



## Form ADV Part 2A

Eastspring Investments Incorporated  
225 West Wacker Drive  
Suite 1200  
Chicago, IL 60606

Phone: 312-730-9530  
[www.eastspringinvestments.com](http://www.eastspringinvestments.com)

Brochure dated March 31, 2017

**This brochure provides information about the qualifications and business practices of Eastspring Investments Incorporated (the “Adviser”).\***

**If you have any questions about the contents of this brochure, please contact Kevin R. Gustafson, Chief Compliance Officer and Director of Legal & Compliance at 312-730-9530 or [kevin.gustafson@eastspring.us](mailto:kevin.gustafson@eastspring.us).**

**The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Eastspring Investments also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

*\*Eastspring Investments Incorporated is registered with the U.S. Securities and Exchange Commission as an investment adviser. Registration does not imply a certain level of skill or training.*

## **Item 2 - MATERIAL CHANGES**

Pursuant to SEC rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of the Adviser's fiscal year. We will further provide other information about certain material changes as necessary or required.

Currently, this Brochure may be requested by contacting Kevin R. Gustafson, Chief Compliance Officer and Director of Legal & Compliance, at 312-730-9530 or [kevin.gustafson@eastspring.us](mailto:kevin.gustafson@eastspring.us).

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## **Item 4 - ADVISORY BUSINESS**

### *Item 4.A. - Principal Owners – Who is Eastspring Investments Incorporated?*

Eastspring Investments Incorporated (the “Adviser”) was founded in 2012 to provide solicitation and marketing support services in the US for the benefit of certain affiliates of Prudential plc, a company incorporated in the United Kingdom (“UK Parent”), which is publicly held. The Adviser is a wholly-owned, indirect subsidiary of the UK Parent. The UK Parent and its affiliated companies constitute one of the world's leading financial services groups. It provides insurance and financial services through its subsidiaries and affiliates throughout the world. The UK Parent is not affiliated in any manner with Prudential Financial, Inc., a company whose principal place of business is in the United States of America. As a result of its ownership by the UK Parent, the Adviser is affiliated with other entities engaged in providing investment advisory and other related services in the US as well as globally.

The Adviser’s primary office is in Chicago, Illinois.

### *Item 4.B. - Types of Advisory Services – What types of advisory services does the Adviser provide?*

The Adviser’s primary activity is to provide certain marketing, sales servicing, and client support in the US on behalf of Eastspring Investment (Singapore) Limited (“Eastspring Singapore”). Eastspring Singapore is an affiliated investment management entity that is domiciled and registered under, among other regulatory bodies, the Monetary Authority of Singapore (MAS). Eastspring Singapore is also registered with the US Securities and Exchange Commission as a registered investment adviser.

The Adviser also seeks to identify and introduce to Eastspring Singapore potential institutional client prospects. Such prospects, once introduced, would contract directly with Eastspring Singapore for any investment management or advisory services. In marketing Eastspring Singapore’s services, the Adviser’s employees also may make recommendations about securities that constitute investment advice. For example, the Adviser’s employees may recommend an asset allocation that favors investments in Asian securities or discuss certain current holdings in client portfolios with institutional client prospects. In these circumstances, the Adviser’s clients would be the prospects. Eastspring Singapore, and not a prospect, compensates the Adviser for its marketing and any advisory services provided in that context by the Adviser.

In connection with the provision of these services, some or all of the compensation received by the Adviser from Eastspring Singapore may be deemed to be a “cash fee solicitation” arrangement within the meaning of Section 206 of the Advisers Act and Rule 206(4)-3 thereunder.

In the future the Adviser may market the services of other affiliates. Any such arrangement between the Adviser and such affiliated entity shall meet the qualification and disclosure requirements of the Advisers Act and the Rules thereunder.

The Adviser currently does not contract directly with any prospective client, nor does it have any discretion over client assets, and it does not trade, deal or direct trading in any security, client account or fund. The Adviser does not receive or retain any assets or securities, nor does it serve as a custodian or direct any custodial decisions.

