

# Prospectus

## Legg Mason Western Asset Global Bond Trust

Dated 1 September 2020

Valid till 31 August 2021

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**LEGG MASON WESTERN ASSET GLOBAL BOND TRUST**

**PROSPECTUS**

*Managed by*

**Legg Mason Asset Management Singapore Pte. Limited**

# **LEGG MASON WESTERN ASSET GLOBAL BOND TRUST**

## **Directory**

### **Managers**

Legg Mason Asset Management Singapore Pte. Limited

(Company Registration Number: 200007942R)

Registered address: 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623

Business address: 1 George Street, #23-02, Singapore 049145

### **Directors of the Managers**

Edward Stephen Squires Venner

Clement Lee Jia Yi

Amy Olmert

Andy Sowerby

Jeremy Tan Yeow Wee

### **Trustee**

HSBC Institutional Trust Services (Singapore) Limited

(Company Registration Number: 194900022R)

10 Marina Boulevard, Marina Bay Financial Centre Tower 2, #48-01, Singapore 018983

### **Custodian**

The Hongkong and Shanghai Banking Corporation Limited

1 Queen's Road Central

Hong Kong

### **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

## LEGG MASON WESTERN ASSET GLOBAL BOND TRUST

### Important Information

The managers of the Legg Mason Western Asset Global Bond Trust (the “**Trust**”), Legg Mason Asset Management Singapore Pte. Limited (the “**Managers**”), accept full responsibility for the accuracy of information contained in this Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this Prospectus misleading. Unless otherwise stated, all terms not defined in this Prospectus have the same meanings as used in the deed of trust (as amended) relating to the Trust (the “**Deed**”).

You should consult the relevant provisions of the Deed and obtain independent professional advice if there is any doubt or ambiguity relating thereto.

You should seek independent professional advice to ascertain (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which you may encounter under the laws of your country of citizenship, residence or domicile and/or (d) any restrictions or requirements under the Central Provident Fund (Investment Schemes) Regulations, the terms and conditions in respect of the CPF Investment Scheme issued by the CPF Board thereunder (as the same may be amended, modified or supplemented from time to time) and any other terms, conditions or directions as may from time to time be lawfully imposed or given by the CPF Board or other relevant competent authority, which may be relevant to the subscription, holding or disposal of units in the Trust (“**Units**”). You should be aware of and observe all such laws and regulations in any relevant jurisdiction that may apply to you.

No application has been made for the Units to be listed on any stock exchange.

For the purposes of this Prospectus, unless the context otherwise requires, references to a “**Holder**” are references to the person registered in the Trust’s register of Holders. In general, the Holder will usually be:

- (i) in the case of subscriptions using cash – the relevant approved agent or distributor or its nominee, who holds the Units on behalf of the investor; and
- (ii) in the case of subscriptions using SRS monies and CPF monies – the relevant investor.

For the purposes of this Prospectus, unless the context otherwise requires, references to an “**investor**” are references to a person applying for or investing in Units, whether through an approved agent or distributor or its nominee, or in his or her own name.

This Prospectus does not constitute an offer or solicitation for the purchase of Units to anyone in any jurisdiction in which an offer or solicitation is not authorised or to any person to whom it is unlawful to make an offer or solicitation, and may be used only in connection with this offering of Units by the Managers, or through the approved agents or distributors for the Trust.

The Units have not been and will not be registered under the United States Securities Act of 1933 (the “**Securities Act**”) or the securities laws of any of the states of the United States (“**US**”), nor is such registration contemplated. The Units may not be offered, sold or delivered directly or indirectly in the US or to or for the account or benefit of any “**US Person**” (as defined in the Securities Act) or any person who is not a “**non-United States Person**” within the meaning of Rule 4.7 issued under the US Commodity Exchange Act.

The Units are being offered outside the US pursuant to the exemption from registration under Regulation S under the Securities Act. The Units offered hereby are subject to restrictions on transferability and resale and may not be directly or indirectly transferred or resold to US Persons or within the US.

A US Person for the above purpose currently includes: (i) any natural person resident in the US; (ii) any partnership or corporation organised or incorporated under the laws of the US; (iii) any estate of which any executor or administrator is a US Person; (iv) any trust of which any trustee is a US Person; (v) any agency or branch of a foreign entity located in the US; (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person; (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the US; and (viii) any partnership or corporation if: (a) organised or incorporated under the laws of any non-US jurisdiction and (b) formed by a US Person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts. The following are not US Persons: (i) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the US; (ii) any estate of which any professional fiduciary acting as executor or administrator is a US Person if: (a) an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate and (b) the estate is governed by foreign law; (iii) any trust of which any professional fiduciary acting as trustee is a US Person, if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person; (iv) an employee benefit plan established and administered in accordance with the law of a country other than the US and customary practices and documentation of such country (v) any agency or branch of a US Person located outside the US if: (a) the agency or branch operates for valid business reasons and (b) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and (vi) the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans.

You may realise all or part of your holding of Units in accordance with and subject to the provisions of the Deed and as summarised in paragraph 12 of this Prospectus. The Managers' unit trusts and investment products, except for guaranteed funds, are not obligations of, deposits in, or guaranteed by the Managers or any of their affiliates. An investment in unit trusts and/or other investment products is subject to investment risks, including the possible loss of the principal amount invested. You should note that the value of Units and the income from them may fall as well as rise. Past performance figures are not necessarily indicative of future performance of any unit trust.

Some of the information in this Prospectus is a summary of corresponding provisions in the Deed. You should read the Deed for further details and for further information that is not contained in this Prospectus.

You should also consider the risks of investing in the Trust which are summarised in paragraph 9 of this Prospectus.

The 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).

You should direct all your enquiries in relation to the Trust to the Managers, or any agent or distributor appointed by the Managers.

# LEGG MASON WESTERN ASSET GLOBAL BOND TRUST

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## LEGG MASON WESTERN ASSET GLOBAL BOND TRUST

The collective investment scheme offered in this Prospectus is an authorised scheme under the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**"). A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the "**Authority**"). The Authority assumes no responsibility for the contents of this Prospectus. 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 Legg Mason Western Asset Global Bond Trust (the "**Trust**"). The meanings of terms not defined in this Prospectus can be found in the deed of trust (as amended) constituting the Trust.

### 1. Basic Information

#### 1.1 Legg Mason Western Asset Global Bond Trust

The Trust is a Singapore-constituted open-ended unit trust.

#### 1.2 Date of Registration and Expiry Date of Prospectus

The date of registration of this Prospectus with the Authority is 1 September 2020. This Prospectus shall be valid for 12 months after the date of registration (i.e., up to and including 31 August 2021) and shall expire on 1 September 2021.

#### 1.3 Trust Deed and Supplemental Deeds

**1.3.1** The deed of trust relating to the interests being offered for subscription or purchase (the "**Principal Deed**") is dated 14 January 1998 and the parties to the Principal Deed are Rothschild Asset Management (Singapore) Limited, as the retired managers (the "**First Retired Managers**"), and HSBC Institutional Trust Services (Singapore) Limited, as the trustee (the "**Trustee**").

**1.3.2** As at the date of this Prospectus, the Principal Deed has been amended by the following deeds:

Deeds	Parties to the Deeds
<ul style="list-style-type: none"><li>• a First Supplemental Deed dated 28 January 1999</li><li>• a Second Supplemental Deed dated 19 January 2001</li><li>• a Third Supplemental Deed dated 18 January 2002</li><li>• an Amending and Restating Deed dated 22 January 2003</li><li>• a Second Amending and Restating Deed dated 1 July 2003</li></ul>	Entered into between the First Retired Managers and the Trustee

Deeds	Parties to the Deeds
<ul style="list-style-type: none"> <li>• a Supplemental Deed dated 5 January 2004</li> </ul>	Entered into amongst the First Retired Managers, the Trustee and Western Asset Management Company Pte. Ltd. (then known as Legg Mason Asset Management (Asia) Pte Ltd) (" <b>LMAMA</b> ")
<ul style="list-style-type: none"> <li>• a Third Amending and Restating Deed dated 7 February 2005</li> <li>• a Fourth Amending and Restating Deed dated 6 February 2006</li> </ul>	Entered into between LMAMA and the Trustee
<ul style="list-style-type: none"> <li>• a Supplemental Deed dated 28 September 2006</li> </ul>	Entered into amongst LMAMA, the Trustee and the Legg Mason Asset Management Singapore Pte. Limited (formerly known as Legg Mason International Equities (Singapore) Pte. Limited) (the " <b>Managers</b> ")
<ul style="list-style-type: none"> <li>• a Fifth Amending and Restating Deed dated 2 July 2007</li> <li>• a Sixth Amending and Restating Deed dated 1 July 2008</li> <li>• a Seventh Amending and Restating Deed dated 30 June 2009</li> </ul>	Entered into between the Managers and the Trustee
<ul style="list-style-type: none"> <li>• a Supplemental Deed of Appointment and Retirement of Managers dated 23 March 2011</li> </ul>	Entered into amongst the Managers, Western Asset Management Company Pte. Ltd. (the " <b>Retired Managers</b> ") and the Trustee
<ul style="list-style-type: none"> <li>• an Eighth Amending and Restating Deed dated 30 September 2011</li> <li>• a Ninth Amending and Restating Deed dated 28 September 2012</li> <li>• a Tenth Amending and Restating Deed dated 26 September 2014</li> </ul>	Entered into between the Retired Managers and the Trustee

Deeds	Parties to the Deeds
<ul style="list-style-type: none"> <li>• an Eleventh Amending and Restating Deed of Appointment and Retirement of Managers dated 3 September 2018</li> </ul>	Entered into amongst the Retired Managers, the Managers and the Trustee
<ul style="list-style-type: none"> <li>• a Twelfth Amending and Restating Deed dated 1 September 2020</li> </ul>	Entered into between the Managers and the Trustee

**1.3.3** The Principal Deed as amended by the above deeds shall hereinafter be referred to as the “**Deed**”. The Deed may be further amended from time to time.

**1.3.4** The terms and conditions of the Deed shall be binding on each Holder and persons claiming through such Holder as if such Holder had been a party to the Deed and as if the Deed contained covenants on such Holder to observe and be bound by the provisions of the Deed and an authorisation by each Holder to do all such acts and things as the Deed may require the Managers and/or the Trustee to do.

**1.3.5** You may inspect a copy of the latest Deed at the business office of the Managers at 1 George Street, #23-02, Singapore 049145 during normal business hours. You can request for a copy of the latest Deed at a charge of S\$50 per copy of each document.

**1.3.6** Where available, you may obtain a copy of the latest annual and semi-annual accounts, the auditor's report on the annual accounts and the annual and semi-annual reports relating to the Trust from the Managers upon request.

## **2. The Managers and the Sub-Managers**

### **2.1 The Managers**

The Managers of the Trust are Legg Mason Asset Management Singapore Pte. Limited, whose registered office is at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623. The Managers are regulated by the Authority.

The Managers are an indirect wholly-owned subsidiary of Franklin Resources, Inc., a global investment management organization with subsidiaries operating as Franklin Templeton.

The Managers have been managing collective investment schemes in Singapore since 2006. As at 30 June 2020, the Managers have approximately S\$3.15 billion of assets under their management.

Please refer to Clause 26 and Clause 27(A) of the Deed for further details on the Managers’ role and responsibilities as the managers of the Trust.

In accordance with the provisions of the Deed, in the event the Managers go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of their assets or a judicial manager is appointed in respect of the Managers, the Trustee may by notice in writing (i) remove the Managers as the managers of the Trust and/or (ii) terminate

the Trust. Please refer to Clause 31 and 33 of the Deed and paragraph 19.6 below for further details.

## **2.2 Directors and Key Executives of the Managers**

**The list of directors and key executives of the Managers and their particulars may be changed from time to time without notice.**

### **Directors**

#### **Edward Stephen Squires Venner**

Mr. Venner is Distribution Chief Operating Officer for Franklin Templeton, with responsibility for global product, marketing and other business functions such as data & analytics, technology and strategy. Prior to Franklin Templeton's acquisition of Legg Mason, Inc. ("**Legg Mason**") on 31 July 2020, Mr. Venner was the Chief Operating Officer for Global Distribution at Legg Mason having previously served as International Chief Financial Officer and in other finance roles at the firm. Prior to joining Legg Mason, Mr. Venner trained as a Chartered Accountant with Ernst & Young in their London Asset Management Practice.

Mr. Venner holds a Bachelor of Arts (with honours) in Economics from the University of Durham. Mr. Venner was also conferred a membership (ACA) of the Institute of Chartered Accounts of England & Wales ("**ICAEW**") in 1998 and was subsequently a fellowship (FCA) of ICAEW in 2011.

