

18 September 2020

# **PROSPECTUS**

# **LIONGLOBAL ASIA PACIFIC FUND**

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# **LIONGLOBAL ASIA PACIFIC FUND**

## **DIRECTORY**

### **Managers**

Lion Global Investors Limited  
65 Chulia Street, #18-01 OCBC Centre, Singapore 049513

### **Directors of the Managers**

Khor Hock Seng (Chairman)  
Ching Wei Hong (Deputy Chairman)  
Gerard Lee How Cheng (CEO)  
Tan Siew Peng  
Ronnie Tan Yew Chye  
Wee Ai Ning  
Chong Chuan Neo  
Leslie Teo Eng Sipp

### **Trustee/Registrar/Administrator**

HSBC Institutional Trust Services (Singapore) Limited  
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

# LIONGLOBAL ASIA PACIFIC FUND

## Important Information

We, the managers of LionGlobal Asia Pacific Fund (the “**Fund**”), Lion Global Investors Limited, accept full responsibility for the accuracy of information contained in this Prospectus and confirm, having made all reasonable enquiries, that to the best of our knowledge and belief that this Prospectus contains all information with respect to the Fund which is material in the context of the offer of units of the Fund (“**Units**”) hereunder and the statements contained in this Prospectus are in every material respect true and accurate and not misleading and 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 Fund (the “**Deed**”).

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

No application has been made for the Units to be listed on any stock exchange. You may request us to realise all or part of your holding of Units in accordance with and subject to the provisions of the Deed. Our unit trusts and investment products, except for guaranteed funds, are not obligations of, deposits in, or guaranteed by, us or any of our 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.

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 the countries of your citizenship, residence or domicile, which may be relevant to the subscription, holding or disposal of units in the Fund and should inform yourselves of and observe all such laws and regulations in any relevant jurisdiction that may apply to you.

The distribution of this Prospectus and the offering, purchase, sale or transfer of the Units in certain jurisdictions may be restricted by law. You should be informed about and observe any such restrictions at your own expense and without liability to us. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Units in any jurisdiction in which such offer or invitation would be unlawful.

### Restriction on U.S. Persons on subscribing to our funds

You shall not circulate to any other person, reproduce or otherwise distribute this Prospectus or any information herein for any purpose whatsoever nor permit or cause the same to occur. In particular, please note that the Units have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any other applicable law of the United States. The Fund has not been and will not be registered as an investment company under the U.S. Investment Company Act of 1940, as amended. The Units are being offered and sold outside the United States to persons that are not “**U.S. Persons**” (as defined in Regulation S promulgated under the U.S. Securities Act) in reliance on Regulation S promulgated under the U.S. Securities Act and are not “United States Persons” (as defined in Section 7701(a)(30) of the U.S. Internal Revenue Code, as amended, and referred to herein as “**U.S. Holders**”). The Units are not being offered or made available to U.S. Persons or U.S. Holders and nothing in this Prospectus is directed to or is intended for U.S. Persons or U.S. Holders.

For the purposes of the U.S. Securities Act, the term “**U.S. Person**” means: (i) any natural person resident in the United States; (ii) any partnership or corporation organised or incorporated under the laws of the United States; (iii) any estate of which any executor or administrator is a U.S. Person; (iv) any trust of which any trustee is a U.S. Person; (v) any agency or branch of a non-United States entity located in the United States; (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 U.S. 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 United States; and (viii) any partnership or corporation if (a) organised or incorporated under the laws of any non-United States jurisdiction and (b) formed by a U.S. Person

principally for the purpose of investing in securities not registered under the U.S. Securities Act, unless it is organised or incorporated, and owned, by “**accredited investors**” (as defined in Regulation D promulgated under the U.S. Securities Act) who are not natural persons, estates or trusts.

For the purposes of the U.S. Internal Revenue Code, the term “**U.S. Holder**” includes: a U.S. citizen or resident individual of the United States; a partnership or corporation created or organized in the United States or under the law of the United States or any State thereof, or the District of Columbia; an estate of a decedent that is a citizen or resident of the United States; or a trust if (i) a court within the United States is able to exercise primary supervision over the administration of the trust, and (ii) one or more U.S. Holders have the authority to control all substantial decisions of the trust.

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

For the purposes of the U.S. Securities Act, the term “**U.S. Person**” does not include: (i) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual), resident in the United States; (ii) any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person if (a) an executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate and (b) the estate is governed by non-United States law; (iii) any trust of which any professional fiduciary acting as trustee is a U.S. Person, if a trustee who is not a U.S. Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settler if the trust is revocable) is a U.S. Person; (iv) an employee benefit plan established and administered in accordance with the law of a country other than the United States; (v) an agency or branch of a U.S. Person located outside the United States 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, any other similar international organisations, and their respective agencies, affiliates and pension plans.

## **Compliance Obligations**

### **Onboarding**

You consent to our and/or the Trustee’s collection, use and storage of any of your Personal Information and Account Information by any means necessary for us and/or the Trustee to maintain appropriate transaction or account records and for disclosure and compliance with the Compliance Obligations.

You agree to provide Personal Information to us and/or the Trustee in such form and within such time as we and/or the Trustee may require from time to time.

You agree to update us and/or the Trustee promptly (and in any event no later than thirty (30) days from the date of change or addition) when there is a change or addition to the Personal Information.

You acknowledge and agree that you are responsible for your own compliance with the Compliance Obligations.

### **Indemnity**

You agree to indemnify us, the Trustee and the Fund and its other investors for any losses resulting from your failure to meet your obligations under these Compliance Obligations provisions, including any withholding tax imposed on the Fund.

## Disclosure

You acknowledge and agree that the Personal Information and Account Information provided may be disclosed during the life of the Fund and after its termination by us and/or the Trustee to each other, counterparties, custodians, brokers, distributors and other service providers, the U.S. Internal Revenue Service, the Inland Revenue Authority of Singapore or other applicable tax or other regulatory authorities in any jurisdiction for the purpose of compliance with the Compliance Obligations.

You irrevocably waive and agree to procure any Consenting Person to waive irrevocably (where reasonably required by us and/or the Trustee), any applicable restrictions, provision of law and rights in law that would, absent a waiver, prevent disclosure by us and/or the Trustee of the Personal Information and Account Information pursuant to the provisions of this Prospectus.

## Deduct/Close/Block Accounts

You agree that if you fail to provide or to update us and/or the Trustee promptly with the Personal Information or Account Information, or provide to us and/or the Trustee inaccurate, incomplete or false Personal Information or Account Information, or for whatever reason, we and/or the Trustee are prevented (under Singapore law or otherwise) from disclosing the Personal Information or Account Information for the purpose of compliance with the Compliance Obligations, we and/or the Trustee may take one or more of the following actions at any time: deduct from or withhold part of any amounts payable to you by or on behalf of the Fund and/or close the account opened with us, the Trustee and/or the Fund (where such account has already been opened), or determine in our sole discretion not to open an account (where such account has not yet been opened).

## Definitions

**“Account Information”** means any information or documentation relating to your account for the Units, including the account number, withholding certificate (e.g. W-9 or W-8 tax forms), Global Intermediary Identification Number (if applicable) or any other valid evidence of any FATCA registration with the U.S. Internal Revenue Service or a corresponding exemption, account balance or value, gross receipts, withdrawals and payments from your account.

**“Compliance Obligations”** means obligations of the Managers, the Trustee and/or the Fund to comply with:

- (a) FATCA;
- (b) CRS; and
- (c) any legislation, treaty, intergovernmental agreement, foreign financial institution agreement, regulation, instruction, or other official guidance of any Relevant Authority in any jurisdiction whether within or outside of Singapore, that is associated, similar or analogous to FATCA and/or CRS.

**“Consenting Person”** means any person other than you who is beneficially interested or financially interested in any payment made in relation to the Fund.

**“CRS”** means: (a) the Standard for Automatic Exchange of Financial Account Information in tax matters, developed and published by the Organisation for Economic Co-operation and Development (**“OECD”**), as amended from time to time; and (b) the Income Tax (International Tax Compliance Agreements) (Common Reporting Standard) Regulations 2016 and any official guidance issued by the Inland Revenue Authority of Singapore (**“IRAS”**) or OECD from time to time, to facilitate implementation of the Common Reporting Standard (as each may be amended, modified, and/or supplemented from time to time). Such official guidance shall include, but is not limited to, the IRAS FAQs on the Common Reporting Standard published by the IRAS on 7 December 2016, Commentaries on Common Reporting Standard, Standard for Automatic Exchange of Financial Account Information in Tax Matters: Implementation Handbook and CRS-Related Frequently Asked Questions issued by OECD.

**“FATCA”** means: (a) Sections 1471 to 1474 of the United States Internal Revenue Code of 1986, as amended from time to time; and (b) the Income Tax (International Tax Compliance Agreements)(United States of America) Regulations 2015, the Singapore-US Intergovernmental Agreement on Foreign

Account Tax Compliance Act and the e-Tax Guide on Compliance Requirements of the Singapore-US Intergovernmental Agreement on Foreign Account Tax Compliance Act issued by the IRAS (as each may be amended, modified, and/or supplemented from time to time).

**“Personal Information”** means information relating to you and any Consenting Person, and:

- (a) where you or any Consenting Person are/is an individual, the full name, date and place of birth, residential address, mailing address, contact information (including telephone number) and any identification number, social security number, citizenship(s), residency(ies), tax residency(ies), tax identification number, tax status, FATCA classification; and
- (b) where you or any Consenting Person are/is a corporate or other entity, your/its date of incorporation or formation, registered address, address of place of business, tax identification number, tax status, FATCA and CRS classification, tax residency and such information as we and/or the Trustee may reasonably require regarding each of your and any Consenting Person’s substantial shareholders and controlling persons.