*Item 4.C. - Investment Restrictions – How does the Adviser tailor its advisory services for its clients?*

Not applicable. When the Adviser's employees recommend an asset allocation that favors investments in Asian securities or discuss certain Asian securities holdings with prospects, their recommendations are not tailored to the individual needs of the prospect.

*Item 4.D. - Wrap Fee Programs – Does the Adviser participate in wrap fee programs?*

The Adviser does not currently provide portfolio management or other services in connection with wrap fee programs.

*Item 4.E. - Assets Under Management – What is the amount of assets the Adviser manages for its clients?*

As referenced in Item 4.C. above, the Adviser may make recommendations about allocations to strategies involving Asian securities, but does not manage any client assets.

## **Item 5 - FEES AND COMPENSATION**

*Item 5.A. - Fee Schedules - How is the Adviser compensated for its services?*

The Adviser's affiliate, Eastspring Singapore, pursuant to a written agreement compensates the Adviser for its marketing and any advisory services.

*Item 5.B. - Deduction of Fees – How are the Adviser's fees paid?*

Eastspring Singapore pays the Adviser on a monthly basis.

*Item 5.C. - Other Fees and Expenses – What other types of fees or expenses do clients pay the Adviser in connection with advisory services?*

Apart from the fees described in Item 5.A. above and Item 14 below, for its services the Adviser currently is not compensated by Eastspring Singapore outside the terms of the written solicitation agreement between the parties.

*Item 5.D. - Prepaid Fees – Are clients of the Adviser required to prepay advisory fees or do they usually pay them in arrears?*

Not applicable.

*Item 5.E. - Compensation for the Sale of Securities – Is the Adviser compensated for securities transactions or other types of services with might present a conflict?*

The Adviser currently does not sell securities.

## **Item 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

The Adviser does not currently charge Eastspring Singapore a performance fee in connection with its services and does not engage in any side-by-side management.

## Item 7 - TYPES OF CLIENTS

The Adviser's clients are institutions that may engage the services of its parent, Eastspring Singapore, for discretionary management.

## Item 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

*Item 8.A. - General Description – How does the Adviser formulate investment advice or manage client assets?*

The Adviser may recommend that prospects invest a portion of their assets in strategies involving Asian securities as managed by Eastspring Singapore; the Adviser formulates this advice using materials it receives from, or develops with, Eastspring Singapore, or from third parties.

*Item 8.B. and C. - Material Risks for Significant Investment Strategies and Significant Types of Securities - What material risks should clients of the Adviser consider?*

With respect to any of Eastspring Singapore's investment strategies offered by the Adviser, the Adviser wished to stress that investing in securities involves risk of loss that clients should be prepared to bear. Investing in Asian securities may involve the following risks:

**Currency risk** – Currency values between the US dollar and local currency may vary, and exchange rates can be volatile and affected by a number of factors, such as the general economics of a country, the actions (or inaction) of U.S. and foreign governments or central banks, the imposition of currency controls, and speculation.

**Emerging markets risk** – Investments in emerging markets involve greater risk resulting from economic and political systems that typically are less developed, and likely to be less stable, than those of more advanced countries. There may be government policies that restrict investment by foreigners, and a higher risk of a government taking private property. Low or nonexistent trading volume in securities of issuers may result in a lack of liquidity and in price volatility. Issuers in emerging markets typically are subject to greater risk of adverse changes in earnings and business prospects than are companies in developed markets. Loss may also result from the imposition of exchange controls, confiscations and other government restrictions or from problems in security registration or settlement and custody. The client's account will also be subject to the risk of negative foreign currency rate fluctuations.

**Foreign securities risk** – Investments in foreign securities involve risks not typically associated with U.S. investments. These risks include, among others, adverse fluctuations in foreign currency values as well as adverse political, social and economic developments. In addition, there may be less publicly available information and more volatile or less liquid markets. Investments in foreign securities could be affected by restrictions on receiving the investment proceeds from a foreign country, confiscatory foreign tax laws, and potential difficulties in enforcing contractual obligations. Transactions may be subject to less efficient settlement practices, including extended clearance and settlement periods. Foreign accounting may be less revealing than U.S. accounting practices and regulation may be inadequate or irregular.