#### **Clement Lee Jia Yi**

Clement Lee is Head of Sales for Legg Mason Singapore and Southeast Asia, and also a Company Director for Legg Mason's Singapore office. He is responsible for managing the wholesale intermediary business across Singapore and the rest of Southeast Asia. Prior to joining the Managers, Mr. Lee was Vice President, Fund Sales with J.P. Morgan Asset Management. He has over 17 years' experience in the asset management and banking industry, having held various appointments at Fidelity International, HSBC Bank and Citibank.

Mr. Lee graduated with a Bachelor of Science (Honors) majoring in Economics & Finance, from the University of Bristol, United Kingdom.

#### **Amy Olmert**

Amy Olmert currently serves an Internal Consultant to the Franklin Templeton operations division. Ms. Olmert has a long and distinguished career in asset management. Prior to Franklin Templeton's acquisition of Legg Mason on 31 July 2020, Ms. Olmert was Head of Legg Mason's global funds' administration team. Ms. Olmert joined Legg Mason in 2004 and has held various senior appointments including as the Chief Compliance Officer for the Legg Mason Funds, Chief of Staff of the Americas, and Head of Product for the Americas. Prior to Legg Mason, Ms. Olmert was a Managing Director at Deutsche Asset Management, overseeing fund administration and compliance matters relating to Deutsche Asset Management and the Scudder Funds.

Ms. Olmert received her LLM in taxation from Georgetown University Law Center, her JD from the University of Maryland School of Law, and Bachelor of Arts in Economics from the University of Pennsylvania.

### **Andy Sowerby**

Andy Sowerby was both Head of the Asia Pacific (ex-Japan) region and Chief Executive Officer of the Australia and New Zealand operations for Legg Mason, ahead of the acquisition by Franklin Templeton. At the closing of the transaction with Franklin Templeton, Mr. Sowerby announced his decision to leave the combined organisation at the end of October 2020. Until this date, he is helping with the transition process and supporting the new management team for Asia Pacific region.

Mr. Sowerby has a long and distinguished career in the Fund Management industry including executive positions for Scottish Widows Fund Management, Investec Asset Management, Martin Currie Investment Management and Legg Mason.

### **Jeremy Tan Yeow Wee**

Jeremy Tan is Regional Product Strategy Director at Franklin Templeton and is responsible for retail product strategy and product development for the Asia Pacific region. He also serves as the Chief Executive Officer for the Managers. Prior to Franklin Templeton's acquisition of Legg Mason on 31 July 2020, Mr. Tan was Managing Director and Regional Head of Product for Asia (ex-Japan) at Legg Mason.

Before joining Legg Mason in December 2015, Mr. Tan served in several roles with Citi Private Bank, including as the Head of South Asia Investment Advisory Services and as the Global Head of Product Management for Traditional Investments, during which he led mutual funds and single managed accounts product management for Citi Private Bank's offices in London, New York, Delaware, Hong Kong and Singapore.

Mr. Tan graduated with a Bachelor in Business Administration from the University of Canberra.

### **Key Executives**

#### **Jeremy Tan Yeow Wee – Regional Product Strategy Director, Asia Pacific**

Please refer to Mr. Tan's write-up above under "Directors".

## **2.3 The Sub-Managers**

Western Asset Management Company Pte. Ltd. ("**WAMC Pte Ltd**"), Western Asset Management Company, LLC ("**WAMC**") and Western Asset Management Company Limited ("**WAMCL**") (collectively referred to as the "**Sub-Managers**") have been appointed as the sub-managers of the Trust.

The Sub-Managers are, like the Managers, indirect wholly-owned subsidiaries of Franklin Resources, Inc..

The Sub-Managers' strategic goal is to provide above average returns over the long term by managing diversified, risk controlled, value oriented portfolios across a range of investment products in major and emerging markets and utilising multiple investment strategies to achieve above market returns while approximating market risk.

Each of the Sub-Managers advises and manages an extensive range of investments on behalf of institutions and individuals. Through unit trusts and separate account

management, the Sub-Managers provide their investors with access to fixed interest and currency investment opportunities that seek to add value and control risk.

WAMCL oversees management of the overall portfolio of the Trust. WAMC manages the North America, South America and Central America portfolio of debt securities of the Trust and WAMC Pte Ltd manages the Asia ex-Japan portfolio of debt securities of the Trust.

#### **WAMC Pte Ltd**

WAMC Pte Ltd is incorporated in Singapore and is regulated by the Authority.

WAMC Pte Ltd has been managing collective investment schemes in Singapore since 2003. As at 30 June 2020, WAMC Pte Ltd managed approximately S\$7.438 billion of assets on behalf of institutional clients and collective investment schemes.

#### **WAMC**

WAMC is organised as a corporation under the laws of California, U.S.A. and is registered in the US with the US Securities and Exchange Commission as an investment adviser pursuant to the US Investment Advisers Act 1940 and also as a commodity-trading adviser and a commodity pool operator under the Commodity Exchange Act. WAMC is regulated by the US Securities and Exchange Commission. WAMC has extensive experience in the mutual funds industry, having been managing mutual funds and other types of collective investment schemes since 1973.

#### **WAMCL**

WAMCL is organised as a corporation in the United Kingdom and is regulated and supervised in respect of its investment management activities by the UK Financial Conduct Authority. WAMCL is regulated by the UK Financial Conduct Authority. WAMCL has extensive experience in the mutual funds industry, having been managing mutual funds and other types of collective investment schemes since 1996.

In the event of the insolvency of a Sub-Manager, the Managers shall be entitled to terminate the management agreement with that Sub-Manager immediately in accordance with applicable laws. In such a situation, it is likely that the Managers would replace that Sub-Manager with another company within the Legg Mason group.

***Past performance of the Managers and Sub-Managers is not necessarily indicative of their future performance.***

The Managers have delegated their accounting and valuation function in respect of the Trust to the Administrator whose details are set out in paragraph 3 below.

### **3. The Trustee, the Administrator, the Custodian and the Registrar**

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

Please refer to Clause 25 and Clause 27(B) of the Deed for further details on the Trustee's role and responsibilities as the trustee of the Trust.

In accordance with the provisions of the Deed, in the event the Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation) or if a

receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the Trustee or the Trustee ceases to carry on business, the Trustee may be removed and replaced by a new trustee whom shall be appointed by the Managers. Please refer to Clause 30 of the Deed for further details.

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

The Trustee has appointed the Custodian as the global custodian to provide custodial services to the Trust globally. The Custodian is entitled to appoint sub-custodians to perform any of the Custodian’s duties in specific jurisdictions where the Trust invests.

The Custodian is a global custodian with direct market access in certain jurisdictions. In respect of markets for which it uses the services of selected sub-custodians, the Custodian shall act in good faith and use reasonable care in the selection and monitoring of its selected sub-custodians.

The criteria upon which a sub-custodian is appointed is pursuant to all relevant governing laws and regulations and subject to satisfying all requirements of the Custodian in its capacity as global custodian. Such criteria may be subject to change from time to time and may include factors such as the financial strength, reputation in the market, systems capability, operational and technical expertise. All sub-custodians appointed shall be licensed and regulated under applicable law to carry out the relevant financial activities in the relevant jurisdiction.

In the event the Custodian becomes insolvent, the Trustee may by notice in writing terminate the custodian agreement entered into with the Custodian and, in accordance with the Deed, appoint such person as the new custodian to provide custodial services to the Trust globally.

The registrar of the Trust is the Trustee and the register of Holders (the “**Register**”) is kept at 20 Pasir Panjang Road (East Lobby), #12-21 Mapletree Business City, Singapore 117439, and is accessible to the public during normal business hours. The Register is conclusive evidence of the number of Units held by each Holder and the entries in the Register shall prevail if there is any discrepancy between the entries in the Register and the details appearing on any statement of holding, unless the Holder proves to the satisfaction of the Managers and the Trustee that the Register is incorrect.

The administrator of the Trust is HSBC Institutional Trust Services (Singapore) Limited (the “**Administrator**”), whose registered office is at 10 Marina Boulevard, Marina Bay Financial Centre Tower 2, #48-01, Singapore 018983.

#### **4. The Auditors**

The auditors of the accounts relating to the Trust are PricewaterhouseCoopers LLP whose registered office is at 7 Straits View, Marina One, East Tower, Level 12, Singapore 018936 (the “**Auditors**”).

## **5. Structure of the Trust and Classes of Units**

- 5.1** The Trust is a stand-alone open-ended unit trust and has no fixed duration.
- 5.2** Within the Trust, Classes of Units may be established by the Managers from time to time. Where a new Class of Units is established, the Managers may at their discretion re-designate any existing Class of Units as long as there is no prejudice to existing Holders of such Class.
- 5.3** A Class designated with an “A” in its name (“**Class A**”) is intended for retail investors. A Class designated with an “I” in its name (“**Class I**”) is a restricted Class and will only be offered to certain investors at the discretion of the Managers. These Classes also differ in terms of the fees and charges payable in respect of the Class, their minimum initial subscription and minimum subsequent subscription amount and their minimum holding and minimum realisation amounts. Please refer to paragraphs 8, 10.2 and 12.2 below for further details.
- 5.4** A Class will be designated as a distributing Class or an accumulating Class. It is intended that, in the normal course of business, accumulating Classes will not make any distributions and any net income or capital gains attributable to such accumulating Class will be accumulated in the net asset value attributable to that Class whereas distributing Classes may distribute income, net capital gains or capital as the Managers deem fit on an annual basis or otherwise at such frequencies as may be indicated by a letter designation in the name of the Class ((M) for monthly distributions, (Q) for quarterly distributions or (S) for semi-annual distributions). Distributions out of capital made by a Class will result in the erosion of capital for investors in that Class. Distributions made by a Class will lower the net asset value per Unit of that Class. Please refer to paragraph 19.3 for further details.
- 5.5** A Class may also be designated in currencies other than in Singapore Dollars, the base currency of the Trust. The currency designation of a Class is indicated in the name of the Class. Where a Class is designated in a currency other than in Singapore Dollars, the Managers will not employ any technique to hedge the Class’s exposure to changes in exchange rates between Singapore Dollars and the currency of the Class.
- 5.6** As at the date of this Prospectus, the Trust offers only one Class of Units, namely the “Class A (SGD) Accumulating”. However, the Managers may in their discretion offer other Classes of Units for subscription.
- 5.7** You may therefore wish to contact the Managers or an agent or distributor appointed by the Managers for the Trust to check if there is an updated list of available Classes of Units for the Trust.

## **6. CPFIS Included Scheme**

The Trust is included under the CPF Investment Scheme (“**CPFIS**”) – Ordinary Account and the CPFIS – Special Account for investment by CPF members. It has been classified by the CPF Board under the risk classification of “Low to Medium Risk / Broadly Diversified”.

**As at the date of this Prospectus, only Class A (SGD) Accumulating Units may be purchased with CPF monies. You may wish to contact the Managers or an agent or distributor appointed by the Managers for the Trust to check if there are other available Classes of Units for the Trust which may be purchased with CPF monies.**

The CPF interest rate for the Ordinary Account (OA) is based on the weightage of 80% of the average 12-month fixed deposit and 20% of the average savings rates published by the major local banks. Under the Central Provident Fund Act, Chapter 36 of Singapore (the “CPF Act”), the CPF Board pays a minimum interest of 2.5% per annum when this interest formula yields a lower rate.

Savings in the Special Account and Medisave Account (SMA) are invested in Special Singapore Government Securities (SSGS) which earn an interest rate pegged to either the 12-month average yield of 10-year Singapore Government Securities (10YSGS) plus 1%, or 4% whichever is the higher, adjusted quarterly.

New Retirement Account (RA) savings are invested in SSGS which earns a fixed coupon equal to either the 12-month average yield of the 10YSGS plus 1% at the point of issuance, or 4%, whichever is the higher. The interest credited to the RA is based on the weighted average interest rate of the entire portfolio of these SSGS invested using new and existing RA savings and is computed yearly in January.

As announced in September 2019, the Government will maintain the 4% p.a. minimum rate for interest earned on all SMA and RA monies until 31 December 2020. Thereafter, interest rates on all CPF account monies will be subject to a minimum rate of 2.5% p.a. (unless the Government extends the 4% floor rate for interest earned on all SMA and RA monies).

The first \$60,000 of your combined CPF accounts earns an extra 1% interest. To enable members to earn extra interest, only monies in excess of \$20,000 in your Ordinary Account and \$40,000 in your Special Account can be invested.

In addition, CPF members aged 55 and above will also earn an additional 1% extra interest on the first S\$30,000 of their combined CPF balances (with up to S\$20,000 from the OA).

**You should note that 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 shall at all times be subject to, amongst other things, the regulations and such directions or requirements imposed by the CPF Board from time to time.**

## **7. Investment Objective, Focus and Approach**

### **7.1 Investment Objective**

The investment objective of the Trust is to maximise total returns in Singapore Dollar terms over the longer term by investing in a portfolio of high quality debt securities of Singapore and major global bond markets such as the G10 countries and Australia and New Zealand. The Trust aims to outperform the FTSE World Government Bond Index ex Japan (hedged to Singapore Dollar).

