

# UNITED CHOICE PORTFOLIOS II

## UNITED SGD FUND

### P r o s p e c t u s

## **DIRECTORY**

### **Managers**

UOB Asset Management Ltd  
(Company Registration Number: 198600120Z)  
Registered office:  
80, Raffles Place, UOB Plaza, Singapore 048624  
Operating office:  
80, Raffles Place, 3rd Storey, UOB Plaza 2, Singapore 048624

### **Directors of the Managers**

Lee Wai Fai  
Thio Boon Kiat  
Eric Tham Kah Jin  
Peh Kian Heng

### **Trustee**

State Street Trust (SG) Limited  
(Company Registration Number: 201315491W)  
168 Robinson Road, #33-01, Capital Tower, Singapore 068912

### **Custodian / Administrator / Registrar**

State Street Bank and Trust Company, acting through its Singapore Branch  
168 Robinson Road, #33-01, Capital Tower, Singapore 068912

### **Auditors**

PricewaterhouseCoopers LLP  
7 Straits View, Marina One, East Tower, Level 12, Singapore 018936

### **Solicitors to the Managers**

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

## DEFINITIONS

Unless the context otherwise requires, terms defined in the Deed have the same meaning when used in this Prospectus and the following expressions have the following meanings, subject to the definitions in the Deed.

Accumulation Class or Acc	Denotes a Class for which distributions are not declared and paid to the Holders (i.e. Class A (Acc) SGD, Class A (Acc) USD (Hedged) and Class B (Acc) SGD). Hence, all investment gains, income and interest attributable to an Accumulation Class will not be distributed but will be accumulated and reflected in the price of the Units of the Class.
ATMs	Automated teller machines.
Authority	Monetary Authority of Singapore.
Business Day	Any day (other than a Saturday or Sunday or a gazetted public holiday) on which commercial banks in the Republic of Singapore are open for business or any other day as the Managers and the Trustee may agree in writing.
Class	Any class of Units in the Sub-Fund.
Code	Code on Collective Investment Schemes issued by the Authority, as amended from time to time.
CPF	Central Provident Fund.
CPF Investment Guidelines	The investment guidelines for CPFIS Included Funds issued by the CPF Board, as amended from time to time.
CPFIS	Central Provident Fund Investment Scheme.
CPFIS Included Fund	A collective investment scheme included by the CPF Board under the CPFIS.
custodian	Includes any person or persons for the time being appointed as a custodian of the Sub-Fund or any of its assets.
Dealing Day	In connection with the issuance, cancellation, valuation and realisation of Units of the Sub-Fund, means every Business Day or such other day as provided in the Deed.
Dealing Deadline	3:00 p.m. Singapore time on a Dealing Day.
Deed	See paragraph 3 of this Prospectus.
Deposited Property	All the assets (cash and other property) for the time being held or deemed to be held upon the trust of the Deed (or if the context so requires, the part thereof attributable to the Sub-Fund), excluding any amount for the time being standing to the credit of the distribution account referred to in Clause 11(C) of the Deed or the management fund referred to in Clause 17(A) of the Deed.
Distribution Class or Dist	Denotes a Class for which distributions are declared and paid to the Holders in accordance with the applicable distribution policies of that Class (i.e. Class A (Dist) SGD, Class A (Dist) USD (Hedged), Class S SGD Dist and Class S USD Dist (Hedged)).
FATCA	The U.S. Foreign Account Tax Compliance Act, as amended from time to time.
FDIs or derivatives	Financial derivative instruments.
Fund	United Choice Portfolios II.

Group Fund	A collective investment scheme the managers of which are the Managers or a company under their control or under common control with them or at least 50 per cent of the share capital of which is held by a company which is a shareholder of the Managers and which shall approve the terms of any switching which may be made under Clause 7(M) of the Deed.
Hedged Class or (Hedged)	Denotes a Class to which a currency hedging strategy is applied (i.e. Class A (Acc) USD (Hedged), Class A (Dist) USD (Hedged) and Class S USD Dist (Hedged)).
Holder	A unitholder of the Sub-Fund.
IGA	Intergovernmental agreement.
Managers	UOB Asset Management Ltd or any other person for the time being duly appointed as managers of the Fund. References to “we”, “us” or “our” shall be construed accordingly to mean UOB Asset Management Ltd or any other person for the time being duly appointed as managers of the Fund.
NAV	Net asset value.
Recognised Stock Exchange	Any stock exchange of repute and in relation to any particular Investment shall be deemed to include any responsible market maker and authorised dealer in the market in which the Investment is traded and any over the counter or electronic or telephone market of repute and any responsible firm, corporation or association in any part of the world dealing in the Investment and any responsible mutual fund or subsidiary thereof or unit trust scheme issuing and redeeming participations or Units (as the case may be) so as to provide in the opinion of the Managers with the approval of the Trustee a satisfactory market for the Investment and in such a case the Investment shall be deemed to be the subject of an effective permission to deal or listing on a Recognised Stock Exchange deemed to be constituted by such person, firm, corporation, association, mutual fund, subsidiary thereof or unit trust scheme.
Register	The register of Holders.
RSP	Regular savings plan.
SFA	Securities and Futures Act (Chapter 289) of Singapore, as amended from time to time.
Singapore dollars or S\$ or SGD	The lawful currency of the Republic of Singapore.
SRS	Supplementary Retirement Scheme.
Sub-Fund	United SGD Fund.
Trustee	State Street Trust (SG) Limited or any other person for the time being duly appointed as trustee of the Fund.
U.S.	United States of America.
United States dollars or US\$ or USD	The lawful currency of the United States of America.
Units	Units of a Class or all Classes (as the context requires).
Valuation Point	The close of business of the last relevant market in relation to the relevant Dealing Day on which the NAV of the Sub-Fund or a Class of the Sub-Fund is to be determined pursuant to the provisions of the Deed or such other time on the relevant Dealing Day or such other day as the Managers with the approval of the Trustee may from time to time determine and the Trustee shall determine if Holders should be informed of such change.

## IMPORTANT INFORMATION

The collective investment scheme offered in this Prospectus is constituted in Singapore and is an authorised scheme under the SFA. A copy of this Prospectus has been lodged with and registered by the Authority. The Authority assumes no responsibility for the contents of this Prospectus. The registration of this Prospectus by the Authority does not imply that the SFA or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the Sub-Fund.

We have taken all reasonable care to ensure that the information in this Prospectus is, to the best of our knowledge and belief, accurate and does not omit anything which would make any statement in this Prospectus misleading.

You should refer to the Deed in conjunction with this Prospectus. Copies of the Deed are available for inspection at our operating office during usual business hours (subject to such reasonable restrictions as we may impose). If you are in any doubt about the contents of this Prospectus or the Deed, you should seek independent professional advice.

You should seek independent professional advice to ascertain (a) the possible tax consequences, (b) the applicable legal requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any restrictions or requirements under the Central Provident Fund (Investment Schemes) Regulations and the CPF Investment Guidelines which you may encounter under the laws of the country of your citizenship, residence or domicile, which may be relevant to your subscription, holding or disposal of Units. We make no representation as to the tax status of the Sub-Fund. You should keep yourself informed of, and observe, all applicable laws and regulations of any relevant jurisdiction that may be applicable to you.

Before investing, you should consider the usual risks of investing and participating in collective investment schemes, and the risks of investing in the Sub-Fund which are summarised in this Prospectus. Your investments can be volatile and there is no assurance that the Sub-Fund will be able to attain its objectives. The prices of Units as well as the income from them may go up as well as down to reflect changes in the value of the Sub-Fund. You should only invest if you can sustain losses on your investment. You should satisfy yourself that investing in the Sub-Fund is suitable based on your personal circumstances.

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 as contemplated herein.

Units are offered on the basis of the information contained in this Prospectus and the documents referred to in this Prospectus. No person is authorised to give any information or make any representations concerning the Sub-Fund other than as contained in this Prospectus. Any investment made on the basis of information or representations not contained in or inconsistent with the information or representations in this Prospectus will be solely at your risk. This Prospectus may be updated from time to time to reflect material changes and you should check if you have the latest updated Prospectus or if any supplement is available.

Units are not listed and you may only deal with Units through us or our authorised agents or distributors subject to the terms of the Deed.

Units are capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

We may apply for the Units to be marketed in other jurisdictions.

### **Prohibition against U.S. investors**

Units are being offered and sold outside the United States to persons that are not:

- (i) U.S. Persons (as defined in Regulation S promulgated under the Securities Act of 1933 of the U.S., as amended (the “**U.S. Securities Act**”)) in reliance on Regulation S promulgated under the U.S. Securities Act; or
- (ii) “United States persons” (as defined in Section 7701(a)(30) of the U.S. Internal Revenue Code, as amended, and referred to herein as “**U.S. Taxpayers**”). Currently, the term “**U.S. Taxpayer**” includes: a U.S. citizen or resident

alien of the “United States” (as defined for U.S. federal income tax purposes); any entity treated as a partnership or corporation for U.S. tax purposes that is created or organised in, or under the laws of, the United States or any state thereof (including the District of Columbia); any other partnership that may be treated as a U.S. Taxpayer under future U.S. Treasury Department regulations; any estate, the income of which is subject to U.S. income taxation regardless of source; and any trust over whose administration a court within the United States has primary supervision and all substantial decisions of which are under the control of one or more U.S. fiduciaries. Persons who have lost their U.S. citizenship and who live outside the United States may nonetheless, in some circumstances, be treated as U.S. Taxpayers. Persons who are aliens as to the United States but who have spent 183 days or more in the United States in any of the last two years should check with their tax advisors as to whether they may be considered residents of the United States.

Units are not and may not be offered, made available, sold to or for the account of any U.S. Persons or U.S. Taxpayers. You may be required to declare that you are not a U.S. Taxpayer and that you are neither acquiring Units on behalf of U.S. Taxpayers nor acquiring Units with the intent to sell or transfer them to U.S. Taxpayers.

### **Foreign Account Tax Compliance Act and the Common Reporting Standard (“CRS”)**

#### *FATCA*

FATCA was enacted in 2010 by the U.S. Congress as part of the U.S. Hiring Incentives to Restore Employment (HIRE) Act to target non-compliance with tax laws by U.S. Taxpayers using overseas accounts. Under FATCA, financial institutions outside of the U.S. are required to regularly submit information on financial accounts held by U.S. Taxpayers to the U.S. tax authorities. Failure to comply with FATCA may, amongst other things, subject the Sub-Fund to U.S. withholding tax on certain types of payments made to the Sub-Fund. Accordingly, it is intended that the Sub-Fund complies with FATCA.

For the purpose of complying with FATCA, we, the Trustee, and/or other service providers of the Sub-Fund may be required to report and disclose information on certain investors in the Sub-Fund to the U.S. tax authorities and/or such Singapore authority as may be required under Singapore laws and regulations to be implemented as part of any IGA entered into between the U.S. and Singapore<sup>1</sup> in connection with FATCA and/or withhold certain payments to such investors.

#### *CRS*

CRS, endorsed by the Organisation for Economic Co-operation and Development and the Global Forum for Transparency and Exchange of Information for Tax Purposes, is an internationally agreed standard for the automatic exchange of information on financial accounts between jurisdictions with the objective of detecting and deterring tax evasion through the use of offshore bank accounts.

In Singapore, the Income Tax (International Tax Compliance Agreements) (Common Reporting Standard) Regulations 2016 require financial institutions such as us to conduct due diligence (including the collection, review and retention of financial account information) and report financial account information relating to specified persons from jurisdictions with which Singapore has a “competent authority agreement” (“CAA”) to the IRAS. Such information may subsequently be exchanged with Singapore’s CAA partners. Singapore may enter into further IGAs, or the relevant authorities may enact further legislation or impose further requirements, which will form part of the CRS.

You are required to:

- (a) provide such information, documents and assistance in connection with the above as we and/or the Trustee may require from time to time; and
- (b) notify us or any of our authorised agents or distributors in writing immediately if you are or become a U.S. Taxpayer, or are holding Units for the account of or benefit of a U.S. Taxpayer.

You are also deemed to have consented to us, the Trustee and/or other service providers of the Sub-Fund carrying out our/their obligations in reporting and disclosing information on you and your investments to the relevant authorities as described above.

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<sup>1</sup> Pursuant to the IGA entered into between Singapore and the U.S. on 9 December 2014, Singapore-based financial institutions (such as us) will report information on financial accounts held by U.S. Taxpayers to the Inland Revenue Authority of Singapore (“IRAS”), which will in turn provide the information to the U.S. tax authorities.

We may compulsorily realise all or any of your Units in any of the circumstances set out under paragraph 62 of this Prospectus.

You may direct your enquiries in relation to the Fund or the Sub-Fund to us or our authorised agents or distributors.

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# UNITED CHOICE PORTFOLIOS II

## PROSPECTUS

### I. BASIC INFORMATION

#### United Choice Portfolios II

1. The Fund is an open-ended standalone umbrella fund constituted in Singapore. As at the date of registration of this Prospectus, the Fund has one sub-fund established and is presently offering units in that sub-fund, namely, the United SGD Fund. The Sub-Fund is an open-ended unit trust established under the umbrella structure of the Fund.

#### Date of registration and expiry date of Prospectus

2. The Authority registered this Prospectus on 7 March 2019. It is valid up to 6 March 2020 and will expire on 7 March 2020.

#### Trust deed and supplemental deeds

3. The Fund was constituted by way of a trust deed dated 18 May 1998, which has since been amended by the following deeds:

First Supplemental Deed	18 November 1998
Second Supplemental Deed	13 May 1999
Third Supplemental Deed	15 November 1999
Fourth Supplemental Deed	2 March 2000
Fifth Supplemental Deed	1 March 2001
Sixth Supplemental Deed of Appointment and Retirement of Manager	27 June 2001
Seventh Supplemental Deed	27 June 2001
Eighth Supplemental Deed	21 June 2002
Ninth Supplemental Deed of Appointment and Retirement of Manager	21 December 2002
First Amendment Deed	23 June 2003
Second Amendment Deed	22 June 2004
Third Amendment Deed	21 June 2005
Fourth Amendment Deed	9 June 2006
Fifth Amendment Deed	8 June 2007
Sixth Amendment Deed	26 June 2007
Seventh Amendment Deed	20 May 2008
Eighth Amendment Deed	13 May 2009
Ninth Amendment Deed	29 June 2009
Supplemental Deed of Appointment and Retirement of Trustee	4 September 2009
Tenth Amendment Deed	6 May 2010
Eleventh Amendment Deed	28 April 2011
Twelfth Amendment Deed	29 August 2011
Eleventh Supplemental Deed	16 April 2013
Thirteenth Amendment Deed	23 September 2013
Twelfth Supplemental Deed	23 April 2015
Thirteenth Supplemental Deed	16 September 2016
Supplemental Deed of Appointment and Retirement of Trustee	24 February 2017
Fifteenth Supplemental Deed	3 April 2017
Sixteenth Supplemental Deed	13 March 2018

The trust deed dated 18 May 1998 as amended by the above deeds shall be referred to as the “**Deed**”.

