

Prepared on: 03/09/18

**This Product Highlights Sheet is an important document.**

- It highlights the key terms and risks of this investment product and complements the Prospectus<sup>1</sup>.
- It is important to read the Prospectus before deciding whether to purchase 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 UNIT TRUSTS - ASIAN BALANCED FUND (the "Fund")

Product Type	Unit Trust	Inception Date	24 February 2003
Manager	Eastspring Investments (Singapore) Limited	Custodian	The Hongkong and Shanghai Banking Corporation Limited
Trustee	HSBC Institutional Trust Services (Singapore) Limited	Dealing Frequency	Every Business Day
Capital Guaranteed	No	Expense Ratio for financial year ended 31 December 2017	1.48%
Name of Guarantor	Not applicable		

### PRODUCT SUITABILITY

#### WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek total return in the medium to long term;
- seek a fund that invests in both equities and bonds; 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 Schedule 5 on Pg 59 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 aims to maximise total return in the medium to long term by investing in a portfolio comprising equities of companies in the Asian ex-Japan region, and quality corporate bonds and other fixed income securities issued in the United States market.

Refer to Section 1 on Pg 1 and Schedule 5 on Pg 59 of the Prospectus for further information on features of the product.

### Investment Strategy

- The Manager intends to achieve the above investment objective by investing the assets of the Fund into the Luxembourg-domiciled Eastspring Investments – Asian Equity Income Fund for the equity portion, and the Eastspring Investments – US High Investment Grade Bond Fund and Eastspring Investments – US Investment Grade Bond Fund for the bond portion (the "underlying funds").
- The asset mix of the Fund is as follows:  
Long term asset mix: 50% equities and 50% bonds  
Variation allowed in asset mix: +/- 20%
- In determining the asset mix amongst the underlying equity fund, bond funds and cash, the Manager adopts a valuation based investment approach and aims to exploit market inefficiency and dispersion of investment returns.

Refer to Schedule 5 on Pg 59 of the Prospectus for further information on the investment strategy of the product.

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



## Parties Involved

### WHO ARE YOU INVESTING WITH?

- The Fund is constituted under Eastspring Investments Unit Trusts (the “Fund”)
- The Manager of the Fund and Investment Manager of the underlying equity and bond funds is Eastspring Investments (Singapore) Limited
- The management company of the underlying equity and bond funds is Eastspring Investments (Luxembourg) S.A.
- The Sub-Manager of the two underlying bond funds is PPM America, Inc.
- The Trustee is HSBC Institutional Trust Services (Singapore) Limited
- The Custodian is The Hongkong and Shanghai Banking Corporation Limited

Refer to Sections 1 on Pg 1, 2.1.1 on Pg 2, 2.2.2 on Pg 4, 2.2.5 on Pg 5 and 3 on Pg 5 of the Prospectus for further information on the role and responsibilities of these entities.

## KEY RISKS

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

**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:**

Refer to Section 6.3 on Pg 6 and Section 9 on Pg 8 of the Prospectus for further information on risks of the product.

## Market and Credit Risks

### You are exposed to market risks in Asian (ex-Japan) and United States markets.

- The value of your investments may go up and down due to normal market fluctuations in the equity and bond markets in Asia (ex-Japan) and the United States that the underlying funds invest in.

### You are exposed to interest rate and credit risks.

- The underlying funds invest in bonds which are subject to interest rate fluctuations and credit risks, such as risk of default by issuers.

### You are exposed to emerging markets risks.

- The underlying fund invests in emerging markets which involve a greater risk of loss and are more volatile than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity, volatility and regulatory risks.

### You are exposed to currency risks.

- The underlying funds' 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.

### You are exposed to counterparty risks.

- The underlying funds 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 underlying fund and, in turn, the value of your units.

### You are exposed to liquidity risks of the underlying funds' investments.

- The underlying funds may have investments which have high liquidity risks (for example, low trading volumes) and may incur substantial losses if they are unable to sell these investments at opportune times or prices.