## **7.2 Scope of Investment and Risk Controls**

**7.2.1** The Managers' and (as the case may be) the Sub-Managers' investment policy will be to pursue an active but prudent approach which employs fundamental economic and market analysis to take maximum advantage of short and medium to long term investment opportunities in interest rate and currency trends of the global bond markets.

**7.2.2** It is intended that the Trust achieves its investment objective by investing primarily in the following types of debt securities:

- (i) Fixed and floating rate government and corporate bonds plus convertible bonds, commercial papers, bankers acceptances, bills of exchange, certificates of deposits, promissory notes, bank bills and treasury bills issued by governments, government linked companies and corporations in (a) Singapore; (b) countries as defined by the FTSE World Government Bond Index ex Japan (currently these countries include USA, Germany, France, UK, Canada, Italy, the Netherlands, Denmark, Finland, Spain, Ireland, Austria, Australia, Sweden, Norway, Belgium, Mexico, Poland, Singapore and Malaysia); or (c) in countries that are rated with a minimum of investment grade credit rating of Aa2 by Moody's, AA by Standard & Poor's ("**S&P**"), AA by Fitch Inc. or its equivalent investment grading by any other internationally reputable credit rating agency.

Since 3 January 2005, the Trust's investments in Japanese debt securities have been limited to 10% of its Deposited Property. Such investments in Japanese debt securities have been restricted to a minimum investment grade credit rating of A2 by Moody's, A by S&P, A by Fitch Inc. or its equivalent investment grading by any other internationally reputable credit rating agency.

- (ii) Otherwise, the Trust will place its monies on short term fixed deposits with banks that are rated with a minimum short term rating of A2 and P2 as defined by S&P and Moody's respectively and long term rating of A and A3 as defined by S&P and Moody's respectively.

**7.2.3** To ensure that the Trust owns a portfolio of debt securities with high credit quality, it will only invest in debt securities issued by governments of benchmark countries or debt securities of issuers with a minimum credit rating of Aa2 by Moody's, AA by S&P, AA by Fitch Inc. or its equivalent investment grading by any other internationally reputable credit rating agency (and for issuers of Japanese debt securities, a minimum credit rating of A2 by Moody's, A by S&P, A by Fitch Inc. or its equivalent investment grading by any other internationally reputable credit rating agency).

**7.2.4** To protect the Singapore Dollar value of the Trust's investments, the Managers and (as the case may be) the Sub-Managers may employ an active currency hedging programme to manage their non-Singapore Dollar currency exposure. For prudent management of the underlying foreign currency exposures of the bond investments in the Trust, the hedging back into the Singapore Dollar - the base currency of the Trust - may range from 0% to 100% of the Trust's net asset value at all times, i.e.,

the Trust may range between being fully unhedged to fully hedged, but would never be leveraged in foreign currency exposure.

- 7.2.5** To assist diversification of credit risks, other than sovereign or sovereign related credit risks, exposure to any one corporate issuer is restricted to no more than 10% of the total value of the Deposited Property.
- 7.2.6** In order to ensure a greater degree of liquidity or marketability of the investments, the Trust will not invest in more than 5% of the aggregate issued and outstanding securities of any single issue.
- 7.2.7** The Managers and (as the case may be) the Sub-Managers currently do not intend to engage in securities lending and/or carry out repurchase transactions. However, should the Managers and (as the case may be) the Sub-Managers decide to engage in securities lending or repurchase transactions for the Trust, they shall comply with all applicable laws and regulations relating to securities lending and repurchase transactions.

### **7.3 Why Invest in the Legg Mason Western Asset Global Bond Trust?**

- 7.3.1** An opportunity to invest in a diversified portfolio of global bonds which typically will have a more conservative risk profile in terms of lower volatility of returns compared to global equities and emerging market bonds and yet will benefit from the potentially more attractive returns over Singapore Dollar deposits via capital appreciation.
- 7.3.2** An opportunity to invest in a diversified portfolio of top credit quality bonds. The Trust will focus on bonds rated with a minimum of Aa2 by Moody's, AA by S&P, AA by Fitch Inc. or an equivalent or above investment grade credit rating by any internationally reputable credit rating agency (and for Japanese bonds, a minimum of A2 by Moody's, A by S&P, A by Fitch Inc. or an equivalent or above investment grade credit rating by any internationally reputable credit rating agency).
- 7.3.3** To provide investors with an opportunity to diversify risks away from other investment asset classes such as equities and thereby helping to create an investment portfolio that is more stable and balanced.
- 7.3.4** Offers investors exposure to opportunities arising from different business cycles and interest rate trends without the attendant issue specific or credit risks that tend to accompany investments in the stock markets.

### **7.4 Who Should Invest in the Legg Mason Western Asset Global Bond Trust?**

- 7.4.1** When it comes to savings and investments every investor has differing needs, objectives and time horizons and should consider the Trust accordingly.
- 7.4.2** Over three to five years the potential expected returns from bonds are usually lower than those from equities, but superior to bank deposit rates. Investment in a bond fund may offer investors suitable portfolio diversification and more stable returns.
- 7.4.3** The Trust is potentially suitable for investors who require less volatile returns than those usually associated with that of equity investments.

**7.4.4** The Trust may also appeal to those investors who want the opportunity to diversify their investments on a worldwide basis.

## 8. Fees and Charges

### Legg Mason Western Asset Global Bond Trust

<b>Charges and Fees Payable by You if You Invest in the Trust</b>	
Preliminary Charge	<b>All Class A:</b> Currently 3% (in respect of subscriptions using cash and SRS monies) and 1.5%^ (in respect of subscriptions using CPF monies). Maximum 3%. <b>All Class I:</b> Currently nil.
Realisation Charge	<b>All Classes:</b> Currently nil. Maximum 2%.
<b>Fees Payable by Trust to Managers and Trustee (expressed as a percentage of the Value of the Deposited Property)*</b>	
Annual Management Fee** (a) Retained by Managers (b) Paid by Managers to approved agents or distributors (trailer fee)	<b>All Class A:</b> Currently 0.75% p.a. Maximum 0.75% p.a. (a) 16% to 100%*** of Annual Management Fee (b) 0% to 84%*** of Annual Management Fee <b>All Class I:</b> Currently nil. Maximum 1.5% p.a.
Annual Trustee Fee	Currently 0.075% p.a. on 1 <sup>st</sup> S\$10 million. 0.05% p.a. on balance of S\$10 million and above. Maximum 0.15% p.a. subject always to a minimum of S\$15,000 p.a.
Other Fees and Charges constituting 0.1% or more of the Trust's asset value****	Nil

^ If you purchase Units using CPF monies, the preliminary charge will be reduced to 0% from 1 October 2020 in line with the Government's announcement in March 2019.

\* You should note that the fees and charges applying to the Trust (including fees based on the Value of the Trust, where applicable) will be based on the Value without any Dilution Adjustment applied. Please refer to paragraph 19.9 below for further details.

\*\* Expressed as a percentage of the Value of the proportion of the Deposited Property attributable to the relevant Class if the Trust has more than one Class.

\*\*\* The range may change from time to time. Your approved agent or distributor is required to disclose to you the amount of trailer fee it receives from the Managers.

\*\*\*\* Based on the Trust's audited accounts for the financial year ended 31 March 2020.

The Sub-Managers' fees will be payable by the Managers and will not be payable by the Trust.

Any Preliminary Charge is currently paid to the Managers' agents and distributors. The approved agents or distributors appointed by the Managers (the "**approved agents or distributors**") may differentiate between investors as to the amount of the preliminary charge or realisation charge payable (subject to the maximum permitted), or allow discounts on the basis or scale that the approved agents or distributors think fit. You should also note that approved agents or 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. You should therefore check with such agents and distributors as to whether any additional fees and charges are imposed.

As required by the Code on Collective Investment Schemes issued by the Authority (as may be amended from time to time) (the "**Code**"), all marketing, promotional and advertising expenses in relation to the Trust will be borne by the Managers and not charged to the Deposited Property (as defined in the Deed) of the Trust.

## **9. Risks**

### **9.1 General risks**

- 9.1.1** Before investing in the Trust, you should consider and satisfy yourself as to the risks of investing in the Trust. Generally, some of the risk factors that you should consider are economic (such as growth, inflation or policy changes), interest rate, political, liquidity, default, foreign exchange, regulatory, repatriation risks and the risks of investing in warrants.
- 9.1.2** An investment in the Trust is meant to produce returns over the long-term. You should not expect to obtain short-term gains from such investment.
- 9.1.3** You should be aware that the price of Units, and the income from them, may fall or rise. You may not get your original investment amount back.
- 9.1.4** Market Risks. Market risk is the possibility of an investor experiencing losses due to factors that affect the overall performance of financial markets, including: changes in interest rates; trade, fiscal, monetary and exchange controls programmes and policies of governments; national and international political and economic events; the global and domestic effects of a pandemic; and any other failure of markets to function. Economic, financial or political events, trading and tariff arrangements, public health events, terrorism, natural disasters and other circumstances in one country or region could have profound impact on global economies or markets. Whether or not the Trust invests in securities of issuers located in or with significant exposure to countries experiencing economic, political or financial difficulties, the value and liquidity of the Trust's investments may be negatively affected.
- 9.1.5** Cyber Security Risks. With the increased use of technologies such as the internet and other electronic media and technology to conduct business, the Managers, the Trust and the Trust's service providers and their respective operations are susceptible to operational, information security and related risks including cyber security attacks or incidents. In general, cyber incidents can result from deliberate

attacks or unintentional events. Cyber attacks include, but are not limited to, gaining unauthorised access to digital systems, networks or devices (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber attacks may also be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). In addition to intentional cyber-events, unintentional cyber-events can occur, such as, for example, the inadvertent release of confidential information.

By affecting (a) the Managers, (b) the Trust and/or the Trust’s service providers and (c) the issuers of securities in which the Trust invests, cyber security failures or breaches have the ability to cause disruptions and impact business operations, potentially resulting in:

- (i) financial losses, shutting down, disabling, slowing or otherwise disrupting operations, business process or website access functionality;
- (ii) interference with the Trust’s ability to calculate its net asset value;
- (iii) impediments to trading;
- (iv) the inability of the Trust’s Holders to transact business;
- (v) violations of applicable privacy and other laws;
- (vi) regulatory fines, penalties, reputational damage;
- (vii) reimbursement or other compensation costs or additional compliance costs; and
- (viii) the loss of propriety information and data corruption.

Among other potentially harmful effects, cyber-events also may result in theft, unauthorised monitoring and failures in the physical infrastructure or operating systems that support the Managers and the Trust’s service providers. Similar adverse consequences could result from cyber security attacks, failures or breaches affecting issuers of securities in which the Trust invests, counterparties with which the Trust engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers for the Trust’s Holders) and other parties. In addition, substantial costs may be incurred in order to try to prevent any cyber incidents in the future.

- 9.1.6** The approach taken by the Managers to help manage the liquidity of the Trust is to activate liquidity management tools, such as the imposition of redemption gates, the suspension of redemptions and the application of Dilution Adjustment (as defined in paragraph 19.9 below), as described in paragraphs 12.1, 14 and 19.9. The activation of such liquidity management tools may have an adverse impact on your redemptions from the Trust. For instance, the suspension of redemptions as described in paragraph 14 will mean that you will not be able to redeem from the Trust during the suspension period, the imposition of the 10% limit on the number of Units that can be redeemed on any Dealing Day (redemption gate) as described

in paragraph 12.1 may mean you may not be able to redeem from the Trust on that Dealing Day, and the application of Dilution Adjustment as described in paragraph 19.9 will affect the amount of the realisation proceeds you will receive for your Units.

## **9.2 Specific risks**

The following are some of the risk factors that you should consider:

- 9.2.1** Prices of securities in the Trust may go down or up in response to changes in economic conditions, political conditions, interest rates and the market's perception of securities which in turn may cause the price of Units to rise or fall.
- 9.2.2** The income earned by the Trust may be affected by fluctuations in foreign exchange rates. The Managers and (as the case may be) the Sub-Managers will actively monitor and manage the Trust's exposure to adverse foreign exchange risks by hedging through the forwards or futures markets. In addition, a Class may be designated in currencies other than in Singapore Dollars. Where a Class is designated in a currency other than in Singapore Dollars, the Managers will not employ any technique to hedge the Class's exposure to changes in exchange rates between Singapore Dollars and the currency of the Class. Investors whose reference currency is Singapore Dollars may therefore be exposed to this exchange rate risk.
- 9.2.3** Issuers of instruments held in the Trust may default upon their obligations despite careful selection of issuers. Such risks however can be minimised through rigorous credit analysis.
- 9.2.4** Any investments by the Trust in bonds, debentures, loan stocks, convertibles and other debt securities may rise or decline in value if interest rates change. In general, the price of debt securities rises when interest rates fall, and falls when interest rates rise.
- 9.2.5** The investments in the Trust may be adversely affected by political instability as well as exchange controls, changes in taxation, foreign investment policies and other restrictions and controls which may be imposed by relevant authorities.
- 9.2.6** Subject to paragraph 19.4 of this Prospectus and the Deed, the Trust will use swaps, forwards, options and futures for the purposes of hedging and efficient portfolio management. Where such instruments are financial derivatives on commodities, such transactions shall be settled in cash at all times or as may otherwise be required under the Code. While this may create substantial opportunities, it also involves risk, including possible default by counterparties to the arrangement. To reduce counterparty risks, the counterparties will be top quality financial institutions. Some of other risks associated with financial derivatives are market risks, management risks, credit risks, liquidity risks and leverage risks. The value of financial derivative instruments is subject to market risks and may fall in value as rapidly as it may rise and it may not always be possible to dispose of such instruments during such fall in value. In such a situation, the cost incurred in obtaining the financial derivatives may not be recoverable. Investments in financial derivatives may require the deposit of initial margin and additional margins on short notice, if the market moves against the investment positions. If no provision is made

for the required margin within the prescribed time, the Trust's investment positions may be liquidated at a loss.

