



EASTSPRING INVESTMENTS FUNDS - MONTHLY INCOME PLAN

PROSPECTUS

MAY 2012

EASTSPRING INVESTMENTS FUNDS

Directory

Manager

Eastspring Investments (Singapore) Limited
(formerly known as Prudential Asset Management (Singapore) Limited)
(Company Registration No. 199407631H)
10 Marina Boulevard, #32-01 Marina Bay Financial Centre Tower 2, Singapore 018983

Directors of the Manager

Graham David Mason
Guy Robert Strapp
Julian Christopher Vivian Pull
Lakshman Kumar Mylavarapu

Trustee / Custodian

HSBC Institutional Trust Services (Singapore) Limited
(Company Registration No. 194900022R)
21 Collyer Quay, #14-01 HSBC Building, Singapore 049320

Auditors

KPMG LLP
16 Raffles Quay, #22-00, Hong Leong Building, Singapore 048581

Solicitors to the Manager

Allen & Gledhill LLP
One Marina Boulevard, #28-00, Singapore 018989

Solicitors to the Trustee

Shook Lin & Bok LLP
1 Robinson Road #18-00 AIA Tower, Singapore 048542

EASTSPRING INVESTMENTS FUNDS

Important Information

Eastspring Investments (Singapore) Limited (the “**Manager**”) accepts full responsibility for the accuracy of the information contained in this Prospectus of the Eastspring Investments Funds (the “**Fund**”) and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, there are no facts the omission of which would make any statement herein misleading. Unless otherwise stated or context otherwise requires, all undefined terms in this Prospectus have the same meanings as ascribed to them in the deed of trust dated 10 January 2005 (as amended) relating to the Fund (the “**Deed**”).

Investors should refer to the relevant provisions of the Deed and obtain independent professional advice in the event of any doubt or ambiguity. Copies of the Deed are available for inspection at the Manager’s office at all times during usual business hours (subject to such reasonable restrictions as the Manager may impose).

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and may only be used in connection with the offering of units (“**Units**”) in the sub-funds of the Fund offered in this Prospectus (the “**Sub-Funds**”). No representation is made as to the tax status of the Fund.

Investors should seek independent professional advice to ascertain (a) the possible tax consequences; (b) the legal requirements; and (c) any foreign exchange transactions or exchange control requirements which they may encounter under the laws of the countries of their citizenship, residence, domicile and which may be relevant to the subscription, holding or disposal of Units in a Sub-Fund and should inform themselves of and observe all such laws and regulations that may be applicable to them.

Investment in any of the Sub-Funds requires consideration of the normal risks involved in investing and participating in collective investment schemes. Investors should carefully consider the risks of investing in a Sub-Fund. Details of the risks involved are set out in paragraph 8 of this Prospectus. Risks specific to an individual Sub-Fund are also set out in the relevant Appendix to that Sub-Fund. Investors should consider these risks carefully before making an investment decision. Investors should note that because their investments can be volatile and that the value of Units may decline as well as appreciate, there can be no assurance that a Sub-Fund will be able to attain its objective. The prices of Units as well as income from them may go up as well as down to reflect changes in the Value of a Sub-Fund. An investment should only be made by those persons who can sustain losses on their investments. Investors should also satisfy themselves of the suitability to them of an investment in a Sub-Fund based on their personal circumstances.

Investors should note that past performance of the Manager is not necessarily indicative of the future performance of the Manager.

No person, other than the Manager, has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, subscription or sale of Units, other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Manager.

Investors should note that the Units offered by the Sub-Funds are not listed on any stock exchange. Investors may purchase, cancel, switch, convert or redeem their Units through the Manager or any agent or distributor appointed by the Manager subject to the ultimate discretion of the Manager in respect of the purchase, switching, exchange or redemption of an investor’s Units in accordance with the provisions in the Deed.

The Fund has not been and will not be registered under the United States Investment Company Act of 1940 as amended. The Units of the Fund have not been and will not be registered under the United States Securities Act of 1933 as amended (the “**Securities Act**”) or under the securities laws of any state of the United States of America and such shares may be offered, sold or otherwise transferred only in compliance with the 1933 Act and such state or other securities laws. The Units of the Fund may not be offered or sold within the United States or to or for the account of any “**US Person**” as defined in Rule 902 of Regulation S under the Securities Act.

Rule 902 of Regulation S under the Securities Act defines “US Person” as (i) any natural person resident in the United States; (ii) any partnership or corporation organized or incorporated under the laws of the United States; (iii) any estate of which any executor or administrator is a US Person; (iv) any trust of which any trustee is a US Person; (v) any agency or branch of a foreign entity located in the United States; (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person; (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and (viii) any partnership or corporation if: (A) organised or incorporated under the laws of any foreign jurisdiction; and (B) formed by a US Person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trust.

The term “US Person” also means any entity organized principally for passive investment (such as a commodity pool, investment company or other similar entity) that was formed for the purpose of facilitating investment by a US Person in a commodity pool with respect to which the operator is exempt from certain requirements of Part 4 of the regulations promulgated by the United States Commodity Futures Trading Commission by virtue of its participants being non-US Persons.

Application may be made in other jurisdictions to enable the Units of a Sub-Fund to be marketed in these jurisdictions.

The meaning of some of the terms and abbreviations used in this Prospectus can be found in the Glossary of Terms at the end of this Prospectus.

The Manager is an ultimately wholly-owned subsidiary of Prudential plc of the United Kingdom. The Manager and Prudential plc are not affiliated in any manner with Prudential Financial, Inc., a company whose principal place of business is in the United States of America.

All enquiries in relation to the Fund or any Sub-Fund should be directed to the Manager or any agent or distributor appointed by the Manager.

EASTSPRING INVESTMENTS FUNDS

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EASTSPRING INVESTMENTS FUNDS

Each sub-fund of the Eastspring Investments Funds offered in this Prospectus is an authorised scheme under the Securities and Futures Act (Chapter 289). A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “**Authority**”). The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the Securities and Futures Act (Chapter 289), or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the Eastspring Investments Funds or of any of the sub-funds of the Eastspring Investments Funds.

1. Basic Information

1.1 Name of the collective investment scheme

This Prospectus is in relation to a Singapore-constituted umbrella unit trust known as Eastspring Investments Funds (formerly known as Prudential Funds) (the “**Fund**”) and its sub-funds (the “**Sub-Funds**”, each a “**Sub-Fund**”). As at the date of this Prospectus, only Units in 1 Sub-Fund under the Fund, the Monthly Income Plan (formerly known as PRU Monthly Income Plan) (the “**Monthly Income Plan**”), are being offered for subscription. The Monthly Income Plan is offered with 2 classes of Units, the Class A Units and the Class M Units.

1.2 Date of registration and expiry date of this Prospectus

This Prospectus was registered with the Authority on 31 May 2012. This Prospectus is valid for 12 months after the date of registration (i.e., up to and including 30 May 2013) and shall expire on 31 May 2013.

1.3 The Deed

- (i) The Fund is constituted as a unit trust by way of a deed of trust dated 10 January 2005 (the “**Principal Deed**”) between Eastspring Investments (Singapore) Limited (the “**Manager**”) and RBC Dexia Trust Services Singapore Limited (the “**Retired Trustee**”). The Principal Deed has been amended and/or supplemented by way of a First Supplemental Deed dated 6 April 2005 and a Second Supplemental Deed dated 7 April 2006 both entered into between the Manager and the Retired Trustee, a Supplemental Deed of Appointment and Retirement of Trustee dated 24 August 2007 entered into by the Manager, Retired Trustee and HSBC Institutional Trust Services (Singapore) Limited (the “**Trustee**”), a Third Supplemental Deed dated 19 June 2008, a First Amending and Restating Deed dated 19 June 2009, a Second Amending and Restating Deed dated 29 September 2011 and a Third Amending and Restating Deed dated 14 February 2012 entered into between the Manager and the Trustee. The Principal Deed as amended and/or supplemented by the First Supplemental Deed, the Second Supplemental Deed, the Supplemental Deed of Appointment and Retirement of Trustee, the Third Supplemental Deed, the First Amending and Restating Deed, the Second Amending and Restating Deed and the Third Amending and Restating Deed shall be referred to herein as the “**Deed**”.
- (ii) The Deed is binding on the Manager, the Trustee and each unitholder (each a “**Holder**”) and all persons claiming through the Holders as if such persons had each been a party to the Deed.
- (iii) Investors should note that this Prospectus is to a large extent a summary of the Deed and that not all the provisions of the Deed are reflected or summarised in this Prospectus. *Investors should read the Deed for further details.*
- (iv) A copy of the Principal Deed and any supplemental deeds and amending and restating deeds shall be made available for inspection, free of charge at all reasonable times and for at least three hours during normal business hours at the registered office of the Manager at 10 Marina Boulevard, #32-01 Marina Bay Financial Centre Tower 2, Singapore 018983 and will be supplied by the Manager to any person upon request at a charge of S\$25 per copy document.

1.4 Accounts and reports

Copies of the latest semi-annual and annual reports, semi-annual accounts and audited annual accounts relating to the Sub-Funds, where available, may be obtained during normal business hours from the Manager at its business address as stated in the above paragraph 1.3(iv) upon request.

2. Management

2.1 The Manager

The manager of the Fund, Eastspring Investments (Singapore) Limited (formerly known as Prudential Asset Management (Singapore) Limited) (the “**Manager**”), has its registered office at 10 Marina Boulevard, #32-01, Marina Bay Financial Centre Tower 2, Singapore 018983.

The Manager is an ultimately wholly-owned subsidiary of Prudential plc (“**Prudential**”), a company incorporated and with its principal place of business in England. Together with its affiliated companies, Prudential constitutes one of the world’s leading financial services groups. It provides insurance and financial services through its subsidiaries and affiliates throughout the world. It has been in existence for over 160 years and had £351 billion (approximately equivalent to S\$707.31 billion) in assets under management as at 31 December 2011.

The Manager was set up as a company in 1994 and has been managing discretionary funds since 1995. As at 31 December 2011, the Manager had approximately S\$68.21 billion of assets under management, of which approximately S\$50.77 billion were discretionary funds managed in Singapore.

2.2 Management of underlying funds

Details of the managers or sub-managers of any underlying funds into which any Sub-Fund feeds into are set out in the relevant Appendix relating to that Sub-Fund.

Past performance of the Manager, the managers or sub-managers of the underlying funds is not necessarily indicative of their future performance.

3. The Trustee and Custodian

The trustee and custodian of the Fund is HSBC Institutional Trust Services (Singapore) Limited (the “**Trustee**”) whose registered address is at 21 Collyer Quay, #14-01 HSBC Building, Singapore 049320.

4. Other Parties

4.1 The Register of Holders

The registrar of the Fund is the Trustee (the “**Registrar**”) and the register of Holders of each Sub-Fund (the “**Register**”) is kept and maintained at 20 Pasir Panjang Road (East Lobby), #12-21 Mapletree Business City, Singapore 117439. Except when it is closed for inspection, the Register is accessible to the public during normal business hours (subject to such reasonable restrictions as the Registrar may impose).

Each Register is conclusive evidence of the number of Units in the relevant Sub-Fund held by each Holder and the entries in the Registers shall prevail in the event of any discrepancy between the entries in the relevant Register and the details appearing on any statement of holding, unless the Holder proves to the satisfaction of the Manager and the Trustee that the relevant Register is incorrect.

4.2 The Auditors

The auditors of the Fund are KPMG LLP (the “**Auditors**”) whose registered office is at 16, Raffles Quay, #22-00, Hong Leong Building, Singapore 048581.

5. Structure of the Fund

5.1 The Fund is an umbrella fund comprising sub-funds (each a “Sub-Fund”). Only one of the Sub-Funds, the Monthly Income Plan, is currently available for subscription:

<u>Sub-Fund</u>	<u>Base Currency</u>
Eastspring Investments Funds - Monthly Income Plan (which has been established with two classes of Units, namely, “Class A” and “Class M”)	Singapore Dollars

5.2 Each Sub-Fund is managed as a separate and distinct trust but with a common central administration provided by the Manager. The general provisions which apply to the Sub-Funds are set out in the main body of this Prospectus. The provisions which are specific to the relevant Sub-Funds available for subscription are set out in the relevant Appendices to this Prospectus.