**Sovereign debt risk** – These investments are subject to the risk that a governmental entity may delay or refuse to pay interest or repay principal on its sovereign debt, due, for example, to cash flow problems, insufficient foreign currency reserves, political considerations, the relative size of the governmental entity's debt position in relation to the economy or the failure to put in place

economic reforms required by the International Monetary Fund or other multilateral agencies. If a governmental entity defaults, it may ask for more time in which to pay or for further loans. There is no legal process for collecting sovereign debt that a government does not pay nor are there bankruptcy proceedings through which all or part of the sovereign debt that a governmental entity has not repaid may be collected.

## **Item 9 - DISCIPLINARY INFORMATION**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of the Adviser's business or the integrity of its management.

In the past, our parent company Prudential plc has entered into certain settlements with regulators and other third parties and have been the subject of adverse legal and disciplinary events. You can find additional information regarding these settlements in Part 1A of the Adviser's Form ADV.

## **Item 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

This Brochure discusses only those functions performed by the Adviser on behalf of its clients and does not discuss the activities of other affiliated entities or related persons on behalf of their respective clients except to the extent such activities are conducted in connection with the investment advisory activities of the Adviser. Additional information relating to these related persons of the Adviser may be found on Schedule D to Part 1 of the Adviser's Form ADV and, to the extent applicable, in the Form ADV for such affiliated entities or related persons.

As of March 31, 2017, none of the Adviser's management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

As referenced in the response to Item 4.A. above, the Adviser has numerous investment adviser affiliates worldwide through its UK Parent, including in the US, the UK and Asia. In the US, the Adviser is affiliated with Jackson National Life Insurance Company ("Jackson") and its wholly-owned subsidiary, Jackson National Life Insurance Company of New York, as well as certain other related investment adviser entities relevant to that business. These advisory affiliates of the Adviser also include Jackson National Asset Management, LLC, and PPM America, Inc.

The Adviser has a material business relationship with its affiliate, Eastspring Singapore, because the Adviser's primary activity is marketing Eastspring Singapore's advisory services to prospective institutional clients. This relationship may create a material conflict of interest with persons to whom the Adviser also makes recommendations, because these persons may not know or fully appreciate that the Adviser's recommendations to invest in Asian securities potentially benefit Eastspring Singapore, and that the Adviser earns compensation from Eastspring Singapore.

The Adviser does not currently recommend or select investment advisers for clients other than Eastspring Singapore.

## **Item 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

*Item 11.A. - Code of Ethics – Has the Adviser adopted a code of ethics?*

In addition to a variety of other policies and procedures (including policies and procedures of its UK Parent), the Adviser and certain affiliates have in place a Code of Ethics and Conduct ("Code") that sets forth, among other things, standards of conduct expected of their advisory personnel and addresses conflicts that arise from personal trading by advisory personnel. Officers, directors, employees, certain temporary employees and certain affiliated employees of the Adviser, and certain of their immediate families and households ("Covered Persons"), may purchase or sell securities that have been purchased or sold for a client's account. The Adviser's Code prohibits personal securities transactions based on inside information or trading in securities appearing on applicable restricted lists; requires pre-approval of certain personal transactions for Covered Persons; requires under certain circumstances a waiting period between execution of a trade for a client and execution of a personal transaction; and restricts or prohibits certain other transactions. The Adviser will provide a copy of its Codes to any client or prospective client upon request.

*Item 11.B. - Participation or Interest in Client Transactions – Does the Adviser (or any related person) participate or have a material interest in client transactions?*

The Adviser does not buy or sell securities to or from any client accounts on a principal basis.

In addition, the Adviser maintains Policies and Procedures regarding Inside Information and Chinese Walls that establish barriers around certain persons or internal groups that might be in possession or aware of material non-public information. The policy is designed to block the flow and potential misuse of that information. In addition, in the event it were to engage in any such transactions, the Adviser has adopted other policies and procedures designed to minimize potential conflicts of interest of this nature and to address such conflicts in a manner that is most equitable to all accounts.