Please refer to paragraph 19.10 for further information on the use of financial derivatives.

**9.2.7** Whilst there is always a chance of any stock market becoming illiquid due to exceptional circumstances, global bonds of investment grades (defined as Aa2 by Moody's, AA by S&P, AA by Fitch Inc. or its equivalent thereof by other internationally reputable credit rating agencies and Japanese bonds of investment grades defined as A2 by Moody's, A by S&P, A by Fitch Inc. or its equivalent thereof by other internationally reputable credit rating agencies), in which the Trust predominantly invests, have traditionally demonstrated a high level of liquidity.

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

## **10. Subscription of Units**

### **10.1 Subscription procedure**

You may apply for Units through the approved agents or distributors or through their ATMs, if applicable. Investors who purchase Units using CPF monies may not be registered as joint Holders of Units.

You may pay for Units either with cash, Supplementary Retirement Scheme ("**SRS**") monies or CPF monies from your CPF Ordinary Account or CPF Special Account. You may pay with SRS monies by instructing the relevant SRS operator to withdraw from your SRS account monies in respect of the Units applied for.

You may use CPF monies from your CPF Ordinary Account or CPF Special Account to purchase Units by indicating so on the application form and providing instructions or authorisation on that application form to the CPF Board to withdraw from your CPF Ordinary Account for credit to your CPF Investment Account with a CPF agent bank or to the CPF Board to withdraw from your CPF Special Account (as the case may be) monies in respect of the Units applied for.

No transfer is permitted in respect of Units purchased with SRS monies or CPF monies.

In general, where your application to purchase Units is made and accepted, Units are issued:

- (i) if you subscribe using cash – to the approved agent or distributor or its nominee, whose name is entered into the Register as the legal unitholder. The approved agent or distributor or its nominee will hold those Units on your behalf; and
- (ii) if you subscribe using monies from your CPF Ordinary Account, CPF Special Account or SRS Account – in your name.

## 10.2 Minimum initial subscription amount and minimum subsequent subscription amount

The minimum initial subscription amount and the minimum subsequent subscription amount are as follows:

	<b>Minimum Initial Subscription Amount</b>	<b>Minimum Subsequent Subscription Amount</b>
<b>All Class A</b>	1,000 in the currency designation of the relevant Class*	100 in the currency designation of the relevant Class*
<b>All Class I</b>	1,000,000 in the currency designation of the relevant Class*	100,000 in the currency designation of the relevant Class*

\*unless otherwise determined by the Managers.

Some approved agents or distributors may have different minimum requirements. You should confirm with the relevant approved agent or distributor the applicable minimum requirements imposed by such approved agent or distributor in respect of the Trust.

## 10.3 Dealing cut-off time and pricing basis

**10.3.1** As Units are issued on a forward pricing basis, the issue price of Units shall not be ascertainable at the time of application. In buying Units, you pay a fixed amount of money e.g., S\$1,000, which will buy you the number of Units (including fractions of Units) obtained from dividing S\$1,000 (less any preliminary charge) by the issue price when it has been ascertained later. The Managers' dealing cut-off time is 5 p.m. Singapore time on a Dealing Day<sup>1</sup>. Units in respect of applications received and accepted by the Managers before the dealing cut-off time will be issued at that Dealing Day's issue price calculated in accordance with the provisions of the Deed (as summarised in paragraph 10.3.2 below). Applications received after the dealing cut-off time or on a day which is not a Dealing Day shall be treated as having been received on the next Dealing Day. The Managers' approved agents or distributors may have their own dealing cut-off times that are earlier than the Managers' dealing cut-off time for the receipt of applications and subscription monies. You should confirm the applicable dealing cut-off time with the relevant approved agent or distributor.

**10.3.2** The issue price of a Unit of a Class on any Dealing Day is ascertained as follows:

- (i) by calculating the Value (calculated in accordance with the valuation principles set out in Clause 1(A) of the Deed and as set out in paragraph 19.8 in this Prospectus) as at the Valuation Point<sup>2</sup> in respect of the Dealing

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<sup>1</sup> A "Dealing Day" in connection with the issuance and realisation of Units, means every Business Day or such Business Day or Business Days at such intervals as the Managers may from time to time determine provided that reasonable notice of any such determination shall be given by the Managers to all Holders at such time and in such manner as the Trustee may approve. A "Business Day" means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore.

<sup>2</sup> The "Valuation Point" means the close of business of the last relevant market in relation to a Dealing Day on which the Value of the Deposited Property is to be determined or such other time on a Dealing Day or such other day as the Managers

Day on which such issue occurs of the proportion of the Deposited Property represented by one Unit of the relevant Class, as the Managers may determine after consultation with the Trustee;

- (ii) by adding the appropriate Fiscal and purchase charges<sup>3</sup>; and
- (iii) by determining the resultant total up to four decimal places and rounding such figure to the nearest three decimal places (or such number of decimal places as the Managers may from time to time decide).

**10.3.3** The preliminary charge will be retained by the Managers' approved agents or distributors and the amount of the aforesaid adjustment shall be credited to the Trust.

**10.3.4** The Managers may apply Dilution Adjustment to the Trust which, if applied, will impact the issue price of Units. Please refer to paragraph 19.9 below for further details.

#### **10.4 Numerical example of how Units are allotted**

The number of Units allotted based on an investment amount of S\$1,000 and a notional issue price of S\$1.000 and assuming a 3% preliminary charge is calculated as follows:

$$\text{e.g. S\$1,000.00} - \text{S\$30} = \text{S\$970.00} / \text{S\$1.000} = \text{970.00 Units}$$

Gross investment amount	3% Preliminary Charge	Net investment amount	Notional issue price	Number of Units allotted
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You should note that the actual issue price per Unit will vary daily in line with the net asset value of the relevant Class. The above example is purely hypothetical and is not a forecast or indication of any expectation of performance of the Trust.

#### **10.5 Confirmation of purchase**

A confirmation note detailing the investment amount and the number of Units allocated to you will be sent within fourteen (14) Business Days from the date of issue of Units.

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may from time to time determine after consultation with the Trustee and the Managers shall notify the Holders of such change if so required by the Trustee.

<sup>3</sup> "Fiscal and purchase charges" means all stamp and other duties, taxes (including GST), governmental charges, brokerage, commissions, bank charges, transfer fees, registration fees and other duties and charges whether in connection with the constitution of the Deposited Property or the increase of the Deposited Property or the creation, issue, sale, exchange or purchase of Units or the sale or purchase of Authorised Investments or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but does not include commissions payable to agents on sales and repurchases of Units.

## **10.6 Cancellation of Units**

If you are a first-time investor, you shall, subject to Clause 11A of the Deed and to the cancellation terms and conditions contained in the notice to cancel form, have the right to cancel your subscription of Units, without incurring the preliminary charge set out in paragraph 8 above, within seven (7) calendar days from the date of subscription of Units (or such longer period as may be agreed between the Managers and the Trustee or such other period as may be prescribed by the Authority) by providing notice in writing to the relevant approved agent or distributor through whom you purchased your Units. The cancellation proceeds payable in relation to the cancellation of a subscription of Units will be determined as the lower of the market value of the Units (the subscription of which is being cancelled) or the original subscription amount which you paid at the time of your subscription or purchase. The Managers shall be entitled to deduct an administrative fee of up to S\$10 from the cancellation proceeds to be paid to you for expenses reasonably related to the original purchase and cancellation request. Full details relating to the cancellation of Units may be found in the cancellation terms and conditions contained in the notice to cancel form.

## **11. Regular Savings Plan**

A regular savings plan is not made available to investors in Singapore by the Managers. The approved agents or distributors of the Trust may, at their own discretion, offer regular savings arrangements for the benefit of investors in Singapore. Information on such regular savings arrangements, such as the minimum periodic contributions, timing of the investment deduction and Unit allocation, may be obtained from such approved agents or distributors. The terms of such regular savings arrangements will provide that Holders may cease participation in such arrangements without suffering any penalty by providing not less than 30 days' notice in writing to the relevant approved agent or distributor.

## **12. Realisation of Units**

### **12.1 Realisation procedure**

You may realise your Units on any Dealing Day by submitting the relevant realisation request form to the relevant approved agent or distributor through whom you purchased your Units.

Units in respect of realisation forms received and accepted by the Managers by the dealing cut-off time on a Dealing Day shall be realised at that Dealing Day's realisation price calculated in accordance with the provisions of the Deed (as summarised in paragraph 12.3.3 below). Realisation requests received after the dealing cut-off time or on a day which is not a Dealing Day shall be treated as having been received on the next Dealing Day.

You should note that the Managers may, with the approval of the Trustee, limit the total number of Units which Holders may realise on any Dealing Day to 10% of the total number of Units then in issue. If so, requests for realisation of Units on that Dealing Day will be reduced rateably and be treated as if made in respect of each subsequent Dealing Day until all Units to which the original request related have been realised.

## 12.2 Minimum holding and minimum realisation amount

The minimum holding and the minimum realisation amount are as follows:

	<b>Minimum Holding</b>	<b>Minimum Realisation Amount</b>
<b>All Class A</b>	1,000 Units or such number of Units which would have been purchased for 1,000 in the currency designation of the relevant Class at the time of initial subscription*	100 Units
<b>All Class I</b>	1,000,000 Units or such number of Units which would have been purchased for 1,000,000 in the currency designation of the relevant Class at the time of initial subscription*	100,000 Units

\*or such other number or amount as may from time to time be determined by the Managers.

Some approved agents or distributors may have different minimum requirements. You should confirm with the relevant approved agent or distributor the applicable minimum requirements imposed by such approved agent or distributor in respect of the Trust.

## 12.3 Dealing cut-off time and pricing basis

**12.3.1** The Managers' dealing cut-off time in relation to each Dealing Day is 5 p.m. Singapore time on such Dealing Day. The Managers' approved agents or distributors may have their own dealing cut-off times that are earlier than the Managers' dealing cut-off time for the receipt of realisation requests. You should confirm the applicable dealing cut-off time with the relevant approved agent or distributor.

**12.3.2** As Units are realised on a forward pricing basis, the realisation price of Units is not ascertainable at the time of realisation.

**12.3.3** The realisation price of a Unit of the relevant Class on any Dealing Day is ascertained as follows:

- (i) by calculating the Value (calculated in accordance with the valuation principles set out in Clause 1(A) of the Deed and as set out in paragraph 19.8 in this Prospectus) as at the Valuation Point in respect of the Dealing Day on which the realisation request is received, of the proportion of the Deposited Property then representing one Unit of the relevant Class, as the Managers may determine after consultation with the Trustee;

- (ii) by deducting therefrom the appropriate Fiscal and sale charges<sup>4</sup>; and
- (iii) by determining the resultant total up to four decimal places and rounding such figure to the nearest three decimal places (or such number of decimal places as the Managers may from time to time decide).

The realisation proceeds shall be net of the prevailing realisation charge. The realisation charge, if any, shall be retained by the Managers and the amount of the aforesaid adjustment will be credited to the Trust. Currently, no realisation charge is imposed on the realisation of Units.

**12.3.4** The Managers may apply Dilution Adjustment to the Trust which, if applied, will impact the realisation price of Units. Please refer to paragraph 19.9 below for further details.

## 12.4 Numerical example of realisation

The amount payable on a realisation, based on the realisation of 1,000 Units and a notional realisation price of S\$0.970 and assuming a 0% realisation charge, is calculated as follows:

e.g. 1,000 Units	X	S\$0.970	=	S\$970.00	-	S\$0.00	=	S\$970.00
Realisation request		Notional realisation price		Gross realisation proceeds		Realisation charge		Net realisation proceeds

You should note that the actual realisation price per Unit will vary daily in line with the net asset value of the relevant Class. The above example is purely hypothetical and is not a forecast or indication of any expectation of performance of the Trust.

