings and those referred to above (temporary borrowings) may not in any case in total exceed 15% of the Target Fund's net assets.

17) The Company may not grant credits or act as guarantor for third parties. This limitation does not prevent the Company to purchase securities that are not fully paid up, nor to lend securities as further described thereunder. This limitation does not apply to margin payments on option deals and other similar transactions made in conformity with established market practices.

18) The Target Fund will not purchase any securities on margin (except that the Target Fund may obtain such short-term credit as may be necessary for the clearance of purchases and sales of securities) or make short sales of securities or maintain a short position. Deposits on other accounts in connection with options, forward or financial futures contracts, are, however, permitted within the limits provided for here below.

19) The board of directors of the Company is authorised to introduce further investment restrictions at any time in the interests of the shareholders, provided these are necessary to ensure compliance with the laws and regulations of those countries in which the Company's shares are offered and sold. In this event, the prospectus of the Target Fund will be updated accordingly.

20) If any of the above limitations are exceeded for reasons beyond the control of the Company and/or the Target Fund or as a result of the exercise of subscription rights attaching to transferable securities or money market instruments, the Company and/or the Target Fund must adopt, as a priority objective, sales transactions for the remedying of that situation, taking due account of the interests of its shareholders.

Risk Warning

21) The Company must not neglect the following risks and terms that are linked to the investment in units of other open-ended and closed-ended UCI:

(a) If the investment is done in another open-ended or closed-ended UCI which is not subject to any permanent control for the protection of the investors, required by 2010 Law and carried out by a supervisory authority in its home country, there is less protection against possible losses.

(b) Due to possible legal, contractual or juridical constraints, the possibility exists that the investments in other open-ended and closed-ended UCI may only be sold with difficulty.

(c) In relation to the investment in other open-ended and closed-ended UCI which are not linked to the Company in the manner described under sub-section (13)(b) above, the Company must bear the usual commissions relating to the units of these UCI.

RISK MANAGEMENT

Liquidity Risk Management

Liquidity risk is the risk that a particular position cannot be easily unwound or offset due to insufficient market depth or market disruption; or that the Target Fund's financial obligations (such as investor redemptions) cannot be met. An inability to unwind a particular investment or portion of the Target Fund's assets may have a negative impact on the value of the Target Fund and to the Target Fund's ability to meet its investment objectives. Additionally, an inability to unwind the Target Fund's assets may have negative implications for investors being able to redeem in a timely fashion, and also to investors who remain invested in the Target Fund.

The Investment Manager of the Target Fund has established a liquidity management policy which enables it to identify, assess, monitor and manage the liquidity risks of the Target Fund and to ensure that the liquidity profile of the investments of the Target Fund will facilitate compliance with the Target Fund's obligation to meet redemption requests. Such policy, combined with the liquidity management tools that may be employed, also seeks to achieve fair treatment of shareholders and safeguard the interests of remaining shareholders in case of sizeable redemptions.

The oversight of the liquidity risk management function will be performed by the Investment Risk department of the Investment Manager of the Target Fund, which is functionally independent from the investment management function of the Investment Manager of the Target Fund, to assess the liquidity of the Target Fund's assets under the current and likely future market conditions.

Liquidity stress testing is performed regularly by the Investment Manager of the Target Fund to assess the Target Fund's estimated liquidation cost when bid-ask spread widens significantly and/or available trading volume reduces significantly. Risk monitoring is reported regularly to risk management function and committee of the Investment Manager of the Target Fund, the Management Company and the directors of the Company. Exceptions on liquidity risk related issues will be escalated to the risk management committee of the Investment Manager of the Target Fund.

The following tools may be employed by the Management Company to manage liquidity risks:

(a) the Management Company shall not be bound to redeem and convert on any valuation day more than 10% of the net asset value of the Target Fund on such valuation day (subject to the conditions under section 2.2.5 “Suspension and Deferral of Redemptions” of the Target Fund’s prospectus). If such limitation is imposed, this would restrict the ability of a shareholder to redeem the shares he intends to redeem on a particular redemption day;
(b) the Management Company may suspend redemption and/or conversion under exceptional circumstances as described in section 4.3 “Suspension of the Determination of the Net Asset Value” of the Target Fund’s prospectus. During such period of suspension, shareholders would not be able to redeem and/or convert their shares of the Target Fund;
(c) the board of directors of the Company may, at its discretion, make a price adjustment to the net asset value per share of the Target Fund (for example, when the Target Fund is experiencing a net outflow of redemptions that requires significant sales of assets or when the Target Fund is experiencing significant levels of net subscriptions relative to its size) to mitigate the effect of dilution. Price adjustment may either be implemented at the Target Fund level or at a share class level, depending on the circumstances. For details, please refer to “Pricing Adjustment Policy" of this Information Memorandum. As a result of such adjustment, the net asset value per share will be higher or lower than the net asset value per share which otherwise would be if such adjustment has not been made; and
(d) subject to “Permitted Investments & Investment Restrictions and Limits of the Target Fund”, sub-section (16) of this Information Memorandum, the Target Fund may not borrow more than 10% of its net assets, and then only from financial institutions and on a temporary basis. There can be no assurance that the Target Fund will be able to borrow on favourable term.