4. The terms and conditions of the Deed are binding on each Holder and all persons claiming through such Holder as if each of them had been a party to the Deed.
5. You may inspect copies of the Deed free of charge at our operating office during usual business hours (subject to such reasonable restrictions as we may impose) and may request for a copy at a charge of S\$25 per copy (or such other amount as the Trustee and we may from time to time agree in writing), such charge being payable to us.

#### **Accounts and reports**

6. You may obtain a copy of the latest semi-annual and annual reports, semi-annual and annual accounts and the auditors' report on the annual accounts of the Fund at our operating office during normal business hours (subject to such reasonable restrictions as we may impose).

## **II. THE MANAGERS**

7. The Managers are UOB Asset Management Ltd (“**UOBAM**”).
8. UOBAM is a wholly-owned subsidiary of United Overseas Bank Limited (“**UOB**”). Established in 1986, UOBAM has been managing collective investment schemes and discretionary funds in Singapore for over 30 years. UOBAM is licensed and regulated by the Authority. UOBAM has an extensive presence in Asia with regional business and investment offices in Malaysia, Thailand, Brunei, Taiwan and Japan. UOBAM has two joint ventures: Ping An Fund Management Company Limited and UOB-SM Asset Management Pte. Ltd. In addition, it also has a strategic alliance with UTI International (Singapore) Private Limited.

Through its network of offices, UOBAM offers global investment management expertise to institutions, corporations and individuals, through customised portfolio management services and unit trusts. As at 31 January 2019, UOBAM manages 54 unit trusts in Singapore. UOBAM is one of the largest unit trust managers in Singapore in terms of assets under management.

UOBAM's investments team conducts independent and rigorous fundamental research within a proven investment process and framework. In equities, UOBAM's team has acquired specialist skills in investment in global markets and major global sectors. It combines a disciplined research effort that aims to identify and invest in high performing businesses at the right price, with a systematic model portfolio construction process, to diversify sources of alpha to achieve more consistent performance over time. In fixed income, UOBAM's coverage spans a wide spectrum comprising G10 government bonds, developed market corporate bonds, Asia sovereigns and corporates, emerging market bonds and Singapore fixed income. In addition to independent research to uncover relative value opportunities, UOBAM adopts diversified investment strategies combined with active risk management to generate sustainable total return for its portfolios.

Since 1996, UOBAM has won a total of 183 awards in Singapore. These awards recognise UOBAM's investment performance across different markets and sectors.

As at 31 January 2019, UOBAM and its subsidiaries in the region have a staff strength of over 400 including about 42 investment professionals in Singapore.

We maintain professional indemnity insurance coverage which complies with the requirements under applicable laws, regulations and guidelines, or as directed by the Authority.

See the Deed for details on the Managers' role and responsibilities.

***Our past performance is not necessarily indicative of our future performance.***

9. We may delegate certain or all of our duties. Currently, we have delegated certain administration and valuation functions and certain transfer agency functions, in respect of the Sub-Fund, to the administrator, whose details are set out in paragraph 13 below.
10. **Directors and key executives of the Managers**

#### **Lee Wai Fai, Chairman and Director**

Mr Lee joined UOB in 1989 and is presently Group Chief Financial Officer with UOB. Mr Lee has previously held senior positions in the UOB group, including being head of international branches and regional banking

subsidiaries, Deputy Chief Executive Officer of UOB Radanasin Bank Public Company Limited, Head of Finance as well as Head of Policy and Planning of UOB.

Mr Lee holds a Bachelor of Accountancy (Honours) degree from the National University of Singapore and a Master of Business Administration degree in Banking and Finance from the Nanyang Business School, Nanyang Technological University, and has more than 25 years of experience in the banking sector.

#### **Thio Boon Kiat, Director and Chief Executive Officer**

Mr Thio is a Chartered Financial Analyst charter holder and graduated with a Bachelor of Business Administration (First Class Honours) degree from the National University of Singapore. In 2004, he attended the Investment Management Program at Harvard Business School. In 2006, he also attended the Mastering Alternative Investments programme at Insead University.

Mr Thio has over 20 years of investment management experience. He joined UOBAM in 1994 from the Government of Singapore Investment Corporation (GIC), as a portfolio manager managing Singapore, and subsequently Asia Pacific and Global Equity portfolios. Over the years, he also headed the International Equities and Global Technology teams. In 2004, Mr Thio was appointed as Chief Investment Officer of UOBAM, a position he held until 2011 when he was promoted to his current appointment of Chief Executive Officer.

Mr Thio was recognised as “CEO of the Year in Asia” for two consecutive years by Asia Asset Management in its “Best of the Best Regional Awards 2015” and “Best of the Best Regional Awards 2014” for his outstanding contributions to UOBAM. He was also conferred the “IBF Fellow” title by the Institute of Banking and Finance in 2015.

#### **Eric Tham Kah Jin, Director**

Mr Tham joined UOB in 2004 and heads Group Commercial Banking which oversees the medium enterprise business. He is responsible for driving UOB group’s expansion in the medium enterprise business in Singapore as well as Malaysia, Thailand, Indonesia, China, Hong Kong, Myanmar, Taiwan and Vietnam.

Mr Tham holds a Master of Business Administration degree in Accounting from Nanyang Technological University. He was conferred the title “Distinguished Financial Industry Certified Practitioner” by The Institute of Banking & Finance of Singapore in 2010 and recognised as a Fellow Chartered Accountant of Singapore by the Institute of Singapore Chartered Accountants (ISCA) in 2015. Mr Tham has more than 30 years of experience in the financial sector.

#### **Peh Kian Heng, Director**

Mr Peh joined the UOB group in 2008 and is presently the Head of the Corporate Investment Unit. Prior to joining UOB, he was an investment strategist at OCBC and spent the most part of his career with the Monetary Authority of Singapore, where his last appointment was Head of Financial Sector Surveillance. He graduated with MA (Distinction) from the University of Warwick and BSocSci (2nd Upper Honours) from the National University of Singapore.

#### **Chong Jiun Yeh, Chief Investment Officer, Fixed Income and Structured Investments**

Mr Chong joined UOBAM in March 2008. He was formerly the Managing Director (Fund Management) and Co-Head of Portfolio Management for ST Asset Management Ltd. (“**STAM**”), a wholly owned subsidiary of Temasek Holdings. Prior to joining STAM, he was Head of Fixed Income and Currencies at OUB Asset Management Ltd, and has also spent part of his career with Newton Investment Management.

Mr Chong has over 18 years of experience in managing equities, fixed income and structured finance portfolios, including emerging market sovereign and investment grade credits (cash and synthetic), G-7 bonds and currencies, as well as Asian equities. He has worked with rating agencies, insurers, investment partners and banks in structuring investment products and customising solutions for investors. Mr Chong graduated with a Bachelor of Science (Estate Management), Second Upper Honours degree from the National University of Singapore. At UOBAM, he is the designated person responsible for the investment management of the Sub-Fund.

### III. THE TRUSTEE AND CUSTODIAN

11. The Trustee is State Street Trust (SG) Limited, a trust company approved by the Authority under section 289(1) of the SFA to act as a trustee for collective investment schemes authorised under section 286 of the SFA and constituted as unit trusts. The Trustee is regulated in Singapore by the Authority. See the Deed for details on the Trustee's role and responsibilities.
12. The Trustee has appointed State Street Bank and Trust Company ("SSBT"), a trust company organised under the laws of the Commonwealth of Massachusetts and, in respect of such appointment, acting through its Singapore Branch, as the global master custodian of the Fund.

SSBT was founded in 1792 and is a wholly owned subsidiary of State Street Corporation. It is licensed and regulated by the Federal Reserve Bank of Boston. State Street Bank and Trust Company, Singapore Branch, holds a wholesale bank licence issued by the Authority and is regulated by the Authority.

SSBT provides custodian services in over 100 markets by utilising its local market custody operations and through its network of sub-custodian banks. SSBT will appoint sub-custodians in those markets where the Sub-Fund invests where SSBT does not itself act as the local custodian. SSBT has processes for the initial selection, and ongoing monitoring of its sub-custodians, each of which is chosen based upon a range of factors including securities processing and local market expertise, and must satisfy specific operating requirements in terms of structure, communications, asset servicing and reporting capabilities. All sub-custodians appointed by SSBT must be licensed and regulated under applicable law to provide custodian and related asset administration services, and carry out relevant related or ancillary financial activities, in the relevant market jurisdiction. SSBT will typically seek to select local branches or affiliates of major global financial institutions that provide sub-custodian services in multiple markets, although unique market service requirements may result in the selection of an entity as sub-custodian that is more local in scope.

Other custodians may be appointed from time to time in respect of the Fund or any of its assets.

Please refer to paragraph 58 for further details of the custodial arrangement in respect of the Deposited Property of the Sub-Fund.

### IV. OTHER PARTIES

13. State Street Bank and Trust Company, acting through its Singapore Branch, has been appointed by the Trustee as the registrar of the Fund and will be responsible for keeping the Register. Any Holder may inspect the Register at 168 Robinson Road, #33-01, Capital Tower, Singapore 068912 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. If there is any discrepancy between the entries in the Register and the details appearing on any statement of holdings, the entries in the Register will prevail unless the Holder proves to the Trustee's and our satisfaction that the Register is incorrect.

The administrator of the Fund is State Street Bank and Trust Company, acting through its Singapore Branch, which has been appointed by us to provide (i) certain administration and valuation services (including accounting and net asset value calculation) pursuant to the terms of an Administrative Services Agreement, and (ii) certain transfer agency services pursuant to the terms of a Transfer Agency and Services Agreement, each entered into between the administrator of the Fund and us.

14. The auditors of the Fund are PricewaterhouseCoopers LLP.

### V. STRUCTURE OF THE SUB-FUND

15. **Classes of Units**

We may at any time determine that different Classes of Units or new Classes be established within the Sub-Fund. Where a new Class is established, we may at our discretion re-designate any existing Class as long as there is no prejudice to existing Holders of such Class. Different Classes within the Sub-Fund have different features.

The Sub-Fund currently offers seven Classes of Units, namely:

- (1) Class A (Acc) SGD Units (denominated in SGD);

- (2) Class A (Dist) SGD Units (denominated in SGD);
- (3) Class A (Acc) USD (Hedged) Units (denominated in USD);
- (4) Class A (Dist) USD (Hedged) Units (denominated in USD);
- (5) Class B (Acc) SGD Units (denominated in SGD);
- (6) Class S SGD Dist (denominated in SGD); and
- (7) Class S USD Dist (Hedged) (denominated in USD).

The Classes may differ in terms of their currency of denomination, fee structure, minimum threshold amounts for subscription, holding and realisation, distribution policy, eligibility requirements, mode of investment and the availability of RSP and whether they are each a Distribution Class or an Accumulation Class and where applicable, whether the relevant Class is a Hedged Class. You should refer to paragraphs 18, 25, 27.2, 28, 29, 35 and 36 of this Prospectus for further information in relation to these differences. In addition, you should note that (1) Class B (Acc) SGD Units are only available for subscription by institutional clients and such other persons as we may from time to time determine in our sole discretion and (2) Class S SGD Dist Units and Class S USD Dist (Hedged) Units are only available for subscription by such persons as we may from time to time determine in our sole discretion. The seven Classes constitute the Sub-Fund and are not separate sub-funds under the Fund. You should note that the assets of a Sub-Fund are pooled and invested as a single fund and are not segregated in respect of each Class thereof. A separate NAV per Unit (in the currency of denomination of the relevant Class) which may differ between Classes as a consequence of *amongst others*, any of the above differences, will be calculated for each Class. Save for the above differences between the Classes, Holders of each Class have materially the same rights and obligations under the Deed.

## **VI. INVESTMENT CONSIDERATIONS**

### **16. Investment Objective and Focus**

The investment focus of the Sub-Fund is to invest substantially all its assets in money market and short term interest bearing debt instruments and bank deposits with the objective of achieving a yield enhancement over Singapore dollar deposits.

### **17. Investment Approach**

Our research process is fundamental and valuation driven, and bottom-up in approach. We have a team of credit analysts for both Singapore fixed income issuers and high grade corporate issuers in the developed markets. This benefits our Singapore credit research efforts as many high grade foreign issuers have issued Singapore-dollar denominated securities.

For Singapore, Asia and emerging markets, our team of credit analysts conducts a detailed credit analysis that evaluates industry outlook, business review, financial review, management expertise, strength of ownership and specific debt structure. This results in an implied rating score. Relative valuation will determine corporate credit selection.

For rated issuers, mainly US/Europe high grade issuers, to supplement the fundamental analysis by their G10 credit team, we have implemented a quantitative credit risk approach based from the KMV model. This model uses the Merton option framework to calculate the implied asset volatility or the Expected Default Frequency (EDF) of any corporate bond issue. Other inputs include an asset correlation database, which is generated from a proprietary risk management system. Together, the model will calculate the return-expected loss trade off for any corporate bond issue.

### **18. Distribution policy**

As Class A (Acc) SGD, Class A (Acc) USD (Hedged) and Class B (Acc) SGD are Accumulation Classes, we currently do not intend to make any distributions in respect of Units in such Classes.

In relation to the Class A (Dist) SGD and the Class A (Dist) USD (Hedged), we currently intend to make regular quarterly distributions of 2% p.a. (or such other percentage or frequency as we may from time to time determine)

of the NAV per Unit as at the last Business Day of every calendar quarter (or such other date as we may from time to time determine). The first distribution by each of the Class A (Dist) SGD and the Class A (Dist) USD (Hedged) after it is incepted will only be made after a period of at least 6 months following its inception (or after such shorter or longer period as we may determine at our sole discretion).

In relation to the Class S SGD Dist and the Class S USD Dist (Hedged), we currently intend to make monthly distributions of at least 2% p.a. (or such other percentage or frequency as we may from time to time determine) of the NAV per Unit as at the last Business Day of every calendar month (or such other date as we may from time to time determine). The first distribution by each of the Class S SGD Dist and the Class S USD Dist (Hedged) after it is incepted will only be made after a period of at least 6 months following its inception (or after such shorter or longer period as we may determine at our sole discretion).