5.3 The Monthly Income Plan invests all or substantially all of its assets into designated underlying funds as a Feeder Fund. Further details of the Monthly Income Plan and its underlying funds are set out in Appendix 1.

5.4 The Monthly Income Plan is not included for investment under the CPF Investment Scheme.

6. Investment Objective, Focus and Approach

6.1 Investment objectives and policies

The investment objective, focus and approach and other features of each Sub-Fund available for subscription are set out in the following Appendices to this Prospectus:

<u>Sub-Fund</u>	<u>Appendix</u>
Eastspring Investments Funds - Monthly Income Plan	1

The Manager may change the investment policy of any Sub-Fund in accordance with the provisions of the Deed.

6.2 Authorised Investments

6.2.1 Subject to the provisions of the Code, the authorised investments of the Sub-Funds (“Authorised Investments”) are any of the following investments:-

- (i) any Quoted Investment which is selected by the Manager for the purpose of investment of the Deposited Property of the relevant Sub-Fund;
- (ii) any Investment in respect of which an application for listing or for permission to deal has been made to a Recognised Market and the subscription for or purchase of which is either conditional upon such listing or permission to deal being granted within a specified period not exceeding twelve weeks (or such other period as may be agreed between the Manager and the Trustee) or in respect of which the Manager is satisfied that the subscriptions or other transactions will be cancelled if the application is refused;
- (iii) any Unquoted Investment which is selected by the Manager for the purpose of investment of the Deposited Property of the relevant Sub-Fund;
- (iv) any Investment which is a unit in any unit trust scheme or a share or participation in an open-ended mutual fund or other collective investment scheme;
- (v) the currency of any country or any contract for the spot purchase or sale of any such currency or any forward contract of such currency;
- (vi) any Investment denominated in any currency;

- (vii) any Investment which is a future, option, forward, swap, collar, floor or other derivative; and
- (viii) any Investment which is not covered by paragraphs (i) to (vii) of this definition selected by the Manager and approved by the Trustee.

For clarity, the Authorised Investments described in paragraphs (v) and (vii) above shall be used solely for the purposes of hedging existing positions in a portfolio or for efficient portfolio management unless otherwise provided in respect of the relevant Sub-Fund.

- 6.2.2 The investment guidelines and borrowing limits for authorised funds as set out in Appendix 1 of the Code shall apply to the Sub-Funds (unless otherwise permitted or waived by the Authority).
- 6.2.3 The Sub-Funds currently do not intend to carry out securities lending or repurchase transactions but may in the future do so, in accordance with the applicable provisions of the Code.

7. Fees and Charges

- 7.1 The fees and charges payable in relation to the Sub-Funds available for subscription are set out in the relevant Appendices of this Prospectus. These fees and charges may be adjusted up to, where applicable, the maximum limits stated with prior notice to be given to Holders in accordance with the Code.
- 7.2 As required by the Code, all marketing, promotional and advertising expenses in relation to the Fund or the Sub-Funds will be borne by the Manager and not debited from the Deposited Property of the Sub-Funds.
- 7.3 The Subscription Fee, Realisation Fee, Switching Fee and exchange fee may be retained by the Manager for its own benefit or all or part of such fees may be retained by the agents or appointed distributors for their own benefit, and shall not form part of the Deposited Property of the Sub-Funds. Any commission, remuneration or other sum payable to agents or appointed distributors in respect of the issue or sale of any Units shall not be added to the price of such Units but shall be paid by the Manager.
- 7.4 The Manager, agents and/or the appointed distributors may at any time differentiate between applicants as to the amount of the Subscription Fee, Realisation Fee, Switching Fee and exchange fee as set out in the relevant Appendix for the Sub-Fund or allow to investors discounts on such fees on such basis and to such extent as it may think fit or to waive such fees.
- 7.5 Agents or appointed distributors may (depending on the specific nature of services provided) impose other fees and charges not disclosed in this Prospectus. Investors should therefore check with the relevant agent or appointed distributor for further details.

8. Risks

8.1 General Risks

Investment in a collective investment scheme is meant to produce returns over the long term. Investors should not expect to obtain short-term gains from such investments. An investment in a Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

The prices of Units, and the income from them, may go up as well as down. A possible loss of the principal invested cannot be ruled out. No guarantee is given, express or implied that investors will receive back any amount invested.

All investments involve risks and there can be no guarantee against loss resulting from an investment in any Units, nor can there be any assurance that a Sub-Fund's investment objective will be attained in respect of its overall performance. Investors should therefore ensure (prior to any investment being made) that they are satisfied with the risk profile of the overall investment objective disclosed.

8.2 Specific Risks

(i) Portfolio and market risk

Each Sub-Fund is intended for investors who can accept the risks associated with investing primarily in the securities of the type held in that Sub-Fund and the market(s) that that Sub-Fund invests in. Investors in equities will be subject to the risks associated with equity and equity-related securities, including fluctuations in market prices, adverse issuer or market information and the fact that equity and equity-related interests are subordinate in the right of payment to other corporate securities, including debt securities. Likewise, investors in fixed income securities will be subject to the risks associated with debt securities including normal market fluctuations, credit and interest rate risk, and the additional risks associated with high-yield debt securities, loan participations and derivative securities. The value of Units may also go up and down due to normal market fluctuations in the markets that the Sub-Funds invest in. In addition, investors should be aware of the risks associated with the active management techniques that are expected to be employed by certain Sub-Funds. An investment in a Sub-Fund does not constitute a complete investment program. Investors may wish to complement an investment in a Sub-Fund with other types of investments.

(ii) Foreign exchange/currency risk

The Sub-Funds may invest their assets in securities denominated in a wide range of currencies, some of which may not be freely convertible. The net asset value of the Deposited Property of each Sub-Fund as expressed in its base currency will fluctuate in accordance with the changes in the foreign exchange rate between its base currency and the currencies in which the relevant Sub-Fund's investments are denominated. The Sub-Funds may therefore be exposed to a foreign exchange/currency risk.

Investors should also note that as some Sub-Funds that are Singapore Dollar denominated will invest in underlying funds which are denominated in foreign currencies or which hold investments that are denominated in foreign currencies (e.g. US Dollars), fluctuations in the exchange rates between the Singapore Dollar and these foreign currencies may have an impact on the income and value of such Sub-Funds.

Depending on market conditions, the Manager may hedge the foreign currency exposure of a Sub-Fund by entering into one or more foreign exchange forward contracts and/or cross currency swap transactions. In event the currency hedging strategy does not meet its intended objective, this could have an adverse impact on the net asset value of that Sub-Fund.

(iii) Derivatives risk

The Sub-Funds may invest in derivatives which will be subject to risks. While the judicious use of derivatives by professional investment managers can be beneficial, 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, but not limited to, market risk, management risk, credit risk, liquidity risk, operational risk and leverage risk.

Investments in derivatives 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 Manager has the necessary controls for investments in derivatives and has in place systems to monitor the derivative positions for the Sub-Funds.

The Manager does not intend to use derivative transactions for speculation or leverage but may use them for efficient portfolio management and/or hedging. Investors should refer to the relevant Appendix for further information on the risk management and compliance procedures adopted by the Manager in this respect. In particular, the investment in credit default swaps, volatility derivatives, asset backed securities and mortgage backed securities are subject to the following risk.

The use of financial derivative instruments ("FDIs") involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other more traditional investments. The following provides a general discussion of important risk factors relating to all FDIs that may be used by a Sub-Fund.

(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 (usually referred to as a “counterparty”) to make required payments or otherwise comply with the contract’s terms. Additionally, in respect of certain instruments such as credit default swaps losses could result if the Sub-Funds or their underlying funds do not correctly evaluate the creditworthiness of the company on which the credit default swap is based.

The Sub-Funds will be exposed to credit risk on the counterparties with which it trades particularly in relation to options, futures, contracts and other derivatives that are traded over the counter. Such instruments are not afforded the same protection as may apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house. The Sub-Funds 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 Sub-Funds.

(c) Liquidity Risk

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

(d) Lack of Availability

Because the markets for certain 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 portfolio manager may wish to retain the position of the Sub-Funds or their underlying funds 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 Sub-Funds or their underlying funds 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

Like most other investments, FDIs are subject to the risk that the market value of the instrument will change in a way detrimental to the interest of the Sub-Funds or their underlying funds. If a portfolio manager incorrectly forecasts the values of securities, currencies or interest rates or other economic factors in using FDIs, the Sub-Funds or their underlying funds 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 Sub-Funds or their underlying funds may also have to buy or sell a security at a disadvantageous time or price because the Sub-Funds or their underlying funds are legally required to maintain offsetting positions or asset coverage in connection with certain FDI transactions.

Other risks in using FDIs include 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 valuations can result in increased cash payment requirements to counterparties or a loss of value to the Sub-Funds or their underlying funds. 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 Sub-Funds or their underlying funds to realise higher amounts of short-term capital gains (generally taxed at ordinary income tax rates) than if the Sub-Funds or their underlying funds had not used such instruments.

(iv) Interest rate and credit risk

Investments in fixed income portfolios will be subject to the usual risks of investing in bonds and other fixed income securities. Bonds and other fixed income securities are subject to interest rate fluctuations and credit risks, such as risk of default by issuers.

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 make payments of interest and principal, especially if the issuer is highly leveraged. Such issuer's ability to meet its debt obligations may also be adversely affected by specific projected business forecasts, or the unavailability of additional financing. Also, an economic downturn or an increase in interest rates may increase the potential for default by the issuers of these securities.

(v) Investment Grade Bonds

Certain Sub-Funds may invest in investment grade bonds where there is a risk that the rating of the bonds held by the Sub-Funds may be downgraded at any time.

(vi) High yield bonds risk

Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Compared to investment grade bonds, high yield bonds are normally lower-rated securities and will usually offer higher yields to compensate for the reduced creditworthiness or increased risk of default that these securities carry.

(vii) Counterparty and settlement considerations

The Sub-Funds will be exposed to credit risk on the counterparties with which they trade particularly in relation to fixed income securities, options, futures, contracts and other financial derivative instruments that are traded over the counter. Such 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. A Sub-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 it.

The Sub-Funds will also be exposed to a credit risk on parties with whom they trade 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. Investors 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 a Sub-Fund in respect of investments in emerging markets.

(viii) Political and/or regulatory risks

The value of a Sub-Fund's Deposited Property may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which an investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which an investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. Foreign ownership restrictions in some markets may mean that corporate action entitlements in relation to any collective investment schemes or other investments the Sub-Funds are invested into may not always be secured or may be restricted.

(ix) **Emerging markets risk**

Potential investors should be aware that investment 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 which could adversely affect the value of the investments. Among other things, investment in emerging markets involves risks such as the restriction on foreign investment, 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 custodian nor liable to the latter). Certificates evidencing the ownership of companies are frequently not held by the custodian, any of its correspondents or an efficient central depository. As a result and due to lack of efficient regulation by government bodies, a Sub-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 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.

When the Manager and/or the manager or sub-manager of the relevant underlying fund make 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. The following statements are intended to illustrate the risks which in varying degrees are present in investing in emerging markets and less developed market instruments and the statement do not offer advice on the suitability of investments.

(a) **Legal Environment**

- The interpretation and application of decrees and legislative acts can be often contradictory and uncertain particularly in respect of matters relating to taxation.
- Legislation could be imposed retrospectively or may be issued in the form of internal regulations not generally available to the public.
- Judicial independence and political neutrality cannot be guaranteed.
- State bodies and judges may not adhere to the requirements of the law and the relevant contract. There is no certainty that investors will be compensated in full or at all for any damage incurred.
- Recourse through the legal system may be lengthy and protracted.

(b) **Currency Risk**

Conversion into foreign currency or transfer from some markets of proceeds received from the sale of securities cannot be guaranteed.

(c) **Taxation**

Investors should note in particular that the proceeds from the sale of securities in some markets or the receipt of any dividends and other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market, including taxation levied by withholding at source. Tax law and practice in certain countries into which a Sub-Fund invests or may invest in the future is not clearly established. It is therefore possible that the current interpretation of the law or understanding of practice might change, or that the law might be changed with retrospective effect. As a result, the Sub-Fund could become subject to additional taxation in such countries that is not anticipated either at the date of this Prospectus or when investments are made, valued or disposed of.