Financial Derivative Instruments

The Company may use financial derivative instruments as set forth in the Permitted Investments & Investments Restrictions and Limits of the Target Fund above, sub–section (1)(g), for hedging and efficient portfolio management purposes.

The Management Company, on behalf of the Company may, for the Target Fund, for the purpose of efficient portfolio management of the assets of the Target Fund and/or to protect its assets and commitments, employ certain techniques and instruments as set out in this section.

Efficient portfolio management transactions may not include speculative transactions. These transactions must be economically appropriate (this implies that they are realised in a cost-effective way) and be entered into for one or more of the following specific aims:

- the reduction of risks;
- the reduction of cost; or
- the generation of additional capital gain or income for the fund with an appropriate level of risk, taking into account its risk profile and the risk diversification rules laid down in the investment restrictions.

These transactions include but not limited to the following:

- using swap contracts to adjust interest rate risk;
- using currency derivatives to manage currency risk;
- writing covered call options to generate additional income;
- using credit default swaps to manage credit risk;
- market access pending the availability of relevant custody accounts on behalf of the Target Fund;
- using volatility derivatives to adjust volatility risk; and
- using total return swaps or other swap contracts which have similar characteristics as total return swaps.

The relating risks of these transactions must be adequately captured by the risk management process.

The Management Company, on behalf of the Company must ensure that the overall risk associated with derivatives does not exceed the net assets of the Target Fund. The following are taken into account in computing risk: the market value of the underlying instruments, the risk of default, future foreseeable market developments and the period within which the positions are to be liquidated. This also applies to the following two points:

- In the case of investments in derivatives, the overall exposure for the underlying instruments may not exceed the investment limits set forth in the investment restrictions. Investments in index-based derivatives need not be taken into account in the case of the investment limits set forth in the investment restrictions.

- If a derivative has a security or money market instrument as the underlying, it has to be taken into account with regard to compliance with the rules set forth under the investment restrictions.

In no case whatsoever must recourse to transactions involving derivatives or other financial techniques and instruments cause the Management Company, on behalf of the Company to depart from the investment objectives set out in the prospectus of the Target Fund or add substantial supplementary risks in comparison to the Company’s general risk policy (as described in the prospectus of the Target Fund).

In addition, the financial derivative instruments must comply with the provisions contained in the investment restrictions.

Should the Management Company on behalf of the Company decide to enter into derivative transactions for purposes other than hedging and/or efficient portfolio management purposes, the investment policy of the Target Fund will be amended accordingly.

Effective from 2 December 2019, for the Target Fund that are authorized by the Securities and Futures Commission, the net derivative exposure may be up to 50% of the Target Fund’s net asset value. The net derivative exposure set out above may be exceeded in such circumstances as permitted under the Code on Unit Trusts and Mutual Funds, handbook, code and/or guideline issued by the Securities and Futures Commission from time to time or permitted by the Securities and Futures Commission from time to time.

The term “net derivative exposure” has the meaning as defined in the Code on Unit Trusts and Mutual Funds and should be calculated in accordance with the requirement and guidance issued by the Securities and Futures Commission, which may be updated from time to time (including but not limited to the “Guide on the Use of Financial Derivative instruments for Unit Trusts and Mutual Funds”).

Collateral Policy

The collateral policy of the Company is as follows:

- permitted types of collateral: cash collateral.
- level of collateral: fully collateralised, subject to decisions thresholds as per relevant Credit Support Annex*.

  **Credit Support Annex refers to documentation that sets out the collateral arrangements between two parties that trade OTC derivatives. The Credit Support Annex is executed with the International Swaps and Derivatives Association (“ISDA”) agreement before such derivatives are traded between each party*.

- safekeeping of collateral: collateral received is safe-kept with the depositary or third-party delegates of the depositary, as appropriate.
- haircut policy: no haircut.
- re-investment policy: no reinvestment of collateral.

Commitment Approach

The method used to calculate the global exposure of the Target Fund is the commitment approach.

Securities lending transactions, sales with a right of repurchase transactions, reverse repurchase transactions, and/or repurchase transactions

The Management Company will, for and on behalf of the Company and the Target Fund, for the time being, not enter into repurchase and reverse repurchase transactions nor engage in securities lending transactions. Should the Management Company decide to use such techniques and instruments in the future, this can be done so at the Management Company’s discretion and the prospectus of the Target Fund will be updated accordingly thereafter, subject to regulatory approval.

