



EASTSPRING INVESTMENTS INCOME X

(FORMERLY KNOWN AS PRU INCOME X)

PROSPECTUS

FEBRUARY 2012

A member of Prudential plc (UK)



EASTSPRING INVESTMENTS INCOME X

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 INCOME X

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 Income X (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 the context otherwise requires, all undefined terms in this Prospectus have the same meanings as ascribed to them in the deed of trust dated 21 April 2006 (as may be 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 in the Fund (“**Units**”). 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 and should inform themselves of and observe all such laws and regulations that may be applicable to them.

Investment in the Fund requires consideration of the normal risks involved in investing and participating in collective investment schemes. Investors should carefully consider the risks of investing in the Fund. Details of the risks involved are set out in paragraph 9 of this Prospectus. 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 the 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 the 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 the 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 are not listed on any stock exchange. Investors may purchase, cancel or realise 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 or realisation 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 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. Prudential plc is 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 should be directed to the Manager or any agent or distributor appointed by the Manager.

EASTSPRING INVESTMENTS INCOME X

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EASTSPRING INVESTMENTS INCOME X

Eastspring Investments Income X 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 Income X.

1. Basic Information

1.1 Name of the collective investment scheme

This Prospectus is in relation to a stand-alone Singapore constituted collective investment scheme known as Eastspring Investments Income X (formerly known as PRU Income X) (the “Fund”). The Manager is presently offering for subscription units in the Fund (“Units”) for such period as the Manager may decide from time to time.

1.2 Date of registration and expiry of this Prospectus

This Prospectus was registered with the Authority on 14 February 2012. This Prospectus is valid for 12 months after the date of registration (i.e., up to and including 13 February 2013) and shall expire on 14 February 2013.

1.3 The Deed

- (i) The Fund is constituted as a unit trust by way of a deed of trust dated 21 April 2006 (the “Principal Deed”) between Eastspring Investments (Singapore) Limited (the “Manager”) and HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”). The Principal Deed has been amended by way of a First Amending and Restating Deed dated 20 April 2007, a Second Amending and Restating Deed dated 25 June 2009, a Third Amending and Restating Deed dated 29 September 2011 and a Fourth Amending and Restating Deed dated 14 February 2012 entered into between the same parties. The Principal Deed as amended by the First Amending and Restating Deed, the Second Amending and Restating Deed, the Third Amending and Restating Deed and the Fourth 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 Deed is available for inspection at the office of the Manager at 10 Marina Boulevard, #32-01 Marina Bay Financial Centre Tower 2, Singapore 018983 at all reasonable times during normal business hours (subject to such reasonable restrictions as the Manager may impose) and shall be supplied by the Manager to any person on application at a charge not exceeding S\$25 per copy of the document (or such other amount as the Trustee and the Manager may from time to time agree).

1.4 Accounts and Reports

Copies of the latest semi-annual and annual reports, semi-annual accounts and audited annual accounts relating to the Fund 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. 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 £349.5 billion (approximately equivalent to S\$688.81 billion) in assets under management as at 30 June 2011.

The Manager was set up as a company in 1994 and has been managing discretionary funds since 1995. As at 30 September 2011, the Manager had approximately S\$66.68 billion of assets under management, of which approximately S\$50.29 billion were discretionary funds managed in Singapore.

Past performance of the Manager is not necessarily indicative of its 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 office is 21 Collyer Quay, #14-01 HSBC Building, Singapore 049320.

4. Other Parties

4.1 The Registrar

The registrar for the Fund is the Trustee, HSBC Institutional Trust Services (Singapore) Limited (the “**Registrar**”). The register of Holders of the 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).

The Register is conclusive evidence of the number of Units held by each Holder and the entries in the Register shall prevail in the event of any discrepancy between the entries in the 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 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 a stand-alone open-ended collective investment scheme which is denominated in Singapore Dollars.

5.2 The Manager has the discretion to establish different classes of Units within the Fund from time to time. The Manager may launch and issue any class of Units established subsequent to the date of this Prospectus either at an issue price per Unit of S\$1.00 or such other fixed price per Unit as the Manager may determine in consultation with the Trustee. All existing Units at the time of the establishment of the new class of Units will be re-classified.

6. Inclusion under CPF Investment Scheme

The Fund is currently not included under the CPF Investment Scheme.

7. Investment Objective, Focus and Approach

7.1 Investment Objective, Focus and Approach

The investment objective of the Fund is to seek to provide investors with:

- (i) regular income payouts;
- (ii) capital growth; and
- (iii) optimum risk-adjusted total return,

by investing in cash, cash-equivalent, high quality bonds and other fixed income securities rated BBB- (BBB Minus) and above by Standard and Poor’s (or other equivalent ratings) and entering into derivative transactions linking to indices which employ pre-defined multi-currency interest rate arbitrage strategies.

