

## **LSPB Legg Mason Western Asset Singapore Bond Fund**

**This Fund Summary is for the above ILP Sub-Fund and should be read in conjunction with the Product Summary**

### **Structure of ILP Sub-Fund**

The above ILP Sub-Fund are feeder funds that invests all or substantially all of its assets into Legg Mason Western Asset Singapore Bond Fund (the “Underlying Fund”), a Singapore-constituted standalone open-ended unit trust.

The units in the ILP Sub-Fund are not classified as Excluded Investment Products.

### **Information on the Managers**

#### The Managers

The Managers of the Underlying Fund are Legg Mason Asset Management Singapore Pte. Limited (the “Managers”) and the Managers are regulated by the Authority. The registered address of the Managers is at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623.

The Managers are an indirect wholly-owned subsidiary of Franklin Resources, Inc. (“FRI”), a holding company with subsidiaries operating as Franklin Templeton that provide asset management services, including the Managers. FRI was founded in 1947 and is listed on the New York Stock Exchange, Inc. under the symbol “BEN”. As of 30 June 2021, FRI reported approximately US\$1.5 trillion of assets under management. Franklin Templeton’s mission is to help clients achieve better outcomes through investment management expertise, wealth management and technology solutions. Through its specialist investment managers, the company brings extensive capabilities in equity, fixed income, multi-asset solutions and alternatives.

The Managers have been managing collective investment schemes in Singapore since 2006. As at 30 June 2021, the Managers have approximately S\$4.3 billion of assets under their management.

#### The Sub-Manager

Western Asset Management Company Pte. Ltd. (the “Sub-Manager”) has been appointed as the sub-manager of the Underlying Fund. The Sub-Manager is incorporated in Singapore and is regulated by the Authority.

The Sub-Manager is an indirect wholly-owned subsidiary of FRI.

The Sub-Manager’s strategic goal is to provide above average returns over the long term by managing diversified, risk controlled, value oriented portfolios across a range of investment products in major and emerging markets. Portfolios employ a long-term value orientation that utilises multiple investment strategies to achieve above market returns while approximating market risk. The Sub-Manager advises and manages an extensive range of investments on behalf of institutions and individuals. Through unit trusts and separate account management, the Sub-Manager provides investors with access to fixed interest and currency investment opportunities that seek to add value and control risk.

The Sub-Manager has been managing collective investment schemes in Singapore since 2003. As at 30 June 2021, the Sub-Manager managed approximately S\$8.24 billion of assets on behalf of institutional clients and collective investment schemes.

### **Other Parties**

#### The Trustee

The trustee for the Underlying Fund is HSBC Institutional Trust Services (Singapore) Limited whose address is at 10 Marina Boulevard, Marina Bay Financial Centre Tower 2, #48-01, Singapore 018983 (the “Trustee”). The Trustee is regulated in Singapore by the Authority.

#### The Custodian

The custodian for the Underlying Fund is The Hongkong and Shanghai Banking Corporation Limited (the “Custodian”) whose registered office is at 1 Queen’s Road Central, Hong Kong. The Custodian is regulated by the Hong Kong Monetary Authority and authorised as a registered institution by the Securities and Futures Commission of Hong Kong.

### **Investment Objectives, Focus & Approach**

The investment objectives, focus and approach of the Underlying Fund are described in the sections on “Investment Objectives, Focus and Approach” in the Underlying Fund’s Prospectus.

### **Risks**

The ILP Sub-Fund is not listed on the Singapore Exchange and you can redeem only on Business Days through Singapore Life Ltd. In respect of Singapore investors, there is no secondary market for the ILP Sub-Fund.

#### **General risk**

You should consider and satisfy yourself as to the risks of investing in the Underlying Fund. Generally, some of the risk factors that you should consider are interest rate risk, currency risk, liquidity risk, sovereign risk, credit risk, exchange control risk and financial derivatives risk. The foregoing list of risks does not purport to be an exhaustive or complete list of the risks involved in investing in the Underlying Fund.

An investment in an Underlying Fund is meant to produce returns by capital appreciation over the long-term and you should not expect short-term gains from such investment.

You should be aware that the price of units and the income accruing from the Units may fall or rise and that you may not get back your original investment.

#### **Interest rate risk**

Shifts in economic trends affect the direction of overall interest rates. As bond prices and bond yields are mostly a function of interest rates, any change in interest rates influence returns on bond investments. A rise in interest rates therefore can lead to a decline in bond prices and conversely, lower interest rates can lead to an appreciation in bond prices.