PRICING ADJUSTMENT POLICY

The actual cost of purchasing or selling assets and investments for the Target Fund may however deviate from the latest available price or net asset value used, as appropriate, in calculating the net asset value per share due to duties and charges and spreads from buying and selling prices of the underlying investments. These costs have an adverse effect on the value of the Target Fund and are known as “dilution”. To mitigate the effects of dilution, the board of directors may, at its discretion, make a price adjustment to the net asset value per share of the Target Fund.

Shares will in principle be issued, redeemed and converted on the basis of a single price, i.e., the net asset value per share. However – to mitigate the effect of dilution – the net asset value per share may be adjusted for any valuation day in the manner set out below depending on whether or not the Target Fund is in a net subscription position or in a net redemption position for such valuation day to arrive at the applicable adjusted price (the “Adjusted Price”). Where there is no dealing in the Target Fund or class of the Target Fund on any valuation day, the applicable price will be the unadjusted net asset value per share. The board of directors will retain the discretion in relation to the circumstances under which to make such a price adjustment. As a general rule, the requirement to make a price adjustment will depend on whether the net volume of subscriptions, redemptions or conversions of shares in the Target Fund will require significant purchases of assets or sales of assets in order to provide the required liquidity. The board of directors may make a price adjustment if, in its opinion, the existing shareholders (in case of subscriptions or conversions) or remaining shareholders (in case of redemptions or conversions) might otherwise be adversely affected. In particular, the price adjustment may be made where, for example but without limitation:

a) the Target Fund is in continual decline (i.e. is experiencing a net outflow of redemptions that requires significant sales of assets);
b) the Target Fund is experiencing significant levels of net subscriptions relative to its size;
c) the Target Fund is experiencing a net subscription position or a net redemption position on any valuation day that requires significant purchases or sales of assets; and
d) in any other case where the board of directors is of the opinion that the interests of shareholders require the imposition of a price adjustment.

The price adjustment will involve adding to, when the Target Fund is in a net subscription position, and deducting from, when the Target Fund is in a net redemption position, the net asset value per share such figure as the board of directors considers an appropriate figure to meet duties and charges and spreads. In particular, the net asset value of the Target Fund will be adjusted (upwards or downwards) by an amount which reflects (i) the estimated fiscal charges, (ii) dealing costs that may be incurred by the Target Fund and (iii) the estimated bid/offer spread of the assets in which the Target Fund invests. As certain stock markets and jurisdictions may have different charging structures on the buy and sell sides, the resulting adjustment may be different for net inflows than for net outflows. Adjustments will however be limited to a maximum of 2% of the then applicable net asset value per share.

The Adjusted Price of each class in the Target Fund will be calculated separately but any price adjustment will in percentage terms affect the Adjusted Price of each class in an identical manner. On the occasions when the price adjustment is not made there may be an adverse impact on the total assets of the Target Fund.

For the avoidance of doubt, for the Target Fund, price adjustment may either be implemented at the Target Fund level or at a share class level, depending on the circumstances.

PERFORMANCE OF THE TARGET FUND

	Performance as at 30 June 2019 (%) p.a.			
	1 year	**3 years**	**5 years**	**Since Launch**
The Target Fund (Launch date: 30 March 2012)	10.16	3.73	4.37	5.36
Benchmark:				
J. P Morgan Asia Credit Index ("JACI") Non-Investment Grade	10.11	4.94	5.81	7.03

Source: Eastspring Investments (Singapore) Limited.

FEES, CHARGES AND EXPENSES OF THE TARGET FUND

Direct fees charged by the Target Fund

Sales charge: Up to 3.00% of the Target Fund's net asset value per share.

Redemption charge: Nil.

Note:
All sales charge levied by Eastspring Investments – Asian High Yield Bond Fund on any investments made by Eastspring Investments Asian High Yield Bond MY Fund into Eastspring Investments - Asian High Yield Bond Fund shall be waived.

Indirect fees charged by the Target Fund

Annual management fee: Up to 1.00% per annum of the Target Fund net asset value.

Note:
The annual management fee paid to Eastspring Investments – Asian High Yield Bond Fund will be rebated back to the Eastspring Investments Asian High Yield Bond MY Fund in full.

Other fees charged by the Target Fund

Custodian fee: Up to 0.0200% per annum;

Fund administration fee: Up to 0.0400% per annum;

Transfer agency fee: Up to 0.0400% per annum; and

Luxembourg tax: Up to 0.0200% per annum.

Operating expenses, including without limitation the costs of buying and selling securities, governmental charges, legal and auditing fees, interests, printing, reporting and publication expenses, paying agency fees, postage and telephone.