## 12.5 Payment of realisation proceeds

If you had purchased your Units with cash, realisation proceeds shall normally be paid within four (4) Business Days (or within such other period as may be permitted by the Authority) of receipt and acceptance of the realisation form by the Managers unless the realisation of Units has been suspended in accordance with paragraph 14.

If you had purchased your Units with SRS monies, realisation proceeds shall be paid to the Holder's SRS operator usually within four (4) Business Days (or within such other period as may be permitted by the Authority) of receipt and acceptance of the realisation form by the Managers unless realisation of Units has been suspended in accordance with paragraph 14.

If you had purchased your Units with CPF monies from your CPF Ordinary Account, realisation proceeds shall be paid to your CPF agent bank usually within four (4) Business

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<sup>4</sup> "Fiscal and sale charges" means all stamp and other duties, taxes (including GST), governmental charges, brokerage, commissions, bank charges, transfer fees, registration fees and other duties and charges whether in connection with the constitution of the Deposited Property or the increase of the Deposited Property or the creation, issue, sale, exchange or purchase of Units or the sale or purchase of Authorised Investments or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but does not include commissions payable to agents on sales and repurchases of Units.

Days (or within such other period as may be permitted by the Authority) of receipt and acceptance of the realisation form by the Managers unless the realisation of Units has been suspended in accordance with paragraph 14.

If you had purchased your Units with CPF monies from your CPF Special Account, realisation proceeds shall be paid to the CPF Board for the credit of your CPF Special Account usually within four (4) Business Days (or within such other period as may be permitted by the Authority) of receipt and acceptance of the realisation form by the Managers unless the realisation of Units has been suspended in accordance with paragraph 14.

### **13. Obtaining Prices of Units**

The indicative net asset value of the Units is published on each day on the Managers' website at <https://www.leggmason.com/en-sg.html>. The actual net asset value of the Units is normally published two (2) Business Days after the relevant Dealing Day. The issue and realisation prices of the Units will be calculated as described in paragraphs 10.3 and 12.3.

**You should note that the Managers do not accept any responsibility for any errors on the part of the publisher in the prices published or for any non-publication or late publication of prices by such publisher and shall incur no liability in respect of any action taken or loss suffered by any person in reliance upon such publication.**

### **14. Suspension of Dealing**

**14.1** Subject to the provisions of the Code, the Managers or the Trustee may, with the prior approval of the other, suspend the issue and/or realisation of Units during:

**14.1.1** any period when the Recognised Exchange<sup>5</sup> (as defined in the Deed) or OTC Market<sup>6</sup> (as defined in the Deed) on which any Authorised Investments<sup>7</sup> forming part

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<sup>5</sup> "Recognised Exchange" means any stock exchange, futures exchange or options exchange of repute in Singapore and any country in any part of the world and in relation to any particular Authorised Investment shall be deemed to include any responsible firm, corporation or association in Singapore and any part of the world dealing in the Authorised Investment which the Managers may from time to time elect with the approval of the Trustee.

<sup>6</sup> "OTC Market" means any over-the-counter market or over-the telephone market in Singapore or any country in any part of the world and in relation to any particular Authorised Investment shall be deemed to include any reputable institution in Singapore and any part of the world dealing in the Authorised Investment which the Managers may from time to time elect with the approval of the Trustee.

<sup>7</sup> "Authorised Investments" means subject to the provisions of the Code, any of the following Investments: (i) any Investments issued by the Singapore Government or its agencies or by governments of countries as defined by the FTSE World Government Bond Index ex Japan (or such other benchmark that the Trust aims to outperform) or their agencies; (ii) any unrated Investments issued by Singapore-incorporated issuers; (iii) non-Singapore Dollar denominated Investments listed or quoted on the Singapore Exchange Securities Trading Limited; (iv) any Investments which are fixed deposits of banks rated with a minimum of A2 by Moody's, A by S&P, A by Fitch Inc. or an equivalent investment grading by any other internationally reputable credit rating agency; (v) any Investments (whether secured or unsecured) issued by foreign governmental or government-related bodies which are money market instruments, fixed rate bonds, floating rate bonds, convertible or non-convertible bonds rated with a minimum of A2 by Moody's, A by S&P, A by Fitch Inc. or an equivalent investment grading by any other internationally reputable credit rating agency; (vi) any Investments (whether secured or unsecured) issued by supranational bodies which are money market instruments, fixed rate bonds, floating rate bonds, convertible or non-convertible bonds rated with a minimum of A2 by Moody's, A by S&P, A by Fitch Inc. or an equivalent investment grading by any other internationally reputable credit rating agency; (vii) any Investments (whether secured or unsecured) which are money market instruments, fixed rate bonds, floating rate bonds, convertible or non-convertible bonds issued by corporations rated with a minimum of A2 by Moody's, A by S&P, A by Fitch Inc. or an equivalent investment grading

of the Deposited Property for the time being are listed or dealt in is closed (otherwise than for ordinary holidays) or during which dealings are restricted or suspended;

- 14.1.2** the existence of any state of affairs which, in the opinion of the Managers might seriously prejudice the interests of the Holders as a whole or of the Deposited Property;
  - 14.1.3** any breakdown in the means of communication normally employed in determining the price of any of such Authorised Investments or the current price on that Recognised Exchange or OTC Market or when for any reason the prices of any of such Authorised Investments cannot be promptly and accurately ascertained (including any period when the fair value of a material portion of the Authorised Investments cannot be determined);
  - 14.1.4** any period when remittance of money which will or may be involved in the realisation of such Authorised Investments or in the payment for such Authorised Investments cannot, in the opinion of the Managers, be carried out at normal rates of exchange;
  - 14.1.5** any 48-hour period (or such longer period as the Managers and the Trustee may agree) prior to the date of any meeting of Holders (or any adjourned meeting thereof);
  - 14.1.6** any period where dealing in Units is suspended pursuant to any order or direction of the Authority;
  - 14.1.7** any period when the business operations of the Managers or the Trustee in relation to the operations of the Trust 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
  - 14.1.8** such circumstances as may be required under the provisions of the Code.
- 14.2** Subject to the provisions of the Code, the Trustee may also instruct the Managers to temporarily suspend the issue and realisation of Units during any period of consultation or adjustment of the issue and realisation price arising from the provisions of Clause 10(B)(v) and Clause 12(F)(ii) of the Deed respectively.
- 14.3** Such suspension shall take effect forthwith upon the declaration in writing thereof to the Trustee by the Managers or to the Managers by the Trustee, as the case may be and, subject to the provisions of the Code, shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other conditions under which suspension is authorised under Clauses 10(G) and 12(F)(ii) of

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by any other internationally reputable credit rating agency and listed on stock exchanges of developed markets as defined by the World Bank's International Finance Corporation and markets in Southeast Asia; and (viii) any Investments which are forwards, futures, options, caps, collars, floors, sale and repurchase transactions and other financial derivative and financial transactions and instruments related or connected to the rights of any Investments listed under this definition of "Authorised Investments" and forward currency contracts, options and futures contracts which may be selected by the Managers for the purposes of risk management and hedging including hedging foreign currency exposure of the investments of the Deposited Property back into the Singapore Dollar.

the Deed (as reproduced in this paragraph 14) shall exist upon the declaration in writing thereof by the Managers or the Trustee (as the case may be).

## 15. Performance of the Trust

### 15.1 Past performance of the Trust and benchmark as of 30 June 2020.

	One year	Three years (average annual compounded return)	Five years (average annual compounded return)	Ten years (average annual compounded return)	Since inception (average annual compounded return)
Class A (SGD) Accumulating <sup>1</sup>	5.29%	3.01%	2.80%	2.84%	2.21%
FTSE World Government Bond Index ex Japan (hedged to Singapore Dollar) <sup>2</sup>	8.07%	5.55%	4.70%	4.18%	3.91%

Notes:

1. Source (performance calculation of the Trust): Legg Mason. Performance calculation is based on NAV to NAV (single pricing basis taking into account Preliminary Charge and Realisation Charge) with net dividends reinvested, in Singapore Dollars. Return presented for a period exceeding one year is on an average annual compounded basis.

Inception date of the Trust and the Class A (SGD) Accumulating is 2 November 1998.

2. Source (performance calculation of the benchmark): Legg Mason. Performance calculation of the benchmark is based on NAV to NAV with net dividends reinvested, in Singapore Dollars. The benchmark against which the performance of the Trust is measured is the FTSE World Government Bond Index ex Japan (formerly known as Citigroup World Government Bond Index ex Japan), which was hedged to Singapore Dollar with effect from 1 April 2011 to reduce the impact of currency fluctuations on the performance of the benchmark. Prior to 3 January 2005, the benchmark against which the performance of the Trust was measured was the FTSE World Government Bond Index (S\$) (formerly known as Citigroup World Government Bond Index (S\$)). The reason for the change is because the FTSE World Government Bond Index ex Japan better reflects the investment focus and strategy of the Trust. Benchmark performance shown is a chain-link of the performance of the FTSE World Government Bond Index ex Japan, which was hedged to Singapore Dollar with effect from 1 April 2011 and, prior to 3 January 2005, the performance of the FTSE World Government Bond Index (S\$).

3. Classes which have not been incepted or which have been incepted for less than one year as at the date of this Prospectus are not included in the above table as a track record of at least one year is not available in respect of such Classes.

**The past performance of the Trust is not necessarily indicative of its future performance.**

## **15.2 Expense ratio**

The expense ratio of the Class A (SGD) Accumulating for the financial period ended 31 March 2020 is 0.88%. No other Classes were incepted as at 31 March 2020.

The expense ratio is calculated in accordance with the guidelines issued by the Investment Management Association of Singapore on the disclosure of expense ratios and based on figures in the Trust's latest audited accounts. The following expenses (where applicable) 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 Trust, 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 Holders.

## **15.3 Turnover ratio**

The turnover ratio is calculated based on the lesser of purchases or sales expressed as a percentage over the average net asset value of the assets of the Trust, i.e. average daily net asset value over the same period used for calculating the expense ratio. The turnover ratio for the one year period ended 31 March 2020 is 42.94%.

## **16. Soft Dollar Commissions/Arrangements**

The Managers and Sub-Managers currently do not but shall be entitled to receive and enter into soft-dollar commissions/arrangements in respect of the Trust. The Managers and Sub-Managers will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Managers and Sub-Managers may receive include specific advice as to the advisability of dealing in, or the value of any investments, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis, and custodial service in relation to the investments managed for clients.

Soft-dollar commissions received shall not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payment.

The Managers and the Sub-Managers will not accept or enter into soft dollar commissions/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Managers or the relevant Sub-Manager (as the case may be), assist it in its management of the Trust, provided that it shall ensure at all times that best execution is carried out for the transactions, and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

## **17. Conflicts of Interest**

- 17.1** The Managers and, as the case may be, the Sub-Managers (and the reference to "Managers" in this paragraph 17 shall include reference to "Sub-Managers" as applicable) may from time to time have to deal with competing or conflicting interests of the Trust with other funds managed by the Managers. For example, the Managers may make a purchase or sale decision on behalf of some or all of the other funds managed by them without making the same decision on behalf of the Trust, as a decision whether or not to make the same investment or sale for the Trust depends on factors such as the cash availability and portfolio balance of the Trust. However, the Managers will use reasonable endeavours at all times to act fairly and in the interests of the Trust. In particular, after taking into account the availability of cash and relevant investment guidelines of the other funds managed by the Managers, the Managers will endeavour to ensure that securities bought and sold will be allocated in an equitable and practical manner among the Trust and the other funds managed by the Managers.
- 17.2** The factors which the Managers will take into account when determining if there are any conflicts of interest as described in paragraph 17.1 above include the assets and, where applicable, the debt securities of the Trust. To the extent that another fund managed by the Managers intends to purchase substantially similar assets, the Managers will ensure that the assets are allocated equitably and that the interests of all investors are treated equally between the Trust and the other funds.
- 17.3** The Managers may from time to time act as investment manager or investment adviser in relation to, or be otherwise involved in, other funds which have similar investment objectives to those of the Trust. It is, therefore, possible that they may, in the course of business, have potential conflicts of interests with the Trust. The Managers will, at all times, have regard in such event to their obligations to the Trust and will ensure that such conflicts are resolved fairly. In addition, the Managers and each of their affiliated entities will, at all times, have regard to their obligations to the Trust and shall ensure that in any transaction carried out with the Trust, such transaction will be carried out as if effected on normal commercial terms negotiated at arm's length.
- 17.4** The Managers or their related entities or the Trustee may own, hold, dispose or otherwise deal with Units as though they were not a party to the Deed. If there is any conflict of interest arising as a result of that dealing, the Managers and the Trustee, following consultation, will resolve the conflict in a just and equitable manner as they deem fit.