(x) **Liquidity risk**

A Sub-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 Sub-Fund if the Sub-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.

(xi) **Small companies risk**

Investment in securities of smaller companies can involve greater risk than that normally associated with larger, more established companies. In particular, smaller companies have limited product lines, markets or financial resources and may be dependent on their management comprising of a limited number of key individuals. Securities of smaller companies may also be less liquid and more price volatile, than the securities of larger companies, as a result of inadequate trading volume or restrictions on trading and this may result in fluctuations in the price of the Units.

(xii) **Asset Backed Securities (“ABS”) and Mortgage Backed Securities Risk**

ABS, including mortgage backed securities are generally limited recourse obligations of the issuers thereof payable solely from the underlying assets (“ABS Assets”) of the relevant issuer or proceeds thereof. Consequently, holders of ABS including where applicable, a Sub-Fund, must rely solely on distributions on the ABS Assets or proceeds thereof for payment in respect thereof. In addition, interest payments on ABS (other than the most senior tranche or tranches of a given issue) are generally subject to deferral. If distributions on the ABS Assets (or, in the case of a market value ABS security - as explained hereinafter) - proceeds from the sale of 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 to pay such deficiency including to the relevant Sub-Fund will be extinguished.

With a market value ABS deal, principal and interest payments to investors 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 is the added flexibility they afford the portfolio manager. It is not constrained by a need to match the cash flows of collateral to those of the various tranches.

ABS Assets are usually illiquid and private in nature. ABS Assets are subject to liquidity, market value, credit interest rate, reinvestment and certain other risks. These risks could be exacerbated to the extent that the portfolio is concentrated in one or more particular ABS Assets. ABS Assets are typically actively managed by an investment manager, and as a result ABS Assets will be traded, subject to rating agency and other constraints, by such investment managers. 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 the ABS Assets.

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

Prices of the ABS Assets may be 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 Assets. In addition, the ability of the issuer to sell ABS Assets prior to maturity is subject to certain restrictions set forth in the offering and constitutive documents of the relevant ABS.

Certain bond Sub-Funds may invest their assets in ABS and MBS. The risk of ABS applies to MBS.

(xiii) Credit Default Swap Risk

A credit default swap (“CDS”) allows the transfer of default risk. This allows a Sub-Fund to effectively buy insurance on a reference obligation it holds (hedging the investment), or buy (or sell) protection on a reference obligation it does not physically own in the expectation that the credit will decline (increase) in quality.

In a CDS transaction, the protection buyer, makes a stream of payments to the seller of the protection, and a payment is due to the buyer if there is a credit event (a decline in credit quality, which will be predefined in the agreement between the parties).

If the credit event does not occur the buyer pays all the required premiums and the swap terminates on maturity with no further payments. The risk of the buyer is therefore limited to the value of the premiums paid.

If the buyer or seller terminates the CDS transaction before maturity of the contract, the buyer and seller will face market risk from the changes in the price of the CDS driven by changes in the credit quality of the reference obligation since the inception of the trade.

If there is a credit event and the buyer does not hold the underlying reference obligation, the buyer may face market risk as the buyer may need time to obtain the reference obligation and deliver it to the counterparty. Furthermore, if the counterparty becomes insolvent, the buyer may not recover the full amount due to it from the counterparty.

The risk of the seller is the lost in value of the reference obligation, net of CDS premiums received and the final value of the reference obligation.

The amount at risk is limited to the sum insured on the reference obligation.

The market for credit default swaps may sometimes be more illiquid than the bond markets. The Manager will mitigate this risk by monitoring in an appropriate manner the use of this type of transaction.

(xiv) Convertible Bond Risk

Convertible securities are subject to the risks associated with both fixed income securities and equities, namely credit, price and interest-rate risk.

(xv) Inflation risk

A change in the rate of inflation may affect the real value of an investor’s investment.

(xvi) Redemption risk

The Sub-Funds will not be listed on any stock exchange. There is no ready secondary market for the Units in the Sub-Funds. Investors may consequently only redeem their units in accordance with the provisions of the Deed in the manner set out in this Prospectus.

There may be a 10% limit on the number of units of a Sub-Fund that can be realised and converted on a Dealing Day. Therefore, a realisation request may be deferred to the next Dealing Day (which is subject to the same limit) if realisations exceed the limit on that day. Please refer to paragraph 11.2 for further information.

Investors should also note that their right to realise Units may be temporarily suspended under certain circumstances as further described in paragraph 15.

Potential investors should also be aware that investments of the underlying funds into which any of the Sub-Funds may feed may also be subject to the risks highlighted above.

The above should not be considered to be an exhaustive list of the risks which potential investors should consider before investing into the Sub-Funds. Risks specific to an individual Sub-Fund are set out in the relevant Appendix to that Sub-Fund. Potential investors should be aware that an investment in any of the Sub-Funds may be exposed to other risks of an exceptional nature from time to time.

9. Subscription and Issue of Units

9.1 Subscription procedure

Applications for Units may be made to the Manager or to any agent or distributor appointed by the Manager on the application form accompanying this Prospectus or, if applicable, through the automated teller machines of such banks as the Manager may from time to time designate or through such other means as the Manager may from time to time designate. An application form must be accompanied by a copy of the applicant's identity card/passport/other identification.

Investors may purchase Units in the Monthly Income Plan with cash or SRS monies. Cash applications will only be accepted on a cleared funds basis in the base currency of the relevant Sub-Fund. Investors who wish to subscribe for Units using their SRS monies should instruct the relevant SRS Operator (as the case may be) to withdraw the purchase monies from the relevant account for the settlement of the subscription.

For compliance with anti-money laundering laws and guidelines, the Manager or its appointed distributors reserve the right to request such information and/or documents as is necessary to verify the identity of an applicant.

9.2 The minimum initial subscription and minimum subsequent subscription amounts

The minimum initial and subsequent subscription amounts for each Sub-Fund available for subscription are set out in the relevant Appendix relating to that Sub-Fund.

9.3 Initial Issue Price and Initial Offer Period

The initial offer period (the "Initial Offer Period") and initial issue price of Units of a Sub-Fund or a Class (where applicable) are set out in the relevant Appendix relating to that Sub-Fund.

9.4 Issue Price and Pricing

The Issue Price of any Units issued after the Initial Offer Period of a Sub-Fund or a Class which continues to accept subscriptions after its Initial Offer Period shall be determined in accordance with the manner set out in the relevant Appendix for that Sub-Fund.

The Manager may, in consultation with the Trustee and in accordance with the provisions of the Deed, make fixed price offers of Units in any Sub-Fund or a Class from time to time subsequent to the Initial Offer Period of that Sub-Fund or a Class.

No certificates for Units will be issued.

Any change to the method of determining the Issue Price will be effected with the consent of the Trustee, who will determine whether Holders should be informed of the change.

9.5 Dealing Deadline

The Manager administers the Sub-Funds by stipulating the days on which transactions in Units are permitted, and the times by which (among other things) applications or instructions must be received for transactions in Units to take place as of a particular day or time.

Applications received and accepted by the Manager or any other agent/appointed distributor by the Dealing Deadline will be transacted on that day at that Dealing Day's Issue Price. Applications received and accepted by the Manager or any other agent/appointed distributor after the Dealing Deadline or on a day which is not a Dealing Day will be transacted on the next Dealing Day.

The "Dealing Deadline" and "Dealing Day" applicable to each Sub-Fund in connection with the issuance and (where applicable) switching and exchange of Units is defined in the relevant Appendix for that Sub-Fund.

The Deed sets out the circumstances in which the issue of Units in any Sub-Fund may be suspended. The relevant provisions are summarised in paragraph 15 of this Prospectus.

9.6 Numerical examples of how the number of Units issued to an investor is determined

The number of Units in a Sub-Fund to be issued to an investor in respect of any Investment Sum paid by the investor is the number of Units (including fractions) obtained by dividing the Investment Sum (less the Subscription Fee and Transactions Adjustments, if any) by the Issue Price. The number of Units issued will be rounded to the nearest three decimal places (or such other number of decimal places or such other method of rounding as the Manager may from time to time determine with the approval of the Trustee). The Manager and/or the agent/the appointed distributor shall be entitled to retain the Subscription Fee for its or their own benefit.

Monthly Income Plan

The following is an example of the number of Units an applicant will acquire based on an Investment Sum of S\$1,000 and a notional Issue Price of S\$1.000:

S\$1,000	-	S\$50	=	S\$950	÷	S\$1.000	=	950.000 Units
Gross Investment Sum		Subscription Fee of 5%*		Net Investment Sum		Notional Issue Price		Number of Units issued

* Based on the Subscription Fee applicable to the Monthly Income Plan.

The above example is on the assumption that there is no Transaction Adjustment payable.

9.7 Confirmation of purchase

An investor who invests in a Sub-Fund shall be sent confirmation of his/her purchase within 14 Business Days from the date of receipt and acceptance of his/her application and the application monies by the Manager.

9.8 Minimum Sub-Fund size

The Manager has the discretion to terminate any Sub-Fund if the aggregate value of the Deposited Property of that Sub-Fund is less than S\$5 million or its equivalent in any applicable foreign currency on any date.

10. Regular Savings Plan

Holders of Units in a Sub-Fund may participate in any regular savings plans (“RSP”) established for that Sub-Fund (subject to meeting the relevant minimum holding and minimum investment sum required in respect of that particular RSP).

Details on the availability of a RSP in respect of a Sub-Fund as well as the relevant minimum holding and minimum investment sum required are set out in the relevant Appendix for that Sub-Fund.

The sum for the RSP investment will be debited from the account indicated on the relevant RSP transaction form on the 20th calendar day of the relevant month or if such day is not a Business Day, on the next Business Day immediately following that day, or on such other date as the Manager may determine and Units will be allotted within three days of deduction of the monthly contribution or such other date as the Manager may determine.

In the event that the debit is unsuccessful, no investment will be made for that month. No notification relating to the unsuccessful debit will be sent to Holders. After 2 consecutive unsuccessful debits, the RSP will be terminated and no notification of such termination will be sent to the relevant Holders.

A Holder may terminate his/her participation in the RSP without penalty upon giving not less than 30 days’ notice in writing to the Manager or any appointed distributors from whom they applied for the RSP (with their full particulars). The Manager reserves the right to terminate or suspend the RSP at any time in its absolute discretion by giving at least 30 days’ notice to the affected Holders.

The Manager shall not assume any liability for any losses attributable to a Holder's participation in the RSP.

11. Realisation of Units

11.1 How Units may be realised

Holders may realise their Units on any Dealing Day. Requests for realisation of Units may be made via realisation forms which may be obtained from the Manager or any other agent/distributor as the Manager may appoint from time to time.

A Holder can realise Units in full or partially on any Dealing Day by submitting to the Manager or the appointed distributor from whom the Holder purchased his Units, a duly signed written instruction or by completing a realisation form. In order for a request for realisation to be effected on a particular Dealing Day, it must be received by the Manager not later than the applicable Dealing Deadline for realisation failing which such request shall be treated as having been received on the next Dealing Day. A Holder will receive a confirmation note showing details of the realisation within 14 Business Days of the relevant Dealing Day.

The “**Dealing Deadline**” and “**Dealing Day**” applicable to each Sub-Fund in connection with the realisation and (where applicable) switching and exchange of Units is defined in the relevant Appendix for that Sub-Fund.

Subject to the right to cancel their purchase agreements during the Cancellation Period (as defined in paragraph 13.1 below), investors shall not be entitled to realise any Units in a Sub-Fund during the Initial Offer Period of that Sub-Fund.

11.2 Minimum holding amount and minimum realisation amount

A Holder shall not be entitled to realise part only of his/her holding of Units in any Class or Sub-Fund (as the case may be) if, as a consequence of such realisation, his/her holding in the relevant Class of a Sub-Fund or a Sub-Fund would be reduced to less than the minimum holding. Where any realisation request would result in the Holder holding less than the minimum holding, the Manager shall require such Holder to realise all of his/her holding of Units.

The minimum holding and minimum realisation amount applicable to each Sub-Fund (or Class, as the case may be) is set out in the relevant Appendix relating to that Sub-Fund.