*Item 11.C. and D. - Participation or Interest in Personal Trading – Client Recommendations and Client Trading - Does the Adviser (or any related person) invest in or trade securities in which client accounts invest or trade?*

As noted in response to Item 11.A. above, the Adviser has adopted a Code of Ethics, as well as other policies and procedures, that seek to address potential conflicts involving personal trading by the Adviser's Covered Persons. Subject to compliance with such policies and procedures, the Adviser's Covered Persons may invest in the same or related securities that are purchased for client accounts. However, the Code imposes limits on such transactions, including generally prohibiting transactions within a 7 day blackout period before or after client trading in such securities, or in circumstances where the Covered Person has access to material non-public information relating to the security or the issuer or the security. Covered Persons' personal securities trading is subject to monitoring and oversight by the Adviser's Compliance Department.

## **Item 12 - BROKERAGE PRACTICES**

*Item 12.A. - Broker-Dealer Selection – How does the Adviser select broker-dealers for client transactions?*

The Adviser currently does not direct, or engage in, any securities related transactions for clients.

*Item 12.A.1 - Research and Other Soft Dollar Benefits – Does the Adviser receive research or other products or services in connection with client securities transactions?*



The Adviser currently does not direct, or engage in, any securities related transactions for clients, nor does it cause any clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits.

As noted above, the Adviser has not entered into contractual arrangements to obtain research or brokerage services in exchange for client brokerage commissions. The Adviser has not entered into any arrangements to direct client transactions to a particular broker-dealer in return for soft dollar benefits it has received during the last fiscal year.

*Item 12.A.2 - Brokerage for Client Referrals – Does the Adviser (or a related person) receive client referrals from a broker-dealer or third party?*

The Adviser currently does not select broker-dealers for trade execution on behalf of any client accounts, and thus does not take into consideration any client referrals from a broker-dealer or third party, either for itself or for a related person.

*Item 12.A.3 - Directed Brokerage – Does the Adviser recommend, request or require that a client direct it to trade through a specified broker-dealer?*

The Adviser currently does not recommend, request or require that a client direct it to execute transactions through a specified broker-dealer.

*Item 12.B. - Aggregation of Trades – Does the Adviser aggregate purchases or sales of securities for various client accounts?*

The Adviser currently does not direct, or engage in, any securities-related transactions for clients.

## **Item 13 - REVIEW OF ACCOUNTS**

As described above in Item 4.B., the Adviser currently does not manage or have any supervision over any client account or portfolio and does not review any accounts, including the accounts of clients it refers to Eastspring Singapore.

## **Item 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

Eastspring Singapore compensates the Adviser for referrals of prospective clients to Eastspring Singapore, and does so in accordance with the applicable regulatory requirements (currently Rule 206(4)-3 under the Advisers Act). The Adviser does not receive an economic benefit from any third party for providing its advisory or other services to any client.

It is possible that in the future the Adviser may engage other affiliates in a similar solicitation arrangement. Any such arrangement between the Adviser and such affiliated entity shall meet the qualification and disclosure requirements of the Advisers Act and the Rules thereunder.

## **Item 15 - CUSTODY**

The Adviser currently does not have custody of client funds or securities, nor does it direct custodial decisions on behalf of itself or others.

## **Item 16 - INVESTMENT DISCRETION**

The Adviser currently does not accept discretionary authority to manage the accounts of clients.

## **Item 17 - VOTING CLIENT SECURITIES**

While the Adviser has adopted written policies and procedures in connection with Rule 206(4)-6 under the Advisers Act, the Adviser does not have proxy voting authority over any client account or fund. Copies of the Adviser's proxy voting policies and procedures are available by request.

## **Item 18 - FINANCIAL INFORMATION**

As a result of its ownership by UK Parent, the Adviser and its affiliate entities each report their financial information up to and through the UK Parent. The UK Parent of the Adviser is a public-traded company, and its financial information and reports are made readily available to the public.

The Adviser is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to any third parties and has not been the subject of a bankruptcy petition at any time during its history.

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