**“Relevant Authority”** means any nation, any political subdivision thereof, whether state or local, any international organisation, and any agency, authority, instrumentality, judicial or administrative, regulatory body, law enforcement body, securities or futures exchange, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

### **Personal Data Protection Act**

You consent to us and the Trustee (and such Third Party Service Providers as we or the Trustee may engage, and who may be located outside Singapore) collecting, receiving, using, storing, disclosing and processing your Personal Data (as defined in the Singapore Personal Data Protection Act) as set out in your application form, subscription form, account opening documents and/or otherwise provided by you or possessed by us or the Trustee, for one or more of the purposes as stated in the Personal Data Protection Statement (the **“PDPS”**):

- (a) as set out on our website at <http://www.lionglobalinvestors.com>, which in summary includes but is not limited to (i) processing your application for and providing you with our products and services as well as the services of Third Party Service Providers; and (ii) administering and/or managing your relationship and/or account(s) with us; and
- (b) as set out on the relevant website of the Trustee at <http://www.business.hsbc.com.sg/en-sg/sg/generic/privacy-and-security#DPP> for HSBC Institutional Trust Services (Singapore) Limited.

**“Third Party Service Providers”** includes but is not limited to, trustees, registrars, transfer agents, auditors and/or other professional service providers used in the provision of products and services to you and you further consent to them collecting, receiving, using, storing, disclosing and processing your Personal Data in their respective roles and capacities, where applicable.

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

The Units of the Fund are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded 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).

All enquiries in relation to the Fund should be directed to us, Lion Global Investors Limited or any of our appointed agents or distributors.

### **Our Policy on Market Timing**

The Fund is designed and managed to support medium to long-term investments. In this regard, we take a serious view of, and strongly discourage the practice of market timing (that is, investors conducting short-term buying or selling of Units in the Fund to gain from inefficiencies in pricing). This is because such practices may cause an overall detriment to the long-term interest of other investors. In addition, short-term trading in Units increases the total transaction costs of the Fund, such as trading commission and other costs which are absorbed by all other investors. Moreover, the widespread practice of market timing may cause large movements of cash in the Fund which may disrupt the investment strategies to the detriment of long-term investors. For the reasons set out above, we strongly discourage the practice of market timing and may implement internal measures to monitor and control such practice to the extent of our powers available under the Deed. We intend to review our policy on market timing from time to time in a continuous effort to protect your long-term interests.

# LIONGLOBAL ASIA PACIFIC FUND

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## LIONGLOBAL ASIA PACIFIC FUND

*The LionGlobal Asia Pacific Fund (the “Fund”) is an authorised scheme under the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”). A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “MAS”). The MAS assumes no responsibility for the contents of this Prospectus. The registration of this Prospectus by the MAS does not imply that the SFA or any other legal or regulatory requirements have been complied with. The MAS has not, in any way, considered the investment merits of the Fund. The meanings of terms not defined in this Prospectus can be found in the deed of trust (as amended) constituting the Fund (the “Deed”).*

### 1. Basic Information

#### 1.1 LionGlobal Asia Pacific Fund

The Fund 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 MAS is 18 September 2020. This Prospectus shall be valid for 12 months after the date of registration (i.e., up to and including 17 September 2021 and shall expire on 18 September 2021).

#### 1.3 Trust Deed and Supplemental Deeds

- (i) The deed of trust relating to the interests being offered for subscription or purchase (the “**Principal Deed**”) is dated 6 April 1995 and the parties to the Principal Deed are Lion Global Investors Limited and HSBC Institutional Trust Services (Singapore) Limited (the “**Trustee**”).
- (ii) The Principal Deed has been amended by the following supplemental deeds and amending and restating deeds entered into between us and the Trustee:

<b>Supplemental Deed/ Amending and Restating Deed</b>	<b>Dated</b>	<b>Purpose</b>
Supplemental Deed	5 January 1998	To amend Clauses 1(A) and 26 of the Deed.
Second Supplemental Deed	9 April 1998	To amend Clauses 1(A), 6, 8, 14(B), 20, 25, 26(I), 37 and the Schedule to the Deed.
Third Supplemental Deed	3 December 1998	To amend Clauses 1(A), 11, 13, 14, 16, 17, 22, 23, 24, 25, 29, 35(G) and 38.
Fourth Supplemental Deed	9 October 2000	To amend Clauses 1(A), 16(A), 16(C), 16(D), 16(F), 16(G), 16(H), 16(I), 16(K), 16(M), 16(N), 17(C), 41 and to incorporate a new Appendix to the Deed.
Fifth Supplemental Deed	9 October 2001	To amend Clause 1(A) and the Appendix to the Deed and to delete all references to the term “CPF Fund” appearing in the Deed and substituting it with the term “CPFIS Included Fund”.
Sixth Supplemental Deed	28 March 2002	To amend Clauses 1(A), 33 and the Appendix to the Deed.

<b>Supplemental Deed/ Amending and Restating Deed</b>	<b>Dated</b>	<b>Purpose</b>
Amending and Restating Deed	11 October 2002	To amend the Deed to comply with the prescribed requirements for trust deeds under the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2002 and to incorporate the revised CPF investment guidelines for unit trusts included under the CPFIS issued by the CPF Board on 1 September 2002.
Second Amending and Restating Deed	30 June 2003	To amend the Deed to comply with the Notice on Cancellation Period for Collective Investment Schemes constituted as Unit Trusts issued by the MAS on 1 October 2002 (last revised on 26 June 2003).
Third Amending and Restating Deed	7 October 2003	To amend the Deed to comply with applicable fiscal, statutory or official requirements (whether or not having the force of law), including the incorporation of the investment guidelines for non-specialised funds issued by the MAS under the Code on Collective Investment Schemes on 23 May 2002 (last updated on 28 March 2003) and the new CPF Investment Guidelines which took effect on 15 September 2003.
Fourth Amending and Restating Deed	30 July 2004	To amend the Deed to comply with applicable fiscal, statutory or official requirements (whether or not having the force of law), to modify the Deed to give effect to our policy on market timing, to enable the creation of distinct classes of Units within the Fund and to establish two classes of Units, namely SGD Class and USD Class.
Fifth Amending and Restating Deed	29 July 2005	To, amongst others, comply with applicable fiscal, statutory or official requirements (whether or not having the force of law).
Sixth Amending and Restating Deed	28 July 2006	To amend the Deed to, amongst others, effect the change of our name and the name of the Fund and to comply with applicable fiscal, statutory or official requirements (whether or not having the force of law).
Seventh Amending and Restating Deed	27 July 2007	To, amend the Deed to, amongst others, comply with applicable fiscal, statutory or official requirements (whether or not having the force of law).
Eighth Amending and Restating Deed	24 June 2009	To amend the Deed to, amongst others, reflect the changes in our name and the name of the Fund and to allow for switching into other funds managed by us.

<b>Supplemental Deed/ Amending and Restating Deed</b>	<b>Dated</b>	<b>Purpose</b>
Ninth Amending and Restating Deed	22 July 2011	To amend the Deed to, amongst others, comply with applicable fiscal, statutory or official requirements (whether or not having the force of law).
Tenth Amending and Restating Deed	27 March 2013	To amend the Deed to, amongst others, provide for the circumstance whereby the Fund is no longer included under the CPFIS.
Eleventh Amending and Restating Deed	23 September 2015	To amend the Deed to, amongst others, include clauses relating to automatic distribution reinvestment features, anti-money laundering, taxation and data protection.
Twelfth Amending and Restating Deed	21 September 2017	To amend the Deed to, amongst others, include provisions relating to the realisation of Units by managers and update FATCA/ CRS provisions.
Thirteenth Amending and Restating Deed	9 February 2018	To amend the Deed to remove provisions relating to arbitration.
Fourteenth Amending and Restating Deed	1 March 2019	To amend the Deed to, <i>inter alia</i> , re-classify Units of the Fund as Excluded Investment Products and prescribed capital markets products.

The Principal Deed as amended by the Supplemental Deed, the Second Supplemental Deed, the Third Supplemental Deed, the Fourth Supplemental Deed, the Fifth Supplemental Deed, the Sixth Supplemental Deed (collectively, the “**Supplemental Deeds**”), the Amending and Restating Deed, the Second Amending and Restating Deed, the Third Amending and Restating Deed, the Fourth Amending and Restating Deed, the Fifth Amending and Restating Deed, the Sixth Amending and Restating Deed, the Seventh Amending and Restating Deed, the Eighth Amending and Restating Deed, the Ninth Amending and Restating Deed, the Tenth Amending and Restating Deed, the Eleventh Amending and Restating Deed, the Twelfth Amending and Restating Deed, the Thirteenth Amending and Restating Deed and the Fourteenth Amending and Restating Deed (collectively, the “**Amending and Restating Deeds**”) shall hereinafter be referred to as the “**Deed**”.

- (iii) The terms and conditions of the Deed shall be binding on each unitholder (each a “**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 us and/or the Trustee to do.
- (iv) A copy of the Deed shall be made available for inspection free of charge, at all times during usual business hours at our registered office at 65 Chulia Street, #18-01 OCBC Centre, Singapore 049513 and will be supplied by us to any person upon request at a charge of S\$25 per copy of each document.

#### **1.4 Accounts and reports**

The latest copies of the annual and semi-annual accounts, the Auditor’s report on the annual accounts and the annual and semi-annual reports relating to the Fund may be obtained from us upon request.

## 2. The Managers

We, the managers of the Fund, are Lion Global Investors Limited (Company Registration Number 198601745D), whose registered office is at 65 Chulia Street, #18-01 OCBC Centre, Singapore 049513.

Please refer to Clause 28 and 29 of the Deed for more details on our role and responsibilities as the managers of the Fund.

In accordance with the provisions of the Deed, in the event we become insolvent, the Trustee may by notice in writing (i) remove us as managers of the Fund and / or (ii) terminate the Fund. Please refer to Clause 33 and 35 of the Deed for more details.

We hold a capital markets services licence for fund management issued by the MAS and are regulated by the MAS.

We are a member of the Oversea-Chinese Banking Corporation Limited (OCBC) Group with total assets under management of S\$61.0 billion (US\$43.8 billion) as at 30 June 2020. Established as an Asian asset specialist since 1986, our core competencies are in managing Asian equities and fixed income strategies and funds to both institutional and retail investors. Our large and experienced investment team of more than 40 investment professionals averaging 17 years of financial industry experience is firmly dedicated to Asian and global equities and fixed income markets.

Besides Singapore, we have a regional office in Brunei.

We are 70% owned by Great Eastern Holdings Limited and 30% owned by Orient Holdings Private Limited, both subsidiaries of OCBC Bank.