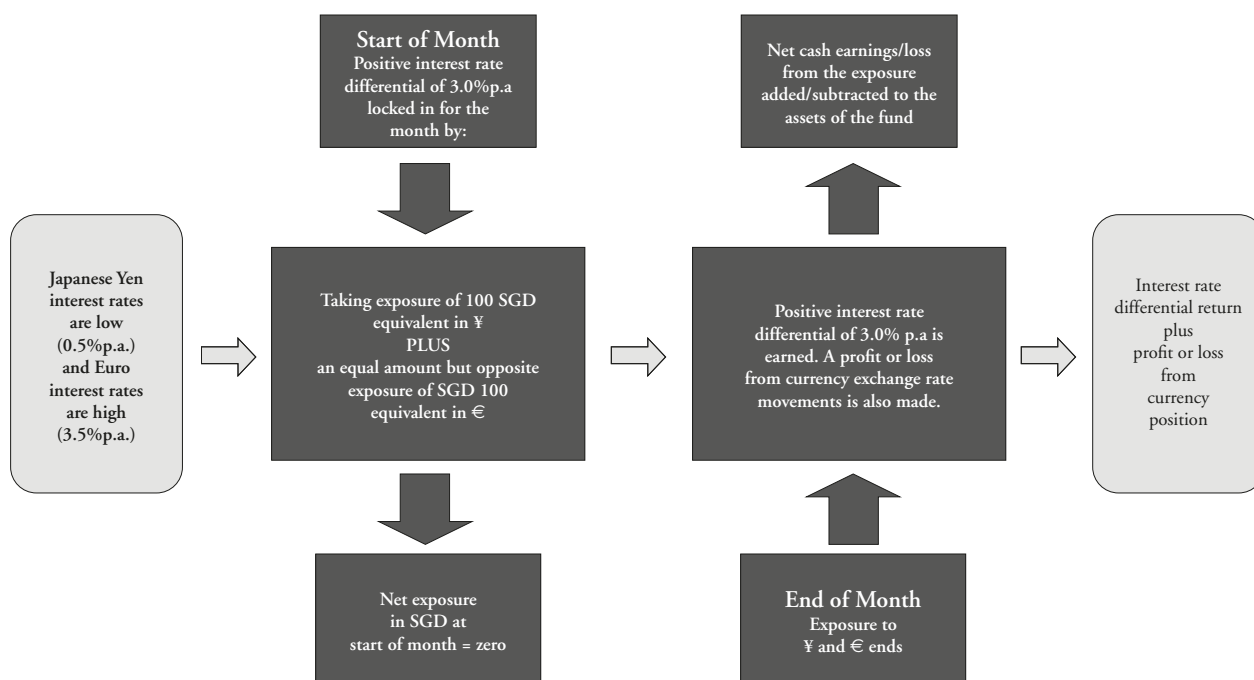
Derivative transactions

The Fund will employ multi-currency interest rate arbitrage strategies to support the income payouts and to enhance capital growth for the Fund. The Manager will:

- (i) analyse the return generated by an investment in the strategies and select the strategies with high expected ratio of return to risk; and
- (ii) allocate diversified strategy positions with the objective of supporting annual income payouts and capital growth.

These strategies will involve obtaining exposure to interest rate differentials between a number of selected currency pairs. For example if Japanese Yen interest rates are 0.5% p.a. and Euro interest rates are 3.5% p.a., the interest rate differential between the two currencies is 3.0% p.a; the currency pair is Japanese Yen / Euro.

Using this example the strategy for one currency pair is diagrammatically illustrated as follows:



At the start of the month, an exposure the equivalent of S\$100 is taken in Japanese Yen and an equal but opposite exposure is taken in Euro, locking in the positive interest rate differential between the two currencies for the month, in this example 3.0% p.a.. At the end of the month the interest rate differential between the Euro and Japanese Yen is earned.

In addition to the interest rate difference earned, there is likely to be an additional profit or loss depending on the movement of the currencies relative to each other. A capital profit will be made in addition to the interest rate difference if the Japanese Yen depreciates against the Euro during the month. If however the Japanese Yen appreciates against the Euro during the month, a capital loss will be made resulting in either a reduced overall gain (when the locked in interest rate differential is added), or even an overall loss.

The Manager intends to execute this strategy in varying forms by entering into swaps with selected counterparties. The currency pairs involved are derived from indices presented by the swap counterparties (“Indices”, each an “Index”). Each Index typically includes a number of currency pairs, providing the Fund with a diversified exposure to the strategy.

A combination of Indices will be selected by the Manager for the Fund to enter into for short periods of time (typically between 1 to 3 months). The Manager does not select any currencies or interest rates underlying the Indices. The make up of each Index is adjusted from time to time based on pre-defined index methodology.

The swap exposure will be adjusted periodically to retain a targeted exposure of the Fund to the multi-currency interest rate arbitrage strategies of an approximate range between 90% and 100% in total to the various Indices to ensure that gearing at the fund level will not occur.

7.2 Distribution Policy for the Fund

7.2.1 As part of the investment objective of the Fund, the Manager intends to make annual distributions. Distributions for the previous years since the Fund’s inception (being 1 June 2006) have already been made by the Manager. For the sixth year of the Fund’s inception, the Manager intends to make an annual distribution on 31 May 2012 (or the next Business Day, if that day is not a Business Day) or such other dates as the Manager may in its absolute discretion determine. The making of such annual distribution shall be dependent upon, amongst other factors as may be determined by the Manager in its sole discretion, the Fund achieving a positive annual return (bid-to-bid) as at 30 April 2012.

7.2.2 Subsequent distribution dates (and the amount of any distribution) in respect of the Fund shall be determined by the Manager during the month of May at each calendar year (or such other period as the Manager may determine in its absolute discretion).

7.2.3 The distributions shall be based on the number of Units held by each Holder as at the relevant distribution date as evidenced by the Register. Distributions will be made to Holders within 30 days from the relevant distribution date. In the event any distribution date falls on a Dealing Day, Holders who realise their Units or who submit a realisation request on or before that distribution date (before the Dealing Deadline for that Dealing Day and whose realisation has been accepted) will not be treated as a registered Holder in respect of the Units realised on that distribution date and therefore, will not receive the relevant distribution in relation to those Units (unless otherwise determined by the Manager). Holders who submit an application for

Units on or before that distribution date (before the Dealing Deadline for that Dealing Day and whose application has been accepted) will be treated as a registered Holder and will therefore receive the relevant distribution in relation to those new Units (unless otherwise determined by the Manager).

- 7.2.4 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 Fund or a combination of (a) and/or (b) and/or (c).
- 7.2.5 Investors may choose at the time of application for Units (subject to the distribution reinvestment policy of the appointed distributors) to either receive all (but not part) of the distributions or to have all (but not part) of the distributions reinvested in the Fund. Please note that any such election on the part of an existing Holder in a subsequent application for Units shall automatically revoke all prior instructions relating to distributions and shall apply to all of the Units then held by that Holder. Please refer to paragraph 10.8 of this Prospectus for further information on reinvesting distributions.

Distributions are at the sole 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 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 Fund may, in the event that Income and net capital gains are insufficient, be made out of the capital of the Fund. In the event distributions are made out of the capital of the Fund, Holders will be notified accordingly of the proportion of the distribution which is made out of the capital of the Fund.

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

7.3 Authorised Investments

7.3.1 Subject to the provisions of the Code, the authorised investments of the Fund (“**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 Fund;
- (ii) any Investment in respect of which an application for listing or 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 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.

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 efficient portfolio management.

7.3.2 The investment guidelines and borrowing limits for authorised funds as set out in the Code shall apply to the Fund.

7.3.3 The Fund currently does 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.

7.4 Use of Financial Derivative Instruments (“FDIs”)

The 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 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 Fund to FDIs or embedded FDIs shall not exceed 100% of the net asset value of the 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 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 9.2(iv) below for information on the risks associated with FDIs.

Risk Management Process

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

(a) **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.

(b) **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 objective of the Fund.

(c) **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.

(d) **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 Fund.