The Manager may, with a view to protecting the interests of all Holders of a Sub-Fund and with the approval of the Trustee, limit the total number of Units of a Sub-Fund which Holders may realise on any Dealing Day to 10% of the total number of Units of that Sub-Fund then in issue (disregarding any Units which have been agreed to be issued). Such limitation shall be applied pro rata to all Holders who have validly requested realisations on such Dealing Day. Any Units of that Sub-Fund not realised shall be realised on the next Dealing Day, subject to the same limitation.

Realisations of Units may be suspended in the situations described in paragraph 15 of this Prospectus.

11.3 Pricing and Dealing Deadline

Requests for realisation of Units in respect of any Sub-Fund received by the Manager or any of its agent/appointed distributor by the applicable Dealing Deadline will be transacted on that day at that Dealing Day's Realisation Price. Requests received by the Manager after the applicable Dealing Deadline or on a day not being a Dealing Day will be transacted on the next Dealing Day.

Units are realised on a forward pricing basis. Therefore, the Realisation Price shall not be ascertainable at the time of request. The Realisation Price shall be the price per Unit ascertained by the Manager by dividing the net asset value of the relevant Sub-Fund or Class as at the Valuation Point in relation to that Dealing Day by the total number of Units then in issue and truncating such figure (but not rounding off) to three decimal places (or such other number or such other method of calculation and adjustment as the Manager shall determine with the approval of the Trustee from time to time and upon giving notice to the Holder if so required by the Trustee).

If a Holder is resident outside Singapore, the Manager shall be entitled to deduct from the total amount which would otherwise be payable on the purchase from the Holder an amount equal to the excess of the expenses actually incurred over the amount of expenses which would have been incurred if the Holder had been resident in Singapore.

11.4 Payment of realisation proceeds

11.4.1 Monthly Income Plan

Realisation proceeds payable to Holders will be based on the net asset value per Unit of the Sub-Fund, net of the Realisation Fee (if any) and the Transactions Adjustment (if any). The following is an example of the amount of the realisation proceeds due to a Holder who realises 1,000 Units based on a notional Realisation Price of S\$0.950.

Example:

1,000 Units	x	S\$0.950	=	S\$950
Units realised		Notional Realisation Price*		Realisation proceeds

* There is currently no Realisation Fee for the Monthly Income Plan (as at the date of this Prospectus)

The above example is on the assumption that there is no Transaction Adjustment payable.

11.4.2 The Manager shall despatch the amount due to the Holder with respect to the realisation of Units as soon as practicable and in any case within 4 Business Days for Sub-Funds which are bond and money market schemes, within 7 Business Days for Sub-Funds which are Feeder Funds and within 6 Business Days for Sub-Funds falling under other types of schemes (or such other period as may be permitted by the Authority) from the date of receipt and acceptance of the realisation form by the Manager unless the realisation of Units has been suspended in accordance with the events set out in paragraph 15 of this Prospectus.

12. Switching and Exchange of Units

12.1 Where allowed by the Manager, Holders of Units in a Sub-Fund or Class of a Sub-Fund (the “**Original Sub-Fund**”) may switch all or any of the Units of the Original Sub-Fund to Units of another Sub-Fund or another Class of the same or another Sub-Fund (the “**New Sub-Fund**”) or exchange all or any of the Units of the Original Sub-Fund for units of any other Group Trust subject to the following:

- (i) no switching or exchange of Units may be made which would result in a Holder holding less than the minimum holding of either the Original Sub-Fund or, as the case may be, the New Sub-Fund or the Group Trust; and
- (ii) Units purchased with SRS monies may only be switched or exchanged to Units in a New Sub-Fund which may be purchased with SRS monies.

12.2 Holders will have to give the Manager a notice of switching or exchange (as the case may be) in such form as the Manager may require in order to effect the switch or exchange. If the relevant notice is received by the Manager before the dealing deadline applicable to a common dealing day (i.e. a day which is a dealing day for both the Original Sub-Fund and the New Sub-Fund or the Group Trust (as the case may be)), the switch or exchange shall be made on that common dealing day. If the notice is received on a day which is not a common dealing day or is received after the applicable dealing deadline, the switch or exchange will be made on the next common dealing day.

12.3 The switching or exchange (as the case may be) will be effected according to the relevant provisions of the Deed.

12.4 Where the Holder makes a switch or exchange of a Unit (as the case may be), the Manager shall be entitled to charge a Switching Fee or exchange fee as set out in the “Fees and Charges” section in the Appendices relating to the Sub-Funds.

12.5 Investors should refer to the relevant Appendix for details on the switching and exchange policy in respect of each Sub-Fund as well as details on inter-Class switches in respect of Sub-Funds with two or more Classes established.

13. Cancellation of Subscription For Units

13.1 Subject to Clause 14A of the Deed and to the terms and conditions for cancellation of subscription in the cancellation form to be provided together with the application form for Units, first-time investors shall have the right by notice in writing delivered to the Manager or its authorised agents to cancel his/her subscription for Units in any Sub-Fund within 7 calendar days (or such longer period as may be agreed between the Manager and the Trustee or such other period as may be prescribed by the Authority) from the date of his/her initial subscription (the “Cancellation Period”), without incurring the Subscription Fee and Realisation Fee stated in the relevant Appendix for that Sub-Fund.

13.2 The cancellation proceeds payable in relation to the cancellation of a subscription of Units will be determined as the lower of:

- (i) the Investment Sum (including any Subscription Fee paid) paid by the investor; or
- (ii) the market value of the Units being cancelled on the Dealing Day the cancellation request is received or deemed to be received and any Subscription Fee paid,

less any administrative expenses incurred in cancelling the subscription so long as such expenses are reasonably related to the original subscription and subsequent cancellation. Investors should therefore note that, in exercising their right to cancel, they take the risk for any price changes in the net asset value of the Sub-Fund.

13.3 A Holder may choose to realise his/her Units under paragraph 11 of this Prospectus instead of cancelling his/her purchase agreement but should note that he/she will not be able to enjoy the benefits of a cancellation under this paragraph 13 if he/she chooses to realise his/her Units (i.e. there will be no refund of the Subscription Fee and the prevailing Realisation Fee may be imposed) and the realisation proceeds may be lower than the cancellation proceeds if the appreciation in the value of the Units is less than the Subscription Fee. The limits applicable to the realisation of Units in paragraph 11.2 above apply to the cancellation of Units in this paragraph 13.

Investors should refer to the terms and conditions for cancellation of subscription attached to the cancellation form before purchasing Units in any Sub-Fund.

14. Obtaining Prices of Units

The indicative Issue and Realisation Price per Unit (net asset value per Unit) of the Sub-Funds will be available on the Manager’s website at www.eastspringinvestments.com.sg normally one (1) Business Day after each relevant Dealing Day.

The indicative Issue and Realisation Price per Unit (net asset value per Unit) of the Sub-Funds may also be published on a periodic basis in The Business Times and Lianhe Zaobao normally two (2) Business Days after the relevant Dealing Day. The publication of prices in any newspaper (including but not limited to the frequency of publication) is subject to the publication policy of the publisher of the relevant newspaper. Investors should note that the Manager does not accept any responsibility for any errors on the part of the publisher in the prices published in the abovementioned publications or for any non-publication of prices by such publisher and shall incur no liability in respect of any action taken or loss suffered by investors in reliance upon such publications.

15. Suspension of Dealings

15.1 Subject to the provisions of the Code, the Manager or the Trustee may, with the prior written approval of the other, suspend the issue, realisation and valuation of Units in relation to any Sub-Fund during:-

- (i) any period when the Recognised Market on which any Authorised Investments of the Deposited Property of a particular Sub-Fund or the Fund for the time being are listed or dealt in is closed (otherwise than for public holidays) or during which dealings are restricted or suspended or, where applicable, any period when dealings in any of the underlying funds of that Sub-Fund are restricted or suspended;
- (ii) the existence of any state of affairs which, in the opinion of the Manager and the Trustee might seriously prejudice the interests of the Holders as a whole or of the Deposited Property (whether of a Sub-Fund or the Fund);

- (iii) any breakdown in the means of communication normally employed in determining the price of any of such Authorised Investments or the current price on that Recognised Market or when for any reason the prices of any of such Authorised Investments cannot be promptly and accurately ascertained;
- (iv) any period when remittance of money which will or may be involved in the realisation of such Authorised Investments or in the payment for such Authorised Investments cannot, in the opinion of the Manager and the Trustee, be carried out at normal rates of exchange;
- (v) any period when, in the opinion of the Manager, the transfer of funds which will or may be involved in the realisation of any material proportion of the investments for the time being constituting the Deposited Property of that Sub-Fund cannot be effected promptly at normal rates of exchange;
- (vi) any period when the dealing of Units is suspended pursuant to any order or direction issued by the Authority;
- (vii) any 48 hour period (or such longer period as may be agreed between the Manager and the Trustee) prior to the date of any meeting of Holders (or any adjourned meeting thereof);
- (viii) any period when the business operations of the Manager or the Trustee in relation to the operation of that Sub-Fund is substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God; or
- (ix) such circumstances as may be required under the provisions of the Code.

15.2 Such suspension shall take effect forthwith upon the declaration in writing thereof to the Trustee by the Manager (or, as the case may be, to the Manager by the Trustee) and, subject to the provisions of the Code, shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other condition under which such suspension is authorised under paragraph 15.1 above shall exist upon the declaration in writing thereof by the Manager (or, as the case may be, the Trustee).

15.3 Any payment for any Units realised before the commencement of any such suspension but for which payment has not been made before the commencement thereof may, if the Manager and the Trustee so agree, be deferred until immediately after the end of such suspension.

16. Performance of the Scheme

The performance details of each Sub-Fund are set out in the relevant Appendix for that Sub-Fund.

17. Soft Dollar Commissions/Arrangements

The Manager and, where applicable, the investment manager of the underlying funds of any Sub-Fund (together, the “**Relevant Parties**”) may be entitled to receive and/or enter into soft-dollar commissions/arrangements in respect of the Fund, the Sub-Funds or the underlying funds (as the case may be). The Relevant Parties will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions/arrangements shall include specific advice as to the advisability of dealing in, or as to the value of any investments, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, the conduct of research or analysis, or analysis of trade execution, and custodial service in relation to the investments managed for clients.

Soft-dollar commissions/arrangements shall not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees’ salaries or direct money payment.

The Relevant Parties shall not accept or enter into soft-dollar commissions/arrangements unless (a) such soft-dollar commissions/arrangements would reasonably assist the Relevant Party concerned in the management of the Fund, the Sub-Funds or the underlying funds, (b) the Relevant Party shall ensure at all times that best execution is carried out for the transactions, and (c) no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

The Relevant Parties do not retain for its/their own account, cash or commission rebates arising out of transactions for the Fund or any of its Sub-Funds executed in or outside Singapore.

18. Conflicts of Interest

The Manager and the Trustee may own, hold, dispose or otherwise deal with Units as though they were not parties to the Deed. In the event of any conflict of interest arising as a result of such dealing, the Manager and the Trustee, following consultation with the other, shall resolve such conflict in a just and equitable manner as they deem fit which would not prejudice the interests of Holders. The Manager and the Trustee shall conduct all transactions with or for the Fund and Sub-Funds on an arm's length basis.

The Manager and the Trustee and their respective Associates (collectively the "Parties") are or may be involved in other financial, investment and professional activities which may on occasion cause conflict of interest with the management of the Sub-Funds. These include management of other funds, product development, investment operations services, IT services, purchases and sales of securities, investment and management counselling, brokerage services, trustee and custodial and registrar services and serving as directors, officers, advisers or agents of other funds or other companies, including companies in which the Sub-Funds may invest.

In addition, Associates of the Trustee may also be engaged to offer financial, banking and brokerage services to the Fund and Sub-Funds or buy, hold and deal in any investments, enter into contracts or other arrangements with the Trustee and make profits from these activities. Such services, if provided, and such activities, where entered into, will be on an arm's length basis.

Each of the Parties will respectively ensure that the performance of their respective duties will not be impaired by any such involvement that they might have. In the event that a conflict of interest does arise, the Parties shall endeavour to ensure that it is resolved fairly and in the interest of Holders.

19. Reports

The financial year-end of the Fund is 31 December. The annual report and annual audited accounts in relation to the Sub-Funds shall be prepared and sent or made available to Holders within 3 months of the period to which the report and accounts relate (or such other period as may be permitted by the Authority). The semi-annual report and semi-annual accounts will be prepared and sent or made available to Holders within 2 months of the period to which the report and accounts relate (or such other period as may be permitted by the Authority). Such reports and accounts may be sent or made available to Holders by electronic means in accordance with the provisions of the Code.