We have been managing collective investment schemes and discretionary funds in Singapore since 1987 and investment-linked product funds since 1996.

For more information about us, please visit [www.lionglobalinvestors.com](http://www.lionglobalinvestors.com).

**You should note that our past performance is not necessarily indicative of our future performance.**

We have delegated our accounting and valuation function in respect of the Fund to the administrator, whose details are set out in paragraph 4 below.

### **Our Directors and Key Executives**

Our directors are as follows:

(i) **Khor Hock Seng** (Non-Executive Director, Chairman)

Mr Khor is currently the Group Chief Executive Officer of Great Eastern Holdings Limited, The Great Eastern Life Assurance Company Limited and Great Eastern General Insurance Limited. He is also the Non-Executive Director and Chairman of our Board.

Prior to joining Great Eastern, Mr Khor was the Chief Executive Officer of Aviva Asia Pte Ltd and Group Executive of Aviva Group (from March 2013 to October 2015).

In his previous tenure, Mr Khor was Chief Executive Officer and Managing Director (from June 2008 to February 2013), whilst taking on the role of Regional Senior Executive (from April 2009 to August 2010) overseeing Indonesia's operations at American International Assurance Bhd. He was Senior Vice President and Deputy General Manager (from February 2006 to November 2006), and Senior Vice President and General Manager (from December 2006 to June 2008) of American International Assurance Co. Ltd.

Mr Khor also held the title of President, Chief Executive Officer and Managing Director of Manulife Insurance (M) Bhd (from June 1997 to December 2005).

Since the start of his career in the finance industry in 1984, Mr Khor has also held senior positions in Hong Leong Assurance Bhd, British American Life & General Insurance Bhd, and Malaysian American Assurance Co., Ltd.

Mr Khor holds a Bachelor of Arts in Actuarial Studies and Statistics from Macquarie University and a Certificate of Actuarial Techniques from the Institute of Actuaries, London.

(ii) **Ching Wei Hong** (Non-Executive Director, Deputy Chairman)

Mr Ching is currently the Chief Operating Officer of OCBC Bank as well as the Head, Global Consumer Financial Services of OCBC Bank.

He was previously the Group Chief Financial Officer, OCBC Bank (from June 2008 to April 2010), Head, Group Operations & Technology, OCBC Bank (from March 2005 to April 2010) and Head, Group Transaction Banking, OCBC Bank (from November 1999 to February 2005).

Prior to joining OCBC, he was with Philip Electronics Asia Pacific Pte Ltd (from 1997 till 1999) as Finance Director, Corporate Finance.

He was also with Bank of America previously and has taken up positions as Vice President, Head of Marketing (Multinationals), Vice President, Head of Regional Cash Management Sales and Assistant Vice President within the organisation.

In addition, he has also previously been appointed as Regional Treasurer/Regional Finance Manager in Union Carbide Asia Pacific Inc.

Mr Ching holds a Bachelor of Business Administration degree from the National University of Singapore.

(iii) **Gerard Lee How Cheng** (Executive Director)

Mr Lee is currently our Chief Executive Officer.

Mr Lee was Chief Investment Officer of Temasek's Fund Management Division (FMD) (from 1999 to 2004). He later became Chief Executive Officer of Fullerton Fund Management Company, a wholly owned subsidiary of Temasek Holdings Pte Ltd.

Before joining Temasek, Mr Lee had held positions as Deputy Chief Investment Officer at Deutsche Asset Management Singapore, Head of Fixed Income Sales at SBC Warburg Singapore and Head of Government of Singapore Investment Corporation Pte Ltd's New York Office.

Mr Lee, a CFA Charterholder, graduated from the National University of Singapore with a Bachelor of Science (Honours) in 1984. He has also been recognised by the Institute of Banking & Finance (IBF) as an IBF Fellow.

(iv) **Tan Siew Peng** (Non-Executive Director)

Mr Tan is currently appointed as the Chief Financial Officer of OCBC.

Within OCBC, he was previously the Deputy Chief Financial Officer of OCBC (from May 2011 till November 2011) and was Head of Asset Liability Management, Global Treasury (from March 2007 till April 2011).

Prior to joining OCBC, he was previously with Government of Singapore Investment Corporation Pte Ltd from November 1994 till February 2007 and had taken up positions as Investment Officer, Senior Investment Officer, Investment Manager in Short Term Assets Division, Fixed Income Department and Head of Money Markets, Foreign Exchange Department within the organisation.

Mr Tan holds a Bachelor of Accountancy (1st Class Honours) from Nanyang Technological University and is a CFA Charterholder.

(v) **Ronnie Tan Yew Chye** (Non-Executive Director)

Mr Tan is currently the Group Chief Financial Officer of Great Eastern Holdings Limited. He is also the Director of Great Eastern Trust Pte Ltd and Great Eastern International Pte Ltd.

He was previously the Group Chief Risk Officer at Great Eastern Holdings Limited (from January 2006 to June 2016), Senior Vice President, Finance & Corporate Affairs at Great Eastern Holdings Limited (from December 2002 to December 2005) and Senior Vice President, Products & Business Strategies at Great Eastern Holdings Limited (from June 2002 to November 2002).

Mr Tan graduated from the University of Nebraska-Lincoln with a Bachelor of Science in Business Administration - Actuarial Science. He is also a CFA Charterholder and is recognised by the Society of Actuaries as a Fellow.

(vi) **Wee Ai Ning** (Non-Executive Director)

Ms Wee Ai Ning joined Great Eastern Holdings Limited as Group Chief Investment Officer on 21 August 2017, overseeing the formulation of Great Eastern Group's investment strategies and managing all investments within the Group.

Prior to joining the Great Eastern Group, she was CEO at Tudor Capital Singapore Pte Ltd until end-2016. Earlier in her career, Ms Wee spent about 21 years with the Government of Singapore Investment Corporation (GIC) where she assumed the roles of Portfolio Manager of Fixed Income, Head of Treasury and Currency Management Group, and Head of Strategic Cross Investment Group. She also had a brief stint in the Monetary Authority of Singapore.

Ms Wee holds a Bachelor of Economics degree from the Monash University, Australia, and is also a CFA Charterholder.

(vii) **Chong Chuan Neo** (Non-Executive Director)

Ms Chong Chuan Neo is currently a director of the National University of Singapore's (NUS) Innovation and Enterprise board as well as a director of the board of the NUS Graduate Research and Innovation Programme (GRIP), a Singapore Government initiative to promote deep tech commercialisation and start-ups. She is also a Non-Executive Director of our Board.

Prior to these roles, Ms Chong held numerous senior leadership roles in her 30-year career with Accenture Pte Ltd, including Chairman and Country Managing Director for Accenture Greater China, Asia Pacific practice lead (operating unit lead) for Accenture in areas including Travel, Transport and Hospitality, as well as Global Industry Managing Director, among others. She retired as a Senior Managing Director and a member of the Global Leadership Council in September 2018.

Ms Chong holds a Bachelor of Science (Computer Science and Mathematics) from the National University of Singapore, and was recognised as an Outstanding Alumni by the NUS School of Computing in 2008. She also attended other executive programmes at the International Institute for Management Development (IMD) in Lausanne, Switzerland.

(viii) **Leslie Teo Eng Sipp** (Non-Executive Director)

Mr Leslie Teo is a Non-Executive Director of our Board.

Mr Teo is an experienced strategist in applying Artificial Intelligence, Machine Learning and Big Data techniques to solve challenging business and social problems. Currently he is the advisor to CEO of GrabTaxi Holdings Pte Ltd, a Singapore-based technology company offering ride-hailing transport services, food delivery and payment solutions. Before joining Grab, Mr Teo was a Director and Chief Economist at GIC. At GIC, he led strategic and tactical asset allocation of the total GIC portfolio and new product development. Mr Teo also held the positions of Economist and Deputy Division Chief at International Monetary Fund and was Head of Special and Financial Studies Division at Monetary Authority of Singapore.



Mr Teo has been recognised and honoured by the National University of Singapore, the Pacific Pension and Investment Institute and the Economic Society of Singapore.

Mr Teo has a PhD in Economics from the University of Rochester, a Masters in Information and Data Science from the University of California-Berkeley, and a Bachelor of Arts from the University of Chicago. He has also attended the Advanced Management Program at The Wharton School.

#### **Portfolio Manager(s):**

##### Thio Siew Hua

Thio Siew Hua, the Portfolio Manager, is the Co-Head of our Asian Equities team. She has more than 20 years of experience managing various Asian-related equity mandates and has a strong background in research, having spent many years in equity investment research before moving into the fund management industry.

Prior to joining us, Siew Hua was employed by Tantallon Capital Advisors Pte Ltd where she managed a long only absolute return Asia fund.

Before that, she was Head of Asia ex-Japan equity management at Goldman Sachs Asset Management and Head of Singapore research at Indosuez W.I.Carr (S). Siew Hua is currently a member of the Investment Committee of Community Foundation of Singapore.

Siew Hua graduated from the London School of Economics and Political Science with a Master of Science (Economics) in 1990 and a Bachelor of Science (Economics) in 1989.

##### Tan Aik Chye

Tan Aik Chye is the alternate Portfolio Manager. He is the Co-head of our Asian equities team. He is responsible for managing the Asian equities team and ensuring the implementation of the firm's investment strategy and process.

Aik Chye has 30 years of financial industry experience. Prior to joining us in 2004, Aik Chye was a fund manager specialised in the developed and emerging equity markets of Australia, Thailand, Malaysia, Indonesia and the Philippines at AIB Govett (Asia). Before this, he worked in corporate financing at Peregrine Capital Singapore and IBJ Merchant Bank (Singapore); and at Ernst & Young as a senior auditor covering Singapore and Indonesia.

Aik Chye graduated with a Bachelor of Accountancy from the National University of Singapore and holds the CFA designation.

### **3. The Trustee and the Custodian**

The Trustee of the Fund is HSBC Institutional Trust Services (Singapore) Limited (Company Registration Number 194900022R) 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 MAS.

The Custodian of the Fund is The Hongkong and Shanghai Banking Corporation Limited whose registered address 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 Fund globally. The Custodian is entitled to appoint sub-custodians to perform any of the Custodian's duties in specific jurisdictions where the Fund invests.