7A. **Product Suitability**

The Fund is only suitable for investors who:

- seek regular income payouts, capital growth and optimum risk-adjusted total return;
- are comfortable with the risks of a fund investing in bonds and entering into derivative transactions; 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.

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

8. Fees and Charges

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

Fees payable by a Holder of the Fund	
Subscription Fee	Currently 5%; maximum 5%
Realisation Fee	Currently 0%; maximum 2%
Switching Fee	Currently 1%; maximum 2%

8.2 The fees and charges payable by the Fund are set out below: -

Fees Payable by the Fund	
Management Fee	Currently 1.5% per annum; maximum 2% per annum
Trustee's Fee	Below 0.05% per annum (maximum 0.075% per annum)
Registrar Fee	More than 0.1% per annum if the total assets under management of the Fund is less than S\$5 million, plus transactional fees.
Custodian Fee	Below 0.1% per annum (depending on the volume and number of transactions)

8.3 As required by the Code, all marketing, promotional and advertising expenses in relation to the Fund will be borne by the Manager and not debited from the Deposited Property of the Fund.

8.4 The Subscription Fee, Realisation Fee and Switching 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 Fund. 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.

8.5 The Manager and/or the agents or appointed distributors may at any time differentiate between applicants as to the amount of the Subscription Fee, Realisation Fee and Switching Fee and other charges (if any) (within the permitted limit), payable upon the issue or realisation of Units or allow to investors discounts on such basis and to such extent as it or they may think fit or to waive such charges.

8.6 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 agent or appointed distributor for further details.

9. Risks

9.1 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 the 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 the 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.

9.2 Risks specific to the Fund

(i) Political and/or regulatory risks

The value of the 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 Fund is invested

into may not always be secured or may be restricted.

(ii) **Portfolio management risk**

The Manager may engage in various portfolio strategies on behalf of the Fund by the use of futures and options for efficient portfolio management purposes only. Due to the nature of futures, cash to meet initial and future margin deposits may be held by a broker with whom the Fund has an open position. On execution of the option the Fund may pay a premium to a counterparty. In the event of bankruptcy of the counterparty the option premium may be lost in addition to any unrealised gains where the contract is “in the money”.

(iii) **Foreign exchange/currency risk**

The Fund may invest its assets in securities denominated in a wide range of currencies, some of which may not be freely convertible. The value of the Deposited Property of the Fund as expressed in its base currency (i.e. Singapore Dollars) will fluctuate in accordance with the changes in the foreign exchange rate between the base currency and the currencies in which the Fund’s investments are denominated. The Fund may therefore be exposed to a foreign exchange/currency risk.

Depending on market conditions, the Manager may hedge the foreign currency exposure of the 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 to the value of the Fund.

Investors should note that currency movements may also have the effect of reducing the overall gain or result in an overall loss on the swap transactions entered into by the Fund (which are described in more detail in paragraph 7.1 above).

The multi-currency interest rate arbitrage strategies that the Fund will be exposed to also contain foreign exchange risk. The returns from these exposures will likely result in foreign exchange losses and foreign exchange profits, both of which will be reflected in the value of the Fund. Losses to the Fund will result if the net movements in all the currency pairs are unfavourable and greater than the interest rate differential that is earned from exposure to the various currency pairs by the Indices.

(iv) **Derivatives risk**

The Fund may invest in FDIs which will be subject to risks. While the judicious use of FDIs by professional investment managers can be beneficial, FDIs involve risks different from, and, in some cases, greater than, the risks presented by more traditional securities investments. Some of the risks associated with FDIs are, but not limited to, market risk, management risk, credit risk, liquidity risk, operational risk and leverage risk.

Investments in FDIs 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 FDIs are monitored closely. The Manager has the necessary controls for investments in FDIs and has in place systems to monitor the FDIs positions for the Fund.

The Manager does not intend to use FDI transactions for speculation or leverage but may use them for efficient portfolio management and/or hedging. Investors should refer to paragraph 7.4 above for further information on the risk management and compliance procedures adopted by the Manager in this respect.

The use of 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 the 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 an 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 Fund does not correctly evaluate the creditworthiness of the company on which the credit default swap is based.

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

(c) **Liquidity Risk**

The Fund may lose money or be prevented from earning capital gains if or when particular derivatives are difficult to purchase or sell, possibly preventing the Fund from selling such securities at an advantageous time or price that would have been most beneficial to the Fund, or possibly requiring the 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 FDIs 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 Fund's position 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 Fund will engage in FDIs 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 Fund's interest. If a portfolio manager incorrectly forecasts the values of securities, currencies or interest rates or other economic factors in using FDIs, the Fund might have been in a better position if it had not entered into the transaction at all. While some strategies involving FDIs can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other investments. The Fund may also have to buy or sell a security at a disadvantageous time or price because the Fund is legally required to maintain offsetting positions or asset coverage in connection with certain FDIs 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 Fund. Also, the value of FDIs may not correlate perfectly, or at all, with the value of the assets, reference rates or indices they are designed to closely track.

In addition, the use of FDIs may cause the Fund to realise higher amounts of short-term capital gains (generally taxed at ordinary income tax rates) than if the Fund had not used such instruments.

(v) **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.

(vi) **Investment Grade Bonds**

The Fund invests in investment grade bonds where there is a risk that the rating of the bonds held by the Fund may be downgraded at any time.

(vii) **Portfolio and market risk**

The Fund is intended for investors who can accept the risks associated with investing primarily in the securities of the type held in the Fund and the market(s) that the Fund invests in. 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 Fund invests in. In addition, investors should be aware of the risks associated with the active management techniques that are expected to be employed by the Fund. An investment in the Fund does not constitute a complete investment program. Investors may wish to complement an investment in the Fund with other types of investments.

(viii) **Premium Risk**

Where the Fund acquires or values securities in an over-the-counter market there is no guarantee that the Fund will be able to realise such securities at a premium due to the nature of an over-the-counter market.

(ix) **Counterparty and Settlement Considerations**

The Fund will be exposed to credit risk on the counterparties with which it trades 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. The 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 Fund will also be exposed to a credit risk on parties with whom it trades securities, and may also bear the risk of settlement default, in particular in relation to debt securities such as bonds, notes and similar debt obligations or instruments. 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 the Fund in respect of investments in emerging markets.

(x) **Liquidity Risk**

The 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 Fund if the 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) **Market suspension risk**

Each securities exchange or commodities contract market typically has the right to suspend or limit trading in all securities or commodities which it lists. Such a suspension would render it impossible for the Fund, to liquidate positions and, accordingly, expose the Fund to losses and delays in its ability to realise Units.