20. Queries and Complaints

All enquiries and complaints about any of the Sub-Funds or the Fund should be directed to the Manager at (65) 6349 9711 or investors may visit appointed distributors of the Sub-Funds listed on www.eastspringinvestments.com.sg.

21. Other Material Information

21.1 Information on investment

Holders will receive a statement in relation to each quarter showing the value of their investment in the relevant Sub-Funds and any transactions during that quarter. Additional statements will also be provided to Holders at the end of any month in which there are transactions.

21.2 Exemptions from liabilities

The following is an extract from the Deed. Please refer to the Deed for full information on such exemptions:

(i) Reliance on documents

Neither the Manager nor the Trustee shall incur any liability in respect of any action taken or thing suffered by them in reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan or reorganisation or other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.

(ii) Impossible Acts to carry out

Neither the Manager nor the Trustee shall incur any liability to the Holders for doing or (as the case may be) failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order or judgment of any court of competent jurisdiction, or by reason of any request, announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (whether legally or otherwise) either they or either of them shall be directed or requested to do or perform or to forbear from doing or performing. If for any reason it becomes impossible or impracticable to carry out any of the provisions of the Deed neither the Manager nor the Trustee shall be under any liability therefor or thereby.

(iii) Authenticity

Neither the Manager nor the Trustee shall be responsible for the authenticity of any signature or any seal affixed to any instrument of transfer or form of application, endorsement or other document affecting the title to or transmission of Units or be in any way liable for any forged or unauthorised signature on or any seal affixed to such endorsement, instrument of transfer or other document (whether sent by mail, facsimile, electronic means or otherwise) or for acting or giving effect to any such forged or unauthorised signature or seal. The Manager and the Trustee respectively may nevertheless require that the signature of any Holder or Joint Holder to any document required to be signed by him/her under or in connection with the Deed shall be verified to their reasonable satisfaction.

(iv) None responsible for acting on defective resolutions

Neither the Manager nor the Trustee shall incur any liability for the consequences of acting upon any resolution purported to have been passed at any meeting of Holders duly convened and held in accordance with the provisions contained in the Schedule 3 of the Deed in respect whereof minutes have been made and signed even though it may be subsequently found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not binding on the Holders.

(v) Additional indemnity

Any indemnity expressly given to the Manager or the Trustee in the Deed is in addition to and without prejudice to any indemnity allowed by law provided that no provision in the Deed shall in any case where the Trustee or the Manager have failed to show the degree of care and diligence required of them as trustee and manager, exempt them or indemnify them against any liability for breach of trust.

(vi) Manager and Trustee may act separately

Nothing herein contained shall be construed so as to prevent the Manager and the Trustee in conjunction or the Manager or the Trustee separately from acting as manager or trustee of trusts separate and distinct from the Fund.

21.3 Holders' right to vote

Holders shall be entitled to vote in such manner and on such issues as provided for in the Deed.

21.4 Termination of the Fund/Sub-Funds/Class

The Fund, any Sub-Fund or any Class of a Sub-Fund may be terminated by the Manager, Trustee or Holders in certain circumstances as provided in the Deed. A Sub-Fund may also be terminated by the Manager, by notice in writing, if in the opinion of the Manager it becomes impracticable or inadvisable to continue the Sub-Fund in the interest of the Holders.

Investors should refer to the Deed for further information with respect to the events of termination and the manner in which the Fund, any Sub-Fund or Class may be terminated.

GLOSSARY OF TERMS

“Associate”	means and includes any corporation which in relation to the person concerned (being a corporation) is a holding company or a subsidiary of any such holding company or corporation (or a subsidiary of a corporation) of which at least one-fifth of the issued equity share capital of which is beneficially owned by the person concerned or an Associate thereof under the preceding part of this definition. Where the person concerned is an individual or firm or other unincorporated body, the expression “Associate” means and includes any corporation directly or indirectly controlled by such person
“Auditors”	means the auditors for the time being of the Fund
“Authority”	means the Monetary Authority of Singapore
“Business Day”	means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore or any other day as the Manager and the Trustee may agree in writing
“Capital Account”	the account into which all net capital gains redeemed on the sale of Investments of any Sub-Fund is paid into
“Catalist”	means the sponsor supervised listing platform of the SGX-ST (formerly known as SESDAQ)
“Catalist Investment”	any investment which is for the time being quoted on Catalist and which in the opinion of the Manager is regularly dealt in on Catalist
“Code”	means the Code on Collective Investment Schemes issued by the Authority, as may be modified, amended, supplemented, re-enacted or re-constituted from time to time
“corporation”	shall have the meaning ascribed thereto in the Companies Act
“CPF”	means the Central Provident Fund
“Dealing Day”	in connection with the issuance, cancellation, realisation, switching or exchange of Units of a Sub-Fund or Class of a Sub-Fund, means such days as specified in the relevant Appendix for that Sub-Fund
“Dealing Deadline”	in relation to a subscription, realisation, switching or exchange of Units of a Sub-Fund or Class of a Sub-Fund, means such time on the relevant Dealing Day as specified in the relevant Appendix for that Sub-Fund
“Deed”	means the trust deed dated 10 January 2005 as it may be amended or modified from time to time in accordance with the provisions of the Deed and shall include any deed supplemental thereto executed in accordance with the provisions thereof
“Deposited Property”	means all of the assets for the time being comprised in a Sub-Fund or deemed to be held upon the trusts of the Deed for account of a Sub-Fund excluding any amount for the time being standing to the credit of the Distribution Account of a Sub-Fund
“Distribution Account”	means the account into which an appropriate amount deemed fit by the Manager for distribution is deposited which amount shall be transferred out of the Income Account and/or Capital Account of a Sub-Fund

“Duties and Charges”	<p>means all stamp and other duties, taxes, governmental charges, brokerage, commissions, bank charges, transfer fees, registration fees and other duties, taxes, charges and fees whether in connection with:-</p> <p>(a) the constitution of any relevant Deposited Property; or</p> <p>(b) the increase or decrease of the Deposited Property; or</p> <p>(c) the issue, sale, purchase or switching of Units; or</p> <p>(d) the sale or purchase of Investments,</p> <p>or otherwise, which may have become or may be payable in respect of, prior to or upon the occasion of the transaction or dealing in respect of which the same are payable, but does not include any commission payable to agents on a sale or purchase of Units</p>
“Feeder Fund”	a Sub-Fund which invests all or substantially all of its assets in Investments which are shares in one investment company or units or sub-units in one unit trust scheme or participations in one mutual fund or other interests in any other collective investment scheme
“Foreign Quoted Investment”	means any Investment which is for the time being quoted, listed or dealt on a Recognised Market outside Singapore
“Fund”	means the umbrella unit trust scheme constituted by the Deed and known as the Eastspring Investments Funds or by such other name as may be provided for by the Manager (with the approval of the Trustee)
“Group Trust”	means a collective investment scheme the manager of which is the Manager or a corporation under its control or under common control with them or at least 50 per cent. of the share capital of which is held by a corporation which is a shareholder of the Manager and approves the terms of any exchange which may be made pursuant to Clause 12.2 of the Deed
“Holder”	in relation to a Unit means the person for the time being entered in the Register as the holder of that Unit and includes persons so entered as Joint Holders
“Income”	means all dividends, interest and other receipts (including taxation repayments) considered by the Manager, after consulting the Auditors, to be in the nature of income
“Income Account”	means the account into which all Income is paid
“Investment”	means subject to the provisions of the Code, any share, stock, bond, note, debenture, debenture stock, warrant, option, securities, participation, unit or sub-unit in a unit trust scheme, participation in a mutual fund or similar scheme, loan convertible into security, money market instrument, loan stock, certificate of deposits, commercial paper, promissory notes, treasury bills, fixed and floating rate instruments, bankers’ acceptance, precious metals, commodities, direct investments in any non-financial instruments, derivative instruments including index future and forward currency exchange contract, any other security which may be selected by the Manager with the prior approval of the Trustee for the purpose of investment of any Deposited Property or which may for the time being form part thereof
“Investment Sum”	means the aggregate amount paid or to be paid to the Manager by an applicant (whether or not already the Holder of other Units) for the purpose of investing in the Units of any Sub-Fund
“Issue Price”	means the price at which the Units are issued in accordance with paragraph 9.4 of this Prospectus
“Joint Holders”	means persons not exceeding two in number for the time being entered in the Register as joint holders of a Unit and who shall hold the Units either as Joint-All Holders or Joint-Alternate Holders
“Joint-All Holders”	means Joint Holders whose mandate the Manager and Trustee shall act upon only if given by both of such Joint Holders

“Joint-Alternate Holders”	means Joint Holders whose mandate the Manager or Trustee shall act upon if given by either of such Joint Holders
“Management Fee”	means any amount to which the Manager may become entitled pursuant to the Deed for managing the Fund or a Sub-Fund
“Manager”	Eastspring Investments (Singapore) Limited and its successors as manager of the Fund which shall be approved by the Authority and shall be the holder of the relevant licences required by applicable laws, regulations or practice directions issued by any regulatory authority from time to time
“month”	means a calendar month of a year
“Quoted Investment”	means any SGX-DT Investment, SGX-ST Investment, Catalist Investment or Foreign Quoted Investment
“Realisation Fee”	in relation to Units in a Sub-Fund, means a charge upon the realisation of a Unit of such percentage of the realisation proceeds as may from time to time be fixed by the Manager generally or in relation to any specific transaction or class of transaction for a Sub-Fund and shall not exceed the maximum charge as stated in the Prospectus
“Realisation Price”	means the realisation price of Units calculated in accordance with the Deed
“Recognised Market”	means any stock exchange or over the counter market, any futures exchange and any organised securities market which is open to the public and on which securities are regularly traded, being in each case an exchange or market in any part of the world (including SGX-ST and Catalist) and in relation to any particular Investment includes any responsible firm, corporation or association in any country in the world so dealing in the Investment as to be expected generally to provide, in the opinion of the Manager, a satisfactory market for the Investment and is approved by the Trustee and in such case the Investment shall be deemed to be the subject of an effective permission to deal or be dealt in on the market deemed to be constituted by such firm, corporation or association
“Register”	the register of Holders of a Sub-Fund and “Registers” shall be construed accordingly
“SGX-ST”	means the Singapore Exchange Securities Trading Limited
“SGX-ST Investment”	means any Investment which is for the time being quoted on the SGX-ST and which in the opinion of the Manager is regularly dealt in on the SGX-ST
“Singapore Dollar or S\$”	means the lawful currency of the Republic of Singapore
“SRS”	means the scheme referred to by the Ministry of Finance as the Supplementary Retirement Scheme or such other scheme as shall replace or supersede the Supplementary Retirement Scheme from time to time
“SRS Account”	means an account opened by an investor with a participating branch of a designated SRS Operator for the purpose of an investment under the SRS
“SRS Operator”	means any of the designated banks as appointed by the Ministry of Finance from time to time to operate SRS Accounts
“Sub-Funds”	means the sub-funds listed in paragraph 5.1 of this Prospectus and “Sub-Fund” means any one of them (as the case may be)
“Subscription Fee”	in relation to a Sub-Fund means a charge upon the issue of Units of such percentage of the gross Investment Sum as the Manager may from time to time determine generally or in relation to any specific transaction or class of transactions for a Sub-Fund and shall not exceed the maximum limit as stated in the Prospectus

“Transactions Adjustment”	in relation to the issue of a Unit of any Sub-Fund, means an adjustment of up to such amount (if any) as the Manager determines represents the Duties and Charges which would have been payable in purchasing the Investments constituting the relevant Deposited Property for the account of that Sub-Fund as at the Valuation Point divided by the number of Units of that Sub-Fund issued and deemed to be in issue as at that time provided that it shall not exceed such percentage as the Manager and the Trustee may from time to time agree; and in relation to the cancellation and realisation of a Unit, an adjustment of up to such amount (if any) as the Manager determines represents the Duties and Charges which would have been payable in selling the Investments constituting the relevant Deposited Property for the account of that Sub-Fund as at the Valuation Point divided by the number of Units of that Sub-Fund in issue and deemed to be in issue as at that time provided that it shall not exceed such percentage as the Manager and the Trustee may from time to time agree. Such expression in the context of a given date shall refer to the amount or amounts so determined by the Manager and applicable on that date
“Trustee”	means HSBC Institutional Trust Services (Singapore) Limited or any other corporation for the time being duly appointed as trustee of the Fund pursuant to Clause 37 of the Deed
“Trustee’s Fee”	shall mean the fee payable to the Trustee pursuant to the Deed for its services as Trustee
“Unit(s)”	means an undivided share in the Deposited Property or the portion of the Deposited Property attributable to a Sub-Fund; which includes a fraction of a Unit truncated to three decimal places (or such other number of decimal places as the Manager may from time to time determine with the approval of the Trustee)
“Unquoted Investment”	means any Investment which is not quoted, listed or dealt on any Recognised Market
“US Dollar”	means the lawful currency of the United States of America
“Valuation Point”	any time prior to the close of the Business Day following the relevant Dealing Day or such other time or additional time determined by the Manager with the approval of the Trustee and the Manager shall notify the Holders of any change if so required by the Trustee
“Value”	with reference to the Deposited Property of any Sub-Fund or any part thereof, or with reference to any Investment comprised or to be comprised in the Deposited Property of any Sub-Fund, its net asset value or its value respectively as determined in accordance with the Deed
“Year”	means a calendar year

Appendix 1 – Monthly Income Plan

This Appendix sets out fund details of the Monthly Income Plan, a sub-fund under the Fund (also referred to in this Appendix as the “Sub-Fund”), denominated in Singapore Dollars. The name of the sub-fund, “Monthly Income Plan”, should not be taken as implying that monthly or regular distributions in respect of Units will be made.