The Hongkong and Shanghai Banking Corporation Limited 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 Hongkong and Shanghai Banking Corporation Limited 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.

Please refer to Clause 27 and 29 of the Deed for more details on the role and responsibilities of the Trustee.

In accordance with the provisions of the Deed, in the event the Trustee becomes insolvent, the Trustee may be removed and replaced by a new trustee whom shall be appointed by the Managers. Please refer to Clause 32 of the Deed for more details.

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 Fund globally.

#### **4. The Register of Holders and the Administrator**

##### Register of Holders

HSBC Institutional Trust Services (Singapore) Limited is the registrar for the Fund. The register of Holders of the Fund (the “**Register**”) can be inspected at 20 Pasir Panjang Road (East Lobby), #12-21 Mapletree Business City, Singapore 117439 during usual business hours subject to reasonable conditions and restrictions as we or the Trustee may impose. The Register is conclusive evidence of the number of units (“**Units**”) in the Fund 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 our satisfaction and the satisfaction of the Trustee that the Register of Holders is incorrect.

##### The Administrator

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

#### **5. The Auditors**

The auditors of the accounts relating to the interests under the Deed are PricewaterhouseCoopers LLP whose registered office is at 7 Straits View, Marina One East Tower, Level 12, Singapore 018936.

#### **6. Fund Structure**

The Fund is a Singapore constituted open-ended standalone unit trust and has no fixed duration.

There are currently two Classes of Units in the Fund (each a “**Class**”), namely SGD Class Units and USD Class Units. There are no material differences between the SGD Class Units and the USD Class Units save for the currency of denomination.

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

##### **7.1 Investment Objective**

The Fund aims to achieve long-term capital appreciation by investing primarily in the equities markets of the Asia Pacific (ex Japan) region. The Fund will be investing in emerging and developed markets. There is no target industry/sector.



## 7.2 Investment Approach

### Investment Philosophy

We believe that Asian equity markets are structurally inefficient and this inefficiency provides the opportunity for us to add value through a disciplined investment process. We believe that consistent long term returns can be achieved through in-depth fundamental research, a disciplined focus on valuations, understanding what is “priced in” by the market and what the key stock catalysts are.

### Investment Process

The investment process comprises research and portfolio construction.

Research is a critical component to our investment approach. Direct company management contact coupled with industry data and feedback form the backbone of our research effort.

Risk reward analysis for each stock combines fundamental bottom up analysis with a rigorous examination of stock drivers. Below are the key areas of our focus:

#### Business

- Industry outlook
- Company’s trend in market share and profitability
- Barriers to entry and pricing power dynamics
- Business risks

#### Management

- Business strategy
- Execution track record
- Corporate dynamics
- Capital management potential, like share buybacks or dividend payout increase

#### Valuation

- Varied valuation approach depending on the industry and what point of the cycle the industry is in
- Valuation relative to historic range as well as at similar points of the industry cycle
- Valuation relative to market valuation

#### Catalysts

- Positive/negative earnings surprises
- M&A opportunities
- Improving/deteriorating industry cycle
- Restructuring/turnaround
- Capital management/capital raising risks

We construct the portfolio in a manner consistent with the Fund’s objective as well as taking into account the prevailing macro directions and sector/thematic considerations. Positions in the Fund are sized according to several factors:

- Expected returns based on fundamentals and valuations
- Specific risk factors

- Conviction on management's ability to deliver
- Liquidity and market capitalization

**The Fund's Net Asset Value may have higher volatility as a result of its narrower investment focus on a limited geographical market, when compared to funds investing in global or wider regional markets.**

### 7.3 Product Suitability

The Fund is only suitable for investors who:

- seek capital growth over the long term; and
- are comfortable with the greater volatility and risks of an equity fund.

### 7.4 Authorised Investments

The Fund is authorised to invest in any Investment<sup>1</sup> or other property, assets or rights for the time being included by the relevant competent authority in Singapore for investment subject to compliance with the provisions of the Authorised Funds Investment Guidelines ("**Authorised Investments**").

Please note that Units of the Fund are Excluded Investment Products<sup>2</sup> and prescribed capital markets products. Accordingly, notwithstanding anything contained in this Prospectus, the Fund will not invest in any product or engage in any transaction which may cause the Units of the Fund not to be regarded as Excluded Investment Products and prescribed capital markets products.

## 8. Fees and Charges

Charges and Fees Payable by Holder	
Preliminary charge*:	Currently 4%. Maximum 5%.
Realisation charge:	Currently Nil. Maximum 1%.
Switching fee:	Currently up to 1%** . Maximum 5%.

Fees Payable by Fund to us and the Trustee	
Annual management fee:	Currently 1.5% p.a. Maximum 1.5% p.a.
(a) Retained by Managers	(a) 0% to 60% of the Annual Management Fee
(b) Paid by Managers to financial advisers/ distributors (trailer fee)	(b) 40% to 100%# of the Annual Management Fee
Annual trustee fee:	Currently 0.05% p.a. Maximum 0.25% p.a.  Subject always to a minimum of S\$15,000 p.a. (or such other amount agreed to by the Trustee). The Trustee has presently agreed to charge a minimum of S\$8,000 p.a.

<sup>1</sup> "Investment" means subject to the Code, any share, stock, bond, debenture, debenture stock, unit or sub-unit in any unit trust scheme approved by the relevant authorities, participation in a mutual fund approved by the relevant authorities, warrant, option, loan convertible into security, futures or any other security (all of the foregoing denominated in any currency) which may be selected by us for the purpose of investment of the Deposited Property or which may be for the time being form part thereof.

<sup>2</sup> "Excluded Investment Product" is as defined in the Notice on the Sale of Investment Products and the Notice on Recommendations on Investment Products. "Notice on the Sale of Investment Products" means the Notice on the Sale of Investment Products issued by the MAS, as the same may be modified, amended or revised from time to time. "Notice on Recommendations on Investment Products" means the Notice on Recommendations on Investment Products issued by the MAS, as the same may be modified, amended or revised from time to time. "Prescribed capital markets products" is as defined in the Securities and Futures (Capital Markets Products) Regulations 2018.

\*The Preliminary Charge (if any) will be payable by Holders to us or to appointed distributors or will be shared between us and appointed distributors depending on the arrangement between us and the relevant appointed distributors. Additional fees may be imposed and payable to appointed distributors that are in addition to the maximum Preliminary Charge disclosed above, depending on the specific nature of services provided by the appointed distributor.

\*\* In the case of a switch of Units to units of another fund managed by us (referred to as “**New Fund**”), the switching fee referred to relates to the preliminary charge imposed by us for investment into the New Fund. Such switching fee which may be up to 1% would, in the case of a New Fund which normally imposes a preliminary charge of more than 1%, effectively translate to a discount of the preliminary charge of the New Fund. Currently, no switching fee is charged for a switch of Units to units in a money market fund managed by us.

# Your financial adviser/distributor is required to disclose to you the amount of trailer fee it receives from us.

In addition, we may from time to time, in our absolute discretion and subject to the provisions of the Code on Collective Investment Schemes issued by the MAS (as amended from time to time) (the “**Code**”), invest up to 10% of the Net Asset Value of the Fund in any single collective investment scheme or real estate investment trust (“**REIT**”) which may or may not be authorised or recognised by the MAS. It is estimated that the following fees and charges in respect of each of such collective investment schemes or REITs will be payable/charged:

(i)	Subscription fee or preliminary charges	Generally ranging from zero to 5%
(ii)	Realisation fee	Generally ranging from zero to 5%
(iii)	Management fee	Generally ranging from zero to 1.75% p.a.
(iv)	Performance fee	Generally ranging from zero to 25% p.a. (and in some cases only in excess of a hurdle rate of return)
(v)	Other fees* (which may include trustee/custodian fee, legal fees, audit fees and administrative costs)	Generally less than 5% p.a.

\* Subject to the Code, the Fund may invest in REITs which may be listed on a securities exchange. Fees payable by investors in such REITs may also include, without limitation, other fees such as property management and lease management fees, acquisition fees, divestment fees and commissions (which may consist of underwriting and selling commissions payable to the underwriters of the REIT).

The actual fees incurred by the Fund as a result of its investment in each of such collective investment schemes or REITs may be higher or lower than the estimates provided above.

If the Fund invests in any underlying collective investment scheme managed by us, all or part of the subscription fee, realisation fee, management fee and performance fee may be either waived or rebated back to the Fund, at our discretion.

As required by the Code, all marketing, promotional and advertising expenses in relation to the Fund will be borne by us and not charged to the Deposited Property<sup>3</sup> of the Fund. Such expenses shall exclude those for the preparation, printing, lodgement and distribution of prospectuses or product highlights sheets.

<sup>3</sup> “**Deposited Property**” means all the assets, including Cash, for the time being held or deemed to be held upon the trusts of the Deed excluding any amount for the time being standing to the credit of the distribution account or the management fund.

“**Cash**” means any amount standing to the credit of any bank account but does not include amounts represented by money market instruments.

## **9. Risks**

### **9.1 General risks**

You should consider and satisfy yourself as to the risks of investing in the Fund. Generally, some of the risk factors that should be considered are market, credit, derivatives, political, foreign exchange, interest rate, repatriation, emerging market, liquidity and regulatory risks.

An investment in the Fund is meant to produce returns over the long-term. You should not expect to obtain short-term gains from such investment.

You should note that the value of Units, and the income accruing to the Units, may fall or rise and that you may not get back your original investment.

### **9.2 Specific risks**

#### **(i) Market risks**

The risks of investing and participating in listed and unlisted securities apply. Prices of securities may go up or down in response to changes in economic conditions, interest rates, and the market's perception of securities. These may cause the price of Units to go up or down as the price of Units is based on the current market value of the investments of the Fund.

#### **(ii) Credit risks**

Bonds and other fixed income securities are subject to credit risks, such as risk of default by issuers.

#### **(iii) Derivatives risks**

The Fund may, subject to applicable investment guidelines in the Code and the Deed, from time to time invest in derivatives such as futures, options, warrants, forwards and swaps, which are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index for hedging purposes or for the purpose of efficient portfolio management. Such assets, rates and indices may include bonds, shares, interest rates, currency exchange rates, bond indices and stock indices.

