

Prepared on: 02/12/19

This Product Highlights Sheet is an important document.

- It highlights the key terms and risks of this investment product and complements the Prospectus<sup>1</sup>.
- It is important to read the Prospectus before deciding whether to purchase shares in the product. If you do not have a copy, please contact us to ask for one.
- You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.
- If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.

## EASTSPRING INVESTMENTS – US STRATEGIC INCOME BOND FUND (the “Sub-Fund”)

Product Type	Collective Investment Scheme	Launch Date	15 June 2015
Manager	Eastspring Investments (Luxembourg) S.A. (which is the Management Company)	Custodian	The Bank of New York Mellon SA/NV Luxembourg branch (which is the Depositary)
Trustee	Not applicable	Dealing Frequency	Every Business Day
Capital Guaranteed	No	Expense Ratio for financial year ended 31 December 2018	1.68% <sup>2</sup>

### PRODUCT SUITABILITY

#### WHO IS THE PRODUCT SUITABLE FOR?

- The Sub-Fund is only suitable for investors who:
  - o seek a high level of current income;
  - o are comfortable with the greater volatility and risks of a bond fund that invests primarily in investment grade as well as high yield bonds; and
  - o appreciate that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.
- Investment in a hedged share class is suitable for investors who already have exposure to, or have all or part of their deposits, assets and liabilities denominated in, the reference currency of the hedged share class.

#### Further Information

Refer to “Product Suitability” of the Singapore Prospectus for further information on product suitability.

**You should consult your financial advisers if in doubt whether this product is suitable for you.**

### KEY PRODUCT FEATURES

#### WHAT ARE YOU INVESTING IN?

- You are investing in a collective investment scheme constituted in Luxembourg that aims to provide a high level of current income by investing in a diversified portfolio consisting primarily of investment grade fixed income / debt securities and high yield fixed income / debt securities.
- You may receive distributions as declared by the Board of Directors on a monthly basis if you invest in a share class with a subscript DM in its name, on a quarterly basis on or around January, April, July and October if you invest in a share class with a subscript DQ in its name, on a semi-annual basis on or around April and October if you invest in a share class with a subscript DH in its name and on an annual basis on or around January if you invest in a share class with a subscript DY in its name. **Distributions are not guaranteed.** The Board of Directors may at its discretion pay distributions out of either (a) income; or (b) net capital gains; or (c) capital of the Sub-Fund or a combination of (a) and/or (b) and/or (c). Such distributions will reduce the net asset value (“NAV”) of the shares. The Board of Directors may also vary the frequency and/or amount of the distributions made.

Refer to “Basic Information”, “Investment Objectives, Focus and Approach” and “Dividend Policy” of the Singapore Prospectus for further information on features of the product.

<sup>1</sup> The Prospectus is available for collection at Eastspring Investments (Singapore) Limited, 10 Marina Boulevard #32-01 Marina Bay Financial Centre Tower 2 Singapore 018983, during business hours or accessible at [www.eastspring.com.sg](http://www.eastspring.com.sg).

<sup>2</sup> Provided for available retail share classes inception before 31 December 2018. Please refer to the Prospectus for the specific expense ratio of such share class.



## Investment Strategy

- The Sub-Fund will invest in a diversified portfolio consisting primarily of investment grade fixed income / debt securities rated BBB- and above by Standard & Poor's (or comparable rating by Moody's Investors Service or Fitch Ratings) and high yield fixed income / debt securities rated CCC- and above by Standard & Poor's (or comparable rating by Moody's Investors Service or Fitch Ratings) denominated in US dollars, issued in the US market (including "Yankee" and "Global" bonds).
- Investment grade and high yield fixed income / debt securities will include positions in various fixed income / debt sectors such as US Treasury, US corporate (including redeemable preference shares), CMBS, MBS and ABS.
- The Sub-Fund may also invest up to 10% in aggregate of its net assets in Distressed Securities and Defaulted Securities, and up to 10% of its net assets in Contingent Convertible Bonds ("CoCos"). The Sub-Fund may also invest in securities denominated in foreign currencies.

Refer to "Investment Objectives, Focus and Approach" of the Singapore Prospectus for further information on the investment strategy of the product.

## Parties Involved

### WHO ARE YOU INVESTING WITH?

- The Manager: Eastspring Investments (Luxembourg) S.A.
- The Investment Manager and Singapore Representative: Eastspring Investments (Singapore) Limited
- The Depositary: The Bank of New York Mellon SA/NV Luxembourg branch
- The Investment Sub-Manager: PPM America, Inc.