The Manager is entitled, under the Deed, to establish different Classes of Units within the Sub-Fund. The Manager has established the following 2 Classes of Units in respect of the Sub-Fund:

- (i) Class A (annual payout); and
- (ii) Class M (monthly payout).

The two Classes of Units have been established by the Manager for internal classification purposes to enable the different frequency and amount of payouts and do not constitute separate pools of assets. There are separate indicative net asset values in respect of both Classes of Units.

1. Investment Objective, Focus and Approach

1.1 Investment Objective, Focus and Policy

The investment objective of the Sub-Fund is to seek to provide investors with regular income and capital growth by investing:

- (i) 30% to 70% of its assets into the Luxembourg domiciled Eastspring Investments – US High Yield Bond Fund (the “US High Yield Bond”); and
- (ii) 30% to 70% of its assets into the Luxembourg domiciled Eastspring Investments – Asian Bond Fund (the “Asian Bond”),

(collectively, the “Underlying Funds”).

The Sub-Fund may in addition, at the Manager’s absolute discretion, invest up to 20% of its assets in any other Asia Pacific investments (including real estate investment trusts, dividend yielding equities and any other sub-funds of the Eastspring Investments (formerly known as International Opportunities Funds) (the “Eastspring Investments Umbrella Fund”), subject to the prior approval of the Authority where necessary).

The Eastspring Investments Umbrella Fund was established as an open-ended investment company incorporated under the laws of the Grand Duchy of Luxembourg as a Société Anonyme, which qualifies as a Société d’Investissement à Capital Variable, and is 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 and the Directive 2009/65/EC of the European Union Parliament and of the Council of 13 July 2009. The Underlying Funds are sub-funds of the Eastspring Investments Umbrella Fund.

The US High Yield Bond invests in a diversified portfolio consisting primarily of high yield bonds and other fixed income/debt securities denominated in US Dollars, issued in the US market (including “Yankee” and “Global” bonds) rated below BBB-. Up to 20% of its assets may be invested in investment grade securities (i.e. BBB- and above). Yankee bonds mean debt of foreign issuers issued in the US domestic market. Global bonds mean debt issued simultaneously in the eurobond and US domestic bond markets.

The Asian Bond invests in a diversified portfolio consisting primarily of fixed income/debt securities issued by Asian entities or their subsidiaries. Its portfolio primarily consists of securities denominated in US Dollars as well as the various Asian currencies and aims to maximise total returns through investing in fixed income/debt securities that are rated as well as unrated.

1.2 Investment Approach

In managing the Sub-Fund, the Manager will first assess the attractiveness of Asian bonds relative to US high yield bonds by looking at their relative credit spreads as well as versus their own history. The Manager also assesses the attractiveness of Asian equities relative to US Dollars denominated bonds. The Manager will then arrive at the final asset allocation of the Sub-Fund after taking into consideration all these factors. The selection of the individual stocks within the Sub-Fund is driven by bottom-up stock ideas.

In deciding the asset allocation of the Sub-Fund, the Manager adopts a valuation-based investment approach and aims to exploit market inefficiency and dispersion of investment returns.

The investment sub-manager of the US High Yield Bond uses a value-oriented “bottom-up” approach, which focuses on bond specifics. The investment process is credit intensive with a focus on relative valuations. The investment sub-manager’s credit analysis team analyses both investment grade and high yield bonds, allowing for swift capturing of investment opportunities across the rating spectrum.

While focusing on bond specifics, the investment sub-manager is also aware of the opportunities that might be uncovered by the business cycle and believes that the returns from active management are maximised by forming portfolios that take measured, diversified risks across multiple portfolio dimensions, including sectors, securities and maturities.

The Asian Bond applies a rigorous “top-down” investment management approach in deriving its credit sector, duration and currency allocation strategy and decisions. This is necessarily combined with a thorough “bottom-up” credit selection process, based on research and analysis, to determine good value credit investments and avoid potential corporate default events.

Economic and market analysis are carried out to determine the likely outlook for monetary policies, interest rates and credit spreads. Apart from determining the probable investment scenario, the likelihood associated with market outcomes that would adversely affect the investment strategies is also assessed. A comprehensive strategy is then systematically formulated that aims to provide optimal returns from interest rates, currencies and credits.

1.3 Use of Financial Derivative Instruments by Eastspring Investments Umbrella Fund

The Eastspring Investments Umbrella Fund may use financial derivative instruments (“**FDIs**”), such as options, swaps, forward contracts and futures contracts, only for the purpose of efficient portfolio management of the assets of the Underlying Fund(s) and/or to protect their assets and commitments. Should the Eastspring Investments Umbrella Fund decide to enter into FDI transactions for other purposes than hedging and/or efficient portfolio management, the investment policy of the Eastspring Investments Umbrella Fund or the relevant Underlying Fund(s) will be amended accordingly.

Investors should refer to paragraph 8.2(iii) of this Prospectus for information on the risks associated with FDIs.

Risk Management Process of Eastspring Investments Umbrella Fund

The Eastspring Investments Umbrella Fund may, for each Underlying Fund, for the purpose of efficient portfolio management of the assets of the respective Underlying Fund and/or to protect its assets and commitments, employ certain techniques and instruments as set out in the Luxembourg prospectus of the Eastspring Investments Umbrella Fund.

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 Luxembourg prospectus of the Eastspring Investments Umbrella Fund.

In addition to the above, the Eastspring Investments Umbrella Fund may, for each Underlying Fund, use derivatives to facilitate more complex efficient portfolio management techniques. In particular this may involve:

- using swap contracts to adjust interest rate risk;
- using currency derivatives to buy or sell currency risk;
- writing covered call options to generate additional income;
- using credit default swaps to buy or sell credit risk; and
- using volatility derivatives to adjust volatility risk.

The relating risks of these transactions must be adequately captured by the Eastspring Investments Umbrella Fund's risk management process.

The Eastspring Investments Umbrella Fund must ensure that the overall risk associated with derivatives does not exceed the net assets of the relevant Underlying 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 Luxembourg prospectus of the Eastspring Investments Umbrella Fund. Investments in index-based derivatives need not be taken into account in the case of the investment limits set forth in the Luxembourg prospectus of the Eastspring Investments Umbrella Fund.
- 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 in the Luxembourg prospectus of the Eastspring Investments Umbrella Fund.

In no case whatsoever must recourse to transactions involving derivatives or other financial techniques and instruments cause the Eastspring Investments Umbrella Fund to depart from the investment objectives set out in the Luxembourg prospectus of the Eastspring Investments Umbrella Fund or add substantial supplementary risks in comparison to the Eastspring Investments Umbrella Fund's general risk policy (as described in the Luxembourg prospectus).

Commitment Approach

The method used to calculate the global exposure of the Underlying Funds will be the commitment approach.

1.4 Risk Management and Compliance Controls for the Sub-Fund

The Sub-Fund may enter into derivative transactions for the purposes of efficient portfolio management ("EPM") and/or hedging with the purpose of preserving the value of an asset or assets of the Sub-Fund. Permitted EPM transactions include but not limited to forwards, futures, swaps and options dealt in or traded on an approved derivatives market. Where such derivatives are FDIs on commodities, such transactions shall be settled in cash at all times or as may otherwise be required under the Code.

The global exposure of the Sub-Fund to FDIs or embedded FDIs shall not exceed 100% of the net asset value of the Sub-Fund at any time (or such other percentage as may be allowed under the Code). Such exposures relating to FDIs will be calculated using the commitment approach as described in, and in accordance with, paragraph 3.3 of Appendix 1 of the Code.

In the event the Sub-Fund nets its over-the-counter financial derivative positions, the Manager will obtain the legal opinions as stipulated in paragraph 5.15 of Appendix 1 of the Code prior to such netting.

Investors should refer to paragraph 8.2(iii) of this Prospectus for information on the risks associated with FDIs.

The Manager has the following risk management and compliance controls in place to manage the risks in FDIs:

(i) **Pre-Trade Compliance**

Where possible, FDI activity and exposures are monitored with a pre-trade compliance system across the entire business. Rules and investment guidelines are set up in the system as far as possible allowing potential breaches to be immediately identified before a trade is executed. An escalation process is in place to ensure relevant parties are informed when a potential issue occurs.

(ii) **Portfolio Risk**

The Manager utilises quantitative techniques to determine the suitability of utilising FDIs. The investment team utilises a number of tools to carry out portfolio construction and to conduct risk analysis including risk/return characteristics. The investment team identifies, manages and monitors investment risks, with the aim of achieving the objectives of the Sub-Fund.

(iii) **Counterparty Risk**

The Manager has credit risk management and control procedures for assessing, monitoring and limiting credit and counterparty risk across all asset classes and client bases. Reviews of counterparties are performed on a regular basis to assess any changes in credit worthiness and the ability to meet their contractual obligations.

(iv) **Risk Oversight**

In addition, the Manager has an independent investment risk team that works with each investment team to ensure that the necessary risk controls and metrics of risks are in place. The investment risk team reports to the regional risk committee whose principal role is to ensure that the business units operate within the risk management policies and frameworks laid out.

The Manager will ensure that the risk management and compliance procedures are adequate and have been or will be implemented and that it has the necessary expertise to manage the risk relating to the use of FDIs.

The Manager may modify the risk management and compliance procedures adopted from time to time as it deems fit and in the interest of the Sub-Fund.

1.5 Distribution Policy for the Sub-Fund

1.5.1 As part of the investment objective of the Sub-Fund, the Manager intends to make regular annual and monthly distributions for Class A and Class M respectively.

Distributions for previous years since the Sub-Fund's inception have already been made by the Manager. For 2013, the Manager intends to continue with the distribution policy for the previous years since the Sub-Fund's inception:

- (i) 5 cents per Class A Unit (i.e., 5% computed based on the initial issue price of S\$1.00), as of the Distribution Date in respect of Class A; and
- (ii) monthly payments of 0.4 cents per Class M Unit (i.e., 0.4% computed based on the initial issue price of S\$1.00) in respect of the first 11 calendar months and a payment of 0.6 cents per Class M Unit (i.e. 0.6% computed based on the initial issue price of S\$1.00) in respect of the 12th calendar month, as of the relevant Distribution Dates in respect of Class M,

where “**Distribution Date**” in respect of Class A shall be 31 January 2013 (or the next Business Day, if that day is not a Business Day) and in respect of Class M shall be the last Business Day of every calendar month or such other dates as the Manager may in its absolute discretion determine.