While the judicious use of derivatives by professional investment managers can be beneficial, derivatives involve risks different from, and, in some cases, greater than, the risks presented by more traditional securities investments. Some of the risks associated with derivatives are market risk, management risk, credit risk, liquidity risk and leverage risk.

As the viability of exercising derivative instruments depends on the market price of the investments to which they relate, it may be the case that we may from time to time consider it not viable to exercise certain derivatives held by the Fund within the prescribed period, in which case any costs incurred in obtaining the derivatives will not be recoverable. There is also the risk that the market price of the relevant investment will not exceed the exercise price attached to the derivative instrument at any time during the exercise period or at the time at which the derivative instrument is exercised and this may result in an immediate loss to the Fund.

Derivative instruments are highly volatile instruments and their market values may be subject to wide fluctuations and expose the Fund to potential gains and losses. Where such instruments are used, we will ensure that the risk management and compliance procedures and controls adopted are adequate and that we have the necessary experience to manage the risks relating to the use of these financial derivative instruments. We will attempt to minimise the risks through careful selection of reputable counterparties and constant monitoring of the Fund's derivatives positions. Depending on the severity, non-compliance or deviation from established controls or limits will be escalated to senior management and monitored for rectification. We may modify the risk management and compliance procedures from time to time, where appropriate and in the interests of the Fund. We have a dedicated team which oversees portfolio risk management.

Additionally, all open positions/exposure in derivatives will be marked to market at a frequency of at least equal to the frequency of the Net Asset Value calculation of the Fund.

We have a structured Compliance Monitoring Program (“**CMP**”). There is a dedicated compliance team to implement the CMP. Our investment compliance team separately monitors the portfolios for compliance with the investment guidelines. Investment guidelines will be reviewed by the investment compliance team and checks will be programmed into our automated pre-trade compliance system as far as possible. In addition, guidelines which cannot be electronically monitored will be manually checked for compliance. We may modify the risk management and compliance procedures and controls at any time as we deem fit and in the interests of the Fund. The global exposure of the Fund to financial derivatives or embedded financial derivatives will not exceed 100% of the Net Asset Value of the Fund.

We currently use the commitment approach as described in Appendix 1 of the Code to determine the Fund’s exposure to financial derivatives. In determining the Fund’s exposure to financial derivatives, we will adopt the calculation methods set out under paragraph 4.10 of Appendix 1 of the Code.

In addition to the provisions on derivatives as set out in Appendix 1 of the Code, the Fund shall comply with the Notice on the Sale of Investment Products, the Notice on Recommendations on Investment Products and the Securities and Futures (Capital Markets Products) Regulations 2018 for the purpose of classifying Units of the Fund as Excluded Investment Products and prescribed capital markets products.

(iv) Political risks

The political situation in the countries in which the Fund has investments may have an effect on the value of the securities of companies involved, which may in turn impact on the value of the Units.

(v) Currency risks

As the investments of the Fund may be denominated in foreign currencies, fluctuations of the exchange rates of foreign currencies against the base currency of the Fund (i.e. the Singapore Dollar) may affect the value of the Units in the Fund. We may from time to time employ currency hedging techniques to manage the impact of the exchange rate fluctuations on the Fund and/or for the purpose of efficient portfolio management. A passive approach will be adopted in respect of such currency hedging techniques.

(vi) Interest rate risks

Investments in debt securities are also subject to the risk of interest-rate fluctuations, and the prices of debt securities may go up or down in response to such fluctuations in interest rates.

(vii) Repatriation risks

Investments in emerging markets could be adversely affected by delays in, or refusal to grant, relevant approvals for the repatriation of funds or by any official intervention affecting the process of settlement of transactions. Consents granted prior to an investment being made in any particular country may be varied or revoked, and new restrictions may be imposed.

(viii) Emerging market risks

The risk of investing in companies in the emerging markets will be higher than that encountered when investing in companies in developed markets.

The Fund may invest in certain eligible China A-shares through the Stock Connect. Please refer to Paragraph 20.9 of this Prospectus on the risks associated with investments via the Stock Connect (as defined in Paragraph 20.9 of this Prospectus).

(ix) Other risks

The Fund's investments are also subject to liquidity and regulatory risks. The Fund's investments in emerging markets such as the People's Republic of China Region are also subject to regulatory risks, for example, the introduction of new laws, the imposition of exchange controls, the adoption of restrictive provisions by individual companies or where a limit on the holding of the Fund in a particular company, sector or country by non-residents (individually or collectively) has been reached.

Liquidity Risk Management

We have established liquidity risk management policies which enable us to identify, monitor, and manage the liquidity risks of the Fund. Such policies, combined with the liquidity management tools available, seek to achieve fair treatment of Holders, and safeguard the interests of remaining Holders against the redemption behaviour of other investors and mitigate against systemic risk.

Our liquidity risk management policies take into account the Fund's liquidity terms, asset class, liquidity tools and regulatory requirements.

The liquidity risk management tools available to manage liquidity risk include the following:

- (a) The Fund may, subject to the provisions of the Deed, borrow up to 10% of its latest available Net Asset Value (or such other percentage as may be prescribed by the Code) at the time the borrowing is incurred and the borrowing period should not exceed one month, provided always and subject to the borrowing restrictions in the Code;
- (b) We may, pursuant to the Deed, suspend the realisation of Units of the Fund, with the approval of the Trustee; and
- (c) We may, with the approval of the Trustee, and pursuant to the Deed, limit the total number of Units in relation to the Fund which Holders may realise to 10% of the total number of Units of the Fund then in issue, such limitation to be applied proportionately to all Holders in relation to the Fund who have validly requested realisations on the relevant Dealing Day.

We may perform regular stress testing on the Fund.

Factors considered in stress tests (either independently or concurrently) include:-

- (i) a sudden increase in redemptions;
- (ii) worsening of market liquidity for the underlying assets of the Fund; and
- (iii) redemption by the largest Holder / distributor of the Fund.

Our stress testing scenarios consider historical situations and forward-looking hypothetical scenarios, where appropriate.

The reasonableness and relevance of our stress test assumptions are regularly reviewed to ensure that stress tests are based on reliable and up-to-date information.

**The above should not be considered to be an exhaustive list of the risk which you should consider before investing in the Fund. You should be aware that an investment in the Fund may be exposed to other risk of an exceptional nature from time to time.**

## 10. Subscription of Units

### 10.1 Subscription procedure

Applications for Units may be made to us on the application form prescribed by us or through any of our appointed agents or distributors or through any other sales channels, if applicable.

You may pay for SGD Class Units either with cash or Supplementary Retirement Scheme (“**SRS**”) monies. If you have purchased SGD Class Units using your SRS monies, you may not be registered as Joint Holders.

If you are paying with SRS monies, you shall instruct the relevant SRS operator bank to withdraw from your SRS account in respect of the SGD Class Units applied for. If you wish to use your SRS monies to purchase Units, you shall indicate so on the application form.

No transfer is permitted in respect of Units purchased by a Holder with SRS monies unless required or permitted by applicable laws or the relevant authorities.

You may pay for USD Class Units only with cash.

Notwithstanding receipt of the application forms, we shall retain the absolute discretion to accept or reject any application for Units in accordance with the provisions of the Deed. If an application for Units is rejected by us, the application monies shall be refunded (without interest) to you within a reasonable time in such manner as we or the relevant authorised distributor shall determine. Any applicable bank and related charges incurred shall be borne by you.

Units will only be issued when the funds are cleared, although we may at our discretion issue Units before receiving full payment in cleared funds.

We will not issue certificates.

## 10.2 Minimum Initial Subscription, Minimum Subsequent Subscription, Minimum Holding and Regular Savings Plan

Class	Minimum Initial Subscription	Minimum Subsequent Subscription	Minimum Holding <sup>4</sup>	Regular Savings Plan*
<b>SGD Class</b>	S\$1,000	S\$100	1,000 Units	S\$100
<b>USD Class</b>	US\$1,000	US\$100	1,000 Units	US\$100

\*See paragraph 11 for further details on the Regular Savings Plan.

## 10.3 Dealing deadline and pricing basis

### 10.3.1 Dealing deadline

As Units are issued on a forward pricing basis, the issue price (“**Issue Price**”) of Units will not be ascertainable at the time of application. In purchasing Units, you pay a fixed amount of money e.g., S\$1,000 for SGD Class Units. Based on this fixed amount of S\$1,000, you will get the number of Units (including fractions of Units to be rounded to the nearest two (2) decimal places or such other number of decimal places or such other method of rounding as we may determine with the approval of the Trustee) obtained from dividing S\$1,000 (after deducting the relevant preliminary charge) by the Issue Price when it has been ascertained later.

The dealing deadline is 3 p.m. Singapore time on each Dealing Day<sup>5</sup> (“**Dealing Deadline**”). Units in respect of applications received and accepted by us before the Dealing Deadline will be issued at that Dealing Day’s Issue Price calculated in accordance with Clause 11(B) of the Deed.

Applications received after the Dealing Deadline or on a day which is not a Dealing Day shall be treated as having been received on the next Dealing Day.

<sup>4</sup> Please refer to paragraph 12.2 for further details on Minimum Holdings.

<sup>5</sup> A “**Dealing Day**” means every Business Day or such Business Day or Business Days at such intervals as we may from time to time determine Provided That reasonable notice of any such determination shall be given by us 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.



### 10.3.2 Pricing Basis

The Issue Price per Unit applicable to any Dealing Day shall be ascertained by us by:

- (i) determining an amount equal to the Net Asset Value per Unit (as defined in paragraph 20.7.2 of this Prospectus) as at the Valuation Point<sup>6</sup> on the relevant Dealing Day; and
- (ii) adjusting such figure downwards to three (3) places of decimal (or such other number of decimal places as we may from time to time determine after consultation with the Trustee).

The preliminary charge shall be retained by us and the amount of the adjustment aforesaid shall be retained by the Fund.

The Issue Price will vary from day to day in line with the Net Asset Value (as defined in paragraph 20.7.2 of this Prospectus) of the Fund (calculated in accordance with the provisions of the Deed).

We may, subject to the prior approval of the Trustee, change the method of determining the Issue Price, and the Trustee shall determine if the Holders should be informed of such change.