## Liquidity Risks

### The Fund is not listed and you can realise your units only on Business Days.

- 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.

- 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

### You are exposed to derivatives risks.

- The Fund and/or the underlying funds may use derivative instruments, including futures, swaps, options and forwards, for efficient portfolio management and/or hedging purposes.
- Derivatives involve risks different from, and, in some cases, greater than, the risks presented by more traditional securities investments. Some of the risks associated with derivatives are market risk, management risk, credit risk, liquidity risk, operational risk and leverage risk.

### You are exposed to Asset Backed Securities ("ABS") and Mortgage Backed Securities ("MBS") risks.

- ABS are generally limited recourse obligations of the issuers, and holders of ABS including the underlying funds must rely solely on the cash flows generated from the underlying assets of the issuer and proceeds thereof ("ABS Assets"). In addition, interest payments on ABS (other than most senior tranche of an issue) are generally subject to deferral. ABS Assets are usually illiquid in nature and are subject to risks, including market, credit and interest rates risk. The aggregate return on the ABS Assets will depend in part upon the ability of the relevant investment manager to actively manage the related portfolio of the ABS Assets.
- The risk of ABS applies to MBS.

## Fees and Charges

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

#### Payable directly by you

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

Refer to Schedule 5 on Pg 61 of the Prospectus for further information on fees and charges.

Initial Sales Charge	Up to 4% (for cash and SRS monies) Up to 3% (for CPF monies*) (maximum 5%)
Realisation Charge	0% (maximum 2%)
Switching Fee	1% (maximum 3%)

\* The Fund is included under CPFIS-OA and CPFIS-SA. The sales charge in respect of subscriptions made using CPF monies will be reduced from up to 3% to up to 1.5% from 1 October 2018 and to 0% from 1 October 2019 in line with the Singapore Government's announcement in March 2018.

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.

#### Payable by the Fund from invested proceeds

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

Management Fee	1.30% per annum (maximum 2% p.a.)
Trustee's and Custodian Fee	Below 0.05% per annum (maximum 0.2% p.a.)
Registrar's Fee	More than 0.1% per annum if the Fund's total asset under management is less than S\$5 million, plus transactional fees
Other fees charged by the underlying funds e.g. preliminary charge, realisation fee, management fee, performance fee, trustee/custodian fee	Custodian and Transaction Fees: 0.02% to 0.08% per annum*, subject to change depending on various factors

Subscription, realisation and management fees are currently not payable by the Fund on its investments into the underlying funds.

\* Based on audited accounts as at 31 December 2017.



## 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.eastspring.com.sg](http://www.eastspring.com.sg) normally one Business Day after each relevant Dealing Day.

*Refer to Section 10.8 on Pg 31, Section 12 on Pg 32 and Section 14 on Pg 34 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 redemption 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 sales charge 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 a different cut-off time):
  - o If you submit your realisation request to the appointed distributor by 3.00 p.m. Singapore time on a Business Day, the realisation price will be based on the net asset value per unit at the close of business on that Business Day.
  - o If you submit your realisation request after 3.00 p.m. Singapore time or on a day which is not a Business Day, the realisation price will be based on the net asset value per unit at the close of business of the next Business Day.
- You will normally receive the realisation proceeds within seven Business Days from the date the Manager receives and accepts your realisation request.
- The realisation proceeds that you will receive will be the realisation price multiplied by the number of units sold, less any charges. Currently, no realisation charge is imposed. An example is as follows:

Realisation Request	x	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.eastspring.com.sg](http://www.eastspring.com.sg).

## APPENDIX: GLOSSARY OF TERMS

- Business Day:** any day other than Saturday, Sunday or gazetted public holiday on which commercial banks in Singapore are generally open for business, or where the context expressly requires, any day other than Saturday, Sunday or gazetted public holiday on which commercial banks in Singapore or elsewhere are generally open for business, or any other day as the Manager and the Trustee may agree in writing.
- Dealing Day:** a Business Day in Singapore.