#### **Currency risk**

Fluctuations in foreign exchange rates impact the capital value of, and income derived from, the non-Singapore Dollar portion of the Underlying Fund. Depreciation in the currency of the underlying security lowers the value of that security while appreciation of the currency increases the value of the bond. The Managers or (as the case may be) the Sub-Manager intend to manage the foreign currency exposure and will do so by adopting an active hedging policy. In addition, a Class may be designated in currencies other than in Singapore Dollars. Where a Class is designated in a currency other than in Singapore Dollars, the Managers or (as the case may be) the Sub-Manager will not employ any technique to hedge the Class’s exposure to changes in exchange rates between Singapore Dollars and the currency of the Class. Investors whose reference currency is Singapore Dollars may therefore be exposed to this exchange rate risk.

#### **Liquidity risk**

Bond instruments traded in this Underlying Fund are generally liquid issues. However, under certain market conditions, liquidity may restrict the ease by which bonds are bought or sold.

#### **Sovereign risk**

Sovereign risk is associated with the countries issuing the bonds i.e. the risk that a foreign central bank will alter its foreign-exchange regulations thereby significantly reducing or completely nulling the value of foreign-exchange contracts.

#### **Credit risk**

Credit risk associated with investment in corporate or non-government bonds relative to those of government bonds i.e. corporations issuing the bonds may not make payments on the bonds or may suffer adverse changes in their financial condition that could lower the credit quality of a security, leading to greater volatility in the price of security and the value of the Underlying Fund.

### Exchange control risk

Repatriation of investments in foreign countries, and particularly in less-developed markets, may be subject to exchange control restrictions imposed by foreign governments. As the Underlying Fund's investment in foreign countries would be restricted to debt securities rated A by Standard and Poor's and A by Moody's, the Managers and the Sub-Manager believe the Underlying Fund's exposure to exchange control risk is minimal under normal market conditions.

### Market risk

Prices of securities in the Underlying Fund may go down or up in response to changes in economic conditions (such as growth, inflation or policy changes), political conditions, interest rates in the Singapore market in which the Underlying Fund invests and the market's perception of securities which in turn may cause the price of Units to rise or fall.

### Financial derivatives risk

The Underlying Fund may use financial derivative instruments such as futures and options, forward commitments, swaps and when-issued securities for efficient portfolio management purposes (including for hedging against market movements, currency exchange or interest rate risks or otherwise). Where such instruments are financial derivatives on commodities, such transactions shall be settled in cash at all times or as may otherwise be required under the Code. While the judicious use of financial derivatives by professional investment managers can be beneficial, financial derivative instruments involves risks different from, and, in some cases, greater than, the risks presented by more traditional securities investments. Some of the risks associated with financial derivatives are market risks, management risks, credit risks, liquidity risks and leverage risks. The Managers' or (as the case may be) the Sub-Manager's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations. Use of these strategies involves certain special risks, including (i) dependence on the Managers' or (as the case may be) the Sub-Manager's ability to predict movements in the price of securities and movements in the interest rates; (ii) imperfect correlation between movements in the securities or currency on which a futures or options contract is based and movements in the securities or currencies in the Underlying Fund; (iii) the absence of a liquid market; (iv) while the Underlying Fund may not be leveraged or geared in any way through the use of financial derivatives, the degree of leverage inherent in futures trading normally required in futures trading, which means that futures trading may be highly leveraged and accordingly a relatively small price movement in a futures contract may result in an immediate and substantial loss to the Underlying Fund; and (v) possible impediments to effective portfolio management or the ability to meet repurchase requests or other short-term obligations because of the percentage of the Underlying Fund's assets segregated to cover its obligations. The risk that the Underlying Fund will be unable to close out a forward position or related options contract will be minimised by only entering into forward contracts and related options transactions for which there appears to the Managers or (as the case may be) the Sub-Manager to be a liquid secondary market or where the relevant broker-dealer makes liquidity by making a market in the relevant instrument. Please refer to paragraph 23.7 in the Legg Mason Western Asset Singapore Bond Fund's Prospectus for further information on the use of financial derivatives.

The above should not be considered to be an exhaustive list of the risks which you should consider before investing in the Underlying Fund.