The annual and monthly distributions as described above shall be based on the number of Units held by each Holder as at the Distribution Date as evidenced by the Register of Holders in the Sub-Fund. For the avoidance of doubt, where a Distribution Date falls on a Dealing Day, Holders who realise, switch or exchange their Units or who submit a realisation, switching or exchange request on or before a Distribution Date will not be counted as a registered Holder in respect of the Units realised, switched or exchanged on that Distribution Date or as set out in the realisation, switching or exchange request and therefore, will not receive the relevant distribution in relation to those Units.

- 1.5.2 Subsequent distribution amounts and distribution dates in respect of Class A and Class M shall be determined by the Manager at the beginning of each financial year of the Sub-Fund.
- 1.5.3 Distribution payments shall, at the sole discretion of the Manager, be made 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).
- 1.5.4 Distributions will be payable to Holders within 30 days from the relevant Distribution Date. Investors may choose at the time of application for Class A Units (subject to the distribution reinvestment policy of the relevant appointed distributor) to either receive all (but not part) of the distributions in cash or to have all (but not part) of the distributions reinvested in the Sub-Fund. Holders of Class M Units will receive distributions for their Class M Units (if any) in cash.

Distributions are at the discretion of the Manager 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/distribution of the Sub-Fund. The making of any distribution shall not be taken to imply that further distributions will be made. The Manager may also vary the frequency and/or amount of the distributions made.

Investors should also note that distributions of the Sub-Fund may, in the event that Income and net capital gains are insufficient, be made out of the capital of the Sub-Fund. In the event distributions are made out of the capital of the Sub-Fund, Holders will be notified accordingly of the proportion of the distribution which is made out of the capital of the Sub-Fund.

When distributions are declared and paid out (including out of capital) with respect to the Sub-Fund, the net assets attributable to the relevant Class of Units will stand reduced by an amount equivalent to the product of the number of Units outstanding and distribution amount declared per Unit.

1A. Product Suitability

The Sub-Fund is only suitable for investors who:

- (i) seek regular income and capital growth;
- (ii) are comfortable with the risks of a fund investing mainly in US Dollar denominated bonds issued in the US and Asia; and
- (iii) 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.

Investors should consult their financial advisers if in doubt whether this product is suitable for them.

2. Management of the Underlying Funds

The Manager is also the investment manager of the Underlying Funds. The track record of the Manager is set out in paragraph 2.1 of the main body of this Prospectus.

PPM America, Inc. (“PPM America”) is the investment sub-manager of the US High Yield Bond.

PPM America, Inc. is the U.S. investment management subsidiary of Prudential. Founded in 1990, PPM America has offices in Chicago, Schaumburg and New York. PPM America has carried on business in asset management since 1990. PPM America, together with its affiliate PPM Finance, Inc., employs 216 people (as at 31 March 2012), manages approximately US\$86.8 billion (approximately equivalent to S\$109.14 billion) in assets (as at 31 March 2012) and provides investment advisory services primarily to insurance companies, including affiliates such as The Prudential Assurance Company Limited of the UK and Jackson National Life Insurance Company, and other affiliated and unaffiliated institutional clients (such as mutual funds and other pooled investment products, CDOs, private investment funds, and a limited number of trusts of individuals and their family members). PPM America is an indirect subsidiary of the UK incorporated Prudential. Prudential is not affiliated in any manner with Prudential Financial, Inc., a company whose principal place of business is in the United States of America.

PPM America's approach to investment management is defined by their value-oriented tradition, a long-term perspective and emphasis on fundamental research.

3. Fees and Charges

3.1 The fees and charges payable by Holders in relation to the Sub-Fund are set out below:-

Fees payable by a Holder of the Sub-Fund	
Subscription Fee	Currently 5%; maximum 5%
Realisation Fee	Currently nil; maximum 2%
Switching Fee	Currently 1%, maximum 2% in respect of switches between Class A and Class M
Exchange Fee	Currently 1%*

* The Manager may from time to time determine the exchange fee in respect of any exchanges (where allowed by the Manager) of all or any of the Units of the Sub-Fund for units of any other Group Trust.

3.2 The fees and charges payable by the Sub-Fund and Underlying Funds are set out below:-

Fees Payable by the Sub-Fund	
Management Fee	Currently 1.25% p.a.; maximum 2% p.a.^
Trustee's Fee (including Custodian Fee)	Below 0.05% p.a. (maximum 0.2% p.a.)
Valuation Fee	Up to 0.04% p.a.
Registrar Fee	More than 0.1% p.a. if the total assets under management of the relevant Sub-Fund is less than S\$5 million, plus transactional fees.

^The Management Fee indicated herein includes the management fee payable by the Underlying Funds to its investment manager.

4. Subscription

4.1 The minimum initial subscription and minimum subsequent subscription amounts

The minimum initial and subsequent subscription amounts for the Sub-Fund are:

Minimum initial subscription	Class A	S\$1,000
	Class M	S\$10,000
Minimum subsequent subscription	Class A	S\$100
	Class M	S\$100

Investors should note that distributors appointed by the Manager may impose higher requirements for the minimum initial and subsequent subscription amounts for each Class of the Sub-Fund.

4.2 Issue Price and Pricing

As the Initial Offer Period of the Sub-Fund has closed, Units shall be issued on a forward pricing basis. Therefore, an investor may not know the issue price (the “**Issue Price**”) of the Units being subscribed for at the time his/her application is made.

Units shall be issued on each Dealing Day at an Issue Price that is ascertained by the Manager by first determining the Value (as at the applicable Valuation Point in relation to the particular Dealing Day) of the relevant Class or Sub-Fund (as the case may be) represented by one Unit and truncating (but not rounding off) such amount to three decimal places (or such other number or such other method of calculation and adjustment as the Manager shall determine with the approval of the Trustee from time to time).

4.3 Dealing Deadline and Dealing Day

The Dealing Deadline in respect of the Sub-Fund for subscriptions is 3 p.m. Singapore time on any Dealing Day. Investors should note that appointed distributors may impose an earlier dealing deadline for the receipt of subscriptions from investors. Investors should confirm the applicable dealing deadline with the relevant appointed distributor.

“**Dealing Day**”, in connection with the issuance, cancellation, realisation, switching and exchange of Units of the Sub-Fund, means every Business Day or such other day or days at such intervals as the Manager may from time to time determine with the prior consultation of the Trustee provided that reasonable notice of any such determination shall be given by the Manager to all Holders at such time and in such manner as the Trustee may approve.

4.4 Distribution Reinvestment Mandate

A Holder of Class A Units may at the time of an initial application for Class A Units in the Sub-Fund (subject to the distribution reinvestment policy of the relevant appointed distributor) make a request in writing (a “**Distribution Reinvestment Mandate**”) to elect for the automatic reinvestment of all (but not part) of the net amount of distributions to be received by him/her in the purchase of further Class A Units of the Sub-Fund (including fractions of such Units, if any). A Distribution Reinvestment Mandate once made shall apply to all of the Class A Units in the Sub-Fund then held by the same Holder at any particular time and such Distribution Reinvestment Mandate may only be withdrawn by the Holder giving the Manager not less than 30 days’ notice in writing prior to the date of any particular distribution. If a Holder has withdrawn the Distribution Reinvestment Mandate, the distribution, if any, to be made to such Holder shall be the relevant amount in cash available for distribution in respect of such Holder’s holding of Class A Units.

5. **Regular Savings Plan**

Holders of Units in the Sub-Fund may participate in the regular savings plan (“**RSP**”) for either Class A or Class M of the Sub-Fund. A Holder must have a minimum holding of 1,000 Units in respect of Class A or of 10,000 Units in respect of Class M or the number of Units which would have been purchased for S\$1,000 and S\$10,000 respectively based on the Issue Price prevailing on the date of application to join the RSP (or such other number of Units as the Manager may from time to time determine). A Holder may opt to invest a minimum sum of S\$100 per month through GIRO payment (or such other amounts as the Manager may determine).

6. **Realisation**

6.1 Minimum holding amount and minimum realisation amount

The minimum holding and realisation amounts for the Sub-Fund are set out below (or such other amounts as may from time to time be determined by the Manager upon giving prior written notice to the Trustee and as permitted by the Authority from time to time):

Minimum holding amount	Class A	1,000 Units or such number of Units as may be purchased for S\$1,000
	Class M	10,000 Units or such number of Units as may be purchased for S\$10,000
Minimum realisation amount	Class A	100 Units
	Class M	100 Units

6.2 Dealing Deadline and Dealing Day

The Dealing Deadline in respect of the Sub-Fund for realisation of Units is 3 p.m. Singapore time on any Dealing Day. Investors should note that appointed distributors may impose an earlier dealing deadline for the receipt of realisation requests from investors. Investors should confirm the applicable dealing deadline with the relevant appointed distributor.

7. **Switching and Exchange**

7.1 Switching and Exchange

Switchings between sub-funds under the Fund are currently not available to Holders of the Sub-Fund. Holders may, where allowed by the Manager and on such terms and conditions as the Manager may impose, exchange all or any of the Units of the Sub-Fund for units of any other Group Trust. Any exchange of Units will be subject to an exchange fee (as set out in paragraph 3.1 of this Appendix).

7.2 Inter-Class Switching

Holders may switch Units of Class A to Units of Class M and vice versa by submitting to the Manager or any agents or distributors appointed by the Manager a duly signed written instruction or completed switching form. Any switching of Units will be subject to a Switching Fee (as set out in paragraph 3.1 of this Appendix) and such conditions as the Manager may in its discretion impose.

8. **Performance of the Sub-Fund**

8.1 Past Performance

The performance of the Sub-Fund and its benchmark as at 30 March 2012 since its inception on 1 February 2005 is set out in the table below:

	One Year	Three Year (average annual compounded return)	Five Year (average annual compounded return)	Since inception of Sub-Fund (average annual compounded return)
Sub-Fund (Class M) (Offer-to-Bid)	-0.3%	13.2%	3.5%	4.5%
Sub-Fund (Class A) (Offer-to-Bid)	-0.2%	13.3%	3.5%	4.5%
Benchmark: 12 month Singapore Dollar Fixed Deposit Rate ^{Note 3}	0.4%	0.5%	0.6%	0.7%

Source for performance numbers of Sub-Fund: Eastspring Investments (Singapore) Limited

Source for Benchmark: Eastspring Investments (Singapore) Limited based on 12-month Singapore Dollar Fixed Deposit Rate published by the Monetary Authority of Singapore

Notes:

1. The return on the Sub-Fund on offer-to-bid basis is based on NAV pricing, in Singapore Dollars with net dividends reinvested, taking into account the Subscription Fee and Realisation Fee (if any).
2. Past performance of the Sub-Fund is not necessarily indicative of the future or likely performance of the Sub-Fund.
3. Please note that the benchmark for the Sub-Fund will be changed from the 12 month Singapore Dollar Fixed Deposit Rate to the (50% JP Morgan Asia Credit Index and 50% BofA Merrill Lynch US High Yield Constrained Index) hedged to Singapore Dollars with effect from 1 June 2012 to better reflect the investment focus and risk of the Sub-Fund.

8.2 Expense ratio

The expense ratio for the Sub-Fund for the period 1 January 2011 to 31 December 2011 is 1.41%. The expense ratio for the Sub-Fund has been calculated in accordance with the guidelines on disclosure of expense ratios issued by the Investment Management Association of Singapore and based on figures in the latest audited accounts of the Sub-Fund.

The following expenses (where applicable) are excluded from the calculation of the above expense ratio:

- (i) brokerage and other transaction costs associated with the purchase and sales of investments (such as registrar charges and remittance fees);
- (ii) interest expenses;
- (iii) foreign exchange gains and losses of the Sub-Fund, whether realised or unrealised;
- (iv) front-end loads, back-end loads and other costs arising on the purchase or sale of a foreign unit trust or mutual fund;
- (v) tax deducted at source or arising from income received, including withholding tax; and
- (vi) dividends and other distributions paid to Holders.

8.3 Turnover ratios

The turnover ratios for the Sub-Fund and its Underlying Funds for the period 1 January 2011 to 31 December 2011 is set out below and has been calculated based on the lesser of purchases or sales of underlying investments of the relevant fund expressed as a percentage of daily average net asset value:

	Turnover Ratio
Sub-Fund	3.66%
Underlying Funds:	
(i) US High Yield Bond	208.14%
(ii) Asian Bond	23.96%

9. **Supplementary Information**

Investors may obtain supplementary information relating to the risk management methods employed by the Eastspring Investments Umbrella Fund or the Underlying Funds, including the quantitative limits that are applied and any recent developments in the risk and yield characteristic of the main categories of investment from the Manager.