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

The number of Units you will receive with an investment of \$1,000\* at a notional Issue Price of \$1.000 in the Fund (assuming a preliminary charge of 4%) will be calculated as follows:

\$1,000*	-	\$40*	=	\$960*	/	\$1.000*	=	960.00 Units
Your Investment		Preliminary charge of 4%		Investment amount after preliminary charge		Notional Issue Price (= Net Asset Value per Unit)		No. of Units subscribed

\* In Singapore Dollars or US Dollars, as the case may be. You should note that the notional Issue Price is for illustrative purposes only and is not indicative of any future or likely performance of the Fund.

### 10.5 Confirmation of purchase

A confirmation note detailing your investment amount and the number of Units allocated to you in the Fund will be sent to you within ten (10) business days from the date of issue of Units.

### 10.6 Cancellation of Units

If you are subscribing for Units in the Fund for the first time, subject to Clause 13A of the Deed and to the cancellation terms and conditions contained in the Notice to Cancel Form, you have the right to cancel your subscription of Units within 7 calendar days from the date of subscription of Units (or such longer period as may be agreed between us and the Trustee or such other period as may be prescribed by the MAS) by providing notice in writing to us or our authorised distributors. Subject to the provisions of the Deed, you will be refunded the lower of the market value of the Units held on the day of receipt and acceptance of such form or the original amount paid by you. Where the market value of the Units held is greater than the original amount paid by you, we are not obliged to pay the excess amount to you and the excess amount shall be retained in the Fund. Any applicable bank and related charges incurred in the cancellation of Units and in returning the application monies would be borne by you.

Full details relating to the cancellation of Units may be found in the cancellation terms and conditions contained in the Notice to Cancel Form.

<sup>6</sup> "Valuation Point" means the close of business of the relevant market on a Dealing Day or such time as we with the prior approval of the Trustee may from time to time determine and we shall notify the Holders of such change if required by the Trustee.



## 11. Regular Savings Plan

Holders of at least 1,000 Units (or the number of Units which were or would have been purchased for S\$1,000, in the case of SGD Class Units or US\$1,000 in the case of USD Class Units, at the prevailing Issue Price at the time of their initial subscription or purchase of Units) in the Fund may participate in our regular savings plan by investing a minimum sum of S\$100 in respect of SGD Class Units or US\$100 in respect of USD Class Units on a fixed day per month through direct debit. Holders have a choice of paying for SGD Class Units with cash or SRS monies.

USD Class Units may not be paid using SRS monies. USD Class Units shall be paid for in cash. Any applicable bank and related charges incurred shall be borne by you.

Units are allotted and payment will be debited from the Holder's bank account or SRS Account on the 25th day of each month (or such other day as the distributors may stipulate) commencing on the month following activation of the Holder's direct debit instructions. Where the 25th day of a month (or such other day as the distributors may stipulate) is not a Business Day, the Holder's bank account or SRS Account will be debited on the next Business day.

A Holder may terminate his participation in the regular savings plan without penalty upon giving 30 days' prior written notice (or such other period of notice as may be determined by us provided that such period of notice shall not be longer than the period between the regular subscriptions) to us or our appointed agents or distributors.

If a Holder is in breach of his obligations under the regular savings plan or fails to maintain sufficient funds in his bank account or SRS account, we may terminate the participation of that Holder in the regular savings plan upon serving a written termination notice to such Holder.

We shall not assume any liability for any losses arising from the Holder's payment for the regular savings plan via direct debit transactions. Any applicable bank and related charges incurred shall be borne by the Holder.

## 12. Realisation of Units

### 12.1 Realisation procedure

Holders may realise their Units on any Dealing Day by submitting realisation forms to us or through our appointed agents or distributors. Holders may realise their Units in full or partially, subject to paragraph 12.2. A copy of the realisation form may be obtained from us upon request or through any of our appointed agents or distributors.

You should note that any realisation of Units may be limited by the total number of Units to be realised on any Dealing Day and may not exceed 10% of the total number of Units then in issue, such limitation to be applied proportionately to all Holders. Any Units not realised shall be realised on the next Dealing Day, subject to the same limitation. You should note that Units cancelled according to paragraph 10.6 will be included in determining whether this 10% limit is exceeded.

### 12.2 Minimum holding and minimum realisation amount

#### (i) Minimum holding

The minimum holding for each Class is set out as follows or shall be such other number or amount as may from time to time be determined by us upon giving prior notice to the Trustee.

Class	Minimum Holding
SGD Class Units	1,000 Units
USD Class Units	1,000 Units

(ii) Minimum realisation amount

The minimum realisation amount for each Class is set out as follows or shall be such lower amount as we may in any particular case or generally determine.

Class	Minimum realisation amount
SGD Class Units	100 Units
USD Class Units	100 Units

### 12.3 Dealing Deadline and pricing basis

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

Units in respect of realisation forms received and accepted by us by the Dealing Deadline of 3 p.m. Singapore time on a Dealing Day shall be realised at that Dealing Day's realisation price calculated in accordance with Clause 14(F) of the Deed ("**Realisation Price**"). Realisation forms received after the Dealing Deadline or on a day which is not a Dealing Day shall be treated as having been received on the next Dealing Day.

The Realisation Price applicable to any Dealing Day shall be ascertained by:

- (i) calculating the Net Asset Value per Unit as at the Valuation Point either (a) in respect of the Dealing Day on which the realisation form is received or (b) in the event that the realisation of Units is suspended according to Clause 14(F)(ii) of the Deed, the Dealing Day immediately following the cessation of such suspension; and
- (ii) adjusting the resultant figure downwards to the nearest three (3) decimal places (or as we may from time to time determine after consultation with the Trustee).

The net realisation proceeds shall be such amount after deducting the realisation charge (if any). We may, subject to the prior written approval of the Trustee, change the method of determining the realisation price and the Trustee shall determine if the Holders should be informed of such changes.

The realisation charge (if any) shall be retained by us and the amount of the adjustment aforesaid shall be retained by the Fund.

### 12.4 Numerical example of how the amount paid to you is calculated upon realisation:

The amount paid to you based on the realisation of 100 Units of the Fund and a notional realisation price of \$1.000\* will be calculated as follows:

100	x	\$1.000*	=	\$100*
Units realised		Notional Realisation Price (= Net Asset Value per Unit)		Gross Realisation Proceeds
\$100*	-	Nil <sup>^</sup>	=	\$100*
Gross Realisation Proceeds		Realisation Charge		Net Realisation Proceeds

\* In Singapore Dollars or US Dollars as the case may be. You should note that the notional Realisation Price is for illustrative purposes only and is not indicative of any future or likely performance of the Fund.

<sup>^</sup> No realisation charge is imposed.

## **12.5 Payment of realisation proceeds**

Realisation proceeds shall be paid within 7 Business Days (or such other period as permitted by the MAS) following the receipt and acceptance of the realisation form by us unless the realisation of Units has been suspended in accordance with paragraph 15 of this Prospectus.

If you are a resident outside Singapore, we shall be entitled to deduct from the total amount (which would otherwise be payable on the purchase from you) an amount equal to the excess of the expenses actually incurred over the amount of expenses which would have been incurred if you had been resident in Singapore.

Any applicable bank and related charges incurred in the payment of realisation proceeds shall be borne by you.

## **12.6 Realisation of Units by us**

We may compulsorily realise your holding of Units in certain circumstances. Please see paragraph 20.6 for further details.

## **13. Switching**

We may at our discretion and on such terms and conditions as we may impose, subject to the terms of the relevant trust deeds, permit each Holder of Units from time to time to switch all or any of the Units held by him into units of a New Fund. Any switching shall be effected by way of realisation of Units in the Fund and followed by issuance of units in the New Fund subject to the terms of the relevant trust deed upon the receipt of cleared funds.

No switching of Units may be made which would result in the relevant Holder holding in respect of either the Fund or the New Fund (as the case may be), fewer units than the relevant minimum holding of such funds. If the number of units of the New Fund so produced shall include any fraction of more than two decimal places, such fraction shall be ignored and any moneys arising from such fraction shall be forfeited and retained as part of the New Fund.

Units of the Fund purchased with cash or SRS monies may only be switched to units of the New Fund purchased with cash or SRS monies respectively.

Switching shall only be permitted between the same currency of units between the Fund and the New Fund, unless otherwise permitted by us at our absolute discretion.

An application to switch may be made by a Holder by giving to us such application form as we may from time to time require. Such switching request shall not be revocable without our consent.

No Units shall be switched during any period when the right of Holders to require the realisation of Units is suspended according to Paragraph 15 of this Prospectus or on any Dealing Day on which the number of Units that can be realised is limited according to Paragraph 12.1 of this Prospectus.

## **14. Obtaining Prices of Units**

The Units will be valued on each Dealing Day. The indicative prices for each of the SGD Class Units and USD Class Units are quoted on a forward basis in Singapore Dollars and US Dollars respectively and will likely be available 2 Business Days in Singapore after each relevant Dealing Day (subject to the publication policies of the relevant publisher). The prices will be published on our website at [www.lionglobalinvestors.com](http://www.lionglobalinvestors.com). The prices may also be published in The Straits Times, The Business Times and selected major wire services or such other sources as we may decide upon.

In the case of the USD Class, the Issue Price and Realisation Price will be converted into its equivalent amount in US Dollars based on the prevailing foreign exchange rate to be determined by us.

*You should note that, other than in respect of our publications, we do not accept any responsibility for any errors on the part of the relevant publisher in the prices published in the newspapers and wire services mentioned above 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 you in reliance upon such publications.*

## **15. Suspension of Dealing**

**15.1** Subject to the provisions of the Code relating to the suspension of dealings, we or the Trustee may, with the prior written approval of the other, suspend the issue, realisation and valuation of Units during:

- (i) any period when the Recognised Stock Exchange<sup>7</sup> on which any Authorised Investments forming part of the Deposited Property for the time being are listed or dealt in is closed or during which dealings are restricted or suspended;
- (ii) the existence of any state of affairs which, in our opinion might seriously prejudice the interests of the Holders as a whole or of the Deposited Property;
- (iii) 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 Stock Exchange 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);
- (iv) 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 our opinion, be carried out at normal rates of exchange;
- (v) any 48 hour period (or such longer period as we and the Trustee may agree) prior to the date of any meeting of Holders (or any adjourned meeting thereof);
- (vi) any period where dealing of Units is suspended according to any order or direction of the MAS;
- (vii) any period when our business operations or the business operations of the Trustee in relation to the operation of the Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God; or
- (viii) any other period as may be required under the Code.