Note:
The above fees are based on the audited charges as of 31 December 2018 which may be subject to changes from time to time.

Investors should note that the Fund may subject to higher fees arising from the layered investment structure of the Target Fund.

7. 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.

As the Fund has multiple Classes, the fees and expenses of the Fund are apportioned based on the NAV of each Class relative to the size of the whole Fund which is known as multi-class ratio ("MCR"). The MCR is calculated by taking the NAV of a Class before income and expenses on a particular day and dividing it with the NAV of the Fund before income and expenses for the same day. The apportionment is expressed as a ratio and calculated as a percentage.

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 initial offer price during the initial offer period and thereafter, on the NAV per Unit of a Class
Manager	Up to 3.00%
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.

Repurchase Charge

Nil

Switching Fee

Unit Holders are permitted to switch from the Fund to any other funds managed by the Manager where the currency denomination of the fund that they intend to switch into is the same as the currency denomination of the Class that they intend to switch from. There is no limit on the frequency of switching.

Any investor of any other funds managed by the Manager who intends to switch into this Fund must be a Sophisticated Investor.

There is no switching fee imposed on switching of Units but if a Unit Holder of the Fund wishes to switch into any other funds managed by the Manager and the sales charge of the Fund is less than the sales charge of the other funds to be switched into, the Unit Holder shall pay the difference between the two (2) sales charges of these two transacted funds. However, no sales charge will be imposed if the fund to be switched into has a lower sales charge than the 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 a management fee of up to 1.25% of the Fund's NAV per annum calculated and accrued daily.

There is no double charging of annual management fee. Annual management fee paid to the Target Fund will rebate back to the Fund in full.

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 RM18,000 per annum or its equivalent in the base currency of the Fund (excluding foreign custodian fees and charges) 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 may be charged to the Fund. Below is a list of expenses related to the Fund:

- commissions or fees paid to dealers;
- auditors' fee;
- tax adviser's fee;
- valuation fee*;
- taxes;
- custodial charges;
- cost of printing the annual and quarterly reports;
- independent investment committee members' 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.

Note
**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 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 or services by way of soft commissions provided always that the goods or 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

The valuation of Units is based on the NAV of the respective Class and is calculated at least once every Business Day.

The valuation of the Fund will be done in the base currency of the Fund, i.e. USD. To determine the NAV of each Class, all the assets and liabilities of each Class will be converted to USD.

NAV per Unit of a Class = NAV attributable to a Class / Units in circulation for that particular Class.

	Illustration: Computation of NAV and NAV per Unit				
		Fund	**USD Class**	**RM Hedged-class**	**AUD Hedged-class**
		(USD)	**(USD)**	**(USD)**	**(USD)**
	MCR (%)	100.00%	[1]60.00%	[1]20.00%	[1]20.00%
	NAV before income and expenses	100,000,000.00	60,000,000.00	20,000,000.00	20,000,000.00
Add:	Income	80,000.00	[2]48,000.00	[2]16,000.00	[2]16,000.00
Less:	Expenses	(20,000.00)	[2](12,000.00)	[2](4,000.00)	[2](4,000.00)
	NAV before deducting management fee and trustee fee	**100,060,000.00**	**60,036,000.00**	**20,012,000.00**	**20,012,000.00**
Less:	Management fee for the day (1.25% per annum)	(3,426.71)	(2,056.03)	(685.34)	(685.34)
Less:	Trustee fee for the day (0.06% per annum)	(164.48)	(98.68)	(32.90)	(32.90)
	NAV after deducting management fee and trustee fee	**100,056,408.81**	**60,033,845.29**	**20,011,281.76**	**20,011,281.76**
	Units in circulation	210,000,000.00	140,000,000.00	35,000,000.00	35,000,000.00
	NAV per Unit of USD Class (rounded to 4 decimal places)		[3]0.4288		
	NAV per Unit of RM Hedged-class in USD (rounded to 4 decimal places)			[3]0.5718	
Multiply:	Currency exchange rate (assume USD$1:RM4.20)			4.20	
	NAV per Unit of AUD Hedged-class in USD (rounded to 4 decimal places)				[3]0.5718
Multiply:	Currency exchange rate (assume USD$1:AUD1.48)				1.48
	NAV per Unit (rounded to 4 decimals)		**USD0.4288**	**RM2.4016**	**AUD0.8463**

Note:

[1]Multi-class ratio ("MCR") computation

			USD Class			RM Hedged-class			AUD Hedged-class	
NAV of the Class X 100		=	60,000,000.00 X 100		=	20,000,000.00 X 100		=	20,000,000.00 X 100	
NAV before income and expenses			100,000,000.00			100,000,000.00			100,000,000.00	
		=	60.00%		=	20.00%		=	20.00%	