(xii) **Underlying risk**

An investment in the Fund is subject to the volatility of any FDI used by the Fund and/or any assets, securities, investment/trading strategies and/or indices underlying the derivative. The value of the Fund will be linked to the performance of the FDIs and the underlying assets, securities, investment/trading strategies and/or indices. Exposure of the Fund through a derivative to assets, rates or indices can be volatile and move dramatically over short periods of time. Although certain FDIs may provide diversified exposure to multiple asset classes, rates and/or indices, and may restrict weighting in which it takes notional trading positions, there is no assurance or guarantee that these trading positions will not be subject to substantial loss. Thus, profits earned may be reduced or eliminated entirely as a result of movements in any of these market parameters. Furthermore, the Fund's exposure could be calculated in a currency other than its base currency. The underlying assets, securities, investment/trading strategies and/or indices of any derivative may also be denominated in other currencies. Accordingly, movements in the foreign exchange rate will also have an impact on the value of the Fund. As foreign exchange rates are unpredictable, such movements may materially and adversely affect the value of the Fund and the price of Units.

(xiii) **Risk associated with indices**

As indices are not actively managed and the component indices, assets or securities are selected pursuant to the relevant index composition rules and eligibility criteria as well as by reference to performance criteria or outlook, the composition of an index is not generally designed or intended to follow recommendations or research reports issued by the index

provider / sponsor or any other person. As a result, index providers / sponsors do not have any obligation to take into account the needs of the Fund or its investors in determining, composing or calculating the relevant index. Furthermore, there is no assurance that an index will continue to be calculated and published or that it will not be amended significantly or materially. In such an event, the Manager will not be able to make any assurance or guarantee that there will be a replacement index using the same or substantially similar formula for the method of calculation as used in calculating the original index. Any change to the underlying index of the Fund could adversely affect the value of Units of the Fund. An index may also be concentrated in the futures contracts of a single or several futures exchanges. Accordingly, changes in economic or political conditions that affect a particular futures exchange and changes in the financial condition of a futures exchange can affect the value of the futures contracts that are being traded on the relevant future exchange. Such futures exchange-specific changes may have an impact on the futures contracts that comprise the underlying index which the Fund is exposed to.

(xiv) **Counterparty credit risk**

The Fund may enter into FDIs, which exposes the Fund to the credit risk of the counterparties of the derivatives and their ability to satisfy the terms of such instruments. For instance, the Fund is exposed to the risk of default by the counterparty in respect of its obligations under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Fund could experience delays in liquidating the position and hence incur substantial losses, including declines in the value of its investment during the period in which the Fund seeks to enforce its rights, inability to realise any gains on its investment during such period and the incurrence of fees and expenses in enforcing its rights. In addition, it is also possible that the contracts may be terminated as a result of, for example, bankruptcy, supervening illegality or change in the tax or accounting laws relative to those laws existing at the time the contract was entered into.

(xv) **Redemption risk**

The Fund will not be listed on any stock exchange. There is no ready secondary market for the Units in the Fund. 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 the 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 12.2 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 16.

The above should not be considered to be an exhaustive list of the risks which potential investors should consider before investing into the Fund. Potential investors should be aware that an investment in the Fund may be exposed to other risks of an exceptional nature from time to time.

10. Subscription and Issue of Units

10.1 Subscription procedure

Applications for Units may be made on any Dealing Day 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 and such other documents as may be required, with subscription monies in full, failing which the Manager or its agent or appointed distributor reserves the right to reject the application.

Presently, investors may purchase Units with cash or SRS monies. Cash applications will only be accepted on a cleared funds basis in the base currency of the Fund (i.e. Singapore Dollars) and payment can be made in the form of a cheque or banker's draft made payable to, or via telegraphic transfer to, the account name specified in the application form for the Fund. All bank charges incurred in respect of a telegraphic transfer shall be borne by the applicant.

Investors who wish to subscribe for Units using their SRS monies should instruct the relevant SRS Operator to withdraw the purchase monies from the relevant account for the settlement of the Unit subscription.

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

10.2 The minimum initial subscription and minimum subsequent subscription amounts

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

Minimum initial subscription	S\$1,000 or such other amount as the Manager may decide from time to time
Minimum subsequent subscription	S\$100 or such other amount as the Manager may decide from time to time

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

10.3 Issue Price

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 that Dealing Day) of the proportion of the relevant Deposited Property represented by one Unit and truncating (but not rounding off) such amount to the nearest three decimal places (or such other number or such other method of calculation and adjustment as the Manager may determine with the approval of the Trustee from time to time). The Manager shall be entitled to convert the Issue Price to any applicable foreign currency at the prevailing rate of exchange.

The Manager may, in consultation with the Trustee and in accordance with the provisions of the Deed, make fixed price offers of the Units from time to time.

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.

10.4 Pricing and Dealing Deadline

The Manager administers the Fund 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.

The dealing deadline is 3 p.m. Singapore time on any Dealing Day (“**Dealing Deadline**”).

Investors should note that agents/ appointed distributors may impose an earlier dealing deadline. Investors should confirm the applicable dealing deadline with the agent/appointed distributor.

Applications received and accepted by the Manager or any of its agents or appointed distributors 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 or 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 Deed sets out the circumstances in which the issue of Units may be suspended. The relevant provisions are summarised in paragraph 16 of this Prospectus.

10.5 How the number of Units issued to an investor is determined - Example

The number of Units 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 its agent or appointed distributor shall be entitled to retain the Subscription Fee for its own benefit.

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

10.6 Confirmation of purchase

An investor who invests in the 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.

10.7 Minimum fund size

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

10.8 Distribution Reinvestment Mandate

A Holder may at the time of an initial application for Units (subject to the distribution reinvestment policy of the 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 Units (including fractions of Units, if any). A Distribution Reinvestment Mandate once made shall automatically revoke all prior instructions relating to distributions made by the same Holder (if any) and shall apply to all of the Units then held by that Holder 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 entire holding of Units.

11. Regular Savings Plan

Holders may participate in the regular savings plan (“**RSP**”) of the Fund. A Holder must have a minimum holding of 1,000 Units or the number of Units which would have been purchased for S\$1,000 based on the Issue Price prevailing on the date of application to join the RSP (or such other number of Units or amount 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)(the “**RSP sum**”).

The RSP sum 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.

An investor 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 the RSP at any time in its absolute discretion by giving at least 30 days’ notice to the affected investors.