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

## **18. Reports**

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

The financial year-end for the Trust is 31 March. The annual report, annual accounts and the auditor's report on the annual accounts will be prepared and sent or made available to the Holders within 3 months of the financial year-end (or such other period as may be permitted by the Authority). The semi-annual report and semi-annual accounts will be prepared and sent or made available to the Holders within 2 months of the financial half-year end (or such other period as may be permitted by the Authority).

## **19. Other Material Information**

### **19.1 Information on Investments**

At the end of each quarter, Holders will receive a statement showing the value of their investment, including any transactions during the quarter. However, if there is any transaction within a particular month, Holders will receive an additional statement at the end of that month.

### **19.2 Liabilities and Indemnities**

The following is an extract from the Deed. For full information on such liabilities and indemnities, please refer to the Deed:

**19.2.1** The Trustee and the Managers shall incur no liability in respect of any action taken or thing suffered by them in reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganisation or other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties, provided that it or they have acted in good faith, without negligence and with due care.

**19.2.2** The Trustee and the Managers shall incur no liability to the Holders for doing or (as the case may be) failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order or judgment of any court, or by reason of any request, announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (whether legally or otherwise) either they or any of them shall be directed or requested to do or perform or to forbear from doing or performing. If for any reason it becomes impossible or impracticable to carry out any of the provisions of the Deed neither the Trustee nor the Managers shall be under any liability therefor or thereby.

- 19.2.3** Neither the Trustee nor the Managers shall be responsible for any authenticity of any signature or of any seal affixed to any transfer or form of application, endorsement or other document (whether sent by mail, facsimile, electronic means or otherwise) affecting the title to or transmission of Units or be in any way liable for any forged or unauthorised signature on or any seal affixed to such endorsement, transfer or other document or for acting upon or giving effect to any such forged or unauthorised signature or seal. The Trustee and the Managers respectively shall nevertheless be entitled but not bound to require that the signature of any Holder to any document required to be signed by him under or in connection with the Deed shall be verified to its or their reasonable satisfaction.
- 19.2.4** Any indemnity expressly given to the Trustee or the Managers in the Deed is in addition to and without prejudice to any indemnity allowed by law; provided nevertheless that any provision of the Deed shall be void insofar as it would have the effect of exempting the Trustee or the Managers from or indemnifying 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 where they fail to show the degrees of diligence and care required of them having regard to the provisions of the Deed.
- 19.2.5** Nothing contained in the Deed shall be construed so as to prevent the Managers and the Trustee in conjunction or separately from acting as managers or trustee of trusts separate and distinct from the Trust and neither of them shall in any way be liable to account to the Trust or any other person for any profit or benefit made or derived hereby or in connection therewith.
- 19.2.6** Neither the Trustee nor the Managers shall be responsible for acting upon any resolution purported to have been passed at any meeting of the Holders in respect whereof minutes shall have been made and signed even though it may be subsequently found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not binding upon all the Holders.
- 19.2.7** The Trustee and the Managers may accept as sufficient evidence of the Value of any Authorised Investment or the cost price or sale price thereof or of any market quotation a certificate by a person, firm or association qualified in the opinion of the Managers to provide such a certificate.
- 19.2.8** At all times and for all purposes of the Deed the Trustee and the Managers may rely upon the established practice and rulings of any Recognised Exchange or OTC Market and any committees and officials thereof on which any dealing in any Authorised Investment or other property is from time to time effected in determining what shall constitute a good delivery and any similar matters and such practice and rulings shall be conclusive and binding upon all persons under the Deed.
- 19.2.9** Neither the Managers nor the Trustee shall be responsible to the Trust or any Holder for any loss or damage arising from reasons, or causes beyond their control, or the control of any of their respective employees, including, without limitation,

nationalisation, expropriation, currency restrictions, acts of war, insurrection, revolution, civil unrest, riots or strikes, nuclear fusion or acts of God.

**19.2.10** Notwithstanding anything contained in the Deed but subject to applicable laws and regulations:

- (i) the Trustee shall not incur any liability in respect of or be responsible for losses incurred through the insolvency of or any act or omission of any depository or clearing system with which Authorised Investments may be deposited or any broker, financial institution or other person (or in each case its nominee) with whom Authorised Investments are deposited in order to satisfy any margin requirement;
- (ii) the Trustee shall not incur any liability in respect of or be responsible for losses incurred through the insolvency of or any act or omission of any nominee, custodian, joint custodian or sub-custodian appointed by the Trustee except where the Trustee has failed to exercise reasonable skill and care in the selection, appointment and monitoring of such appointee (having regard to the market in which the relevant appointee is located) or the Trustee is in wilful default; and
- (iii) the Trustee shall not incur any liability in respect of or be responsible for losses through the insolvency of or any act or omission of any sub-custodian not appointed by it.

**19.2.11** Save for any negligence, fraud or wilful default by the Trustee, the Trustee shall not be under any liability on account of anything done or suffered to be done by the Trustee in good faith in accordance with or in pursuance of any request or advice of the Managers (or the delegates or distributors appointed by the Managers). Whenever pursuant to any provision of the Deed by certificate, notice, instruction or other communication is to be given by the Managers (or the delegates or distributors appointed by the Managers) to the Trustee the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Managers (or the relevant delegate or distributor appointed by the Managers) by any one person whose signature the Trustee is for the time being authorised by the Managers (or as the case may be, the relevant delegate or distributor appointed by the Managers) under their common seal to accept and may act on electronic mail and facsimile instructions given by authorised officers of the Managers (or the relevant delegate or distributor appointed by the Managers) specified in writing by the Managers (or the relevant delegate or distributor appointed by the Managers) to the Trustee.

**19.2.12** The Trustee may act upon any advice of or information obtained from the Managers or any bankers, accountants, brokers, lawyers, agents or other persons acting as agents or advisers of the Trustee or the Managers and the Trustee shall not be liable for anything done or omitted or suffered in reliance upon such advice or information, provided it has acted in good faith, without negligence and with due care. The Trustee shall not be responsible for any misconduct, mistake, oversight, error of judgment, forgetfulness or want of prudence on the part of any such banker, accountant, broker, lawyer, custodian, joint custodian or sub-custodian, agent or

other person as aforesaid or of the Managers, provided the Trustee has acted in good faith, without negligence and with due care. Any such advice or information may be obtained or sent by letter, electronic mail or facsimile and the Trustee shall not be liable for acting on any advice or information purported to be conveyed by any such letter, electronic mail or facsimile although the same contains some error or is not authentic.

**19.2.13** The Trustee (or the Managers or their agents with the approval of the Trustee) shall (subject as provided in the Deed) be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all distribution mandates which have been cancelled or lapsed at any time after the expiration of one year from the date of cancellation or lapse thereof and all notifications of change of address after the expiration of one year from the date of the recording thereof and all forms of proxy in respect of any meeting of Holders one year from the date of the meeting at which the same are used and all registers, statements and other records and documents relating to the Trust at any time after the expiration of six years from the termination of the Trust. Neither the Trustee nor the Managers nor their agents shall be under any liability whatsoever in consequence thereof and unless the contrary be proved every instrument of transfer so destroyed shall be deemed to have been a valid and effective instrument duly and properly registered and every other document hereinbefore mentioned so destroyed shall be deemed to have been a valid and effective document in accordance with the recorded particulars thereof. Provided Always That:

- (i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (ii) nothing in this paragraph 19.2.13 shall be construed as imposing upon the Trustee or the Managers or other agents any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of paragraph 19.2.13(i) above are not fulfilled; and
- (iii) references to the destruction of any document include references to the disposal thereof in any manner.

### **19.3 Distributions**

Distributions of income, net capital gains and capital will be at the Managers' sole discretion. Distributions out of income, net capital gains and/or capital (if any) will lower the net asset value of the Trust.

It is intended that, in the normal course of business, accumulating Classes will not make any distributions whereas distributing Classes may distribute income, net capital gains or capital as the Managers deem fit.

Distributions in respect of a distributing Class will generally be declared at the following frequencies:

Distributing Class letter designation	Frequency of distribution declaration
(M)	Monthly
(Q)	Quarterly (generally in March, June, September, December)
(S)	Semi-Annually (generally in March, September)

Where there is no letter designation in the name of the distributing Class, distributions for such Class will be declared on an annual basis (generally in March).

**Distributions are at the discretion of the Managers and there is no guarantee that any distribution will be made and if distributions are made, such distributions are not in any way a forecast, indication or projection of the future or likely performance/distribution of the Trust. The making of any distribution shall not be taken to imply that further distributions will be made.**

#### **19.4 Investment Restrictions and Borrowing Limits**

**19.4.1** The Managers will ensure compliance with the CPF Investment Guidelines for CPFIS Included Funds issued by the CPF Board on 15 September 2003, as the same may be amended, restated, supplemented or replaced from time to time.

**19.4.2** In addition, the Managers will ensure compliance with any investment and borrowing restrictions set out in Appendix 1 of the Code, as the same may be amended, restated, supplemented or replaced from time to time.

#### **19.5 Holder's Right to Vote**

A meeting of Holders duly convened and held in accordance with the provisions of the Schedule to the Deed shall be competent by Extraordinary Resolution:

**19.5.1** to sanction any modification, alteration or addition to the provisions of the Deed which shall be agreed by the Trustee and the Managers as provided in Clause 36 of the Deed;

**19.5.2** to sanction a supplemental deed increasing the maximum permitted percentage of the management participation and/or of the Trustee's remuneration as provided in Clause 22(B) of the Deed;

**19.5.3** to terminate the Trust as provided in Clause 33(F) of the Deed;

**19.5.4** to remove the Auditors as provided in Clause 29(D) of the Deed;

**19.5.5** to remove the Trustee as provided in Clause 30(C)(iii) of the Deed;

**19.5.6** to remove the Managers as provided in Clause 31(A)(iv) of the Deed;

**19.5.7** to direct the Trustee to take any action (including the termination of the Trust) pursuant to Section 295 of the SFA; and

**19.5.8** to sanction and approve any matter tabled to them by the Managers and/or the Trustee at any extraordinary general meeting of the Trust,

but shall not have any further or other powers.

## **19.6 Termination of the Trust**

**19.6.1** The Trust is of indeterminate duration and may be terminated as provided in Clause 33 of the Deed.

**19.6.2** Either the Trustee or the Managers may in their absolute discretion terminate the Trust by not less than three months' notice in writing to the other given so as to expire at the end of the Accounting Period. Either the Trustee or the Managers shall be entitled by notice in writing to make the continuation of the Trust beyond any such date conditional on the revision to its or their satisfaction at least three months before the relevant date of its or their remuneration. In the event that the Trust shall fall to be terminated or discontinued the Managers shall give notice thereof to all Holders not less than three months in advance. Subject as aforesaid the Trust shall continue until terminated in the manner hereinafter provided in paragraphs 19.6.3 to 19.6.6.

**19.6.3** Subject to Section 295 of the SFA, the Trust may be terminated by the Trustee by notice in writing in any of the following events, namely:

- (i) if the Managers shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of their assets or if a judicial manager is appointed in respect of the Managers or if any encumbrancer shall take possession of any of their assets or if they shall cease business;
- (ii) if any law shall be passed, any authorisation withdrawn or revoked or the Authority issues any direction which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Trust;
- (iii) if within the period of three months from the date of the Trustee expressing in writing to the Managers the desire to retire the Managers shall have failed to appoint a new trustee within the terms of Clause 30 of the Deed; and
- (iv) if within three months from the date of the Trustee removing the Managers, the Trustee shall have failed to appoint new managers within the terms of Clause 31 of the Deed.

The decision of the Trustee in any of the events specified in this paragraph 19.6.3 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 Trust pursuant to this paragraph 19.6.3 or otherwise. The Managers shall accept the decision of the Trustee and relieve the Trustee of any liability to them therefor and hold it harmless from any claims whatsoever on their part for damages or for any other relief.

**19.6.4** The Trust may be terminated by the Managers in their absolute discretion by notice in writing as hereinafter provided (i) if the average aggregate value of the Deposited Property shall be less than S\$3,000,000 or (ii) if any law shall be passed, any

authorisation withdrawn or revoked or the Authority issues any direction which renders it illegal or in the opinion of the Managers impracticable or inadvisable to continue the Trust.

**19.6.5** The party terminating the Trust shall give notice thereof to the Holders fixing the date at which such termination is to take effect which date shall not be less than six months after the service of such notice and the Managers shall give written notice thereof to the Authority not less than seven days before such termination.

**19.6.6** The Trust may at any time after ten years from the date of the Principal Deed be terminated by Extraordinary Resolution of a meeting of the Holders duly convened and held in accordance with the provisions contained in the Schedule to the Deed and such termination shall take effect from the date on which the Extraordinary Resolution is passed or such later date (if any) as the Extraordinary Resolution may provide.