### Fees and Charges

In addition to the fees and charges shown in the Product Summary, the following fees are also payable through deduction from the asset value of the Underlying Fund. The Annual Management Charges (AMC) of the Underlying Funds are:

Underlying Fund Name	AMC
Legg Mason West Asset Singapore Bond Fund A SGD Accumulation	0.75%

### Past Performance<sup>1</sup>: as at 31 December 2021

**NOTE: PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.**

Fund / Benchmark	3 Months	6 Months	1 Year	3 Years*	5 Years*	10 Years*	Since Inception* (2 April 2012)
Legg Mason Western Asset Singapore Bond Fund	-0.10%	-0.49%	-1.78%	2.33%	2.46%	2.50%	2.53%

Benchmark: J.P Morgan Singapore Government Bond Index (S\$) **	-0.77%	-0.98%	-4.90%	2.43%	2.77%	2.17%	2.16%
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\* Annualised performance

\*\* Prior to 3 April 2017, the benchmark was UOB Singapore Government Bond Index All (S\$).

### Expense Ratio and Turnover Ratio

Underlying Fund Name	Expense Ratio	Turnover Ratio
Legg Mason West Asset Singapore Bond Fund A SGD Accumulation	0.93%	90.08%

The expense and turnover ratios stated in the table above are for the period ended 31 December 2021.

### Soft Dollar Commissions or Agreements

The Managers and Sub-Manager currently do not but shall be entitled to receive and enter into soft-dollar commissions/arrangements in respect of the Underlying Fund. The Managers and Sub-Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Managers and Sub-Manager may receive include specific advice as to the advisability of dealing in, or 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 received 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 Managers and Sub-Manager will not accept or enter into soft dollar commissions/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Managers the Sub-Manager (as the case may be), assist it in its management of the Underlying Fund, provided that it shall ensure at all times that best execution is carried out for the transactions, and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

### Conflicts of Interest

The Managers and, as the case may be, the Sub-Manager may from time to time have to deal with competing or conflicting interests of the Underlying Fund with other funds managed by the Managers. For example, the Managers may make a purchase or sale decision on behalf of some or all of the other funds managed by them without making the same decision on behalf of the Underlying Fund, as a decision whether or not to make the same investment or sale for the Underlying Fund depends on factors such as the cash availability and portfolio balance of the Underlying Fund. However, the Managers will use reasonable endeavours at all times to act fairly and in the interests of the Underlying Fund. In particular, after taking into account the availability of cash and relevant investment guidelines of the other funds managed by the Managers, the Managers will endeavour to ensure that securities bought and sold will be allocated in an equitable and practical manner among the Underlying Fund and the other funds managed by the Managers.

The factors which the Managers will take into account when determining if there are any conflicts of interest as described above include the assets and, where applicable, the debt securities of the Underlying Fund. To the extent that another fund managed by the Managers intends to purchase substantially similar assets, the Managers will ensure that the assets are allocated equitably and that the interests of all investors are treated equally between the Underlying Fund and the other funds.

The Managers may from time to time act as investment manager or investment adviser in relation to, or be otherwise involved in, other funds which have similar investment objectives to those of the Underlying Fund. It is, therefore, possible that it may, in the course of business, have potential conflicts of interests with the Underlying Fund. The Managers will, at all times, have regard in such event to their obligations to the Underlying Fund and will ensure that such conflicts are resolved fairly. In addition, the Managers and each of their affiliated entities will, at all times, have regard to their obligations to the Underlying Fund and shall ensure that in any transaction carried out with the Underlying Fund, such transaction will be carried out as if effected on normal commercial terms negotiated at arm's length.

The Managers or their related entities or the Trustee may own, hold, dispose or otherwise deal with Units as though they were not a party to the Deed. If there is any conflict of interest arising as a result of that dealing, the Managers and the Trustee, following consultation, will resolve the conflict in a just and equitable manner as they deem fit.

Associates of the Trustee may be engaged to provide financial, banking or brokerage services to the Scheme or buy, hold and deal in any investments, enter into any contracts or other arrangements with the Trustee and make profits from those activities. Such services, where provided, and such activities with the Trustee, where entered into, will be on an arm's length basis.

### **Reports**

The financial year-end of the ILP Sub-Fund is 30 June. Singapore Life Ltd. will make available semi-annual report and annual audited report of the ILP Sub-Fund within 2 months and 3 months respectively from the relevant reporting periods.

In addition, Singapore Life Ltd. will make available financial reports of the Underlying Fund as they become available from the Investment Manager. Policyholders can access these reports via the website at [www.singlife.com](http://www.singlife.com).

### **Specialised ILP Sub-Funds**

The ILP sub-funds are not specialised sub-funds as set out in MAS Notice 307 on Investment-Linked Policies issued by the Monetary Authority of Singapore.