Refer to "Basic Information" and "Management & Administration of the SICAV" of the Singapore Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

## KEY RISKS

### WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

**The value of the product and its distributions (if any) may rise or fall. These risk factors may cause you to lose some or all of your investment:**

Refer to "Risks" of the Singapore Prospectus for further information on risks of the product.

### Market and Credit Risks

- **You are exposed to market risks.** The value of your investments may go up and down due to normal market fluctuations in the bond markets that the Sub-Fund invests in.
- **You are exposed to interest rate and credit risks as this is a bond fund.** Bonds are subject to interest rate fluctuations and credit risks, such as risk of default by issuers.
- **You are exposed to currency risks.** As the Sub-Fund's investments may be denominated in currencies that differ from the currency of the share class held by you, fluctuations in the exchange rates of these foreign currencies may affect the value of your shares. If you are invested in a share class that is not denominated in SGD and your reference currency is SGD, you may be exposed to exchange rate risks.
- **You are exposed to the risks of currency hedging transactions for a hedged share class.** The hedging strategy is to reduce but not eliminate currency risk. If these hedging transactions are imperfect or are only placed over a portion of the foreign exchange exposure, such share class will bear the resulting benefit or loss. It is important to note that currency hedging transactions for one share class may in extreme cases adversely affect the NAV of the other share classes within the Sub-Fund.
- **You are exposed to counterparty risks.** The Sub-Fund will be exposed to the credit risk on counterparties with which it trades and any default by such a counterparty (for example, due to insolvency) could result in substantial losses to the Sub-Fund.
- **You are exposed to liquidity risks of the Sub-Fund's investments.** The Sub-Fund may have investments which have high liquidity risks (for example, low trading volumes) and may incur substantial losses if it is unable to sell these investments at opportune times or prices.



### Liquidity Risks

- **The Sub-Fund is not listed and you can redeem your shares only on Business Days.** There is no ready secondary market for the Sub-Fund. All redemption requests should be submitted in the manner set out in the Singapore Prospectus.
- **Your redemption request may be deferred or suspended.** There may be a 10% limit on the number of shares that can be redeemed and converted on a Valuation Day. Therefore, your redemption request may be deferred to the next Valuation Day (which is subject to the same limit) if redemptions exceed the limit on that day. Your right to redeem shares may also be temporarily suspended under certain circumstances as described in the Singapore Prospectus.

### Product-Specific Risks

- **You are exposed to country risks.** As the Sub-Fund invests primarily in a single country (i.e. United States), it is exposed to the market, currency, political, regulatory and other risks related to the economy of that country.
- **You are exposed to derivatives risks.** The Sub-Fund may use derivative instruments, such as options, swaps, forward contracts and futures contracts, for efficient portfolio management and/or hedging purposes. Derivatives involve risks different from, and, in some cases, greater than, the risks presented by more traditional securities investments. Some of the risks associated with derivatives are market risk, management risk, credit risk, liquidity risk, operational risk and leverage risk.
- **You are exposed to the risks of high yield bonds the Sub-Fund may invest in.** Compared to investment grade bonds, high yield bonds are normally lower-rated securities usually offering higher yields to compensate for the reduced creditworthiness or increased risk of default that these securities carry.
- **You are exposed to convertible bond risks.** The Sub-Fund may invest in convertible securities which are subject to the risks associated with both fixed income securities and equities, namely credit, price and interest-rate risk
- **You are exposed to Asset Backed Securities (“ABS”), Mortgage Backed Securities (“MBS”), Distressed and Defaulted Securities risks.** ABS, including MBS, are generally limited recourse obligations of the issuers, and holders of ABS including the Sub-Fund must rely solely on the cash flows generated from the underlying assets of the issuer and proceeds thereof (“ABS Assets”). In addition, interest payments on ABS (other than most senior tranche of an issue) are generally subject to deferral. ABS Assets are usually illiquid in nature and are subject to risks, including market, credit and interest rates risk. The aggregate return on the ABS Assets will depend in part upon the ability of the relevant investment manager to actively manage the related portfolio of such assets. Investments in distressed and defaulted securities are faced with limited information on the condition of the issuer, take considerable time, and involve substantial financial business risks that can result in substantial or total losses. The market prices of such securities are also subject to abrupt and erratic market movements and above-average price volatility.

### FEES AND CHARGES

#### WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

##### Payable directly by you

- You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Sales Charge	Up to 3%
Redemption Charge	0%
Switching Fee	Currently 1% (max 1%) of the value of the shares to be converted

Appointed distributors may (depending on the specific nature of services provided) impose other fees and charges not disclosed here. Please check with the relevant appointed distributor for further details.