[2]Apportionment based on MCR

			USD Class		RM Hedged-class		AUD Hedged-class
	(USD)		**(USD)**		**(USD)**		**(USD)**
Add: Income	80,000.00		MCR x income		MCR x income		MCR x income
		=	60.00% X 80,000.00	=	20.00% X 80,000.00	=	20.00% X 80,000.00
		=	48,000.00	=	16,000.00	=	16,000.00
Less: Expenses	(20,000.00)		MCR x expenses		MCR x expenses		MCR x expenses
		=	60.00% X 20,000.00	=	20.00% X 20,000.00	=	20.00% X 20,000.00
		=	12,000.00	=	4,000.00	=	4,000.00

[3]NAV per Unit of that particular Class computation

		USD Class		RM Hedged-class		AUD Hedged-class
NAV attributable of a Class	=	60,033,845.29	=	20,011,281.76	=	20,011,281.76
Units in circulation for that particular Class		140,000,000.00		35,000,000.00		35,000,000.00
	=	USD0.4288	=	USD0.5718	=	USD0.5718

<u>Pricing Policy</u>

Single pricing

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

Forward pricing

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

Incorrect 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 purchase and creation of Units, the Fund shall reimburse the Unit Holder;
(b) if there is an over valuation and pricing in relation to the redemption of Units, the Manager shall reimburse the Fund;
(c) if there is an under valuation and pricing in relation to the purchase and creation of Units, the Manager shall reimburse the Fund; and
(d) 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.

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 of a Class; and
(b) results in a total sum of more than RM10.00 or its equivalent in foreign currency.

Illustration on how Units are allocated

(a) During initial offer period

During the initial offer period, the selling price shall be USD0.5000, RM0.5000 and AUD0.5000.

			USD Class		RM Hedged-class		AUD Hedged-class
	Investment amount	USD	10,000.00	RM	10,000.00	AUD	10,000.00
Add:	Sales charge (3.00%)	USD	300.00	RM	300.00	AUD	300.00
	Total amount payable by you	USD	10,300.00	RM	10,300.00	AUD	10,300.00
	Investment amount	USD	10,000.00	RM	10,000.00	AUD	10,000.00
Divide:	Initial offer price	USD	0.5000	RM	0.5000	AUD	0.5000
	Number of Units purchased		20,000		20,000		20,000

(b) After initial offer period

Assuming the NAV per Unit after the initial offer period is USD0.5100, RM0.5100 and AUD0.5100.

			USD Class		RM Hedged-class		AUD Hedged-class
	Investment amount	USD	10,000.00	RM	10,000.00	AUD	10,000.00
Add:	Sales charge (3.00%)	USD	300.00	RM	300.00	AUD	300.00
	Total amount payable by you	USD	10,300.00	RM	10,300.00	AUD	10,300.00
	Investment amount	USD	10,000.00	RM	10,000.00	AUD	10,000.00
Divide:	NAV per Unit	USD	0.5100	RM	0.5100	AUD	0.5100
	Number of Units purchased		19,607.84		19,607.84		19,607.84

Illustration on how redemption proceeds are calculated

(a) During initial offer period

During the initial offer period, the repurchase price shall be USD0.5000, RM0.5000 and AUD0.5000.

			USD Class		RM Hedged-class		AUD Hedged-class
	Units intended for redemption		10,000		10,000		10,000
Multiply:	NAV per Unit of a Class	USD	0.5000	RM	0.5000	AUD	0.5000
	Repurchase amount	USD	5,000.00	RM	5,000.00	AUD	5,000.00
Less:	Repurchase charge		Nil		Nil		Nil
	Net amount payable to you	USD	5,000.00	RM	5,000.00	AUD	5,000.00

(b) After initial offer period

Assuming the NAV per Unit after the initial offer period is USD0.5020, RM0.5020 and AUD0.5020.

			USD Class		RM Hedged-class		AUD Hedged-class
	Units intended for redemption		10,000		10,000		10,000
Multiply:	NAV per Unit of a Class	USD	0.5020	RM	0.5020	AUD	0.5020
	Repurchase amount	USD	5,020.00	RM	5,020.00	AUD	5,020.00
Less:	Repurchase charge		Nil		Nil		Nil
	Net amount payable to you	USD	5,020.00	RM	5,020.00	AUD	5,020.00

SHOULD THERE BE ANY INCONSISTENCY BETWEEN THE PRICE PUBLISHED IN THE NEWSPAPERS AND THE PRICE ADOPTED BY THE MANAGER; THE MANAGER'S PRICE SHALL BE ADOPTED INSTEAD OF THE PRICE PUBLISHED IN THE NEWSPAPERS. THE MANAGER, HOWEVER, CANNOT ASSUME ANY RESPONSIBILITY OR BE LIABLE FOR ANY ERROR IN PRICES FINALLY PUBLISHED IN THE NEWSPAPERS.