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 Business Days from the relevant Distribution Date. A “**Distribution Date**” relating to a Class is the date as at which a distribution is to be made, as determined by us under the relevant paragraph above in respect of the relevant Class.

**The making of distributions is at our absolute discretion and distributions are not guaranteed. The making of any distribution does not mean that further distributions will be made. We reserve the right to vary the frequency and/or amount of distributions. Distributions may be made out of the income, capital gains or capital of the relevant Class. The declaration or payment of distributions (whether out of income, capital gains, capital or otherwise) may have the effect of lowering the NAV of the Sub-Fund or the relevant Class. Moreover, distributions out of capital may amount to a reduction of the relevant Holder’s original investment and may result in reduced future returns to the relevant Holders.**

#### 19. **Product suitability**

The Sub-Fund is suitable for investors who:

- seek to achieve a yield enhancement over Singapore dollar deposits; and
- are comfortable with the volatility and risks of a bond fund which invests in money market and short term interest bearing debt instruments and bank deposits.

**You should consult your financial adviser if in doubt whether the Sub-Fund is suitable for you.**

#### 20. **Authorised Investments**

The authorised investments of the Sub-Fund (“**Authorised Investments**”) are any Investment or other property, assets or rights for the time being approved by the relevant authorities in Singapore for investment by the Sub-Fund.

**Please refer to the Deed for the full meaning of the term Investment.**

*The Sub-Fund intends to use or invest in FDIs. Further information is set out in paragraph 22 of this Prospectus.*

#### 21. **Investment Restrictions**

- (a) The investment guidelines and borrowing limits as set out under Appendix 1 of the Code apply to the Sub-Fund. The latest version of the Code may be found at the Authority’s website: [www.mas.gov.sg](http://www.mas.gov.sg). The Authority may, from time to time, update or amend the Code.
- (b) The CPF Investment Guidelines apply to the Sub-Fund. The latest version of the CPF Investment Guidelines may be found at the CPF Board’s website: [www.cpf.gov.sg](http://www.cpf.gov.sg). The CPF Board may, from time to time, update or amend the CPF Investment Guidelines.
- (c) Currently, the Sub-Fund does not intend to carry out securities lending or repurchase transactions but may do so in the future, in accordance with the applicable provisions of the Code and the CPF Investment Guidelines. Accordingly, the Sub-Fund may at such time in the future become subject to the provisions on securities lending and repurchase transactions as set out in the Code and the CPF Investment Guidelines.

## 22. Risk management procedures of the Managers on certain investments

- (a) The Sub-Fund may use or invest in FDIs for the purposes of hedging existing positions in a portfolio, for efficient portfolio management or a combination of both purposes. Where such instruments are FDIs on commodities, such transactions shall be settled in cash at all times.
- (b) We will ensure that the global exposure of the Sub-Fund to FDIs or embedded FDIs will not exceed 100% of the NAV of the Sub-Fund at all times. Such exposure will be calculated using the commitment approach as described in, and in accordance with the provisions of, the Code.
- (c) Below is a description of risk management and compliance procedures and controls adopted by us:
  - (i) We will implement various procedures and controls to manage the risk of the assets of the Sub-Fund. Our decision to invest in any particular security or instrument on behalf of the Sub-Fund will be based on our judgment of the benefit of such transactions to the Sub-Fund and will be consistent with the Sub-Fund's investment objective in terms of risk and return.
  - (ii) *Execution of Trades.* Prior to each trade, we will ensure that the intended trade will comply with the stated investment objective, focus, approach and restrictions of the Sub-Fund, and that best execution and fair allocation of trades are done. Our Middle Office department will conduct periodic checks to ensure compliance with the investment objective, focus, approach and restrictions of the Sub-Fund. If there is any non-compliance, our Middle Office department is empowered to instruct the relevant officers to rectify the same. Any non-compliance will be reported to higher management and monitored for rectification.
  - (iii) *Liquidity.* If there are any unexpectedly large redemptions of Units, it is possible that the assets of the Sub-Fund may be forced to be liquidated at below their fair and expected value, especially in illiquid public exchanges or over-the-counter markets. Also, under certain market conditions such as during volatile markets, crisis situations or trading disruptions, it may be difficult or impossible to liquidate or rebalance positions. While we will ensure that a sufficient portion of the Sub-Fund will be in liquid assets such as cash and cash-equivalents to meet expected redemptions (net of new subscriptions), we may in certain situations employ liquidity management tools such as limiting or suspending realisations in accordance with paragraph 38 or Part XV of this Prospectus. If such tools are employed, you may not be able to realise your Units during any suspension period or the realisation of your Units or payment of the realisation proceeds for your Units may be delayed.
  - (iv) *Counterparty exposure.* The Sub-Fund may have credit exposure to counterparties by virtue of positions in financial instruments (including FDIs) held by the Sub-Fund. To the extent that a counterparty defaults on its obligations and the Sub-Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its assets, its income stream and incur extra costs associated with the exercise of its financial rights. Subject to the provisions of the Code, we will restrict our dealings with counterparties to entities that have a minimum long-term issuer credit rating of above BB+ by Standard and Poor's, an individual rating of above C or viability ratings of above bbb by Fitch Inc., a baseline credit assessment of above a3 by Moody's Investors Service, or an equivalent rating from any other reputable rating agency. If any approved counterparty fails this criterion subsequently, we will take steps to unwind the Sub-Fund's position with that counterparty as soon as practicable.
  - (v) *Volatility.* To the extent that the Sub-Fund has exposure to FDIs that allow a larger amount of exposure to a security for no or a smaller initial payment than the case when the investment is made directly into the underlying security, the value of the Sub-Fund's assets will have a higher degree of volatility. The Sub-Fund may use FDIs for hedging purposes for reducing the overall volatility of the value of its assets. At the same time, we will ensure that the total exposure of the Sub-Fund to derivative positions will not exceed the NAV of the Sub-Fund, as stated in paragraph (b) above.
  - (vi) *Valuation.* The Sub-Fund may have exposure to over-the-counter FDIs that are difficult to value accurately, particularly if there are complex positions involved. We will ensure that independent means of verifying the fair value of such instruments are available, and will conduct such verification at an appropriate frequency.

- (d) We will ensure that the risk management and compliance procedures and controls adopted are adequate and have been or will be implemented and that we have the necessary expertise to control and manage the risks relating to the use of FDIs. We may modify the risk management and compliance procedures and controls as we deem fit and in the interests of the Sub-Fund, but subject always to the requirements under the Code.
- (e) The Sub-Fund may net its over-the-counter derivative positions with a counterparty through bilateral contracts for novation or other bilateral agreements with the counterparty, provided that such netting arrangements satisfy the relevant conditions described in the Code.

## VII. SUB-FUND INCLUDED UNDER THE CPFIS

23. The Sub-Fund is included under the CPFIS – Ordinary Account and CPFIS - Special Account for subscription by members of the public using their CPF monies. You should note that only Class A (Acc) SGD Units are currently available for subscription using CPF monies.
24. The Sub-Fund is classified by the CPF Board under the risk classification of “Low to Medium Risk - Broadly Diversified”.

The CPF Board currently pays a legislated minimum annual interest rate of 2.5% on monies in the CPF Ordinary Account. The CPF interest rates are based on the 12-month fixed deposit and month-end savings rates of the major local banks and it is reviewed by the CPF board quarterly. The interest is computed monthly, and is credited and compounded annually.

The interest rate for the Special and Medisave Accounts (“SMA”) is pegged to the 12-month average yield of 10-year Singapore government securities (10YSGS) plus 1%, adjusted quarterly. The interest rate to be credited to the Retirement Account (“RA”) will be the weighted average interest rate of the entire portfolio of Special Singapore Government Securities (SSGS) the RA savings are invested in which earn a fixed coupon equal to the 12-month average yield of the 10YSGS plus 1% at the point of issuance, adjusted yearly. For 2019, the minimum interest rate for the SMA and RA is 4.0% p.a.. After 31 December 2019, the 2.5% p.a. legislated minimum interest rate, as prescribed by the CPF Act, will apply to the SMA and RA.

In addition, the CPF Board pays an extra interest rate of 1% p.a. on the first S\$60,000 of a CPF member’s combined balances, including up to S\$20,000 in the CPF Ordinary Account. The first S\$20,000 in the CPF Ordinary Account and the first S\$40,000 in the CPF Special Account are not allowed to be invested under the CPF Investment Scheme.

The applicable interest rates for each of the CPF accounts may be varied by the CPF Board from time to time.

Subscriptions using CPF monies are subject to the CPFIS regulations and conditions imposed by the CPF Board from time to time.

## VIII. FEES & CHARGES

25. The fees and charges payable by you and those payable out of the Sub-Fund are as follows:

<b>Payable by you</b>			
	<b>Class A (Acc) SGD</b>	<b>Class A (Dist) SGD and Class S SGD Dist</b>	<b>Class A (Acc) USD (Hedged), Class A (Dist) USD (Hedged), Class B (Acc) SGD and Class S USD Dist (Hedged)</b>
Subscription Fee	For Cash Units and SRS Units: Currently 2%, maximum 5%.  For CPF Units: <u>Prior to 1 October 2019</u> Currently 1.5%, maximum 1.5%. <u>With effect from 1 October 2019</u> Nil.	For Cash Units and SRS Units: Currently 2%, maximum 5%.	For Cash Units: Currently 2%, maximum 5%.
Realisation Charge	Nil.		
Switching Fee <sup>(1)</sup>	Currently 1%; Maximum 1%.		

<b>Payable by the Sub-Fund to the Managers and other parties</b>		
	<b>Class A (Acc) SGD, Class A (Dist) SGD, Class A (Acc) USD (Hedged), Class A (Dist) USD (Hedged), Class S SGD Dist and Class S USD Dist (Hedged)</b>	<b>Class B (Acc) SGD</b>
Management Fee (a) Retained by Managers (b) Paid by Managers to financial adviser (trailer fee)	Currently 0.63% p.a.; Maximum 1.5% p.a.. – (a) 36.51% to 90.08% of Management Fee – (b) 9.92% to 63.49% <sup>2</sup> of Management Fee	Currently 0.33% p.a.; Maximum 1.5% p.a.. – (a) 50.00% of Management Fee – (b) 50.00% <sup>2</sup> of Management Fee
Trustee fee <sup>(2)</sup>	Currently below 0.05% p.a., maximum 0.1% p.a.; Subject to a maximum of S\$45,000 p.a..	
Valuation and accounting fee	Based on a tiered structure. <sup>(3)</sup>	
Registrar and transfer agent fee	Based on a tiered structure. <sup>(4)</sup>	
Audit fee <sup>(5)</sup> (payable to the auditors), custodian fee <sup>(6)</sup> , transaction costs <sup>(7)</sup> and other fees and charges <sup>(8)</sup>	Subject to agreement with the relevant parties. Each of the fees and charges may amount to or exceed 0.1% p.a. depending on the proportion that it bears to the NAV of the Sub-Fund.	

<sup>(1)</sup> In the case of a switch of Units between Classes (if permitted by us), a Switching Fee of 1% is payable. In this connection, we currently permit the switching of Units between (i) Class A (Acc) SGD and Class A (Dist) SGD and (ii) Class A (Acc) USD (Hedged) and Class A (Dist) USD (Hedged). Switching of Units between Class A and Class B is currently not permitted. In addition, switching of Units of any Class which are denominated in the same currency (as the Units being switched into) to Units in the Class S SGD Dist or the Class S USD Dist (Hedged) (or vice versa) may be permitted at our sole discretion. If you switch your Units to another Group Fund, we will charge you the Switching Fee instead of the subscription fee for the Group Fund. If the subscription fee for the Group Fund is more than the Switching Fee, you are effectively receiving a discount on the Group Fund's subscription fee.

<sup>(2)</sup> The Trustee Fee shall be paid by us out of the Management Fee.

<sup>(3)</sup> Based on the following tiers (calculated based on the NAV of the Sub-Fund) and subject to a maximum of S\$11,000 p.a., the valuation and accounting fee p.a. is as follows:-

- |       |  |                     |
|-------|--|---------------------|
| (i)   | From S\$0 to S\$10,000,000             | = 0.04% of the NAV  |
| (ii)  | From S\$10,000,000.01 to S\$20,000,000 | = 0.02% of the NAV  |
| (iii) | From S\$20,000,000.01 to S\$30,000,000 | = 0.01% of the NAV  |
| (iv)  | Greater than S\$30,000,000             | = 0.005% of the NAV |

<sup>(4)</sup> Based on the following tiers (calculated based on the NAV of the Sub-Fund), the registrar and transfer agent fee is as follows:-

- |       |  |                  |
|-------|--|------------------|
| (i)   | Less than S\$5,000,000                 | = nil            |
| (ii)  | From S\$5,000,000 to S\$10,000,000     | = S\$6,000 p.a.  |
| (iii) | From S\$10,000,000.01 to S\$25,000,000 | = S\$10,000 p.a. |
| (iv)  | From S\$25,000,000.01 to S\$50,000,000 | = S\$15,000 p.a. |

<sup>2</sup> Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Managers.

- (v) From S\$50,000,000.01 to S\$100,000,000 = S\$30,000 p.a.
- (vi) Greater than S\$100,000,000 = S\$60,000 p.a.

<sup>(5)</sup> The audit fee is subject to agreement with the auditors for the relevant financial year. Based on the audited accounts and the average NAV of the Sub-Fund for the financial year ended 31 December 2017, the audit fee did not amount to or exceed 0.1% in that financial year.

<sup>(6)</sup> The custodian fee is subject to agreement with the custodian. Based on the audited accounts and the average NAV of the Sub-Fund for the financial year ended 31 December 2017, the custodian fee did not amount to or exceed 0.1% in that financial year.

<sup>(7)</sup> Transaction costs (which do not include the transaction fees mentioned below) include all expenses relating to the purchase and sale of financial instruments. Based on the audited accounts and the average NAV of the Sub-Fund for the financial year ended 31 December 2017, the transaction costs did not amount to or exceed 0.1% in that financial year.

<sup>(8)</sup> Other fees and charges include transaction fees payable to the custodian (the amount of which will depend on the number of transactions carried out and the place at which such transactions are effected), printing costs, legal and professional fees, goods and services tax and other out-of-pocket expenses. Based on the audited accounts and the average NAV of the Sub-Fund for the financial year ended 31 December 2017, the aggregate of the other fees and charges did not amount to or exceed 0.1% in that financial year.