Prospectus of Eastspring Investments Funds

Signed:

Graham David Mason
Director

Signed:

Guy Robert Strapp
Director

Signed:

Julian Christopher Vivian Pull
Director

Signed:

Lakshman Kumar Mylavarapu
Director

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Prepared on: 31/05/12

This Product Highlights Sheet is an important document.

- It highlights the key terms and risks of this investment product and complements the Prospectus¹.
- It is important to read the Prospectus before deciding whether to purchase units 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 FUNDS – MONTHLY INCOME PLAN (the “Sub-Fund”)

Product Type	Unit Trust	Inception Date	1 February 2005
Manager	Eastspring Investments (Singapore) Limited	Custodian	HSBC Institutional Trust Services (Singapore) Limited
Trustee	HSBC Institutional Trust Services (Singapore) Limited	Dealing Frequency	Every Business Day
Capital Guaranteed	No	Expense Ratio for financial year ended 31 December 2011	1.41%
Name of Guarantor	Not applicable		

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

- The Sub-Fund is only suitable for investors who:
 - seek regular income and capital growth;
 - are comfortable with the risks of a fund investing mainly in US Dollar denominated bonds issued in the US and Asia; and
 - 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.

Further Information

Refer to Section 1A in Appendix 1 on Pg 28 of the Prospectus for further information on product suitability.

Investors should consult their financial advisers if in doubt whether this product is suitable for them.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

- You are investing in a unit trust constituted in Singapore that seeks to provide you with regular income and capital growth by investing in underlying funds, namely, the Luxembourg-domiciled Eastspring Investments – US High Yield Bond Fund (“US High Yield Bond”) and Eastspring Investments – Asian Bond Fund (“Asian Bond”).
- The Manager intends to make annual distributions on or around 31 January for Class A units and monthly distributions on or around the last Business Day of the month for Class M units. Distributions are **not guaranteed**, are at the sole discretion of the Manager and are determined by the Manager at the beginning of each financial year of the Sub-Fund.

Refer to Section 1 on Pg 1 and Sections 1.1 and 1.5 in Appendix 1 on Pg 24 and Pg 27 of the Prospectus for further information on features of the product.

¹ 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.eastspringinvestments.com.sg.

Investment Strategy	
<ul style="list-style-type: none"> • The Sub-Fund will invest: <ul style="list-style-type: none"> (i) 30% to 70% of its assets into the US High Yield Bond (which invests primarily in high yield bonds and other fixed income/debt securities denominated in US Dollars, issued in the US market rated below BBB-. Up to 20% of its assets may be invested in investment grade securities (i.e. BBB- and above)); and (ii) 30% to 70% of its assets into the Asian Bond (which invests primarily in fixed income/debt securities issued by Asian entities or their subsidiaries denominated primarily in US Dollars as well as various Asian currencies). • The Sub-Fund may in addition, at the Manager's absolute discretion, invest up to 20% of its assets in any other Asia Pacific investments (including real estate investment trusts, dividend yielding equities and any other sub-funds of the Eastspring Investments (formerly known as International Opportunities Funds), subject to the prior approval of the Authority where necessary). • In managing the Sub-Fund, the Manager will first assess the attractiveness of Asian bonds relative to US high yield bonds by looking at their relative credit spreads as well as versus their own history. The Manager also assesses the attractiveness of Asian equities relative to US Dollars denominated bonds. The Manager will then arrive at the final asset allocation of the Sub-Fund after taking into consideration all these factors. The selection of the individual stocks within the Sub-Fund is driven by bottom-up stock ideas. • In deciding the asset allocation of the Sub-Fund, the Manager adopts a valuation-based investment approach and aims to exploit market inefficiency and dispersion of investment returns. 	<p>Refer to Sections 1.1 and 1.2 in Appendix 1 on Pg 24 and Pg 25 of the Prospectus for further information on the investment strategy of the product.</p>
Parties Involved	
<p>WHO ARE YOU INVESTING WITH?</p> <ul style="list-style-type: none"> • <i>Eastspring Investments Funds</i>: the umbrella fund underwhich the Sub-Fund is constituted. • <i>Eastspring Investments (Singapore) Limited</i>: the Manager of the Sub-Fund and the Investment Manager of the US High Yield Bond and the Asian Bond. • <i>PPM America, Inc.</i>: the Investment Sub-Manager of the US High Yield Bond. • <i>HSBC Institutional Trust Services (Singapore) Limited</i>: the Trustee and Custodian of the Sub-Fund. 	<p>Refer to Section 1 on Pg 1, Section 2 on Pg 2, Section 3 on Pg 2 and Section 2 in Appendix 1 on Pg 28 of the Prospectus for further information on the role and responsibilities of these entities.</p>
KEY RISKS	
<p>WHAT ARE THE KEY RISKS OF THIS INVESTMENT?</p> <p>The value of the product and its dividends or coupons (if any) may rise or fall. These risk factors may cause you to lose some or all of your investment:</p>	<p>Refer to Section 8 on Pg 4 and Sections 1.3 and 1.4 in Appendix 1 on Pg 25 and Pg 26 of the Prospectus for further information on risks of the product.</p>
Market and Credit Risks	
<ul style="list-style-type: none"> • You are exposed to market risks in Asian, Asia-Pacific and United States markets. <ul style="list-style-type: none"> ○ The value of your investments may go up and down due to normal market fluctuations in the bond markets in Asia and the United States that the underlying funds invest in and the Asia-Pacific market that the Sub-Fund may invest in. • You are exposed to interest rate and credit risks. <ul style="list-style-type: none"> ○ The underlying funds invest in bonds and fixed income/debt securities which are subject to interest rate fluctuations and credit risks, such as risk of default by issuers. • You are exposed to emerging markets risks. <ul style="list-style-type: none"> ○ The Sub-Fund and the Asian Bond may invest in emerging markets which involve a greater risk of loss and are more volatile than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity, volatility and regulatory risks. 	

<ul style="list-style-type: none"> • You are exposed to currency risks. <ul style="list-style-type: none"> ○ The underlying funds (and their investments) and other investments of the Sub-Fund may be denominated in currencies that differ from the currency of the Sub-Fund, and accordingly, fluctuations in the exchange rates of these foreign currencies may affect the value of your units. • You are exposed to counterparty risks. <ul style="list-style-type: none"> ○ The Sub-Fund and its underlying funds will be exposed to the credit risk on counterparties with which they trade and any default by such a counterparty (for example, due to insolvency) could result in substantial losses to an underlying fund and, in turn, the value of your units. • You are exposed to liquidity risks of the underlying funds' investments. <ul style="list-style-type: none"> ○ The Sub-Fund and its underlying funds may have investments which have high liquidity risks (for example, low trading volumes) and may incur substantial losses if they are unable to sell these investments at opportune times or prices. 									
Liquidity Risks									
<ul style="list-style-type: none"> • The Sub-Fund is not listed and you can realise your units only on Dealing Days. <ul style="list-style-type: none"> ○ There is no ready secondary market for the units in the Sub-Fund. All realisation requests should be submitted in the manner set out in the Prospectus. • Your realisation request may be deferred or suspended. <ul style="list-style-type: none"> ○ There may be a 10% limit on the number of units that can be realised and converted on a Dealing Day. Therefore, your realisation request may be deferred to the next Dealing Day (which is subject to the same limit) if realisations exceed the limit on that day. ○ Your right to realise units may also be temporarily suspended under certain circumstances as described in the Prospectus. 									
Product-Specific Risks									
<ul style="list-style-type: none"> • You are exposed to derivatives risks. <ul style="list-style-type: none"> ○ The Sub-Fund and its underlying funds may use derivative instruments 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 US High Yield Bond invests in. <ul style="list-style-type: none"> ○ 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. 									
FEES AND CHARGES									
<p>WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT? <u>Payable directly by you</u></p> <ul style="list-style-type: none"> • You will need to pay the following fees and charges as a percentage of your gross investment sum: <table border="1" data-bbox="199 1668 1082 1870"> <tr> <td>Subscription Fee</td> <td>Currently 5% (maximum 5%)</td> </tr> <tr> <td>Realisation Fee</td> <td>Currently 0% (maximum 2%)</td> </tr> <tr> <td>Switching Fee</td> <td>Currently 1% (maximum 2%) in respect of switches between Class A and Class M</td> </tr> <tr> <td>Exchange Fee</td> <td>Currently 1%</td> </tr> </table> <p>Appointed distributors may (depending on nature of services provided) impose other fees and charges not disclosed here. Please check with the relevant appointed distributor for further details.</p>	Subscription Fee	Currently 5% (maximum 5%)	Realisation Fee	Currently 0% (maximum 2%)	Switching Fee	Currently 1% (maximum 2%) in respect of switches between Class A and Class M	Exchange Fee	Currently 1%	<p>Refer to Section 7 on Pg 4 and Section 3 in Appendix 1 on Pg 29 of the Prospectus for further information on fees and charges.</p>
Subscription Fee	Currently 5% (maximum 5%)								
Realisation Fee	Currently 0% (maximum 2%)								
Switching Fee	Currently 1% (maximum 2%) in respect of switches between Class A and Class M								
Exchange Fee	Currently 1%								

Payable by the Sub-Fund from invested proceeds

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

Management Fee	Currently 1.25% per annum* (maximum 2% per annum)
Trustee's and Custodian Fee	Below 0.05% per annum (maximum 0.2% per annum)
Valuation Fee	Up to 0.04% per annum
Registrar's Fee	More than 0.1% per annum if the Sub-Fund's total assets under management is less than S\$5 million, plus transactional fees

- * The management fee includes the management fee payable by the underlying funds to its investment manager. Subscription and realisation fees are currently not payable by the Sub-Fund on its investments into the underlying funds.

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

- The indicative issue and realisation price per unit (net asset value per unit) of the Sub-Fund will be available from www.eastspringinvestments.com.sg normally one Business Day after each relevant Dealing Day. The indicative net asset value per unit may also be published on a periodic basis in The Business Times and the Lianhe Zaobao normally two Business Days after the relevant Dealing 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 submitting a signed written instruction or realisation form to the Manager or the appointed distributor from whom you purchased your units.
- If you are a first-time investor in the Sub-Fund, you will have the right to cancel your subscription within 7 calendar days from the date of your subscription without incurring the subscription fee stated above. However, you will have to take the risk for any price changes in the net asset value of the Sub-Fund.
- Partial realisations are subject to minimum holding requirements.
- Your realisation price is determined as follows (please note that appointed distributors may impose an earlier cut-off time):
 - If you submit your realisation request to the Manager or appointed distributor by 3.00 p.m. Singapore time on a Dealing Day, the realisation price will be based on the net asset value per unit as at the Valuation Point in relation to that Dealing Day
 - If you submit your realisation request after 3.00 p.m. Singapore time or on a day which is not a Dealing Day, the realisation price will be the realisation price for the next Dealing Day.
- You will normally receive the realisation proceeds within seven Business Days from the date the Manager receives and accepts your realisation request.
- The realisation proceeds that you will receive will be the realisation price multiplied by the number of units to be realised, less any charges. Currently, no realisation charge is imposed for the Sub-Fund. An example is as follows:

Realisation Request	x	Notional Realisation Price	=	Realisation proceeds
for 1,000 units	x	\$0.95	=	\$950

Refer to Section 11 on Pg 13, Section 13 on Pg 15, Section 14 on Pg 15 and Section 6 in Appendix 1 on Pg 30 of the 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 appointed distributors listed on www.eastspringinvestments.com.sg.

APPENDIX: GLOSSARY OF TERMS

Business Day:	any day (other than a Saturday or Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore or any other day as the Manager and the Trustee may agree in writing.
Dealing Day:	in connection with the issuance, cancellation, realisation, switching and exchange of Units of the Sub-Fund, means every Business Day or such other day or days at such intervals as the Manager may from time to time determine with prior consultation of the Trustee provided that reasonable notice of any such determination shall be given by the Manager to all Holders at such time and in such manner as the Trustee may approve.
Valuation Point:	any time prior to the close of the Business Day following the relevant Dealing Day or such other time or additional time determined by the Manager with the approval of the Trustee.