8. TRANSACTION INFORMATION

Investors intending to invest in the foreign currency class are required to have a foreign currency account with any financial institution as all transactions relating to the foreign currency class will ONLY be made via telegraphic transfer.

DISTRIBUTION CHANNELS

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

Should a Unit Holder wish to consider investments, subsequent investments, redemption, switching or transfer of Units, the Unit Holder must complete the relevant transaction forms which can be obtained from the distribution channel of the Manager.

Please refer to the Directory of Sales Office section at the end of this information memorandum 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
• Master account opening form • Transaction form • Proof of payment which is acceptable by the Manager • Suitability assessment form • Certified true copy of identity card, passport or other identification document • Sophisticated Investor Declaration Form	• Master account opening form • Transaction form • Proof of payment which is acceptable by the Manager • Suitability assessment form • Sophisticated Investor Declaration Form • Certified true copy of board resolution • Certified true copy of latest audited account • Certified true copy of corporate structure (where applicable) • Certified true copy of identity card or passport of directors and authorised representatives • Certified true copy of forms 24 / return of the allotment under section 78 of the Companies Act 2016 (not required for a public listed company or an entity licensed by SC, BNM or Labuan FSA) • 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 • Certified true copy of the constitution (if any) • Certified true copy of the certificate of incorporation • Certified true copy of form 13 / application for change of name under section 28 of the Companies Act 2016 (if applicable) • Certified true copy of form 44 / notification of change in the registered address under section 46 of the Companies Act 2016 (if applicable) • Personal data protection notice form for directors and authorised representatives

Note:
**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. The Units will be issued at the NAV per Unit of a Class calculated at the next valuation point (i.e. forward pricing) 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 c*onfirmation 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 his application for Unit to the Manager. Payment for application of Units must be made in the currency designation of the Class that an investor intends to invest in.

A Unit Holder can also make payment by issuing cheque or bank draft made payable to "**Eastspring Investments Berhad**" (applicable for RM Hedged-class only).

Cheque 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 customer'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, cash payment through Automated Teller Machine ("ATM"), 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.

INVESTORS MUST NOT MAKE PAYMENT IN CASH TO ANY INDIVIDUAL AGENT WHEN PURCHASING UNITS OF THE FUND.

Details of the Manager's accounts with its principal bankers are as follows:

RM Hedged-class

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

Non RM Class

Bank	Foreign currency class	Account no.
Deutsche Bank (Malaysia) Berhad	USD Class	0003111-05-0
	AUD Hedged-class	0003111-09-0

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 of a Class 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.

All redemption proceeds must revert back to Unit Holder's segregated personal or corporate banking account.

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

Any correspondence and cheques (for RM Hedged-class only) will ONLY be sent to you at the correspondence address and/or email address (for correspondence only) 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, the 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 you the redemption proceeds, via e-payment according to your bank account details as stated in the form, no later than fifteen (15) Business Days 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.

Redemption proceeds for Units of each Class will be paid in the currency of the respective Class.

COOLING-OFF PERIOD & COOLING-OFF RIGHT

The cooling-off right is only given to a qualified Sophisticated Investor. A qualified Sophisticated Investor is an individual investor who is investing in any of the funds managed by the Manager for the first time but shall not include the following investor:-

- 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 NAV per Unit of a Class 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 by giving 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 c*onfirmation 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 fifteen (15) Business Days from the date the Manager receives the duly completed transaction form.

SWITCHING BETWEEN FUNDS

There are two (2) types of switching facilities available for the Fund, namely:

1) *Switching from this Fund into other funds managed by the Manager*

Unit Holders are permitted to switch from the Fund to any other funds managed by the Manager where the currency denomination of the fund that they intend to switch into is the same as the currency denomination of the Class that they intend to switch from. There is no limit on the frequency of switching.

Any investor of any other funds managed by the Manager who intends to switch into this Fund must be a Sophisticated Investor.

2) *Switching between Classes of the Fund*;

Unit Holders are not allowed to switch between Classes of the Fund if the currency denomination is different.

Unit Holder is required to complete a transaction form for switching application. There is no limit on the frequency of switching. However, during the initial offer period, the units of other funds are not allowed to switch into Units of the Fund except at the Manager's discretion.

Switching application should be made before the cut-off time of 4.00 p.m. on any Business Day. The Units will be switched at NAV per Unit of a Class calculated at the next valuation point (i.e. forward pricing) after the switching 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 a switching application is received after the cut-off time stated above, the switching 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 switching from time to time, which shall be communicated to you in writing.