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

12. Realisation of Units

12.1 How Units may be realised

A Holder can realise Units in full or partially on any Dealing Day by submitting to the Manager or the Manager’s agent or appointed distributor from whom the Holder purchased his Units, a duly signed written instruction or by completing a realisation form (which may be obtained from the Manager or any of its agent or appointed distributor).

In order for a request for realisation to be effected on a particular Dealing Day, it must be received by the Manager or any of its agents or appointed distributors not later than the Dealing Deadline for that Dealing Day, 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 sale within 14 Business Days of the relevant Dealing Day.

12.2 Minimum holding amount and minimum realisation amount

A Holder shall not be entitled to realise part only of his/her holding of Units if, as a consequence of such realisation, his/her holding in the 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.

“**Minimum Holding**” means 1,000 Units or such number of Units as may be purchased for S\$1,000, or such other number of Units or amounts as may from time to time be determined by the Manager.

Presently, no Holder may realise less than 100 Units in each request.

The Manager may, with a view to protecting the interests of all Holders and with the approval of the Trustee, limit the total number of Units which Holders may realise on any Dealing Day to 10% of the total number of Units 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 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 16 of this Prospectus.

12.3 Pricing and Dealing Deadline

Requests for realisation of Units received by the Manager or any of its agents or appointed distributors by the Dealing Deadline will be transacted on that day at that Dealing Day’s Realisation Price. Requests received by the Manager or any of its agents or appointed distributors after the Dealing Deadline or on a day not being a Dealing Day will be transacted on the next Dealing Day.

Investors should note that agents/appointed distributors may impose an earlier dealing deadline. Investors should confirm the applicable dealing deadline with the agent/appointed distributor.

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 Fund as at the Valuation Point in relation to the relevant Dealing Day by the total number of Units then in issue or deemed to be in issue and truncating such figure (but not rounding off) to the nearest three decimal places (or such other number or such other method of calculation and adjustment as the Manager may determine with the approval of the Trustee from time to time).

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

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.

12.4 Payment of realisation proceeds

Realisation proceeds payable to Holders will be based on the net asset value per Unit of the 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\$1.100.

Example:

1,000 Units	x	S\$1.100	=	S\$1,100
Units realised		Notional Realisation Price*		Realisation proceeds

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

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

The Manager shall despatch the amount due to the Holder with respect to the realisation as soon as practicable and in any case within 6 Business Days (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 16 of this Prospectus.

13. Switching of Units

As the Fund is structured as a stand-alone fund and currently does not have different classes of Units established, switchings of Units within the Fund are not available to Holders.

Holders may however, subject to the Manager's approval, switch Units of the Fund to units of any Group Trust¹ determined by the Manager by submitting to the Manager or any of the agents or appointed distributors from whom they have purchased the Units, a duly signed written instruction or by completing the relevant form and complying with such terms and conditions as may be imposed by the Manager and, where applicable, the agent or appointed distributor.

Any switching of Units will be subject to a Switching Fee (as set out in paragraph 8 above).

14. Cancellation of Subscription for Units

14.1 Subject to the provisions 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 agents or appointed distributors to cancel his/her subscription for Units 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, without incurring the Subscription Fee and Realisation Fee stated in paragraph 8.1 of this Prospectus.

14.2 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 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 including 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. 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 Fund.

14.3 A Holder may choose to realise his/her Units under paragraph 12 of this Prospectus instead of cancelling his/her purchase agreement but should note that he will not be able to enjoy the benefits of a cancellation under this paragraph 14 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 12.2 above apply to the cancellation of Units in this paragraph 14.

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

15. Obtaining Prices of Units

The indicative Issue and Realisation Price per Unit (net asset value per Unit) of the Fund 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 Fund 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.

¹ "Group Trust" means a collective investment scheme the manager of which:

- (i) 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
- (ii) has approved the terms of any switching which may be made pursuant to Clause 12.2 of the Deed.

16. Suspension of Dealings

16.1 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 the Fund during: -

- (i) any period when the Recognised Market on which any investments of the Deposited Property of 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;
- (ii) any period during which there is, in the opinion of the Manager and the Trustee, the existence of any state of affairs which might seriously prejudice the interests of the Holders as a whole or of the Deposited Property of the Fund;
- (iii) any period during which there is, in the opinion of the Manager and the Trustee, any breakdown in the means of communication normally employed in determining the Value of any of Investments or the amount of any cash for the time being comprised in the Deposited Property of the Fund or the amount of any liability of the Trustee for account of the Fund or when for any other reason the Value of any such Investment or the amount of any such cash or liability cannot be promptly and accurately ascertained;
- (iv) any period when remittance of money which will or may be involved in the realisation of such investments or in the payment for such investments cannot, in the opinion of the Manager and the Trustee, be carried out at normal rates of exchange;
- (v) any period when the dealing of Units is suspended pursuant to any order or direction issued by the Authority;
- (vi) 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);
- (vii) any period when the business operations of the Manager or the Trustee in relation to the operation of the 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
- (viii) such circumstances as may be required under the provisions of the Code.

Subject to the provisions of the Code, the Manager may also suspend the realisation of Units pursuant to Clause 15.8 of the Deed for such reasonable period as may be necessary to effect an orderly redemption of Investments.

16.2 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 shall, subject to the provisions of the Code, 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 Clauses 8.4, 11.9 and 15.10 (as the case may be) of the Deed as reproduced in paragraph 16.1 above shall exist upon the declaration in writing thereof by the Manager (or, as the case may be, the Trustee). 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.

17. Performance of the Fund

17.1 Past performance

The performance of the Fund and its benchmark as at 30 November 2011 since its inception on 1 June 2006 is set out in the table below:

	One Year	Three Years (average annual compounded return)	Five Years (average annual compounded return)	Since inception of Fund (average annual compounded return)
Fund (Offer-to-Bid)	-13.0%	-0.8%	-5.4%	-4.4%
Benchmark: 12-month Singapore Dollar Fixed Deposit Rate	0.4%	0.5%	0.6%	0.6%

Source for performance numbers of 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 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 Fund is not necessarily indicative of the future or likely performance of the Fund.

17.2 Expense ratio

The expense ratio for the Fund for the year ended 31 December 2010 is 1.65%. The expense ratio for the 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 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 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.

17.3 Turnover ratio

The turnover ratio for the Fund for the year ended 31 December 2010 is 56.86% and has been calculated based on the lesser of purchases or sales of underlying investments of the Fund expressed as a percentage of daily average net asset value.