As required by the Code, all marketing, promotional and advertising expenses in relation to the Sub-Fund will not be paid from the Deposited Property of the Sub-Fund.

Any Subscription Fee and Realisation Charge will be retained by us for our own benefit, and will not form part of the Deposited Property. All or part of the Subscription Fee may also be paid to or retained by our authorised agents or distributors. We will also pay any other commission or remuneration to such authorised agents or distributors in respect of the marketing of Units. Please note that the authorised agents and distributors through whom you subscribe for Units may (depending on the specific nature of services provided) impose other fees and charges that are not disclosed in this Prospectus, and you should therefore check with such authorised agents or distributors on such fees and charges, if any.

We may at any time differentiate between investors as to the amount of the Subscription Fee, Realisation Charge, Switching Fee and other charges (if any) payable to us upon the issue, realisation or switch of Units, or apply such discounts or waivers as we think fit (provided that such discounts will be borne by us and not by the Sub-Fund).

## **IX. RISKS**

### **26. General Risks**

- 26.1 You should consider and satisfy yourself as to the risks of investing in the Sub-Fund. Generally, some of the risk factors that you should consider are market risks, interest rate risks, foreign exchange risks, political risks, repatriation risks, liquidity risks and derivatives risks.
- 26.2 An investment in the Sub-Fund is meant to produce returns over the long-term and you should not expect to obtain short-term gains from such investment.
- 26.3 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. There is no guarantee that the investment objective of the Sub-Fund will be achieved.

### **27. Specific Risks**

#### **27.1 Market Risk in the Global Markets**

You should consider and satisfy yourself as to the usual risks of investing and participating in publicly traded securities. Prices of securities that the Sub-Fund invests in may be affected by changes in economic conditions, interest rates and the market's perception of securities which in turn may cause the price of Units to rise or fall.

## 27.2 Foreign Exchange and Currency Risk

The Sub-Fund is denominated in Singapore dollars and the Classes are each denominated in the relevant currency (which may or may not be Singapore dollars). Where the Sub-Fund makes investments which are denominated in foreign currencies, fluctuations in the exchange rates of the currency or currencies in which the underlying assets of the Sub-Fund are denominated (the “**Portfolio Currency**”) against the base currency of the Sub-Fund and/or the denominated currency of the relevant Class may affect the value of the relevant Units. In our management of the Sub-Fund, we may hedge the foreign currency exposure of the Sub-Fund or any Class against the Portfolio Currency and may adopt an active or passive currency management approach in doing so. However, the foreign currency exposure of the Sub-Fund or the relevant Class may not be fully hedged depending on the circumstances of each case. Such considerations shall include but are not limited to the outlook on the relevant currency, the costs of hedging and the market liquidity of the relevant currency. Subject to the provisions of the Code, in the hedging of any such foreign currency exposure of the relevant Class, we may hedge up to 100% of the proportion of the NAV attributed to such Class.

As indicated above, the Sub-Fund has Classes of Units that are denominated in currencies other than the base currency of the Sub-Fund. For instance, Class A (Acc) USD (Hedged) Units, Class A (Dist) USD (Hedged) Units and Class S USD Dist (Hedged) Units are denominated in US dollars, which is not the base currency of the Sub-Fund. Changes in the exchange rate between the base currency of the Sub-Fund and the denominated currency of any such Class may lead to an appreciation or depreciation of the value of the Units of the Class, as expressed in the denominated currency of the Class and depending on the movement in exchange rates between the base currency and the denominated currency of the Class. Subject to the same considerations in the preceding subparagraph, we may or may not mitigate the exchange rate risk by hedging such foreign currency exposure to the extent of the NAV attributed to such Class and to the extent that we do not hedge such foreign currency exposure, investors of the relevant Class will be exposed to exchange rate risks.

In addition, you should note that although a financial instrument that is used to hedge any such foreign currency exposure of a Class is not in relation to the other Classes (if any) within the Sub-Fund, the financial instrument will comprise the assets (or liabilities) of the Sub-Fund as a whole. The gains (or losses) on and the costs of the relevant financial instrument will, however, accrue solely to the relevant Class.

You should note that the Sub-Fund may offer for subscription Units in Hedged Classes (i.e. Class A (Acc) USD (Hedged), Class A (Dist) USD (Hedged) and Class S USD Dist (Hedged)). In the case of Hedged Classes, we currently adopt a passive hedging policy to hedge the currency in which the relevant Hedged Class is denominated (the “**Hedged Currency**”) against the Portfolio Currency. Notwithstanding the above, we retain the discretion to adopt any other hedging policy as we may determine from time to time.

The effects of hedging will be reflected in the value of the Hedged Class. A Hedged Class allows us to use currency hedging transactions to reduce the effect of exchange rate fluctuations between the Portfolio Currency and the Hedged Currency. The aim is that the Hedged Class should reflect the actual return of the Portfolio Currency within the Sub-Fund, as applicable, plus or minus the interest rate differential between the Hedged Currency and the Portfolio Currency. However, other factors may impact the return of the Hedged Class which means that the Hedged Class may not perfectly achieve this aim. These factors include but are not limited to:

- (i) any unrealised profit/loss on the currency forward remaining un-invested until the hedge is rolled over and any profit or loss is crystallised;
- (ii) transaction costs;
- (iii) short-term interest rate changes;
- (iv) the timing of the market value hedge adjustments relative to the Sub-Fund’s Valuation Point; and
- (v) intra-day volatility of the value of the Portfolio Currency in relation to the existing hedge.

The costs and expenses associated with the hedging transactions in respect of a Hedged Class and any benefits of the hedging transactions will accrue to Holders in that Hedged Class only.

Subject to the provisions of the Code, we will aim to hedge not more than 100% of the proportion of the NAV attributable to the relevant Hedged Class. When assessing the hedging transactions in respect of a Hedged Class, we will take both the capital and income values of the Hedged Class into account.

We will review the relevant hedging positions daily and, if appropriate, adjust the hedge to reflect investor inflows and outflows.

Please note that hedging transactions may be entered into whether or not the Hedged Currency is declining or increasing in value relative to the Portfolio Currency; consequently, where such hedging is undertaken, it may protect investors in the relevant Hedged Class against a decrease in the value of the currency being hedged but it may also preclude investors from benefiting from an increase in the value of such currency. Investors in a Hedged Class will still be exposed to the market risks that relate to the underlying investments in the Sub-Fund and any exchange rate risks that arise from the policy of the Sub-Fund that is not fully hedged.

There can be no guarantee that the hedging strategy applied in a Hedged Class will entirely eliminate the adverse effects of changes in exchange rates between the Portfolio Currency and the Hedged Currency.

### 27.3 Political Risk

The Sub-Fund's investments may be adversely affected by political instability as well as exchange controls, changes in taxation, foreign investment policies, restrictions on repatriation of investments and other restrictions and controls which may be imposed by the relevant authorities in the relevant countries.

### 27.4 Derivatives Risk

As the Sub-Fund may (subject to the Code) use or invest in FDIs, it will be subject to risks associated with such investments. FDIs include, but are not limited to, foreign exchange forward contracts. An investment in a FDI may require the deposit of initial margin and additional deposit of margin on short notice if the market moves against the investment position. If the required margin is not provided in time, the investment may be liquidated at a loss. Therefore, it is essential that such investments in FDIs are monitored closely. We have the controls for investments in FDIs and have in place systems to monitor the derivative positions of the Sub-Fund. Please see paragraph 22 for more information on our risk management procedures on certain investments.

### 27.5 Liquidity Risk

Investments by the Sub-Fund in some Asian and/or emerging markets often involve a greater degree of risk due to the nature of such markets which do not have fully developed services such as custodian and settlement services often taken for granted in more developed markets. There may be a greater degree of volatility in such markets because of the speculative element, significant retail participation and the lack of liquidity which are inherent characteristics of these markets.

### 27.6 Small Capitalisation Companies Risk

Investments in companies with small capitalisation generally carry greater risk than is customarily associated with companies with larger capitalisation, which may include, for example, less public information, more limited financial resources and product lines, greater volatility, higher risk of failure than larger companies and less liquidity. The result may be greater volatility in the share prices.

### 27.7 Single Country, Sector or Region Risk

You should be aware that investments in a single country, sector or region which may present greater opportunities and potential for capital appreciation may be subject to higher risks as they may be less diversified than a global portfolio.

### 27.8 Interest Rate Risks

The Sub-Fund's investments in debt securities are subject to the risk of interest rate fluctuations, and the prices of debt securities may go up or down in response to such fluctuations in interest rates.

### 27.9 Credit and Default Risks

Adverse changes in the financial condition of the issuer of the debt securities which the Sub-Fund is invested in, or in general economic conditions, or both, or an unanticipated rise in interest rates, may increase the potential for default.

#### 27.10 Broker Risk

We may engage the services of third party securities brokers and dealers to acquire or dispose the investments of the Sub-Fund and to clear and settle its exchange traded securities trades. In selecting brokers and dealers and in negotiating any commission involved in their transactions, we consider, amongst other things, the range and quality of the professional services provided by such brokers and dealers and their credit standing and licensing or regulated status.

It is possible that the brokers or dealers engaged for the Sub-Fund may encounter financial difficulties that may impair the Sub-Fund's operational capabilities. If a broker or dealer fails or becomes insolvent, there is a risk that the Sub-Fund's orders may not be transmitted or executed and its outstanding trades made through the broker or dealer may not settle.

#### 27.11 Counterparty Risk

Where the Sub-Fund enters into over-the-counter transactions, the Sub-Fund is exposed to the risk that a counterparty may default on its obligations to perform under the relevant contract. If a counterparty becomes bankrupt or insolvent, the Sub-Fund could experience delays in liquidating an investment and may therefore incur significant losses, including losses resulting from a decline in the value of the investment during the period in which the Sub-Fund seeks to enforce its rights. The Sub-Fund may also be unable to realise any gains on the investment during such period and may incur fees and expenses to enforce its rights. There is also a risk that counterparty contracts may be terminated earlier due to, for instance, bankruptcy, supervening illegality or change in the tax or accounting laws relative to those laws existing at the time the contracts were entered into.

#### 27.12 Risk Relating to Distributions

Where Class A (Dist) SGD, Class A (Dist) USD (Hedged), Class S SGD Dist or Class S USD Dist (Hedged) makes distributions to Holders, such distributions are at our absolute discretion and are not guaranteed. Distributions may be made from dividend/interest income and capital gains derived from the investments of the Sub-Fund. Dividend/interest income may be adversely affected by events such as (but not limited to) investee entities suffering unexpected losses and/or paying lower than expected dividends, and adverse currency exchange rate fluctuations. Subject to the distribution policy of the relevant Class, distributions may also be made out of capital. The declaration and/or payment of distributions (whether out of income, capital gains, capital or otherwise) may have the effect of lowering the NAV of the relevant Class. Moreover, distributions out of capital may amount to a reduction of the relevant Holder's original investment. Distributions may also result in reduced future returns to the relevant Holders.

#### 27.13 Investment Management Risk

Investment performance depends on the portfolio management team and the team's investment strategies. If the investment strategies do not perform as expected, if opportunities to implement those strategies do not arise, or if the team does not implement its investment strategies successfully, an investment portfolio may underperform or suffer significant losses.

#### 27.14 Risk of using rating agencies and other third parties

Credit ratings of instruments invested into by the Sub-Fund represent our and/or rating agencies' opinion regarding the credit quality of the instrument or the institution and are not a guarantee of quality. Rating methodologies generally rely on historical data, which may not be predictive of future trends and adjustments to credit ratings in response to subsequent changes in circumstances may take time. When a debt security is rated, the downgrading of such debt security could decrease the value and liquidity of the security.

Where we rely on ratings issued by credit rating agencies, we have established a set of internal credit assessment standards and have put in place a credit assessment process to ensure that the Sub-Fund's investments are in line with these standards. Information on our credit assessment process will be made available to investors upon request.

We may rely, without independent investigation, upon pricing information and valuations furnished to the Sub-Fund by third parties, including pricing services and independent brokers/dealers. Their accuracy depends on these parties' methodology, due diligence and timely response to changing conditions. We will not be responsible for any failures by such parties in their valuations.

*The above is not an exhaustive list of the risks which you should consider before investing in the Sub-Fund. An investment in the Sub-Fund may be exposed to other risks of an exceptional nature from time to time.*

## X. SUBSCRIPTION OF UNITS

### 28. Subscription procedure

How to subscribe for Units:	<p>You may apply for Units through the following channels:</p> <ul style="list-style-type: none"> <li>• authorised agents and distributors</li> <li>• ATMs (as and when available)</li> <li>• websites designated by us</li> <li>• other sales channels made available by us</li> </ul> <p>You should include all required documents and subscription monies in full with your application and indicate clearly on the application form the Class of Units that you are subscribing for, failing which your application may be rejected.</p>
How to pay for Units:	<ul style="list-style-type: none"> <li>• By cheque in favour of the payee set out in the relevant application form.</li> <li>• By telegraphic transfer to the account set out in the relevant application form or as may be prescribed by us. All bank charges will be borne by you.</li> <li>• <u>SRS monies (for Class A (Acc) SGD Units, Class A (Dist) SGD Units and Class S SGD Dist only)</u>: You should check with your SRS operator bank if you can invest in the relevant Class of Units using SRS monies. You must indicate that you are using SRS monies on the application form, which also contains your instructions to your SRS operator bank to withdraw the purchase monies from your SRS account.</li> <li>• <u>CPF monies (for Class A (Acc) SGD Units only)</u>: You must indicate that you are using CPF monies on the application form. The application form will contain your instructions to your CPF agent bank to withdraw the purchase monies from your CPF investment account.</li> </ul> <p>Class A (Acc) SGD Units subscribed with CPF monies may not be held jointly.</p>
Other salient terms:	<ul style="list-style-type: none"> <li>• We may accept or reject any application for Units at our absolute discretion. Without prejudice to the foregoing, please note that if the net asset value of the Class S SGD Dist or the Class S USD Dist (Hedged) reaches or exceeds S\$100 million (or its equivalent in such other currency as we may decide) at any time, any further subscriptions for Units in that Class will only be accepted at our absolute discretion.</li> <li>• Generally, Units will not be issued until the Trustee receives the relevant subscription monies in cleared funds, although we may at our discretion issue Units before the Trustee receives full payment in cleared funds (save for those subscriptions made through the use of SRS monies).</li> <li>• We and our authorised agents and distributors may request for such information and/or documents as may be necessary to verify your identity or to comply with any applicable laws, regulations or guidelines (including anti-money laundering laws).</li> </ul>

29. **Minimum subscription amounts and minimum holding**

<b>Minimum initial subscription*</b>	<b>Minimum subsequent subscription*</b>	<b>Minimum holding</b>
<u>Class A (Acc) SGD, Class A (Dist) SGD and Class S SGD Dist:</u> S\$1,000  <u>Class A (Acc) USD (Hedged), Class A (Dist) USD (Hedged) and Class S USD Dist (Hedged):</u> US\$1,000  <u>Class B (Acc) SGD:</u> S\$500,000	<u>Class A (Acc) SGD, Class A (Dist) SGD and Class S SGD Dist:</u> S\$500  <u>Class A (Acc) USD (Hedged), Class A (Dist) USD (Hedged) and Class S USD Dist (Hedged):</u> US\$500  <u>Class B (Acc) SGD:</u> S\$100,000	<u>Class A (Acc) SGD, Class A (Dist) SGD, Class S SGD Dist, Class A (Acc) USD (Hedged), Class A (Dist) USD (Hedged) and Class S USD Dist (Hedged):</u>  1,000 Units of the relevant Class or the number of Units of the relevant Class which were or would have been purchased for the minimum initial subscription amount of that Class at the prevailing issue price at the time of your initial subscription or purchase of Units in the relevant Class (or such other number of Units in the relevant Class or amount as may from time to time be determined by us either generally or in any particular case or cases upon giving prior written notice to the Trustee)  <u>Class B (Acc) SGD:</u>  500,000 Class B (Acc) SGD Units or the number of Class B (Acc) SGD Units which were or would have been purchased for S\$500,000 at the prevailing issue price at the time of your initial subscription or purchase of Class B (Acc) SGD Units (or such other number of Class B (Acc) SGD Units or amount as may from time to time be determined by us either generally or in any particular case or cases upon giving prior written notice to the Trustee)

\* or such other amount as we may from time to time determine upon giving prior written notice to the Trustee.