**15.2** Subject to the provisions of the Code relating to suspension of dealings, such suspension shall take effect forthwith upon the declaration in writing thereof by us (or, as the case may be, the Trustee) and 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 this paragraph 15 shall exist upon the declaration in writing thereof by us (or, as the case may be, the Trustee). The Trustee may instruct us to temporarily suspend the realisation of Units during any period of consultation or adjustment of the realisation price in accordance with Clause 14(F)(ii) of the Deed.

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<sup>7</sup> "Recognised Stock Exchange" means any stock exchange, futures exchange or commodities exchange of repute in any part of the world and in relation to any particular Authorised Investment shall be deemed to include any reputable firm, corporation or association in any part of the world dealing in the Authorised Investment which we may from time to time elect with the approval of the Trustee.

## 16. Performance of the Fund

### 16.1 Past performance of the Fund and benchmark<sup>8</sup> (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 <sup>9</sup> (average annual compounded return)
LionGlobal Asia Pacific Fund SGD Class (NAV-NAV)*	5.3%	4.3%	4.0%	3.8%	4.0%
LionGlobal Asia Pacific Fund SGD Class (NAV-to-NAV (taking into account the preliminary charge))**	0.0%	2.5%	3.0%	3.3%	3.8%
Benchmark***	2.8%	3.7%	5.0%	5.9%	4.5%
LionGlobal Asia Pacific Fund USD Class (NAV-NAV)*	-0.6%	2.9%	2.7%	3.5%	7.5%
LionGlobal Asia Pacific Fund USD Class (NAV-to-NAV (taking into account the preliminary charge))**	-5.6%	1.2%	1.7%	3.0%	7.2%
Benchmark***	-0.3%	3.3%	4.3%	5.9%	8.7%

\* Performance figures are calculated as at 30 June 2020 on a NAV-to-NAV basis, with dividends being reinvested net of all charges payable upon reinvestment and in the respective currency of denomination of the relevant Class.

\*\* Performance figures are calculated as at 30 June 2020 on a NAV-to-NAV basis, taking into account the preliminary charge with dividends being reinvested net of all charges payable upon reinvestment and in the respective currency of denomination of the relevant Class.

\*\*\* Returns of the benchmark are calculated on a bid-to-bid basis, with net dividends reinvested and in the respective currency of denomination of the relevant Class.

The current benchmark of the Fund is the Morgan Stanley Capital International (MSCI) All Countries Asia Pacific Ex Japan Index.

Prior to January 1999, the benchmark of the Fund was the DBS CPF Index. The change in benchmark was made to reflect the change in the investment scope of the Fund.

<sup>8</sup> Source: Morningstar/Lion Global Investors Limited.

<sup>9</sup> Inception dates of the SGD and USD share class are 19 May 1995 and 2 August 2004 respectively.

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

## **16.2 Expense ratio**

The expense ratio for the financial year ended 31 December 2019 is 1.69%<sup>10</sup>.

## **16.3 Turnover ratio**

The turnover ratio for the financial year ended 31 December 2019 is 57%<sup>11</sup>.

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

We shall be entitled to and currently do receive or enter into soft-dollar commissions/arrangements in respect of the Fund. We will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions/arrangements which we may receive and enter into include specific advice as to the advisability of dealing in or as to 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 our 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.

We will not accept or enter into soft dollar commissions/arrangements unless such soft dollar commissions/arrangements would reasonably assist us in our management of the Fund, provided that we 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.

## **18. Conflicts of Interest**

We and the Trustee are not in any positions of conflict in relation to the Fund. We and the Trustee shall conduct all transactions with or for the Fund at arm's length. We are of the view that we are not in a position of conflict in managing the Fund and our other funds as the Fund and each of the other funds has its own investment universe, investment objectives and investment restrictions, separate and distinct from each of the other funds. We are obligated by the provisions of each respective trust deed to observe strictly such separate and distinct investment mandate for each of the funds. If the various funds place orders for the same securities as the Fund, we shall try as far as possible to allocate such securities among the funds in a fair manner based on a proportionate basis.

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<sup>10</sup> The expense ratio is calculated in accordance with the requirements in the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios (the "IMAS Guidelines") and based on figures in the Fund's latest audited accounts. The following expenses (where applicable) as set out in the IMAS Guidelines (as may be updated from time to time) are excluded from the calculation of the expense ratio:

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

<sup>11</sup> The turnover ratio of the Fund is calculated based on the lesser of purchases or sales of underlying investments of the Fund expressed as a percentage over the average daily Net Asset Value of the Fund.

Our affiliates and the Trustee's affiliates are or may be involved in other financial, investment and professional activities which may sometimes give rise to possible conflicts of interest with the management of the Fund. We and the Trustee will each ensure that the performance of our respective duties will not be impaired by any such involvement. If a conflict of interest does arise, we and/or the Trustee will try to ensure that it is resolved fairly and in the interest of the Holders.

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

## **19. Reports**

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

The financial year-end for the Fund is 31 December. We will prepare and send the annual report, annual accounts, and the Auditors' report on the annual accounts of the Fund to Holders (whether by post or such electronic means as may be permitted under the Code) within 3 months of the financial year-end (or such other period as may be permitted by the MAS). We will prepare and send the semi-annual report and semi-annual accounts of the Fund to Holders (whether by post or such electronic means as may be permitted under the Code) within 2 months of the financial half-year end, i.e. 30 June (or such other period as may be permitted by the MAS). In cases where the accounts and reports are available in electronic form, Holders will receive a hardcopy letter or an email (where email addresses have been provided for correspondence purposes) informing them that the accounts and reports are available and how they may be accessed. Holders may also request for hardcopies of the accounts and reports within 1 month (or such other period as may be permitted by the MAS) from the notification of the availability of the accounts and reports. The Trustee will also make available, or cause to be made available, hardcopies of the accounts and reports to any Holder who requests for them within 2 weeks of any request from such Holder (or such other period as may be permitted by the MAS). Holders may also at any time opt for hardcopies for all future reports and accounts at no cost to them.

## **20. Other Material Information**

### **20.1 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 for that month.

### **20.2 Distributions**

**20.2.1** Distribution of income and/or net capital gains (to the extent permitted under the Deed) will be at our sole discretion. Any distributions made will reduce the Net Asset Value of the Fund.

**20.2.2** Unless specifically instructed by the Holders, in the event the net amount of distributions is less than S\$50, Holders shall be deemed to have given a distribution reinvestment mandate for the automatic reinvestment of such distributions to be received by them in the purchase of further Units (including fractions of Units, if any) of the relevant Class, subject to our discretion to pay out such distributions in cash or in any particular case.

**20.2.3** Where a distribution payment has been made to a Holder via cheque and such cheque has expired (i.e. the cheque is not presented within six months of its date of issue), unless specifically instructed in writing by that Holder, the distribution payment made shall be automatically reinvested into new Units (including fractions of Units, if any) of the relevant Class. The new Units will be purchased based on the Net Asset Value of the relevant Class on the third Business Day after the expiry date of the cheque. In addition, any subsequent distributions payable to such Holder shall be automatically reinvested into new Units (including fractions of Units, if any) of the relevant Class on the relevant payment date of the distribution.



**20.2.4** Paragraphs 20.2.2 and 20.2.3 will not apply to distributions payable in respect of Units subscribed using cash through any of our agents or distributors or using SRS monies.

**20.2.5** Please refer to the Deed for further details.

### **20.3 Exemptions from liability**

**20.3.1** We and the Trustee shall incur no liability in respect of any action taken or thing suffered by us or 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.

**20.3.2** We and the Trustee 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 according 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 us or the Trustee 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 we shall be under any liability therefor or thereby.

**20.3.3** Neither the Trustee nor we 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. We and the Trustees 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 our or its reasonable satisfaction.

**20.3.4** Any indemnity expressly given to the Trustee or us 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 us from or indemnifying them or us against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them or us in respect of any negligence, default, breach of duty or trust of which they or we may be guilty in relation to their or our duties where they or we fail to show the degrees of diligence and care required of them or us having regard to the provisions of the Deed.

**20.3.5** Nothing contained in the Deed shall be construed so as to prevent us and the Trustee in conjunction or us or the Trustee separately from acting as managers or trustee of trusts separate and distinct from the Fund.

**20.3.6** Neither the Trustee nor we shall be responsible for acting upon any resolution purporting 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.

**20.3.7** The Trustee shall be responsible for the safe custody of the Deposited Property. Any Authorised Investments forming part of the Deposited Property shall, whether in bearer or registered form, be paid or transferred to or to the order of the Trustee forthwith on receipt by us and be dealt with as the Trustee may think proper for the purpose of providing for the safe custody thereof. The Trustee may from time to time upon notification in writing to us appoint such person or persons as it thinks fit (including itself or its Associates) as agents, nominees, custodians or sub-custodians in respect of any of the Authorised Investments, and the fees and expenses of such agents, nominees, custodians and sub-custodians shall be paid out of the Deposited Property. Subject to Clause 27(D) of the Deed, the Trustee shall remain liable for any act or omission of any agent, nominee, custodian



or sub-custodian with whom bearer Authorised Investments or documents of title to registered Authorised Investments are deposited as if the same were the act or omission of the Trustee. Any Authorised Investment in registered form shall as soon as reasonably practicable after receipt of the necessary documents by the Trustee, be registered in the name of the Trustee and/or its nominee and shall remain so registered until disposed of according to the provisions of the Deed. Subject as aforesaid the Trustee shall retain the documents of title to all Authorised Investments held upon the trusts of the Deed in its possession in safe custody.

The Trustee may at any time procure that: (i) the Trustee; (ii) any nominee appointed by the Trustee; (iii) any such nominee and the Trustee; (iv) any custodian, joint-custodian or sub-custodian appointed; (v) any company operating a recognized clearing system in respect of the Authorised Investments involved; or (vi) any broker, financial institution or other person with whom the same is deposited in order to satisfy any requirement to deposit margin or security, to take delivery of and retain and/or to be registered as proprietor of any Authorised Investments or other property held upon the trusts of the Deed.