The Manager reserves the right to charge the differential sales charge between the two (2) transacted funds.

The table below sets out the switching between funds with different sales charge.

Switching from existing fund	**Switching to intended fund**	
	Fund with NO sales charge	**Fund with sales charge**
Fund with sales charge	Switch at NAV per Unit of a Class	

Fund with NO sales charge		Switch at NAV per Unit of a Class, the differential sales charge between the two (2) funds shall be borne by the Unit Holder Note: If a switch is made into the Units of the Fund from other fund with a higher sales charge imposed, no sales charge will be imposed on the Unit Holder.

The table below sets out as a guide when the Unit Holder switches out of a fund or class of units denominated in RM into another fund or class of units denominated in RM managed by the Manager. All switches will be transacted on the same day except the following:

Switch out	Switch in	Switch out date	Switch in date
Local equity funds	Money market funds	T day	T + 1 day
Offshore equity funds	Money market funds	T day	T + 4 days
Money market funds	Money market funds	T day	T + 1 day

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

TRANSFER OF UNITS

A Unit Holder may transfer some or all of his Units held in the Fund to another Sophisticated Investor 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 33 of this information memorandum to the Manager for account opening in addition to a transfer form.

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 and branch offices.

When the 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 c*onfirmation advice*.

HOW TO KEEP TRACK OF YOUR INVESTMENT

A Unit Holder will receive annual report within two (2) months of the Fund's financial year end and quarterly report within two (2) months of the end of the period covered. Both the Fund's reports will disclose the performance and investments updates of the Fund. Unit Holder will receive monthly statement of accounts which provides the latest update of your investment accounts.

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. A Unit Holder can register for a "myEastspring" account at 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.

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 switching, top up investment, redemption or transfer;
3. request to change personal details, for example address or telephone no;
4. request for confirmation advices on purchase and other transactions related to your Unit holdings, monthly statements and copy of annual and/or quarterly 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

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

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

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 number of Units as the Manager may determine from time to time) remains in the Fund after 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. The same applies for partial switching out.

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 Holder shall alone be entitled to vote.

INCOME DISTRIBUTION POLICY

Subject to the availability of income, income distribution will be declared at least on a quarterly basis.

INCOME REINVESTMENT POLICY

Income distributed to a Unit Holder will automatically be reinvested into additional Units in the Fund at the NAV per Unit of a Class at the end of the Business Day of the income distribution date at no cost if Unit Holder did not elect the mode of distribution in the master account opening form or provide any written instruction to the Manager.

Should a Unit Holder elect the mode of distribution in the master account opening form or provide any written instruction to the Manager for the income distribution to be paid out, the income distribution proceeds will either be paid by cheque (only for RM Hedged-class) or credited into the bank account located in Malaysia via telegraphic or online transfer at the cost and expense of the Unit Holder.

The Manager reserves the right to reinvest income distribution without providing any reason if the instruction in the master account opening form or written instruction is incomplete.

AUTO REINVESTMENT POLICY

Any moneys payable to a Unit Holder as a result of income distribution which remains unclaimed after six (6) months from the date of payment shall automatically be reinvested into additional Units of the Fund at the NAV per Unit of a Class on the closing of the fifteenth (15^{th}) day after the said six (6) months period at no cost. In the event the fifteenth (15^{th}) day falls on a non-Business Day, reinvestment will be made on the following Business Day.

UNCLAIMED MONEYS POLICY

Any unpresented cheques 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 (FIED) 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.

9. 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 Holders' 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 of the Fund, and subject to the provisions of the Deed, you have the right:

1. to receive distributions of income, if any, of the Fund;
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 quarterly reports of the Fund; and
5. to exercise such other rights and privileges as provided for in the Deed.

No Unit Holder shall be entitled to require the transfer to him of any of the assets comprised in the Fund or be entitled to interfere with or question the exercise by the Trustee or the Manager on behalf of the Trustee of the rights of the Trustee as registered owner of such assets.

LIABILITIES OF UNIT HOLDERS

No Unit Holder is liable for any amount in excess of the purchase price paid for the Units as determined pursuant to the Deed at the time the Units were purchased. A Unit Holder shall 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 assets of the Fund, and any right of indemnity of the Manager and/or the Trustee shall be limited to recourse to the Fund.

TERMINATION OF THE FUND

The Fund may be terminated or wound up should the following events occur:

- A special resolution is passed at a Unit Holders' meeting to terminate or wind up the Fund; and
- Such other events and situations as provided in the Deed.