Refer to “Fees and Charges” of the Singapore Prospectus for further information on fees and charges.

### Payable by the Sub-Fund from invested proceeds

- The Sub-Fund will pay the following fees and charges to the different parties:

Management Fee (for Class A)* (a) Retained by Manager (b) Paid by Manager to financial adviser (trailer fee)	Currently 1.25% p.a. (Up to 1.25% p.a.) (a) 35% to 70% <sup>3</sup> of Management Fee (b) 30% to 65% <sup>4</sup> of Management Fee
Administration Fee (for Class A)*	Currently 0.25% p.a. (Up to 0.25% p.a.)
Depository and Transaction Fees	0.05% p.a.**, subject to change depending on various factors
Fund Administration Fee	0.20% p.a.**

\*Please refer to Section 9 of the Singapore Prospectus for information on management fee and administration fee payable in relation to other Classes.

\*\*Based on audited accounts as at 31 December 2018.

## VALUATIONS AND EXITING FROM THIS INVESTMENT

### HOW OFTEN ARE VALUATIONS AVAILABLE?

- The indicative net asset value per share of the Sub-Fund may be available at [www.eastspring.com.sg](http://www.eastspring.com.sg) normally one Singapore business day after the relevant Valuation Day.

### HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

- You can exit the Sub-Fund by completing a redemption form available through the Singapore Representative or the distributor from whom you purchased your shares.
- No cancellation period is available and you cannot cancel your subscription into the Sub-Fund.
- Partial redemptions are subject to minimum holding requirements.
- Your redemption price is determined as follows (please note that distributors may impose a different cut-off time):
  - If you submit your redemption form by 3.00 p.m. Singapore time on a Business Day, you will be paid a price based on the net asset value per share of the Sub-Fund determined on that day (or if such Business Day is not a Valuation Day, the next Valuation Day).
  - If you submit your redemption form after 3.00 p.m. Singapore time or on a day which is not a Business Day, you will be paid a price based on the net asset value per share of the Sub-Fund determined on the next Business Day (or if such Business Day is not a Valuation Day, the next Valuation Day).
  - The NAV may be adjusted in accordance with the "Price Adjustment Policy" in section 2.4 of the Luxembourg Prospectus.
- You will normally receive the redemption proceeds within ten Business Days (or if any Business Day within such period is not a Valuation Day, such period as extended accordingly) following the Singapore Representative's receipt of the redemption request, subject to it being in order.
- The redemption proceeds that you will receive will be the redemption price multiplied by the number of shares redeemed, less any charge. There is currently no redemption charge applied to redemptions. An example is as follows:

Number of Shares to be Redeemed	x	Notional Redemption Price	=	Redemption Proceeds
1,000	x	\$1.10	=	\$1,100

Refer to "No Right of Cancellation by New Investors", "Redemption of Shares" and "Obtaining Prices of Shares" of the Singapore Prospectus for further information on valuation and exiting from the product.

## CONTACT INFORMATION

### HOW DO YOU CONTACT US?

You may contact Eastspring Investments (Singapore) Limited at (65) 6349 9711 or visit our distributors listed on [www.eastspring.com.sg](http://www.eastspring.com.sg).

<sup>3</sup> The Management Fee is retained by the Manager and/or the Investment Manager, as may be agreed between the parties.

<sup>4</sup> This range may change from time to time without prior notice depending on the agreement between (i) the Manager and/or Investment Manager and (ii) the relevant financial adviser/distributor. Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Manager and/or the Investment Manager.



## APPENDIX: GLOSSARY OF TERMS

<b>ABS:</b>	Asset Backed Security.
<b>Business Day:</b>	a full bank business day in Singapore and Luxembourg and, with respect to the Sub-Fund, a full bank business day in Singapore, Luxembourg and in the country or countries where the assets of the Sub-Fund are primarily invested.
<b>CMBS:</b>	Commercial Mortgage Backed Security.
<b>Defaulted Securities:</b>	Defaulted securities mean 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
<b>Distressed Securities:</b>	Distressed securities mean 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 reorganization law.
<b>Global Bonds:</b>	debt issued simultaneously in the eurobond and US domestic bond markets.
<b>Luxembourg Prospectus:</b>	the Luxembourg Prospectus of the Eastspring Investments dated October 2019.
<b>MBS:</b>	Mortgage Backed Security.
<b>Valuation Day:</b>	each full bank business day in Luxembourg and in the country or countries where the assets of the Sub-Fund are primarily invested, in which the net asset value per share of the Sub-Fund is calculated according to the Luxembourg Prospectus.
<b>Yankee bonds:</b>	debt of foreign issuers issued in the US domestic market.