Our authorised agents and distributors may impose a higher minimum initial subscription amount or minimum subsequent subscription amount. Please check with the relevant authorised agent or distributor before submitting your subscription application.

30. **Initial Offer Period and Initial Issue Price**

During the relevant initial offer period, Units of the relevant Class in the table below (each a “**New Class**” and collectively, the “**New Classes**”) will be offered at the relevant initial issue price as set out in the table below.

<b>New Class</b>	<b>Initial issue price per Unit</b>	<b>Initial offer period</b>
Class S SGD Dist	S\$1.00	The initial offer period for each New Class will be for such period and at such time as we may decide from time to time upon notification to the Trustee. We currently expect each such initial offer period to be within 12 months from the date of registration of this Prospectus.
Class S USD Dist (Hedged)	US\$1.00	

Please note that if at any time during the initial offer period for a New Class, the total subscriptions for Units of that Class reach or exceed S\$100 million (or its equivalent in such other currency as we may decide), any further subscriptions for Units in that Class will only be accepted at our absolute discretion.

31. **Conditions for launching New Class**

We reserve the right not to proceed with the launch of any New Class if we are of the view that it is not in the interest of the investors or it is not commercially viable to proceed with the relevant New Class.

In such event, we may at our discretion declare the relevant New Class to be deemed not to have commenced, and shall notify the relevant investors of the same and return the subscription monies received (without interest) to the relevant investors no later than 30 Business Days after the close of the relevant initial offer period.

### 32. Issue of Units

Dealing Deadline:	<p>3:00 p.m. Singapore time on a Dealing Day (or such other time on or prior to such Dealing Day as we may from time to time determine with the approval of the Trustee).</p> <p>For applications received and accepted by us or our authorised agents or distributors by the Dealing Deadline of a Dealing Day, Units will be issued at the issue price for that Dealing Day.</p> <p>For applications received and accepted after the Dealing Deadline or on a day which is not a Dealing Day, Units will be issued at the issue price for the next Dealing Day.</p>
Pricing basis:	Units are issued on a forward pricing basis.
Issue price:	<p>The issue price per Unit of each Class of the Sub-Fund shall be ascertained by:</p> <ul style="list-style-type: none"> <li>calculating the NAV as at the Valuation Point in relation to such Dealing Day on which such issue occurs of the proportion of the Deposited Property of the Class of the Sub-Fund represented by one Unit; and</li> <li>truncating the resultant amount to three decimal places</li> </ul> <p>(or such other method of determination or adjustment or number of decimal places as determined by us with the approval of the Trustee).</p> <p>Any adjustments shall be retained by the Sub-Fund.</p>
Deduction of Subscription Fee:	A Subscription Fee may be deducted from the total subscription monies paid by you (the “ <b>Gross Investment Amount</b> ”), and the remainder (the “ <b>Net Investment Amount</b> ”) will be applied towards your subscription of Units.
Conversion of issue price:	<p>We will generally only accept payment in the currency of denomination of the Class of Units subscribed for.</p> <p>We may also accept payment in any other currency from time to time at our sole discretion and subject to such additional terms as we may impose from time to time. The costs and risks of such currency exchange will be borne by you.</p>
Confirmation of purchase:	A confirmation note detailing your investment amount and the number of Units allocated to you will be sent to you within 5 Business Days for cash applications or 11 Business Days for CPF or SRS applications, from the date of issue of Units.

### 33. Numerical example of how Units are allotted

The following is an example of the number of Units you will acquire based on an investment of S\$1,000.00:

S\$1,000.00	-	S\$50.00	=	S\$950.00
Gross Investment Amount		Subscription Fee (5%) <sup>^</sup>		Net Investment Amount
S\$950.00	÷	S\$1.000 <sup>^</sup>	=	950.00*
Net Investment Amount		Notional issue price		Number of Units allotted

<sup>^</sup> Based on an issue price of S\$1.000 and a Subscription Fee of 5%. This example is for illustrative purposes only and is not an indication of future or likely performance of the Sub-Fund or any Class. The value of Units of the relevant Class and the resultant income may fluctuate. You should note that Units in some Classes may be denominated in a currency other than Singapore dollars.

\* The number of Units to be issued will be rounded down to two decimal places.

#### 34. Cancellation of initial subscription

Subject to the provisions of the Deed and to the terms and conditions for cancellation of subscription in the cancellation form provided together with the application form for Units, you may cancel your subscription for Units in a Class of the Sub-Fund by giving written notice or by submitting the cancellation form (whichever is applicable) to us or our authorised agents or distributors within 7 calendar days from the date of subscription or purchase of Units (or such longer period as may be agreed between us and the Trustee or such other period as may be prescribed by the Authority), provided that where the last day of such time period falls on a Sunday or a public holiday, the time period shall be extended to the next calendar day, not being a Sunday or a public holiday in Singapore. However you will have to take the risk of any change in the price of your Units since the date of your subscription and pay any bank charges, administrative or other fees imposed by the relevant authorised agent or distributor.

Instead of cancelling your subscription, you may choose to realise your Units in accordance with Part XII, but you will not enjoy the benefits of cancellation under this paragraph 34 (i.e. the Subscription Fee will not be refunded and a Realisation Charge (if any) may be imposed). Further, the Net Realisation Proceeds may be lower than the cancellation proceeds if any appreciation in the value of the Units is less than the aggregate of the Subscription Fee and Realisation Charge (if any) imposed.

*Please refer to the terms and conditions for cancellation of subscription in the cancellation form before subscribing for Units.*

#### XI. REGULAR SAVINGS PLAN

35. Currently, RSPs are only available for Class A (Acc) SGD Units, Class A (Dist) SGD Units and Class S SGD Dist Units. Currently, RSPs are only offered and operated directly by our authorised agents and distributors. Please check for availability with the relevant authorised agent or distributor.

Salient terms relating to RSPs:

Minimum holding to invest in a RSP:	The minimum holding of Units in the relevant Class as specified in paragraph 29.
Minimum investment sum:	S\$100 monthly or S\$500 quarterly.
Method of payment:	Cash: You must complete an Interbank GIRO form authorising periodic RSP payments and submit it together with the relevant application form as required by the authorised agent or distributor. CPF monies (currently available for Class A (Acc) SGD Units only): You must complete a CPF standing instruction form and submit it together with the relevant application form as required by the authorised agent or distributor. SRS monies: You must submit the relevant application form as required by the authorised agent or distributor. Before investing, you should check with your SRS operator bank on whether a RSP using SRS monies is available. Please note that the authorised agent or distributor may require other forms to be completed.
When payment is debited:	Payment will be debited from the relevant account on: <ul style="list-style-type: none"><li>• <i>for monthly RSP subscriptions</i>: the 25<sup>th</sup> calendar day of each month;</li><li>• <i>for quarterly RSP subscriptions</i>: the 25<sup>th</sup> calendar day of the last month of each calendar quarter.</li></ul> If the 25 <sup>th</sup> calendar day is not a Business Day, payment will be debited on the next Business Day.

Allotment of Units:	Your investment will be made on the same Business Day (or the next Dealing Day if that day is not a Dealing Day) after payment has been debited, with the allotment of Units made normally within 2 Business Days after the debit.
Unsuccessful debits:	If a debit is unsuccessful, no investment will be made for that month or quarter (as the case may be). After 2 consecutive unsuccessful debits, the RSP may be terminated. You will not be notified of any unsuccessful debit or termination.
Termination of RSP:	You may terminate your participation in any RSP without penalty by giving not less than 30 days' written notice to the authorised agent or distributor from whom you applied for the RSP.

The terms of RSPs offered by each authorised agent or distributor may vary from the above and may be subject to changes from time to time. You should contact the relevant authorised agent or distributor for information on the RSP offered before applying.

We will not assume any liability for any losses arising from your participation in any RSP.

## XII. REALISATION OF UNITS

### 36. How to realise Units

How to request for realisation:	You may request to realise your Units through the following channels: <ul style="list-style-type: none"> <li>• authorised agents and distributors through whom your Units were originally purchased</li> <li>• ATMs (as and when available)</li> <li>• websites designated by us</li> <li>• other channels made available by us</li> </ul> You should indicate clearly on the realisation form the Class of Units that you are making a realisation request for.
Minimum realisation amount:	Class A (Acc) SGD, Class A (Dist) SGD, Class A (Acc) USD (Hedged), Class A (Dist) USD (Hedged), Class S SGD Dist and Class S USD Dist (Hedged): 500 Units of the relevant Class per request (or such other amount determined from time to time by us upon giving prior written notice to the Trustee). Class B (Acc) SGD: 100,000 Class B (Acc) SGD Units (or such other amount determined from time to time by us upon giving prior written notice to the Trustee). You may not realise part of your holding of Units if, as a result of the realisation, your holding would be less than the minimum holding set out in paragraph 29.
Dealing Deadline:	3:00 p.m. Singapore time on any Dealing Day. For requests received and accepted by us or our authorised agents or distributors by the Dealing Deadline of a Dealing Day, Units will be realised at the realisation price applicable to that Dealing Day. For requests received and accepted after the Dealing Deadline or on a day that is not a Dealing Day, Units will be realised at the realisation price applicable to the next Dealing Day.
Pricing basis:	Units are realised on a forward pricing basis.

Realisation price:	<p>The realisation price per Unit of each Class of the Sub-Fund shall be the price per Unit ascertained by:</p> <ul style="list-style-type: none"> <li>calculating the NAV as at the Valuation Point in relation to the Dealing Day on which the realisation request is received of the proportion of the Deposited Property of that Class of the Sub-Fund then represented by one Unit; and</li> <li>truncating the resultant amount to three decimal places</li> </ul> <p>(or such other method of determination or adjustment or other number of decimal places as determined by us with the approval of the Trustee).</p> <p>Any adjustments shall be retained by the Sub-Fund.</p>
Deduction of Realisation Charge:	A Realisation Charge may be deducted from the total amount payable to you (the “ <b>Gross Realisation Proceeds</b> ”), and the remainder (the “ <b>Net Realisation Proceeds</b> ”) will be paid to you.
Conversion of realisation price:	We will generally only permit the realisation of Units in the currency of denomination of the Class of Units being realised. The realisation price for such Units will be calculated in the currency of denomination of the relevant Class.
When will Net Realisation Proceeds be paid to you:	<p>Within seven Business Days after the relevant Dealing Day (or such other period as may be permitted by the Authority). There may be delays in cases where the realisation of Units has been limited or suspended in accordance with paragraph 38 or Part XV of this Prospectus.</p> <p>Proceeds will be paid by cheque or (where applicable) credited to your designated bank account, CPF account or SRS account.</p>
Other salient terms:	<ul style="list-style-type: none"> <li>You will bear all bank charges incurred for any telegraphic transfer of realisation proceeds to your designated bank account.</li> <li>If you are resident outside Singapore, we will deduct from your Gross Realisation Proceeds any expenses actually incurred by us over the amount of expenses which we would have incurred if you had been resident in Singapore.</li> <li>If we or any of our authorised agents or distributors receive a realisation request for Units before the Trustee receives your subscription monies for such Units, we may refuse to realise such Units until the next Dealing Day after the Dealing Day on which your subscription monies for such Units are received by the Trustee.</li> <li>Subject to the prior approval of the Trustee, we may change the method of determining the realisation price and we shall give notice of such change to the Holders if so required by the Trustee.</li> </ul>

### 37. Numerical example of calculation of Net Realisation Proceeds

The Net Realisation Proceeds payable to you on the realisation of 1,000 Units will be calculated as follows:

1,000.00 Units	x	S\$0.900*	=	S\$900.00
Your realisation request		Notional realisation price		Gross Realisation Proceeds
S\$900.00	-	S\$0.00	=	S\$900.00
Gross Realisation Proceeds		Realisation Charge (0%)*		Net Realisation Proceeds

*\* Based on a realisation price of S\$0.900. There is currently no Realisation Charge imposed. This example is for illustrative purposes only and is not a forecast or indication of future or likely performance of the Sub-Fund or any Class. You should note that Units in some Classes may be denominated in a currency other than Singapore dollars.*

38. **Limit on realisations**

We may, with the approval of the Trustee and subject to the provisions of the Deed, limit the total number of Units of the Sub-Fund to be realised by the Holders or cancelled by us on any Dealing Day up to ten per cent (10%) of the total number of Units then in issue. Such limitation will be applied pro rata to us and all Holders who have validly requested realisations on such Dealing Day. Any Units which are not realised or cancelled will be realised or cancelled on the next Dealing Day, subject to the same limitation and Provided That any Units which have been so carried forward shall on any such succeeding Dealing Day be realised or cancelled in priority to any new Units due to be realised or cancelled on that Dealing Day. If realisation requests are so carried forward, we will notify the affected Holders within seven (7) Business Days.