18. Soft Dollar Commissions/Arrangements

The Manager may be entitled to receive and/or enter into soft-dollar commissions/arrangements in respect of the Fund. The Manager 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, or the conduct of research or analysis 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 Manager shall not accept or enter into soft-dollar commissions/arrangements unless (a) such soft-dollar commissions/arrangements would reasonably assist it in the management of the Fund (b) 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 Manager does not and will not retain for its own account, cash or commission rebates arising out of transactions for the Fund executed in or outside Singapore.

19. 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, 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 on an arm's length basis. Associates of the Trustee may be engaged to provide financial, banking or brokerage services to the Fund 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, where provided, and such activities where entered into, will be on an arm's length's 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 Fund. 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, custodial and registrar services and serving as

directors, officers, advisers or agents of other funds or other companies, including companies in which the Fund may invest. 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.

20. Reports

The financial year-end of the Fund is 31 December. The annual report, annual audited accounts and Auditors' report on the annual audited accounts in relation to the Fund 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.

21. Queries and Complaints

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

22. Other Material Information

22.1 Information on investment

Holders will receive a statement in relation to each quarter showing the value of their investment in the Fund 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.

22.2 Exemptions from liabilities

The following is an extract from the Deed. Please refer to the Deed for the 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 endorsement on any certificate or to any transfer or form of application, endorsement or other document (whether sent by mail, facsimile, electronic means or otherwise) 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, transfer or other document or for acting upon 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 person to any document required to be signed by him under or in connection with the Deed shall be verified to its or their reasonable satisfaction.

(iv) None responsible for acting upon defective resolutions

Neither the Manager nor the Trustee shall be responsible for acting upon any resolution purported to have been passed at any meeting of Holders 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 upon all 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 of the Fund, 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 funds separate and distinct from the Fund and neither of them shall in any way be liable to account to the Fund or any other person for any profit or benefit made or derived hereby or in connection therewith.

22.3 Holders' right to vote

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

22.4 Termination of the Fund

The Fund may be terminated by the Manager, Trustee or Holders in certain circumstances. Investors should refer to the Deed for further information with respect to the events of termination and the manner in which the Fund may be terminated. The 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 Fund in the interest of the Holders.

22.5 Valuation

Except where otherwise expressly stated herein and subject always to the requirements of the Code, the Value of the assets comprised in the Fund with reference to any Authorised Investment which is:

- (a) a Quoted Investment, shall be calculated, as the case may be, by reference to the official closing price or the last known transacted price as at the last official close on such Recognised Market (or at such other time as the Manager may from time to time after consultation with the Trustee determine); where such Quoted Investment is listed, dealt or traded in more than one Recognised Market, the Manager (or such person as the Manager shall appoint for the purpose) may in its absolute discretion select any one of such Recognised Market for the foregoing purposes and, if there be no such official closing price or last known transacted price, the value shall be calculated by reference to the last available prices quoted by responsible firms, corporations or associations on a Recognised Market or pricing provided by independent pricing providers at the time of calculation (or at such other time as the Manager may from time to time after consultation with the Trustee determine);
- (b) an Unquoted Investment, shall be determined in accordance with the following provisions:-
 - (i) an Unquoted Investment, shall be calculated by reference to, where applicable, (1) the initial value thereof being the amount expended in the acquisition thereof; (2) the price of the relevant Investment as provided by an independent pricing provider or quoted by a person, firm or institution making a market in that Investment, if any (and if there shall be more than one such market maker then such market maker(s) as the Manager may designate); (3) the sale prices of recent public or private transactions in the same or similar Investments; or (4) valuations of comparable companies or discounted cash flow analysis, as may be determined to represent the fair value of such Authorised Investment, and in the valuation of such Investment the Manager may take into account relevant factors including without limitation significant recent events affecting the issuer such as pending mergers and acquisitions and restrictions as to saleability or transferability; and
 - (ii) the Manager may at any time with the approval of the Trustee and shall at such times or such intervals as the Trustee may request, cause a revaluation to be made of any Unquoted Investment by an approved valuer approved by the Trustee as qualified to value such Unquoted Investment;
- (c) cash, deposits and similar assets shall be valued (by a person approved by the Trustee as qualified to value such cash, deposits and similar assets) at their face value (together with accrued interest) unless, in the opinion of the Manager, any adjustment should be made to reflect the value thereof;
- (d) a unit or share in a unit trust or mutual fund or collective investment scheme shall be valued at the latest published or available net asset value per unit or share, or if bid and offer prices are published, the latest available published bid price; and

- (e) an Investment other than as described above, shall be valued in such manner and at such time as the Manager with the prior approval of the Trustee shall from time to time determine,

PROVIDED THAT, if the quotations referred to in sub-paragraphs (a) to (e) above are not available, or if the value of the Authorised Investment determined in the manner described in sub-paragraphs (a) to (e) above, in the opinion of the Manager, is not representative of the fair value of such Authorised Investment, then the Value shall be such value as the Manager may with due care and in good faith consider in the circumstances to be fair and is approved by the Trustee and the Manager shall notify the Holders of such change if required by the Trustee. For the purposes of this proviso, the “fair value” shall be determined by the Manager in consultation with an approved stockbroker or an approved valuer and with the approval of the Trustee in accordance with the Code. In determining such “fair value”, the Manager may rely on quotations for the Investment on any Recognised Market or telephone market or any certified valuation by an approved broker or an approved valuer. The method of calculation of the Value of any Investment may be changed with the Trustee’s prior approval and the Manager shall notify the Holders of such change if required by the Trustee.

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 an accounting firm or corporation as defined in the Accountants Act (Chapter 2) and appointed as the auditors for the time being of the Fund by the Manager in consultation with the Trustee
“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
“Catalist”	means the sponsor-supervised market on the SGX-ST
“Catalist Investment”	means 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 (Chapter 50)
“CPF”	means the Central Provident Fund
“Dealing Day”	in connection with the issuance, cancellation and realisation of Units, 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
“Dealing Deadline”	in relation to a subscription, realisation or switching of Units, means 3 p.m. Singapore time on the relevant Dealing Day as the case may be or otherwise as the Manager may (with the approval of the Trustee) from time to time determine
“Deed”	means the trust deed dated 21 April 2006 as 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 the Fund or deemed to be held upon the trusts of the Deed for account of the Fund excluding any amount for the time being standing to the credit of the Distribution Account of the Fund
“Distribution Account”	means the account into which an appropriate amount deemed fit by the Manager for distribution is deposited
“Distribution Reinvestment Mandate”	shall have the meaning ascribed to it in paragraph 10.8 of this Prospectus