Upon the termination of the Fund, the Trustee shall:

a) sell all the assets of the Fund then remaining in its hands and pay out of the Fund any liabilities of the Fund; such sale and payment shall be carried out and completed in such manner and within such period as the Trustee considers to be in the best interests of the Unit Holders; and

b) from time to time distribute to the Unit Holders, in proportion to the number of Units held by them respectively:

    i) the net cash proceeds available for the purpose of such distribution and derived from the sale of the investments and assets of the Fund less any payments for liabilities of the Fund; and
    ii) any available cash produce;

provided always that the Trustee shall not be bound, except in the case of final distribution, to distribute any of the moneys for the time being in his hands the amount of which is insufficient for payment to the Unit Holders of RM0.50 or its foreign currency equivalent, if applicable in respect of each Unit and provided also that the Trustee shall be entitled to retain out of any such moneys in his hands, full provision for all costs, charges, taxes, expenses, claims and demands incurred, made or anticipated by the Trustee in connection with or arising out of the winding-up of the Fund and, out of the moneys so retained, to be indemnified against any such costs, charges, taxes, expenses, claims and demands; each such distribution shall be made only against the production of such evidence as the Trustee may require of the title of the Unit Holder relating to the Units in respect of which the distribution is made.

In the event the Fund is terminated, the Trustee shall be at liberty to call upon the Manager to grant the Trustee, and the Manager shall so grant, a full and complete release from the Deed and the Manager shall indemnify the Trustee against any claims arising out of the Trustee's execution of the Deed provided always that such claims have not been caused by any failure on the part of the Trustee to exercise the degree of care and diligence required of a trustee as contemplated by the Deed and all relevant laws.

Where the termination and the winding-up of the Fund have been occasioned by any of the events set out herein:

a) if the Manager has gone into liquidation, except for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee and the relevant authorities;

b) if, in the opinion of the Trustee, the Manager has ceased to carry on business; or

c) if, in the opinion of the Trustee, the Manager has, to the prejudice of Unit Holders, failed to comply with the provisions of the Deed or contravened any of the provisions of any relevant law;

the Trustee shall summon for a Unit Holders' meeting to get directions from the Unit Holders. If a special resolution is passed to terminate the trust and wind-up the Fund, the Trustee shall apply to the court for an order confirming such special resolution. The Trustee shall, as soon as practicable after the winding up of the Fund inform Unit Holders and the relevant authorities of the same. The Trustee shall also arrange for a final review and audit of the final accounts of the Fund by the auditor of the Fund; in all other cases of termination of the trust and winding-up of the Fund, such final review and audit by the auditor of the Fund shall be arranged by the Manager.

TERMINATION OF A CLASS OF UNITS

A particular Class may be terminated if a special resolution is passed at a meeting of Unit Holders of that Class to terminate that Class provided always that such termination does not prejudice the interests of Unit Holders of any other Class of the Fund. For the avoidance of doubt, the termination of a Class shall not affect the continuity of any other Class of the Fund.

If at a meeting of Unit Holders to terminate a Class, a special resolution to terminate a particular Class is passed by the Unit Holders:

(a) the Trustee shall cease to create and cancel Units of that Class;

(b) the Manager shall cease to deal in Units of that Class;

(c) the Trustee and the Manager shall notify the relevant authorities in writing of the passing of the special resolution; and

(d) the Trustee or the Manager shall, as soon as practicable, inform all Unit Holders of the Fund of the termination of that Class.

The Trustee shall then arrange for a final review and audit of the final accounts of the Fund attributable to that Class by the auditor of the Fund. Upon the completion of the termination of that Class, the Trustee and the Manager shall notify the relevant authorities of the completion of the termination of that Class.

MEETING OF UNIT HOLDERS

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 of the Fund or of a particular Class, as the case may be, summon a meeting of the Unit Holders of the Fund or of a particular Class by:

(a) sending by post at least seven (7) days before the date of the proposed meeting a notice of the proposed meeting to all the Unit Holders or the Unit Holders of that Class;

(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; or

(d) giving to the Trustee such directions as the meeting thinks proper;

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 of the Fund or all the Unit Holders of a particular Class, whichever may be applicable.

The Unit Holders of a particular Class may apply to the Manager to summon a meeting only in respect of matters relating to that Class.

For the avoidance of doubt, a meeting summoned for the purposes of (a) and (b) above cannot be convened where the Unit Holders consist solely from a particular Class.

10. 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 any other 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.

11. ADDITIONAL INFORMATION

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
(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
(d)	via online complaint form available at	:	www.fimm.com.my
(e)	via letter to	:	Legal, Secretarial & Regulatory Affairs Federation of Investment Managers Malaysia 19-06-1, 6th 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
(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
(d)	via online complaint form available at	:	www.sc.com.my
(e)	via letter to	:	Consumer & Investor Office Securities Commission Malaysia No. 3, Persiaran Bukit Kiara Bukit Kiara 50490 Kuala Lumpur

12. 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
Website: www.eastspring.com/my

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