39. **Compulsory realisations**

We may compulsorily realise your holding of Units in certain circumstances. Please see paragraph 62 for further details.

**XIII. SWITCHING OF UNITS**

40.

How to switch your Units:	Currently, you may request to switch (i) Units between (a) Class A (Acc) SGD and Class A (Dist) SGD and (b) Class A (Acc) USD (Hedged) and Class A (Dist) USD (Hedged) or (ii) (if permitted by us at our sole discretion) Units in any Class which are denominated in the same currency (as the Units being switched into) to Units in the Class S SGD Dist or the Class S USD Dist (Hedged) (or vice versa) or (iii) Units of any Class to units of any other Group Fund (the “ <b>new Class</b> ” and “ <b>Group Fund</b> ” respectively), by giving us or our authorised agents or distributors a switching request in the prescribed form.
When switches are made:	Switches will only be made on a day (“ <b>Common Dealing Day</b> ”) which is both a Dealing Day for your Units and a dealing day for the units of the new Class or Group Fund (as the case may be).  For requests received and accepted by us or our authorised agents or distributors by the Dealing Deadline of a Common Dealing Day, Units will be switched on that Dealing Day.  For requests received and accepted after the Dealing Deadline or on a day that is not a Common Dealing Day, Units will be switched on the next Common Dealing Day.
How switches are carried out:	A switch of Units will be effected as follows:  (a) your Units will be realised at the realisation price calculated under paragraph 36;  (b) the net realisation proceeds shall then be used (after deducting any Switching Fee payable (in lieu of charging a subscription fee for the units of the new Class or Group Fund (as the case may be)) provided that such Switching Fee shall not be more than the subscription fee for the units of the new Class or Group Fund (as the case may be)) to subscribe for units of the new Class or Group Fund (as the case may be) at the prevailing issue price of such units of the new Class or Group Fund (as the case may be). For the purposes of the switch, we may waive in whole or in part the subscription fee for the units of the new Class or Group Fund (as the case may be) and/or the Realisation Charge (if any).

Other salient terms:	<ul style="list-style-type: none"> <li>• There will be a Switching Fee payable by you (as set out in paragraph 25 above).</li> <li>• Switches will be at our discretion.</li> <li>• Switching is subject to the provisions of the Deed and the constitutive documents of the relevant Group Fund, including the provisions relating to the issue and realisation of units, and such terms and conditions as we may from time to time determine.</li> <li>• Switches will not be allowed if they result in you holding Units or units in the Group Fund below the minimum holding applicable to your Units or the Group Fund.</li> <li>• Switches will not be allowed during any period where the realisation of Units has been limited or suspended in accordance with paragraph 38 or Part XV of this Prospectus or when the issue of units of the new Class or the Group Fund (as the case may be) is suspended.</li> <li>• Units purchased with cash, CPF monies or SRS monies (as the case may be) may only be switched to units of a new Class or Group Fund which may be purchased with the same payment method.</li> <li>• Switches will not be allowed during the initial offer period of the original Class and the initial offer period of the relevant new Class or Group Fund.</li> <li>• Units may not be switched for units in a Group Fund which are denominated in a different currency from the Units being switched.</li> <li>• Unless otherwise permitted by us (as set out above), no switching of Units shall be permitted between the different Classes.</li> </ul>
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#### **XIV. OBTAINING PRICES OF UNITS**

41. You may obtain indicative prices of Units:

- from our authorised agents and distributors; or
- by calling our hotline at 1800 22 22 228 from 8 a.m. to 8 p.m. daily (Singapore time).

The actual prices quoted will generally be published 2 Business Days after the relevant Dealing Day in the currency of denomination of the relevant Class. Prices may be published in local or foreign publications such as The Straits Times and The Business Times, and on our website at [uobam.com.sg](http://uobam.com.sg) or any other website designated by us. Publication frequency depends on the policies of the relevant publisher. Except for our own publications, we do not accept any responsibility for errors made by any publisher, whether in the published prices or for any non-publication or late publication of prices. We will not be liable in respect of any action taken or loss suffered by you arising from any publication or non-publication by such publishers.

#### **XV. SUSPENSION OF DEALINGS**

42. Subject to the provisions of the Code, we may at any time, with the prior written approval of the Trustee, suspend the issuance and realisation of Units in the Sub-Fund or a Class of the Sub-Fund:-

- (i) during any period when any Recognised Stock Exchange for any material proportion of the Investments for the time being constituting the Deposited Property of the Sub-Fund or the relevant Class is closed otherwise than for ordinary holidays; or
- (ii) during any period when dealings on any such Recognised Stock Exchange are restricted or suspended; or
- (iii) during any period when, in our opinion, there exists any state of affairs as a result of which withdrawal of deposits held for the account of the Sub-Fund or the relevant Class or the realisation of any material proportion of the Investments for the time being constituting the Deposited Property of the Sub-Fund or the relevant Class cannot be effected normally or without seriously prejudicing the interests of Holders as a whole; or

- (iv) during any period when in our opinion, there is a breakdown in the means of communication normally employed in determining the value of any of the Investments or the amount of any cash for the time being comprised in the Deposited Property of the Sub-Fund or the relevant Class or the amount of any liability of the Trustee for account of the Sub-Fund or the relevant Class or when for any other reason the value of any such Investments or the amount of any such cash or liability cannot be promptly and accurately ascertained; or
- (v) during any period when, in our opinion, the transfer of funds which will or may be involved in the realisation of any material proportion of the Investments for the time being constituting the Deposited Property of the Sub-Fund or the relevant Class cannot be effected promptly at normal rates of exchange; or
- (vi) if during any particular day the requests for realisation of Units exceed 10 per cent of the Units of the Sub-Fund or the relevant Class in issue and deemed to be in issue; or
- (vii) during any 48 hour period (or such other longer period as the Trustee and we may agree) prior to the date of any meeting of Holders of Units in the Sub-Fund or the relevant Class (or any adjourned meeting thereof); or
- (viii) during any period when the dealing of Units of the Sub-Fund or the relevant Class is suspended pursuant to any order or direction issued by the Authority; or
- (ix) during any period when the Trustee's or our business operations in relation to the operations of the Sub-Fund are 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
- (x) such circumstances as may be required under the provisions of the Code.

Such suspension shall take effect upon our providing a written declaration to the Trustee or vice versa (as the case may be) and subject to the provisions of the Code, shall end on the day following the 1<sup>st</sup> Business Day on which the condition giving rise to the suspension no longer exists and no other conditions under which suspension is authorised above exist upon our or the Trustee (as the case may be) providing a written declaration of the same.

For the purposes of this paragraph, the “**material proportion**” of the Investments means such proportion of the Investments which when sold would in our opinion in consultation with the Trustee cause the value of the Deposited Property of the Sub-Fund or the relevant Class to be significantly reduced.

43. Any payment for any Units realised before the commencement of any such suspension which has not been paid before the commencement thereof may, if the Trustee and we agree, be deferred until immediately after the end of such suspension.

## XVI. PERFORMANCE OF THE SUB-FUND

### 44. Past performance of the Sub-Fund and its benchmark as at 31 December 2018

	Returns over the past 1 year (%)	Returns over the past 3 years (%)	Returns over the past 5 years (%)	Returns over the past 10 years (%)	Returns since inception <sup>3</sup> (%)
Class A (Acc) SGD Units (NAV – NAV <sup>4</sup> )	0.05%	1.81%	2.22%	4.07%	3.14%
Class A (Acc) SGD Units (NAV – NAV <sup>5</sup> )	-1.95%	1.13%	1.81%	3.86%	3.04%
Benchmark: 6- month SIBID Rate	1.63%	1.34%	1.02%	0.64%	1.27%
Class A (Dist) SGD (NAV – NAV <sup>4</sup> )	0.04%	1.79%	N.A.	N.A.	2.09%
Class A (Dist) SGD (NAV – NAV <sup>5</sup> )	-1.96%	1.11%	N.A.	N.A.	1.66%
Benchmark: 6- month SIBID Rate	1.63%	1.34%	N.A.	N.A.	1.05%
Class A (Acc) USD (Hedged) (NAV – NAV <sup>4</sup> )	0.66%	N.A.	N.A.	N.A.	2.19%
Class A (Acc) USD (Hedged) (NAV – NAV <sup>5</sup> )	-1.35%	N.A.	N.A.	N.A.	1.47%
Benchmark: 6- month SIBID Rate	-0.35%	N.A.	N.A.	N.A.	2.43%
Class A (Dist) USD (Hedged) (NAV – NAV <sup>4</sup> )	0.61%	N.A.	N.A.	N.A.	2.01%
Class A (Dist) USD (Hedged) (NAV – NAV <sup>5</sup> )	-1.40%	N.A.	N.A.	N.A.	1.29%
Benchmark: 6- month SIBID Rate	-0.35%	N.A.	N.A.	N.A.	2.43%

<sup>3</sup> The inception dates for Class A (Acc) SGD Units, Class A (Dist) SGD Units, Class A (Acc) USD (Hedged) Units, Class A (Dist) USD (Hedged) Units and Class B (Acc) SGD Units are 19 June 1998, 13 March 2014, 16 February 2016, 16 February 2016 and 28 March 2013 respectively. The return since inception for the benchmark of the Sub-Fund is calculated based on the inception date of the Class A (Acc) SGD Units, i.e. 19 June 1998.

<sup>4</sup> Calculated in the currency of denomination of the relevant Class on a NAV-to-NAV basis as at 31 December 2018, with all dividends and distributions reinvested (net of reinvestment charges). Performance figures over the last 1 year show the percentage change, while figures for more than one year show the average annual compounded return.

<sup>5</sup> Calculated in the currency of denomination of the relevant Class on a NAV-to-NAV basis as at 31 December 2018, taking into account the Subscription Fee and Realisation Charge (if any), with all dividends and distributions reinvested (net of reinvestment charges). Performance figures over the last 1 year show the percentage change, while figures for more than one year show the average annual compounded return.

	<b>Returns over the past 1 year (%)</b>	<b>Returns over the past 3 years (%)</b>	<b>Returns over the past 5 years (%)</b>	<b>Returns over the past 10 years (%)</b>	<b>Returns since inception<sup>3</sup> (%)</b>
Class B (Acc) SGD Units (NAV – NAV <sup>4</sup> )	0.34%	2.12%	2.54%	N.A.	2.69%
Class B (Acc) SGD Units (NAV – NAV <sup>5</sup> )	-1.66%	1.43%	2.12%	N.A.	2.33%
Benchmark: 6- month SIBID Rate	1.63%	1.34%	1.02%	N.A.	0.91%

Source: Morningstar

The performance figures for the benchmark are calculated in the currency of denomination of the relevant Class.

No performance figures are available in respect of the Class S SGD Dist and the Class S USD Dist (Hedged) as each of these Classes has not been incepted as at 31 December 2018.

*The past performance of the Sub-Fund or any Class of the Sub-Fund is not necessarily indicative of the future performance of the Sub-Fund or any Class of the Sub-Fund.*

#### 45. Expense ratio

The expense ratios<sup>6</sup> of the Class A (Acc) SGD Units, the Class A (Dist) SGD Units, the Class A (Acc) USD (Hedged) Units, the Class A (Dist) USD (Hedged) Units and the Class B (Acc) SGD Units for the year as of 31 December 2017 are 0.67%, 0.67%, 0.67%, 0.67% and 0.36% respectively.

No expense ratios are available in respect of the Class S SGD Dist and the Class S USD Dist (Hedged) as each of these Classes has not been incepted as at 31 December 2017.

*The past performance of the Sub-Fund and its Classes is not indicative of their future performance.*

#### 46. Turnover ratio

The turnover ratio of the Sub-Fund for the period from 1 January 2017 to 31 December 2017 is 159.26%<sup>7</sup>.

### XVII. SOFT DOLLAR COMMISSIONS/ARRANGEMENTS

47. Subject to the provisions of the Code, we may from time to time receive or enter into soft-dollar commissions/arrangements in the management of the Sub-Fund. We will comply with applicable regulatory and industry standards on soft dollars. The soft-dollar commissions/arrangements may include specific advice as to the advisability of dealing in, or of the value of any investment, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurement, 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 custodian

<sup>6</sup> The expense ratio is calculated in accordance with the requirements in the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios (the "IMAS Guidelines") and is based on figures in the Sub-Fund's latest audited accounts. The following expenses (where applicable) and such other expenses as may set out in the IMAS Guidelines (as may be updated from time to time), are excluded from the calculation of the expense ratio:

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

<sup>7</sup> The turnover ratio is calculated based on the lesser of purchases or sales of underlying investments of the Sub-Fund expressed as a percentage of daily average NAV.

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.

We will not accept or enter into soft-dollar commissions/arrangements in respect of the Sub-Fund unless (a) such soft-dollar commissions/arrangements can reasonably be expected to assist us in our management of the Sub-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.

We do not and are not entitled to, retain cash or commission rebates for our own account in respect of rebates earned when transacting in securities for account of the Sub-Fund.

## **XVIII. CONFLICTS OF INTEREST**

### **48. Managers' conflicts of interest disclosures**

We are of the view that there is no conflict of interest in our management of other funds and the Sub-Fund because of the following structures in place:

- (a) Investment decisions for each fund are made impartially. There are no preferred customers or funds and all accounts are treated equally.
- (b) All investment ideas are shared equally among fund managers.
- (c) We subscribe to the Code of Ethics and the Standards of Professional Conduct as prescribed by the Chartered Financial Analyst Institute ("**CFA Institute**") in the United States of America. The CFA Institute is the primary professional organisation for security analysts, investment managers and others who are involved in the investment decision-making process. All charter holders of the CFA Institute and candidates who are in pursuit of the charter, including those from Singapore, are expected to comply with CFA Institute standards. The Code of Ethics and the Standards of Professional Conduct are in place to ensure high ethical and professional standards of investment professionals as well as fair treatment of the investing public.
- (d) Despite the possible overlap in the scope of investments, none of the funds are identical to one another and investment decisions are made according to the individual risk-return characteristic of the relevant fund.
- (e) Most importantly, our usual fair and unbiased practice is to allocate investments proportionately between various funds which place the same orders simultaneously. However, if there are any potential conflicts of interests due to competing orders for the same securities, we will adopt an average pricing policy whereby orders that are partially fulfilled on a particular day will be allotted proportionately among the funds based on their respective initial order size and such quantity allotted will be at the average price of such investments on that particular day.

We shall conduct all transactions with or for the Sub-Fund on an arm's length basis.