“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> <ul style="list-style-type: none"> (a) the constitution of any relevant Deposited Property; or (b) the increase or decrease of the Deposited Property; or (c) the issue, creation, sale or re-purchase of Units; or (d) the sale or purchase of Authorised Investments, <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 re-purchase of Units</p>
“Foreign Quoted Investment”	means any Investment which is for the time being quoted, listed on or dealt on a Recognised Market outside Singapore
“Fund”	means the stand-alone unit trust scheme constituted by the Deed and known as “Eastspring Investments Income X” or by such other name as may be provided for by the Manager with notice to the Trustee
“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
“Investment”	means subject to the provisions of the Code, any share, stock, bond, note, debenture, debenture stock, warrant, option, securities, 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, deposits, commercial paper, promissory notes, treasury bills, fixed and floating rate instruments, bankers’ acceptance, precious metals, commodities, derivative instruments including index future and forward currency exchange contract, swap, cap, collar, floor, sale and repurchase transaction or other derivatives or financial transaction or instruments or any other security which may be selected by the Manager subject to the 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 amount (inclusive of any Subscription Fee) paid or to be paid to the Manager or any of its appointed distributors by an applicant (whether or not already the Holder of other Units) for the purpose of investing in Units of the Fund
“Issue Price”	means the price at which the Units are issued in accordance with paragraph 10.3 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 and 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

“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 the Units, 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 the Fund and shall not exceed the maximum charge as stated in this 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 the Fund
“SGX-DT”	means the Singapore Exchange Derivatives Trading Limited
“SGX-DT Investment”	means any Investment which is for the time being quoted on the SGX-DT and which in the opinion of the Manager is regularly dealt in on the SGX-DT
“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 and “SRS Accounts” shall be construed accordingly
“SRS Operator”	means any of the designated banks as appointed by the Ministry of Finance from time to time to operate SRS Accounts
“Subscription Fee”	in relation to the 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 the Fund and shall not exceed the maximum limit as stated in this Prospectus

“Transactions Adjustment”	in relation to the issue of a Unit, 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 Deposited Property for the account of the Fund as at the Valuation Point divided by the number of Units 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 Deposited Property of the Fund for the account of the Fund as at the Valuation Point divided by the number of Units of the 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 its representative or any other corporation for the time being a duly appointed trustee of the Fund
“Trustee’s Fee”	shall mean the fee payable to the Trustee pursuant to the Deed for its services as trustee of the Fund
“Unit(s)”	means an undivided share in the Deposited Property of the Fund; which includes a fraction of a Unit rounded 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
“Valuation Point”	means such time on 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 any Deposited Property or any part thereof, or with reference to any Investment comprised or to be comprised in any Deposited Property, its net asset value or its value respectively as determined in accordance with the Deed (including the valuation principles as reproduced in paragraph 22.5 of this Prospectus)
“year”	means a calendar year

Prospectus of Eastspring Investments Income X

Signed:

Graham David Mason
Director

Signed:

Guy Robert Strapp
Director

Signed:

Julian Christopher Vivian Pull
Director

Signed:

Lakshman Kumar Mylavarapu
Director

Prepared on: 14/02/12

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 INCOME X
(the "Fund")**

Product Type	Unit Trust	Inception Date	1 June 2006
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 2010	1.65%
Name of Guarantor	Not applicable		

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

- The Fund is only suitable for investors who:
 - seek regular income payouts, capital growth and optimum risk-adjusted total return;
 - are comfortable with the risks of a fund investing in bonds and entering into derivative transactions; 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.

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

Further Information

Refer to Section 7A on Pg 5 of the Prospectus for further information on product suitability.

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 payouts, capital growth and optimum risk-adjusted total return by investing in cash, cash-equivalent, high quality bonds and other fixed income securities rated BBB- (BBB Minus) and above by Standard and Poor's (or other equivalent ratings) and entering into derivative transactions linking to indices which employ pre-defined multi-currency interest rate arbitrage strategies.
- The Manager intends to make an annual distribution on or around 31 May 2012. The making of a distribution is **not guaranteed**, is at the sole discretion of the Manager and shall be dependent upon, amongst other factors as may be determined by the Manager in its sole discretion, the Fund achieving a positive annual return (bid-to-bid) as at 30 April 2012.

Refer to Section 1 on Pg 1 and Section 7 on Pg 2 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"> • In addition to investing in cash, cash-equivalent and high quality fixed income securities, the Fund employs multi-currency interest rate arbitrage strategies to support the income payouts and to enhance capital growth for the Fund. The Manager will: <ul style="list-style-type: none"> (i) analyse the return generated by an investment in the strategies and select the strategies with high expected ratio of return to risk; and (ii) allocate diversified strategy positions with the objective of supporting annual income payouts and capital growth. • These strategies will involve obtaining exposure to interest rate differentials between a number of selected currency pairs. Please refer to the Appendix for an illustration of an example of the strategy for one currency pair. The Manager intends to execute this strategy in varying forms by entering into swaps with selected counterparties. 	<p>Refer to Section 7 on Pg 2 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 Income X</i>: a stand-alone Singapore constituted unit trust. • <i>Eastspring Investments (Singapore) Limited</i>: the Manager of the Fund. • <i>HSBC Institutional Trust Services (Singapore) Limited</i>: the Trustee and Custodian of the Fund. 	<p>Refer to Section 1 on Pg 1, Section 2 on Pg 1 and Section 3 on Pg 2 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 7 on Pg 5 and Section 9 on Pg 6 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. <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 that the Fund invests in. • You are exposed to interest rate and credit risks. <ul style="list-style-type: none"> ○ The Fund invests in bonds which are subject to interest rate fluctuations and credit risks, such as risk of default by issuers. • You are exposed to currency risks. <ul style="list-style-type: none"> ○ The Fund's investments may be denominated in currencies that differ from the currency of the Fund, and accordingly, fluctuations in the exchange rates of these foreign currencies may affect the value of your units. ○ Currency movements may also reduce the overall gain or result in an overall loss on the swap transactions entered into by the Fund. The multi-currency interest rate arbitrage strategies that the Fund will be exposed to also contain foreign exchange risk which may affect the value of your units. • You are exposed to counterparty risks. <ul style="list-style-type: none"> ○ The Fund will be exposed to the credit risk on counterparties with which it trades and any default by such a counterparty (for example, due to insolvency) could result in substantial losses to the Fund. 	