## **19.7 Termination of Class**

**19.7.1** Each Class is of indeterminate duration and may be terminated as provided in Clause 33A of the Deed.

**19.7.2** The Managers may in their absolute discretion terminate a Class by not less than one month's notice to the Trustee. In the event a Class is to be terminated in the manner provided in this paragraph, the Managers shall give notice thereof in writing to the Holders of that Class not less than one month in advance of such termination.

**19.7.3** A Class may be terminated by the Trustee if any law is passed or any direction is given by the Authority which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue that Class or if any approval or authorisation of that Class is revoked or withdrawn. The decision of the Trustee in such event shall be final and binding upon the Managers and the Holders but the Trustee shall be under no liability on account of any failure to terminate a Class pursuant to Clause 33A(C) of the Deed or otherwise.

**19.7.4** A Class may be terminated by the Managers:

- (i) if the Units of that Class in issue fall below a number to be determined by the Managers;
- (ii) if the Managers are of the view that it is not in the best interest of Holders of Units in that Class to continue the Class; or
- (iii) if any law is passed or any direction given by the Authority which renders it illegal or in the opinion of the Manager impracticable or inadvisable to continue that Class or if any approval or authorisation of that Class is revoked or withdrawn.

The decision of the Managers in any of the events specified in Clause 33A(D) of the Deed shall be final and binding upon the Trustee and the Holders but the Manager shall be under no liability on account of any failure to terminate a Class pursuant to Clause 33A(D) of the Deed or otherwise.

**19.7.5** The party terminating the Class in accordance with this paragraph shall give notice in writing of such termination to the Holders of that Class and by such notice fix the date at which such termination is to take effect, which date shall not be less than one month after the giving of such notice (or such other earlier date as may be necessary to comply with any law or direction given by the Authority).

**19.7.6** A Class may at any time be terminated by Extraordinary Resolution of a meeting of the Holders of that Class duly convened and held in accordance with the provisions contained in the Deed and such termination shall take effect on the date on which the said Extraordinary Resolution is passed or on such later date (if any) as the said Extraordinary Resolution may provide.

## **19.8 Valuation**

“Value”, except where otherwise expressly stated and subject always to the requirements of the Code, with reference to any Authorised Investment which are:-

- (i) deposits placed with banks in or outside of Singapore and bank bills, shall be determined by reference to the face value of such Authorised Investments and the accrued interest thereon for the relevant period;
- (ii) Quoted Investments<sup>8</sup>, shall be calculated, as the case may be, by reference to the price appearing to the Managers or other agent on behalf of the Managers to be the official closing price, the last known transacted price or the last transacted price on a Recognised Exchange or the last available prices or quoted price quoted by reputable institutions in an OTC Market at the time of calculation for the Quoted Investment in question or at any time as may be approved by the Trustee;
- (iii) units or shares in a unit trust or mutual fund or collective investment scheme shall be valued at the latest published or available net asset value per unit or share, or if no net asset value per unit or share is published or available, then at their latest available realisation price; and
- (iv) Unquoted Investments<sup>9</sup> (other than any deposit or bank bill or unit or share in a unit trust or mutual fund or collective investment scheme referred to in paragraphs (i) and (iii) above), shall be calculated by reference to the (a) last available price (if any); or (b) prices quoted by such persons, firms or institutions determined by the Managers to be making a market in that investment at the close of trading in the relevant market on which the particular Authorised Investment is traded (and if there shall be more than one such market maker, then such market maker as the Managers may determine),

PROVIDED THAT, if the quotations referred to in (ii), (iii) and (iv) above are not available, or if the value of the Authorised Investment determined in the manner described in (i), (ii), (iii) or (iv) above, in the opinion of the Managers, is not representative, then the value shall be such value as the Managers may with due care and in good faith consider in the circumstances to

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<sup>8</sup> “**Quoted Investment**” means any Authorised Investment which is quoted or listed or in respect of which permission to deal is effective on any Recognised Exchange or any OTC Market.

<sup>9</sup> “**Unquoted Investment**” means any Authorised Investment which is not quoted, listed or dealt in on any Recognised Exchange or any OTC Market.

be fair value and is approved by the Trustee and the Managers shall notify the Holders of such change if required by the Trustee. For the purposes of this proviso, the "fair value" shall be determined by the Managers in consultation with a dealer or an approved valuer and with the approval of the Trustee in accordance with the Code.

In exercising in good faith the discretion given by the proviso above, the Managers shall not, subject to the provisions of the Code, assume any liability towards the Trust, and the Trustee shall not be under any liability, in accepting the opinion of the Managers, notwithstanding that the facts may subsequently be shown to have been different from those assumed by the Managers.

In calculating the Value of the Deposited Property or any proportion thereof:-

- (i) 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 cash or other assets in the hands of the Trustee but also the value of any cash, accrued interest on bonds or other assets to be received in respect of Units agreed to be issued after deducting therefrom or providing thereout the Preliminary Charge and (in the case of Units issued against the vesting of Authorised Investments) any moneys payable out of the Deposited Property pursuant to Clause 9 of the Deed;
- (ii) where Authorised Investments have been agreed to be purchased or otherwise acquired or sold but such purchase, acquisition or sale has not been completed, such Authorised Investments shall be included or excluded and the gross purchase, acquisition or net sale consideration excluded or included as the case may require as if such purchase, acquisition or sale had been duly completed;
- (iii) where in consequence of any notice or request in writing given pursuant to Clause 11, 11A or 12 of the Deed, a reduction of the Trust by the cancellation of Units is to be effected but such reduction has not been completed the Units in question shall not be deemed to be in issue and any amount payable in cash and the value of any Authorised Investments to be transferred out of the Deposited Property after deducting therefrom or providing thereout the Realisation Charge (if any) in pursuance of such reduction shall be deducted from the Value of the Deposited Property;
- (iv) there shall be deducted any amounts not provided for above which are payable out of the Deposited Property including:-
  - (a) any amount of Management Fee (which shall be deducted in accordance with the provision below in this paragraph 19.8 if the Trust has more than one Class and the management fee differs between the Classes), the remuneration of the Trustee and any other expenses accrued but remaining unpaid;
  - (b) the amount of tax, if any, on net capital gains (including any provision made for unrealised capital gains) accrued up to the end of the last Accounting Period and remaining unpaid;
  - (c) the amount in respect of tax, if any, on net capital gains realised during a current Accounting Period prior to the valuation being made as in the estimate of the Managers will become payable; and

- (d) the aggregate amount for the time being outstanding of any borrowings effected under Clause 15(C) of the Deed together with the amount of any interest and expenses thereon accrued pursuant to paragraph (v) of the said Clause 15(C) and remaining unpaid;
- (v) there shall be taken into account such sum as in the estimate of the Managers will fall to be paid or reclaimed in respect of taxation related to Income (as defined in the Deed) up to the time of calculation of the Value of the Deposited Property;
- (vi) there shall be added the amount of any tax, if any, on capital gains estimated to be recoverable and not received;
- (vii) any Value (whether of an Authorised Investment or cash) otherwise than in Singapore Dollars and any non-Singapore Dollar borrowing shall be converted into Singapore Dollars at the rate (whether official or otherwise) which the Managers shall after consulting with or in accordance with a method approved by the Trustee deem appropriate to the circumstances having regard *inter alia* to any premium or discount which may be relevant and to the costs of exchange except where such Value is in relation to a Class that is not denominated in Singapore Dollars, such Value (whether of an Authorised Investment or cash) otherwise than in the currency of the Class and any borrowings otherwise than in the currency of the Class may be converted into the currency of the Class at the rate (whether official or otherwise) which the Managers shall after consulting with or in accordance with a method approved by the Trustee deem appropriate to the circumstances having regard *inter alia* to any premium or discount which may be relevant and to the costs of exchange; and
- (viii) where the current price of an Authorised Investment is quoted "ex" dividend, interest or other payment but such dividend, interest or other payment has not been received the amount of such dividend, interest or other payment shall be taken into account,

the Managers may, subject to the prior approval of the Trustee, change the method of valuation provided in this paragraph, and the Trustee shall determine if the Holders should be informed of such change. In the case where the Trust has more than one Class, the Value of the proportion of the relevant Deposited Property attributable to each Class shall be calculated by apportioning the Value of the relevant Deposited Property (obtained in accordance with the provisions 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 Trust). For the avoidance of doubt, where any expense, charge or amount payable out of or payable into the Deposited Property pursuant to the Deed is attributable only to a particular Class within the Trust, 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 Trust.

If, in the Managers' opinion it is in the interest of Holders to do so, the Managers shall, in consultation with the Trustee, be entitled to make adjustments in the calculation of the Value per Unit on a Dealing Day upwards or downwards, as applicable, having regard to such circumstances as the Managers in their discretion deem appropriate. Such adjustments

shall be made by an amount that is considered appropriate by the Managers in consultation with the Trustee which shall not exceed 3% of the Value per Unit on the relevant Dealing Day or such higher amount as the Managers may from time to time determine in consultation with the Trustee PROVIDED THAT, subject to applicable laws and regulations, the Managers may, in exceptional circumstances (including but not limited to situations whereby extreme market turmoil or volatility may result in an unusual magnitude of the increase in the Fiscal and purchase charges and the Fiscal and sale charges incurred in the purchase and/or sale of Authorised Investments and the spread between the buying and selling prices of such Authorised Investments caused by subscriptions, realisations, conversions and/or exchanges of Units) and in consultation with the Trustee, temporarily apply an adjustment beyond 3% of the Value per Unit on the relevant Dealing Day or such higher amount as the Managers may from time to time determine in consultation with the Trustee if, in the Managers' opinion, it is in the interest of existing Holders to do so and the Managers shall give notice to the relevant Holders of such adjustment beyond such amount if so required by the Authority and/or the Trustee and in such manner as the Managers and Trustee may agree. Notwithstanding any other provision of the Deed, the issue price and Realisation Price per Unit calculated based on the Value per Unit as so adjusted shall apply in respect of all subscriptions, realisations, conversions and exchanges of Units of the Trust or the relevant Class on the relevant Dealing Day.

#### **19.9 Dilution Adjustments**

The Trust is single priced and may fall in value due to various factors such as the Fiscal and purchase charges and the Fiscal and sale charges incurred in the purchase and sale of Authorised Investments and the spread between the buying and selling prices of such Authorised Investments caused by subscriptions and/or realisations of Units. This effect is known as "dilution".

To minimise the impact of dilution, the Managers may apply a technique known as "dilution adjustment" or "swing pricing" by adjusting the Value of the Trust so that such Fiscal and purchase charges and the Fiscal and sale charges and dealing spreads in respect of the Authorised Investments are, as far as practicable, passed on to the relevant Holders (i.e. those who are subscribing and/or realising Units on a particular Dealing Day) ("**Dilution Adjustment**").

The Managers shall be entitled, in consultation with the Trustee, to apply a Dilution Adjustment in circumstances that they deem are appropriate, having regard to the interest of Holders. Typically, a Dilution Adjustment is made if the net transaction on a Dealing Day exceeds a certain percentage of the previous Dealing Day's Value (the "**Threshold**"). The need to apply Dilution Adjustment will depend upon various factors, including but not limited to (i) the amount of subscriptions and/or realisations of Units on that Dealing Day, (ii) the impact of any Fiscal and purchase charges and/or Fiscal and sale charges incurred in the purchase and/or sale of Authorised Investments of the Trust, (iii) market conditions and (iv) the spread between the buying and selling prices of such Authorised Investments caused by subscriptions and/or realisations.

The returns of the Trust will be calculated based on the Value of the Trust after Dilution Adjustments have been applied and this could increase the variability of the Trust's returns. You should also note that the returns of the Trust may be influenced by the level of subscription or realisation activity (which may result in the application of swing pricing). In

the usual course of business, to minimise the impact to the variability of the return of the Trust, the application of a Dilution Adjustment will be triggered mechanically and on a consistent basis and applied only when the net transaction exceeds the Threshold. You should note however that Dilution Adjustment only reduces the effect of dilution and does not eliminate it entirely. Applying a Dilution Adjustment only where the Threshold is hit reduces the impact to the variability of the Trust's returns. However, dilution arising from a net transaction that is below the Threshold may not be reduced.

The Threshold will be set with the objective of protecting the Holders' interest while minimising impact to the variability of the Trust's return by ensuring that the Value is not adjusted where the dilution impact on the Trust is, in the opinion of the Managers, not significant, and may be varied by the Managers in their discretion. Where a Dilution Adjustment is made, it will typically increase the Value when there are net subscriptions into the Trust and decrease the Value when there are net realisations. The Value of each Class in the Trust will be calculated separately but any Dilution Adjustment will, in percentage terms, affect the Value of each Class in an equal manner. You should also note that the fees and charges applying to the Trust (including fees based on the Value of the Trust, where applicable) will be based on the Value without any Dilution Adjustment applied.