Save as provided in the Deed, our associates may be engaged to provide banking, brokerage, financial or other services to the Sub-Fund or buy, hold and deal in any investments, enter into contracts or other arrangements with the Trustee or us and make profits or derive benefits from these activities. Such services to the Sub-Fund, where provided, and such activities with the Trustee or us, where entered into, will be on an arm's length basis.

We and our related entities, officers or employees may from time to time invest and deal in Units for each of our respective individual accounts or (in our case and in the case of our related entities) for the account of another person (including, without limitation, our and our related entities' other clients).

In such an event, we will have regard to our obligations to the Sub-Fund and, in particular, our obligation to act in the best interests of the Sub-Fund and the Holders so far as practicable, having regard to applicable laws and our obligations to our other clients. If a conflict of interest does arise, we will endeavour to ensure that such conflict is resolved fairly.

Subject to the provisions of the Code, we may from time to time:

- (i) invest monies of the Sub-Fund in the securities of any of our related corporations (as defined in Section 4 of the Companies Act, Chapter 50 of Singapore) (each, a "**related corporation**");

- (ii) invest monies of the Sub-Fund in other collective investment schemes managed by us or our related corporations; and
- (iii) deposit monies of the Sub-Fund in the ordinary course of business of the Fund with our related corporations which are banks licensed under the Banking Act, Chapter 19 of Singapore, finance companies licensed under the Finance Companies Act, Chapter 108 of Singapore, merchant banks approved as financial institutions under Section 28 of the Monetary Authority of Singapore Act, Chapter 186 of Singapore or any other deposit-taking institution licensed under an equivalent law in a foreign jurisdiction.

We will endeavour to ensure that such investments and deposits are made on normal commercial terms and are consistent with the investment objective, focus and approach of the Sub-Fund.

#### 49. **Trustee's conflicts of interest disclosures**

The Trustee shall conduct all transactions with or for the Sub-Fund on an arm's length basis.

The Trustee, the registrar and the custodian may from time to time act as trustee, administrator, registrar or custodian or otherwise as may be required from time to time in relation to, or be otherwise involved in or with, other funds and clients which have similar investment objectives to those of the Sub-Fund. It is therefore possible that any of them may, in the course of business, have potential conflicts of interest with the Sub-Fund. Each will, at all times, have regard in such event to its obligations to the Sub-Fund and will endeavour to ensure that such conflicts are resolved fairly and taking into account Holders' interests.

The services of the Trustee provided to the Fund are not deemed to be exclusive and the Trustee shall be free to render similar services to others (including those that may compete with (or have a similar objective to) the business of the Fund or the Sub-Fund) so long as its services to the Fund are not impaired thereby and to retain for its own use and benefit all appropriate fees and benefits. Conflicts of interest will likely arise from the fact that State Street is engaged in a wide variety of businesses and will provide services to many clients with the same or different objectives. The Trustee and its related parties shall not be deemed to be affected with notice of or to be under any duty to disclose to the Fund or the Sub-Fund any fact or information which comes to the notice of the Trustee in the course of the Trustee rendering similar services to other parties or in the course of its business in any other capacity, otherwise than in the course of carrying out its duties under the Deed or as required by any applicable laws and regulations for the time being in force.

Save as provided in the Deed, the associates of the Trustee may be engaged to provide banking, brokerage, financial or other services to the Sub-Fund or buy, hold and deal in any investments, enter into contracts or other arrangements with the Trustee or us and make profits or derive benefits from these activities. Such services to the Sub-Fund, where provided, and such activities with the Trustee or us, where entered into, will be on an arm's length basis. In particular,

- (a) State Street Bank and Trust Company, acting through its Singapore Branch, a party related to the Trustee, has been appointed as custodian of the Fund. The custodian may also appoint related parties as sub-custodians. Cash will be placed with the custodian as banker or may, at our discretion, be invested in certificates of deposit or banking instruments issued by a related party of the Trustee, including the custodian. Money may also be borrowed by the Fund from a State Street entity. In its capacities as custodian and banker, State Street will earn fees/interest for such services and may receive other benefits in connection with such services; and
- (b) where foreign exchange transactions, including but not limited to spot, forward or swap transactions (collectively "**foreign exchange transactions**"), are entered into for or on behalf of the Sub-Fund with an affiliate of the Trustee (a "**State Street counterparty**"), the State Street counterparty will enter into such transaction as principal counterparty and not as agent or fiduciary for the Trustee, us or the Sub-Fund and such State Street counterparty shall be entitled to retain for its own use and benefit any benefit which it may derive from any such foreign exchange transactions or the holding of any cash in connection with such transactions. Foreign exchange transactions may also be entered into for or on behalf of the Sub-Fund with counterparties other than a State Street counterparty.

## **XIX. REPORTS**

### **Financial year-end and distribution of reports and accounts**

50. The financial year-end of the Fund is 31 December.

The reports and accounts of the Sub-Fund will be sent or made available to Holders of the Sub-Fund by post or by such electronic means as may be permitted under the Code within the following periods or such other periods as may be permitted by the Authority:

<b>Report/account</b>	<b>Availability</b>
(a) Annual report, annual accounts and the auditors' report on the annual accounts	Within 3 months from the end of the financial year.
(b) Semi-annual report and semi-annual accounts	Within 2 months from the end of the period to which the report and accounts relate.

If such reports and accounts are sent or made available to Holders by electronic means, Holders will be given the option to request for hardcopies of the reports and accounts within one month from the date of the relevant notification and the Trustee will make available or cause to be made available hardcopies of the reports and accounts to any Holder who requests for them within 2 weeks of such request (or such other period as may be permitted by the Authority). Holders may also at any time choose to receive hardcopies of all future accounts and reports at no cost to them by notifying the relevant authorised agent or distributor in writing.

## **XX. QUERIES AND COMPLAINTS**

51. If you have any enquiries concerning the Fund or the Sub-Fund, you may contact us at:

Hotline No.: 1800 22 22 228  
Operating hours: From 8 a.m. to 8 p.m. daily Singapore time  
Fax No.: 6532 3868  
E-mail: [uobam@uobgroup.com](mailto:uobam@uobgroup.com)

## **XXI. OTHER MATERIAL INFORMATION**

### **52. Market Timing**

The Sub-Fund is designed and managed to support medium to long-term investments. In this regard, we take a serious view of, and strongly discourage the practice of market timing (that is, investors conducting short-term buying or selling of Units to gain from inefficiencies in pricing) as such practices may cause an overall detriment to the long-term interest of other investors. In addition, short-term trading in Units increases the total transaction costs of the Sub-Fund, such as trading commission and other costs which are absorbed by all other investors. Moreover, the widespread practice of market timing may cause large movements of cash in the Sub-Fund which may disrupt the investment strategies to the detriment of long-term investors.

For the reasons set out above, we may implement internal measures to monitor and control the practice of market timing. If any internal measure to restrict the practice of market timing amounts to a significant change to the Sub-Fund (as provided in the Code), we will inform Holders of such internal measure not later than one month before its implementation. We intend to review our policy on market timing from time to time in a continuous effort to protect the long-term interests of investors in the Sub-Fund.

### **53. Information on investments**

At the end of each calendar quarter, you will receive a statement showing the value of your investment. However, if you conduct any transaction(s) within a particular month, you will receive an additional statement at the end of that month.

### **54. Indemnity out of Deposited Property**

We and the Trustee are entitled to be indemnified out of or have recourse to the Deposited Property in accordance with the terms of the Deed. See the Deed for further details.

## 55. **Liquidation of the Managers, the Trustee or the custodian**

Subject to the provisions of the Deed, if the Managers or the Trustee go into liquidation (except for a voluntary liquidation for the purpose of reconstruction or amalgamation), new managers or a new trustee (as the case may be) may be appointed or the Fund may be terminated. See the Deed for further details on what happens if the Managers or the Trustee go into liquidation.

### **Custodial risk**

There are risks involved in dealing with the custodian who holds the Sub-Fund's investments or settles the Sub-Fund's trades. It is possible that, in the event of the insolvency or bankruptcy of the custodian, the Sub-Fund would be delayed or prevented from recovering its assets from the custodian, or its estate, and may have only a general unsecured claim against the custodian for those assets. In recent insolvencies of financial institutions, the ability of certain customers to recover their assets from the insolvent financial institution's estate has been delayed, limited, or prevented, often unpredictably, and there is no assurance that any assets held by the Sub-Fund with the custodian will be readily recoverable by the Sub-Fund. In addition, there may be limited recourse against non-U.S. sub-custodians in situations where the Sub-Fund invests in markets where custodial and/or settlement systems and regulations are not fully developed, including emerging markets, and the assets of the Sub-Fund have been entrusted to such non-U.S. sub-custodians.

## **XXII. PROVISIONS OF THE DEED**

56. Some of the provisions of the Deed are set out below. *You should refer to the Deed for the full terms and conditions of the Fund.*

### **57. Distributions**

57.1 As soon as practicable after each accounting date, the Managers shall in their absolute discretion determine in respect of the accounting period ending on such accounting date the amount, if any, to be distributed (subject to the provisions of Clause 19(I) of the Deed) among the Holders (including the Managers in respect of any Units to which they are entitled) of Units in a Class, such distribution to be made rateably in accordance with the number of Units in the relevant Class held by them on such accounting date in the proportions attributable to Units in that Class of the said amount available for distribution but carrying forward such amount as may be deemed appropriate by the Managers to the next accounting period and forthwith upon such determination, direct the Trustee to pay out of the Deposited Property of the Sub-Fund an amount sufficient to effect such distribution, if any, into a special bank account in the name of the Trustee to be entitled the "Distribution Account". As and when the Managers shall decide to be a distribution date, the Managers shall by notice in writing direct the Trustee to distribute the said amount available for distribution in the Distribution Account on that distribution date among the Holders (and the Managers in respect of any Units to which they are entitled) of Units in the relevant Class.

All distributions shall be sent to the last known address of the Holder.

57.2 The proceeds of sales of rights and all other receipts deemed by the Managers, after consulting the auditors, to be in the nature of capital accruing from Investments shall not be regarded as income but, subject to Clause 11(E) of the Deed, shall be retained as part of the Deposited Property of the Sub-Fund.

57.3 The Managers may:-

- (i) from time to time, after consulting the auditors of the Fund and with the approval of the Trustee, distribute to Holders in accordance with Clause 11(A) of the Deed, an amount which represents part or all of the realised capital gains in respect of the Deposited Property of the Sub-Fund provided that the capital available for distribution includes all net realised capital gains and all other capital receipts after taking into account realised capital losses and all expenses whether deducted against income or otherwise pursuant to Clause 11(D) of the Deed. The Managers shall not be liable for any distribution of capital on their part as a result of them exercising their discretion pursuant to the Deed; and
- (ii) (subject to any directions or instructions given by any Holder to the contrary and received by the Managers before the relevant distribution date) from time to time as may seem to them appropriate, determine that the whole of any distribution(s) made or to be made pursuant to Clause 11 of the Deed to any Holder shall be applied by the Managers on behalf of such Holder in the acquisition of further Units at the issue price

per Unit on the next Business Day following the relevant distribution date, and in such a case the relevant provisions of Clause 7 shall mutatis mutandis apply accordingly. Subject as aforesaid, the Holders for the time being of the Units in respect of which such distribution(s) have been or are to be made shall be bound thereby.

- 57.4 If distributable income and/or capital gains are insufficient, distributions may be made out of the capital of the relevant Class.
- 57.5 Any distribution made pursuant to this paragraph 57 that remains unclaimed after a period of 12 months shall be dealt with in accordance with Clause 14 of the Deed.
- 57.6 If a distribution is made, the Managers shall cause the auditors of the Fund to write to the Trustee stating that in the opinion of the auditors, the amount to be transferred to the Distribution Account as at the said accounting date respectively represents the amount available for distribution in accordance with Clause 11(D) of the Deed and that there are no amounts considered by the auditors to be of a capital nature contained therein. The Trustee and the Managers shall be absolutely protected in relying on and shall act upon such an audited statement.

## 58. Custody of Investments

- 58.1 The Trustee shall be responsible for the safe-keeping of the Investments and other property forming part of the Deposited Property in accordance with the provisions of the Deed and such Investments and other property shall (whether in bearer or registered form) be dealt with as the Trustee may think proper for the purpose of providing for the safe-keeping thereof.
- 58.2 Without prejudice to the provisions of paragraph 58.1, the Trustee shall procure:-
- (i) the Trustee; or
  - (ii) any officer of the Trustee jointly with the Trustee; or
  - (iii) any agent or nominee appointed by the Trustee; or
  - (iv) any such agent or nominee and the Trustee; or
  - (v) any custodian, joint custodian or sub-custodian (or in each case, its nominee) appointed pursuant to the provisions of Clause 19 of the Deed; or
  - (vi) any company operating a recognised clearing system (including its nominee) in respect of the Investments involved; or
  - (vii) any broker, financial institution or other person (or, in each case, its nominee, its custodian or such custodian's nominee) with whom the same is deposited in order to satisfy any requirement to deposit margin or security,

to take delivery of and retain and/or to be registered as proprietor of any Investments or other property held upon the trusts of the Deed. Without prejudice to paragraph 58.1, the Trustee may from time to time appoint such person or persons (including any associate of the Trustee) as it thinks fit as custodian or joint custodians of the whole or any part of the Deposited Property and may empower any such custodian or joint custodian to appoint, with the prior consent in writing of the Trustee, sub-custodians and the fees and expenses of such custodian, joint custodians and sub-custodians shall be paid out by the Managers, and if it so requires, out of the Deposited Property of the Sub-Fund.

- 58.3 The Trustee shall not incur any liability in respect of and shall not be responsible for:-
- (a) any acts or omissions of any custodian, joint custodian or sub-custodian, agent or other person to whom it has delegated any of its powers, duties, authorities and discretions, except only where it shall have failed to take reasonable care in the employment of such person; or
  - (b) any acts or omissions of any clearing system or broker, financial institution or other person referred to in Clause 19(A)(ii)(f) of the Deed.

**59. Protection accorded to the Trustee**

Wheresoever any provision of the Deed provides for any act or matter to be done by the Trustee such act or matter may be performed on behalf of the Trustee by any officer or responsible official of the Trustee and any act or matter so performed shall be deemed for all the purposes of the Deed to be the act of the Trustee.

**60. Duration and Termination of the Fund**

60.1 The duration of the Fund is not ascertainable but it may be terminated in accordance with the provisions of Clause 25 of the Deed.