<ul style="list-style-type: none"> • You are exposed to liquidity risks of the Fund’s investments. <ul style="list-style-type: none"> ○ The Fund may have investments which have high liquidity risks (for example, low trading volumes) and may incur substantial losses if it is unable to sell these investments at opportune times or prices. 							
Liquidity Risks							
<ul style="list-style-type: none"> • The Fund is not listed and you can realise your units only on Business Days. <ul style="list-style-type: none"> ○ There is no ready secondary market for the units in the 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 Fund may use derivative instruments, including futures, swaps, options and forwards, for efficient portfolio management and/or hedging purposes. Exposure of the Fund through a derivative to assets, rates or indices can be volatile and move dramatically over short periods of time. ○ 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 risks associated with indices. <ul style="list-style-type: none"> ○ Indices purchased by the Fund (through its swap transactions) are not actively managed and its components are selected pursuant to the relevant index composition rules and eligibility criteria as well as by reference to performance criteria or outlook. The index providers do not have any obligation to take into account the needs of the Fund or its investors in determining, composing or calculating the relevant index. There is no assurance that an index will continue to be calculated and published or that it will not be amended significantly or materially. Any change to the underlying index of the Fund or any conditions which may affect the underlying index could adversely affect the value of the Fund. 							
FEES AND CHARGES							
<p>WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?</p> <p><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 1758 1082 1877"> <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%)</td> </tr> </table> <p>Appointed distributors may (depending on the specific nature of services provided) impose other fees and charges not disclosed here. Please check with the relevant appointed distributor for further details.</p>	Subscription Fee	Currently 5% (maximum 5%)	Realisation Fee	Currently 0% (maximum 2%)	Switching Fee	Currently 1% (maximum 2%)	<p>Refer to Section 8 on Pg 6 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%)						

Payable by the Fund from invested proceeds

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

Management Fee	Currently 1.5% per annum (maximum 2% per annum)
Trustee's Fee	Below 0.05% per annum (maximum 0.075% per annum)
Registrar's Fee	More than 0.1% per annum if the total assets under management of the Fund is less than S\$5 million, plus transactional fees.
Custodian Fee	Below 0.1% per annum (depending on the volume and number of transactions)

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 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.

Refer to Section 12 on Pg 12 and Section 15 on Pg 14 of the Prospectus for further information on valuation and exiting from the product.

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

- You can exit the 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 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 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 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 six 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 Fund. An example is as follows:

Realisation Request	x	Notional Realisation Price	=	Realisation proceeds
for 1,000 units	x	\$1.100	=	\$1,100

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

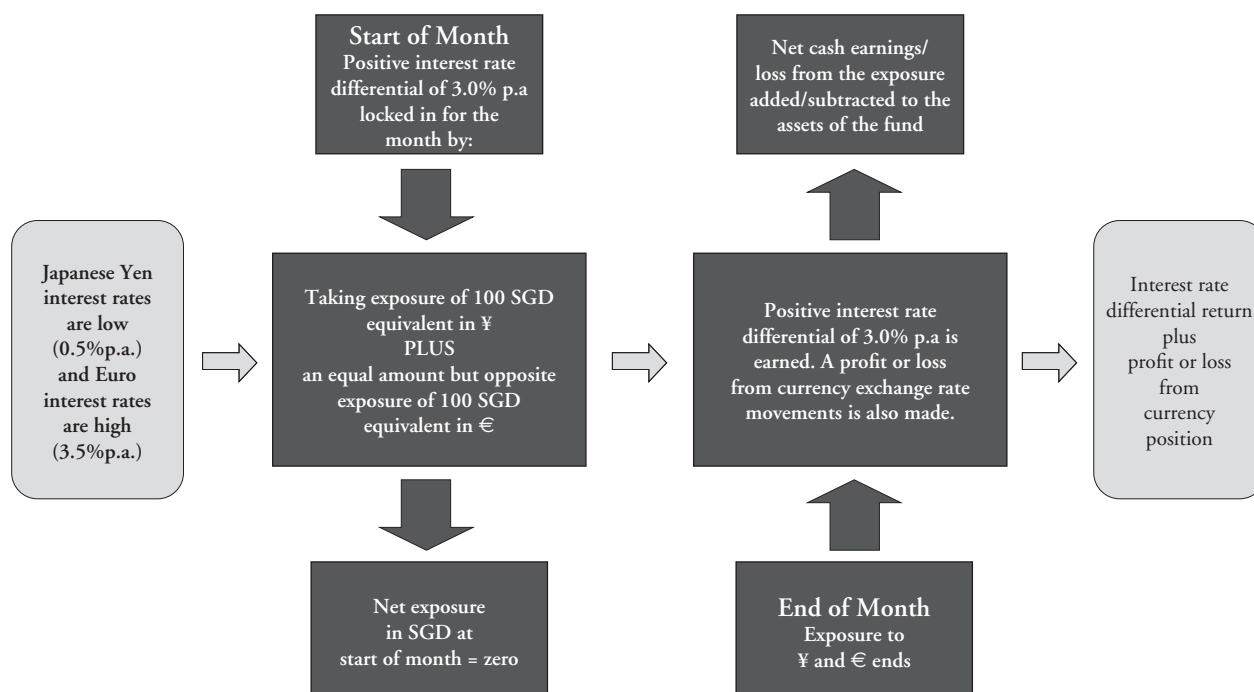
Business Day: any day (other than a Saturday or Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore or any other day as the Manager and the Trustee may agree in writing.

Dealing Day: in connection with the issuance, cancellation and realisation of Units, 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: such time on 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.

Appendix

For example if Japanese Yen interest rates are 0.5% p.a. and Euro interest rates are 3.5% p.a., the interest rate differential between the two currencies is 3.0% p.a and the currency pair is Japanese Yen / Euro.



At the start of the month, an exposure the equivalent of S\$100 is taken in Japanese Yen and an equal but opposite exposure is taken in Euro, locking in the positive interest rate differential between the two currencies for the month, in this example 3.0% p.a.. At the end of the month the interest rate differential between the Euro and Japanese Yen is earned.

In addition to the interest rate difference earned, there is likely to be an additional profit or loss depending on the movement of the currencies relative to each other. A capital profit will be made in addition to the interest rate difference if the Japanese Yen depreciates against the Euro during the month. If however the Japanese Yen appreciates against the Euro during the month, a capital loss will be made resulting in either a reduced overall gain (when the locked in interest rate differential is added), or even an overall loss.

Please refer to Section 7.1 on Page 2 of the Prospectus for an elaboration on the above diagram.