The amount of the Dilution Adjustment applied by the Managers may vary over time depending on various factors such as market conditions but will under normal circumstances not exceed 3% of the Value per Unit on the relevant Dealing Day. The Managers reserve the right to apply Dilution Adjustment of an amount not exceeding 3% of the Value per Unit on the relevant Dealing Day where they deem appropriate and have the discretion to vary the amount of Dilution Adjustment within such 3% limit, in consultation with the Trustee, from time to time without giving notice to the relevant Holders.

Subject to applicable laws and regulations, in exceptional circumstances (including but not limited to situations whereby extreme market turmoil or volatility may result in an unusual magnitude of the increase in the Fiscal and purchase charges and the Fiscal and sale charges incurred in the purchase and/or sale of Authorised Investments and the spread between the buying and selling prices of such Authorised Investments caused by subscriptions and/or realisations of Units), the Managers may, in consultation with the Trustee, temporarily apply a Dilution Adjustment beyond 3% of the Value per Unit on the relevant Dealing Day if, in their opinion, it is in the interest of existing Holders to do so. In such cases, the Managers shall give notice to the relevant Holders if so required by the Authority and/or the Trustee and in such manner as the Managers and Trustee may agree.

#### **19.10 Use of Financial Derivative Instruments**

The global exposure of the Trust to financial derivatives or embedded financial derivatives shall not exceed 100% of the net asset value of the Trust at any time (or such other percentage as may be allowed under the Code). Such exposure will be calculated using the commitment approach as described in, and in accordance with the provisions of, the Code.

If the Trust nets its over-the-counter financial derivative positions, the Managers will obtain the legal opinions as stipulated in paragraph 5.15 of Appendix 1 of the Code (or as may otherwise be required under the Code) prior to any such netting.

The Managers and (as the case may be) the Sub-Managers have the necessary expertise to manage the risk relating to the use of financial derivative instruments and will ensure that

the risk management and compliance procedures are adequate and have been or will be implemented.

#### **19.11 US Foreign Account Tax Compliance Act (“FATCA”)**

FATCA was enacted in the US in 2010. It introduces a number of new customer identification, reporting and tax withholding requirements applicable to foreign (*i.e.*, non-US) financial institutions (“**FFIs**”) that are aimed at preventing citizens and residents of the US from evading US taxes by holding their assets in financial accounts outside of the US with such FFIs. The term “FFI” is defined very broadly and therefore the Trust is considered a FFI.

***The following is a general discussion of the application of FATCA to the Trust, as well as existing and prospective investors or Holders of the Trust. It is included for general informational purposes only, should not be relied upon as tax advice and may not be applicable depending upon your particular situation. You should consult your tax advisor regarding the tax consequences to you of the purchase, ownership and disposition of the Units of the Trust, including the tax consequences under US federal laws (and any proposed changes in applicable law).***

#### **FFI AGREEMENTS AND FATCA WITHHOLDING**

FATCA generally requires FFIs to enter into agreements (“**FFI Agreements**”) with the US Internal Revenue Service (“**IRS**”), under which they agree to identify and report information to the IRS on any US reportable accounts held by them. The IRS assigns a global intermediary identification number to each FFI that has entered into an FFI Agreement, which confirms the FFI’s status as a “Participating FFI”. If an FFI fails to enter into an FFI Agreement and is not otherwise exempt, it will be treated as a nonparticipating FFI and may become subject to a 30 per cent withholding tax on “withholdable payments” or “passthru payments” (as defined in FATCA) it receives (collectively “**FATCA Withholding**”), unless the FFI complies with FATCA under other permissible alternatives.

#### **APPLICATION OF FATCA TO THE TRUST AND INVESTORS**

Singapore and the US signed a FATCA Model 1 Intergovernmental Agreement (the “**Model 1 IGA**”) on 9 December 2014 and the Model 1 IGA entered into force on 18 March 2015.

Under the Model 1 IGA, Singapore-based financial institutions will have to comply with the relevant FATCA provisions in the Income Tax Act (Cap.134) and the regulations in the Income Tax (International Tax Compliance Agreements)(United States of America) Regulations 2015 which implements such FATCA requirements into Singapore laws and, under such changes, the Managers, the Trustee, distributors and / or other service providers to the Trust may be required to report and disclose information of certain investors in the Trust including any “U.S. Person” or any “U.S. Reportable Account” (as defined in the Model 1 IGA) to the relevant Singapore authorities which will in turn report the information to the IRS. Existing and prospective investors in the Trust may therefore be requested to provide additional information to the Managers, the Trustee, distributors and / or other service providers to the Trust in order to enable the Trust and such parties to satisfy their obligations under Singapore laws, regulations and guidance which have been implemented as part of the Model 1 IGA. Failure by an investor to provide such information may result in such investor being subject to FATCA Withholding.

Guidance in Singapore as to the mechanics and scope of this new reporting and withholding regime has been provided in the Inland Revenue Authority of Singapore's e-Tax Guide entitled "Compliance Requirements of the Singapore-US Intergovernmental Agreement on Foreign Account Tax Compliance Act" which was published on 17 March 2015. There can be no assurance as to the timing or impact of such guidance on future operations of the Trust or on any investor in the Trust.

#### **19.12 Automatic Exchange of Information ("AEOI")**

The Common Reporting Standard ("**CRS**") is a new, single global standard on AEOI which was approved by the Council of the Organisation for Economic Cooperation and Development ("**OECD**") in July 2014. The CRS builds on the FATCA reporting regime to maximise efficiency and reduce costs for implementing jurisdictions and their financial institutions. The CRS sets out details of the financial information to be exchanged, the financial institutions required to report, together with common due diligence standards to be followed by financial institutions.

Under the CRS, participating jurisdictions are required to exchange certain information held by financial institutions regarding their non-resident customers. Over 100 jurisdictions have committed to exchanging information under the CRS and Singapore has committed to implement the CRS with the first exchange to take place by September 2018. The Income Tax (International Tax Compliance Agreements) (Common Reporting Standard) Regulations 2016 ("**CRS Regulations**") incorporate the requirements of the CRS into Singapore's domestic legislative framework. The CRS Regulations entered into force on 1 January 2017.

The CRS Regulations requires and empowers all financial institutions to put in place necessary processes and systems to collect financial account information from 1 January 2017. The Trust is required to disclose the name, address, jurisdiction(s) of tax residence, date and place of birth, account reference number and tax identification number(s) of each reportable person in respect of a reportable account for CRS and information relating to each of your investments (including but not limited to the value of and any payments in respect of the Units) to the Inland Revenue Authority of Singapore who may in turn exchange this information with the tax authorities in territories who are participating jurisdictions for the purposes of the CRS. In order to comply with its obligations, the Trust may require additional information and documentation from you.

The non-provision of information requested by the Trust pursuant to CRS may result in the inability to process instructions from such investor, including any redemption requests, and/or otherwise deal with the investor or his accounts and holdings in the Trust or other appropriate action taken by the Trust. The refusal to provide the requisite information to the Trust may also be reported to the Inland Revenue Authority of Singapore.

The above description is based in part on CRS Regulations and guidance from the OECD in relation to the CRS, all of which are subject to change.

You will be deemed by your Applying for Units (as defined in paragraph 19.13 below) to have authorised and to have obtained consent from third party individuals, whose personal information you have disclosed to the Trust, to the automatic disclosure of such information by the Administrator, or other relevant person to the Inland Revenue Authority of Singapore and other relevant tax authorities.

You should consult your own tax advisers on the requirements applicable to you under these arrangements.

### **19.13 Use of Personal Data**

You should note the following:

By signing the subscription application form or applying for Units through an approved agent's or a distributor's website (collectively "**Applying for Units**"), each investor consents and acknowledges that any personal data including any personal data relating to the investor and/or third party individuals (e.g. beneficial owners, family members, trustees, partners or directors or authorised signatories of investors who are not individuals) ("**Data**") provided to the Managers, Sub-Managers, Trustee, Custodian, Registrar, administrator, any approved agent or distributor, and/or their related corporations, associates or affiliates ("**Recipients**", each a "**Recipient**") whether directly or through appointed distributors or agents or otherwise collected by or on behalf of a Recipient from publicly available or other sources, in connection with the investor's application for or investment in the Trust, may be collected, stored, processed, maintained, used and disclosed by a Recipient for the following purposes: (i) updating and maintaining the register; (ii) implementing, operating, managing and administering the investor's investment in the Trust and any related accounts on an ongoing basis, including but not limited to transactional purposes such as processing instructions or trades of investors or persons acting on behalf of investors; (iii) complying with any applicable legal, governmental, compliance or regulatory requirements within Singapore and in any foreign jurisdiction, including complying with any requests made to any Recipient by any government authority or regulatory body and any rules and regulations relating to anti-money laundering and countering the financing of terrorism and mitigating any adverse result under any laws relating to tax; (iv) complying with any applicable treaty or agreement with or between Singapore and a foreign jurisdiction; (v) fulfilling a judgment or order of court or of any other tribunal within Singapore and in an applicable foreign jurisdiction; (vi) providing client-related services, including providing customer support, responding to queries or feedback given by investors or persons acting behalf of investors, and communicating with and disseminating of statements of account, notices, reports, materials, communications (whether of a marketing nature or otherwise) to investors or persons acting on behalf of investors; (vii) verifying the identity of investors or persons acting on behalf of investors; (viii) exercising or enforcing the rights of a Recipient under contract or pursuant to applicable laws and regulations; (ix) administering, operating, processing or managing the Units or the Trust; (x) the prevention of crime, fraud or misuse of services, processing for the creation or maintenance of physical, network or information technology security measures, auditing and processing for statistical purposes or business analysis and monitoring; (xi) for all other purposes required or authorised under any applicable legal, governmental, compliance or regulatory requirements within Singapore and in any foreign jurisdiction, including but not limited to complying with the Income Tax (International Tax Compliance Agreements)(Common Reporting Standard) Regulations 2016 of Singapore; (xii) conducting general administration in relation to the foregoing; and (xiii) all purposes directly related to one or more of the foregoing.

By Applying for Units, each investor also consents and acknowledges that, for the purposes set out above, Data may be disclosed and transferred by a Recipient to the following parties in Singapore or in a foreign jurisdiction: (i) any person or entity including government

authorities, regulatory bodies, courts and tribunals to whom a Recipient is under an obligation to make disclosure pursuant to any domestic or foreign legal process, legal obligation, regulatory obligation or request from a government authority or regulatory body; (ii) any CPF agent bank or SRS operator; (iii) related corporations, associates or affiliates of a Recipient; and (iv) any agent, contractor, third party service provider, intermediary or professional adviser which provides administrative, mailing, data storage or processing, business process, human resource, information technology, audit, advisory or any other services to a Recipient in connection with the operation of the business of the Recipient.

By Applying for Units, each investor warrants that any Data provided by or on behalf of that investor to a Recipient is true, accurate and complete, that changes to such Data shall be notified to a relevant Recipient in a timely fashion, and to the extent that any such Data relates to a third party individual, that the prior consent of such third party individual, which will allow a Recipient to collect, use and disclose Data of that individual in the manner and for the purposes described above, has been obtained, and consents and acknowledges all such collection, use and disclosure on behalf of that third party individual.

Pursuant to the Personal Data Protection Act 2012 of Singapore, an individual may withdraw his/her consent to the collection, use and/or disclosure of his/her Data. Investors may wish to note that a notice of withdrawal of consent submitted by an investor or a third party individual relevant to that investor: (1) may result in the inability to process instructions from such investor, including any redemption requests, and/or otherwise deal with the investor or his accounts and holdings in the Trust; and (2) shall not prevent the continued use or disclosure of Data for the purposes of compliance with any legal, governmental, compliance or regulatory requirements within Singapore and in any foreign jurisdiction, unless otherwise prohibited by applicable mandatory laws.

#### **19.14 Credit assessment process**

The Managers have established a set of internal credit assessment standards and have put in place a credit assessment process to ensure that their investments are in line with these standards (should the Managers rely on ratings issued by credit rating agencies). Information on the Managers' credit assessment process will be made available to investors upon request.

#### **20. Queries and Complaints**

If you have questions concerning your investment in the Trust, you may contact the Managers at telephone number (65) 6536 8000 or facsimile number (65) 6317 8947.

**Legg Mason Western Asset Global Bond Trust**

**Prospectus**

Signed:

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**Jeremy Tan Yeow Wee**

for and on behalf of

**Edward Stephen Squires Venner**

Director

Signed:

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**Jeremy Tan Yeow Wee**

for and on behalf of

**Clement Lee Jia Yi**

Director

Signed:

---

**Jeremy Tan Yeow Wee**

for and on behalf of

**Amy Olmert**

Director

Signed:

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**Jeremy Tan Yeow Wee**

for and on behalf of

**Andy Sowerby**

Director

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**Legg Mason Western Asset Global Bond Trust**

**Prospectus**

**Signed:**

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**Jeremy Tan Yeow Wee**

Director

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Issued by Legg Mason Asset Management Singapore Pte. Limited  
(Registration no.(UEN): 200007942R)

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