60.2 The Fund may be terminated by the Trustee by notice in writing as hereinafter provided in any of the following events namely:

- (i) if the Managers go into liquidation (other than voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver or judicial managers shall be appointed of the undertaking of the Managers or any part thereof; or
- (ii) if, on the expiration of 3 months after notifying the Managers that in the Trustee's opinion a change of managers is desirable in the interests of the Holders, the Trustee has not found another corporation ready to accept the office of managers of the Fund and of which the Trustee and any relevant statutory authority shall approve Provided Always That nothing herein shall derogate from the rights of the Managers to challenge such termination by the Trustee in a Singapore court; or
- (iii) if it becomes illegal in the Republic of Singapore to continue the Fund or if in the opinion of the Trustee after consultation with the Managers it becomes impracticable or inadvisable to continue the Fund; or
- (iv) if the Trustee is desirous of retiring and a new trustee has not been appointed in accordance with Clause 22 of the Deed within 3 months after the Managers have been notified of such desire; or
- (v) if the Authority so directs pursuant to the SFA.

Subject as mentioned in sub-paragraph 60.2(ii) above, the decision of the Trustee in any of the events specified in this paragraph 60.2 shall be final and binding upon all the parties concerned, but the Trustee shall be under no liability on account of any failure to terminate the Fund pursuant to this paragraph or otherwise. The Managers for the time being shall accept the decision of the Trustee and relieve the Trustee of any liability to the Managers therefor and hold it harmless from any claims whatsoever on the part of the Managers for damages or for any other relief.

60.3 The Fund or the Sub-Fund or a Class may be terminated by the Managers by notice in writing as hereinafter provided in any of the following events namely:

- (i) if at any time after 18 May 1999 the value of the Deposited Property of the Fund or the Sub-Fund or the relevant Class shall be less than \$10,000,000; or
- (ii) if it becomes illegal in the Republic of Singapore to continue the Fund or the Sub-Fund or the relevant Class or if in the opinion of the Managers it becomes impracticable or inadvisable to continue the Fund or the Sub-Fund or the relevant Class in the interest of the Holders thereof; or
- (iii) if the Authority so directs pursuant to the SFA.

60.4 The party terminating the Fund or the Sub-Fund or the relevant Class (as the case may be) shall give notice thereof to the Holders in the manner provided in the Deed and by such notice fix the date at which such termination is to take effect which date shall not be less than 3 months after the service of such notice. In the case of termination of the Fund or the Sub-Fund, the Managers shall give not less than 7 days (or such other notice period as may be permitted by the relevant authority) prior notice of such termination to the relevant authority.

60.5 The Fund or the Sub-Fund or a Class may at any time after 18 May 1998 be terminated by extraordinary resolution of a meeting of the Holders of the Sub-Fund or the relevant Class duly convened and held in accordance with the provisions contained in the schedule to the Deed on meetings of Holders and such termination shall take effect from the date on which the said resolution is passed or such later date (if any) as the said resolution may provide.

## 61. Voting rights on Deposited Property

Subject to Clause 16 of the Deed, the Managers may exercise or refrain from exercising any rights of voting conferred by any of the Deposited Property of the Sub-Fund. The Managers shall be entitled to exercise the said rights in what they may consider to be the best interests of the Holders.

However, notwithstanding the above, in respect of voting rights relating to Investments of the Sub-Fund where the Managers may face conflicts of interests, the Managers shall cause these votes to be exercised in consultation with the Trustee.

The phrase “rights of voting” or the word “vote” used in this paragraph 61 shall be deemed to include not only a vote at a meeting but any consent to or approval of any arrangement, scheme or resolution or any alteration in or abandonment of any rights attaching to any part of the Deposited Property of the Sub-Fund and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.

*Please refer to the Deed for other provisions relating to voting.*

## 62. Compulsory realisations

62.1 The Managers have the right (in consultation with the Trustee) to compulsorily realise any holdings of Units in the Sub-Fund held by:

- (a) any Holder:
  - (i) whose subscription for or holding of Units, in the opinion of the Managers, is or may be in breach of any applicable law or regulation in any jurisdiction; or
  - (ii) where such realisation is, in the opinion of the Managers, necessary or desirable for the compliance of the Managers or the Sub-Fund with any applicable law or regulation in any jurisdiction (including any regulatory exemption conditions); or
- (b) any Holder whose holdings, in the opinion of the Managers:
  - (i) may cause the Sub-Fund to lose its authorised or registered status with any regulatory authority in any jurisdiction; or
  - (ii) may cause the offer of the Units of the Sub-Fund, the Sub-Fund, this Prospectus, the Deed, the Managers or the Trustee to become subject to any authorisation, recognition, approval or registration requirements under any law or regulation in any other jurisdiction; or
- (c) any Holder whose holdings, in the opinion of the Managers:
  - (i) may cause a detrimental effect on the tax status of the Sub-Fund in any jurisdiction or on the tax status of the Holders of the Sub-Fund; or
  - (ii) may result in the Sub-Fund or other Holders of the Sub-Fund suffering any other legal or pecuniary or administrative disadvantage which the Sub-Fund or Holders might not otherwise have incurred or suffered; or
- (d) any Holder who fails any anti-money laundering, anti-terrorist financing or know-your-client checks, or where information and/or documentary evidence requested by the Managers and/or the Trustee for the purposes of any anti-money laundering, anti-terrorist financing or know-your-client checks cannot be obtained from the Holder (or the Holder has failed to provide the same) in a timely manner; or
- (e) any Holder, where information (including but not limited to information regarding tax status, identity or residency), self-certifications or documents as may be requested by the Managers and/or the Trustee pursuant to laws, regulations, guidelines, directives or contractual obligations with other jurisdictions' authorities (including, without limitation, the FATCA and/or any Singapore laws, regulations, guidelines and directives implemented as part of any IGA entered into between the U.S. and Singapore in connection with FATCA) cannot be obtained from the Holder, or the Holder has failed to provide the same, in a timely manner; or

- (f) any Holder who does not consent, or withdraws his consent, for the Managers or the Trustee to collect, use and/or disclose information or data relating to the Holder, where (in the opinion of the Managers or the Trustee) such information or data is necessary or desirable for the Managers, the Trustee, their respective related corporations and/or other service providers to perform their respective services and/or duties to or in respect of the Sub-Fund and/or the Holder.

Any compulsory realisation under this paragraph may be carried out by the Managers on any Dealing Day, with prior notice to the relevant Holder, and shall be carried out in accordance with, and at the realisation price determined under, the applicable provisions on realisations in the Deed.

- 62.2 If the Managers and/or the Trustee are required to account to any duly empowered fiscal authority of Singapore or elsewhere for any income or other taxes, charges or assessments whatsoever on the value of any Units held by a Holder, the Managers (in consultation with the Trustee) shall be entitled, at any time with prior notice to that Holder, to realise such number of Units held by that Holder as may be necessary to discharge the liability arising. The Managers and/or the Trustee (as the case may be) shall be entitled to apply the proceeds of such realisation in payment, reimbursement and/or set-off against the liability.
- 62.3 The Managers, the Trustee and their respective delegates, agents or associates shall not be liable for any loss (whether direct or consequential and including, without limitation, loss of profit or interest) or damage suffered by any Holder or any party arising out of or caused in whole or in part by any actions which are taken by the Managers, Trustee and/or any of their respective delegates, agents or associates under this paragraph 62.

### 63. Valuation

- (i) Save as otherwise expressly provided in the Deed and subject to the provisions of the Code, for the purpose of determining the value of the Deposited Property or any part thereof or any Investment comprised or to be comprised therein the value shall be determined by the Managers, or any authorised agent of the Managers, as at each Valuation Point and in the case of any Investment which is quoted, shall be calculated, as the case may be, by reference to the official closing price, the last known transacted price or the last transacted price on such Recognised Stock Exchange or over-the-counter market on which the Investment is traded before the Valuation Point in respect of the Dealing Day on which the value is to be determined; where such Investment is listed, dealt or traded in more than one Recognised Stock Exchange or over-the-counter market, the Managers (or such person as the Managers shall appoint for the purpose) may in their absolute discretion select any one of such Recognised Stock Exchange or over-the-counter market for the foregoing purposes and, if there be no such official closing price, last known transacted or last transacted price, the value shall be calculated by reference to the last available price(s) quoted by responsible firms, corporations or associates on a Recognised Stock Exchange or an over-the-counter market at the Valuation Point in respect of the Dealing Day on which the value is to be determined PROVIDED THAT if the quotations referred to above are not available or if such quotations, in the opinion of the Managers, do not represent a fair value of the Investment then the value of such Investment shall be the price reasonably expected to be received upon the current sale of the asset and the valuation shall be any reasonable value as may be determined by the Managers with due care and in good faith with the consent of the Trustee who shall decide if a notice to notify the Holders of such determination is required and, in determining such reasonable value, the Managers may rely on quotations for the Investment on another Recognised Stock Exchange or in an over-the-counter market or by an authorised dealer for Singapore Government Securities or other fixed income securities or any certified valuation by a member of repute of any Recognised Stock Exchange or such other reasonable means as the Trustee may approve.
- (ii) In the case of any Investment which is unquoted, the value thereof shall be calculated by reference to the initial value thereof being the amount expended in the acquisition thereof or price of the relevant Investment as 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 as the manager may designate), as may be determined by the Managers to represent the fair value of such Investment.
- (iii) Neither the Trustee nor the Managers shall incur any liability by reason of the fact that a price reasonably believed by them to be the last sale price or other appropriate closing price may be found not to be such PROVIDED THAT it has acted in good faith without negligence and with due care.
- (iv) In calculating the NAV of the Deposited Property or any part thereof or any Investment comprised or to be comprised therein:-

- (a) every Unit agreed to be issued by the Managers shall be deemed to be in issue and the Deposited Property shall be deemed to include not only property in the hands of the Trustee but also the value of any cash or other property to be received in respect of Units agreed to be issued and providing thereout the Subscription Fee and the adjustment authorised by the Deed, if any, and (in the case of Units issued against the vesting of Authorised Investments) any monies payable out of the Deposited Property of the Sub-Fund pursuant to Clause 7(C) of the Deed;
  - (b) where in consequence of any notice or request in writing given pursuant to the Deed a reduction of the Sub-Fund by the cancellation of Units is to be effected but such reduction has not been completed the Units in question shall be deemed not to be in issue and any amount payable out of the Deposited Property in pursuance of such reduction shall be deducted;
  - (c) where Investments have been agreed to be purchased or otherwise acquired or sold but such purchase, acquisition or sale has not been completed, such Investments shall be included or excluded as the case may be and the gross purchase, acquisition or net sale consideration excluded or included as the case may be as if such purchase, acquisition or sale had been duly completed;
  - (d) there shall be deducted on a proportionate basis any amounts not provided for above which are payable out of the Deposited Property, including the Management Fee (which shall be deducted in accordance with paragraph 63(v) if the Management Fee differs between the Classes within the Sub-Fund), borrowings, interest and expenses incurred in accordance with the provisions of the Deed;
  - (e) there shall be taken into account such estimated sum as in the opinion of the Managers will be payable or reclaimable in respect of taxation related to Income on transactions down to the relevant date other than any tax which may fall to be deducted by the Trustee on any distribution made or to be made under the Deed;
  - (f) where the current price of an Investment is quoted "ex" dividend or interest or other payment but such dividend or interest has not been received and is not taken into account under any other provision of this paragraph 63, the amount of such dividend or interest or other payment shall be included;
  - (g) there shall be taken into account such estimated sum as in the opinion of the Managers and Trustee represents provision for any liabilities contingent or otherwise which the Managers and Trustee consider to be appropriate and necessary;
  - (h) any value (whether of an Investment or cash) otherwise than in Singapore dollars and any borrowing otherwise than in Singapore dollars shall be converted into Singapore dollars at the mean of the closing, buying and selling telegraphic transfer rates quoted by any licensed bank including UOB on the Valuation Point or at the rate (whether official or otherwise) which the Managers after consulting with or in accordance with a method approved by the Trustee shall deem appropriate to the circumstances having regard inter alia to any premium or discount which may be relevant and to costs of exchange (if any) PROVIDED THAT any determination made by the Managers hereunder as to any rate of exchange or method of determination thereof in accordance with the provisions of this paragraph shall be final and binding; and
  - (i) any amendment to the method of valuation by the Managers shall be made only with the prior approval of the Trustee. The Managers shall give notice of such amendment to the Holders if so required by the Trustee;
- (v) In respect of paragraph 63(iv) above, in the case of the Sub-Fund which has more than one Class, the NAV of the proportion of the Deposited Property attributable to each Class shall be calculated by apportioning the value of the Deposited Property (obtained in accordance with paragraphs 63(i), 63(ii) and 63(iv) above provided that no deduction or addition shall be made in respect of expenses, charges or other amounts which are not common to all the Classes) between the Classes and then deducting from or adding to the value of the proportion of the Deposited Property for each Class any expense, charge or other amount attributable to such Class (including, but not limited to, the Management Fee if it differs between Classes within the Sub-Fund). For the avoidance of doubt, where any expense, charge or amount payable out of or payable into the Deposited Property of the Sub-Fund pursuant to the Deed is attributable only to a particular Class within the Sub-Fund, such amount shall only be deducted from or added to the value of the Deposited

Property which is attributable to that Class and shall not affect the calculation of the value of the Deposited Property attributable to other Classes within the Sub-Fund.

64. **Automatic Switching of Units**

Unless specifically instructed otherwise in writing by the relevant Holder prior to such date as the Managers may determine, all or any of a Holder's Units in a Class of the Sub-Fund (the "**Relevant Class**") may at the discretion of the Managers (in consultation with the Trustee) be automatically switched to Units of such other Class of the Sub-Fund on such date as may be determined by the Managers, by giving prior notice to that Holder, provided that such automatic switch does not materially prejudice the interests of that Holder or Holders of Units in the Relevant Class. The provisions of Clause 7(M) of the Deed shall apply mutatis mutandis to any automatic switch pursuant to this paragraph 64 but the Holders shall not be liable for any Subscription Fee, Realisation Charge or other fees, charges or expenses (whether incurred by the Managers or otherwise) pursuant to the said automatic switch.

65. **Saving Clause as to Indemnities**

Any indemnity expressly given to the Trustee and/or the Managers in the Deed is in addition to and without prejudice to any indemnity allowed by law Provided Nevertheless That nothing in any of the provisions of the Deed shall in any case in which the Trustee and/or the Managers, as the case may be, have failed to show the degree of diligence and care required by them by the provisions of the Deed exempt them from or indemnify them against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of duty or trust of which they may be guilty in relation to their duties.

# 大华优选基金组合II

## 大华新元基金

### 发售计划说明书