**20.3.8** Notwithstanding anything contained in the Deed, 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 with whom Authorised Investments are deposited in order to satisfy any margin requirement. 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 our request or advice.

**20.3.9** The Trustee may act upon any advice of or information obtained from us or any bankers, accountants, brokers, lawyers, agents or other persons acting as agents or advisers of the Trustee or us and the Trustee shall not be liable for anything done or omitted or suffered in reliance upon such advice or information. 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, agent or other person as aforesaid or of us. 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.

**20.3.10** The Trustee shall not incur any liability for any loss which a Holder may suffer by the reason of any depletion in the value of the Deposited Property which may result from any securities lending transaction effected according to Clause 16(O) of the Deed and shall be indemnified out of and have recourse to the Deposited Property in respect of any liabilities, claims or demands which we or the Trustee may incur or suffer arising from any such security lending transaction.

**20.3.11** We shall be entitled to exercise all rights of voting conferred by any of the Deposited Property in what we may consider to be the best interests of the Holders, but neither we nor the Trustee shall be under any liability or responsibility in respect of the management of the Authorised Investment in question nor in respect of any vote, action or consent given or taken or not given or not taken by us whether in person or by proxy, and neither the Trustee nor we nor the holder of any such proxy or power of attorney shall incur any liability or responsibility by reason of any error of law or mistake of fact or any matter or thing done or omitted or approval voted or given or withheld by the Trustee or us or by the holder of such proxy or power of attorney under the Deed; and the Trustee shall be under no obligation to anyone with respect to any action taken or caused to be taken or omitted by us or by any such proxy or attorney.

## **20.4 Investment restrictions**

The investment guidelines and restrictions issued by the MAS under Appendix 1 of the Code, as may be amended, restated, supplemented or replaced from time to time (the “**Authorised Funds Investment Guidelines**”), shall apply to the Fund. We may engage in securities lending transactions and invest in derivatives and accordingly, are subject to the provisions on securities

lending and derivatives as set out in the Authorised Funds Investment Guidelines. We currently do not intend to carry out securities lending or repurchase transactions in relation to the Fund but may do so in future.

In addition to complying with Appendix 1 of the Code, we will not invest in any product or engage in any transaction which may cause the Units of the Fund not to be regarded as Excluded Investment Products under the Notice on the Sale of Investment Products and the Notice on Recommendations on Investment Products or prescribed capital markets products under the Securities and Futures (Capital Markets Products) Regulations 2018.

## **20.5 Holders' right to vote**

**20.5.1** A meeting of Holders of the Fund duly convened and held in accordance with the provisions of the Schedule to the Deed shall be competent by Extraordinary Resolution<sup>12</sup>:

- (i) to sanction any modification, alteration or addition to the provisions of the Deed which shall be agreed by the Trustee and us as provided in Clause 38 of the Deed;
- (ii) to sanction a supplemental deed increasing the maximum permitted percentage of the management participation and/or the remuneration of the Trustee;
- (iii) to terminate the Fund as provided in Clause 35(F) of the Deed;
- (iv) to remove the Auditors as provided in Clause 31(D) of the Deed;
- (v) to remove the Trustee as provided in Clause 32(C)(iv) of the Deed;
- (vi) to remove us as provided in Clause 33(A)(iv) of the Deed; and
- (vii) to direct the Trustee to take any action (including the termination of the Fund) according to Section 295 of the SFA,

but shall not have any further or other powers.

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

- (i) to sanction any modification, alteration or addition to the provisions of the Deed which shall be agreed by the Trustee and us as provided in Clause 38 of the Deed to the extent that such modification, alteration or addition affects the Holders of the relevant Class of Units;
- (ii) to sanction a supplemental deed increasing the maximum permitted percentage of the management participation and/or the remuneration of the Trustee in relation to the relevant Class of Units; and
- (iii) to terminate the relevant Class of Units as provided in Clause 35(H) of the Deed,

but shall not have any further or other powers.

## **20.6 Realisation of Units by Us**

**20.6.1** We (in consultation with the Trustee) shall have the right, by giving prior written notice to any Holder, to realise compulsorily Units held by:

- (i) any Holder who fails any anti-money laundering, anti-terrorist financing or know-your-client checks, or who is unable or unwilling to provide information and/or documentary evidence requested by us and/or the Trustee for the purposes of any anti-money laundering, anti-terrorist financing or know-your-client checks;
- (ii) any Holder who fails to provide any of the requested Personal Information and Account Information for compliance with FATCA (as defined in Schedule 2 of the Deed), the Common Reporting Standard issued by the Organisation for Economic

<sup>12</sup> "Extraordinary Resolution" is defined in the Deed to mean a resolution proposed and passed as such by a majority consisting of seventy-five per cent or more of the total number of votes cast for and against such resolution.

Co-operation and Development or any similar legislation, regulation or guidance enacted in any other jurisdiction applicable to the Fund which seeks to implement equivalent tax reporting and/or withholding tax regimes and/or automatic exchange of information;

(iii) any Holder whose holdings of Units, in our opinion:

- (1) may cause the Fund to lose its authorised or registered status with any regulatory authority in any jurisdiction; or
- (2) may cause the offer of the Units of the Fund, the prospectus of the Fund, the Deed, we and/or the Trustee to become subject to any authorisation, recognition, approval or registration requirements under any law or regulation in any other jurisdiction; or
- (3) may cause a detrimental effect on the tax status of the Fund in any jurisdiction or on the tax status of the Holders of the Fund; or
- (4) may result in the Fund or other Holders of the Fund suffering any other legal or pecuniary or administrative disadvantage which the Fund or other Holders might not otherwise have incurred or suffered; or

(iv) any Holder:

- (1) who, in our opinion, is or may be in breach of any applicable law or regulation in any jurisdiction; or
- (2) where such realisation is, in our opinion, necessary or desirable for our compliance or the Fund's compliance with any applicable law or regulation in any jurisdiction (including any regulatory exemption conditions) and inter-governmental agreements between Singapore and any foreign government.

**20.6.2** Any compulsory realisation under this paragraph shall be carried out by us on any Dealing Day, with prior written notice to the Holder, and shall be carried out in accordance with, and at the realisation price under, the applicable provisions on realisation in the Deed. For avoidance of doubt, a realisation under this paragraph (be it a compulsory realisation by us or a realisation by the Holder in response to our written notice relating to a compulsory realisation) may also be subject to applicable fees and/or charges (including any early realisation charge) as set out in this Prospectus and/or the Deed, and all such fees and/or charges (including early realisation charge) related to a realisation under this paragraph shall be borne by the Holder.

**20.6.3** We, the Trustee and their respective delegates, associates, employees or agents, shall not be liable for any loss (whether direct or consequential and including, without limitation, loss of profit or interest) or damage suffered by the Holder or any party arising out of or in connection with (whether in whole or in part) any actions which are taken by us, the Trustee and/or any of our/their respective delegates, associates, employees or agents under this paragraph.

## **20.7 Valuation**

**20.7.1** “Value” except where otherwise expressly stated in the Deed and subject always to the requirements of the Code, means with reference to any Authorised Investment the value calculated, as the case may be, by reference to the official closing price, the last known transacted price, the last transacted price or the last available price on a Recognised Stock Exchange at the time of calculation or, if there be no such official closing price, last known transacted price, last transacted price or the last available price, the net asset value, at the time of calculation for the Authorised Investment in question (or such other time as we may from time to time after consultation with the Trustee determine), and where there is no Recognised Stock Exchange, the prices of the relevant Authorised Investment as quoted by a broker, firm or institution making a market in that Investment if any (and if there shall be more than one such market maker then such market maker as we may designate) but if, in our opinion, such price is not representative of the value of such

Authorised Investment or not available to the market, then the value of such Authorised Investment shall be such value as we may with due care and in good faith consider in the circumstances to be fair value and is approved by the Trustee in accordance with the Code and we shall notify the Holders of such change if required by the Trustee. For the purposes of this proviso, the “**fair value**” shall be the price that the Fund would reasonably expect to receive upon the current sale of the asset determined by us in consultation with a stockbroker 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, we shall not, subject to the provisions of the Code, assume any liability towards the Fund, and the Trustee shall not be under any liability in accepting our opinion, notwithstanding that the facts may subsequently be shown to have been different from those assumed by us.

**20.7.2 “Net Asset Value”** means the Value of all assets of the Fund less liabilities and **“Net Asset Value per Unit”** means the Net Asset Value divided by the number of Units of the Fund in issue or deemed to be in issue immediately prior to the relevant Dealing Day (rounded down to the nearest \$0.001 or such other number of decimal places or any other method of rounding determined by us with approval of the Trustee).

In calculating the Net Asset Value or any proportion thereof:

- (i) every Unit agreed to be issued by us 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 the rounding adjustment (if any) and any moneys payable out of the Deposited Property according to Clause 10 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 according to Clause 13, 13A or 14 of the Deed a reduction of the Fund 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 Net Asset Value;
- (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 participation accrued but remaining unpaid;
  - (b) the amount of tax, if any, on capital gains (including any provision made for unrealised capital gains) and income accrued up to the end of the last accounting period and remaining unpaid;
  - (c) the amount of tax, if any, on net capital gains realised during a current accounting period prior to the valuation being made as in our estimate will become payable; and
  - (d) the aggregate amount for the time being outstanding of any borrowings effected under Clause 17(C) of the Deed together with the amount of any interest and expenses thereon accrued according to Clause 17(C)(v) of the Deed and remaining unpaid;

- (v) there shall be taken into account such sum as in our estimate will fall to be paid or reclaimed in respect of taxation related to income up to the time of calculation of the Net Asset Value;
- (vi) there shall be added the amount of 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 we shall after consulting with or in accordance with a method approved by the Trustee deem appropriate to the circumstances having regard amongst others 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 shall be taken into account;

Provided Always (1) in the case of any Authorised Investment which is not listed or not normally quoted or dealt in on any Recognised Stock Exchange the Value thereof shall be such value as may be determined by a person approved by the Trustee as qualified to value such Authorised Investment; and (2) we may, to the extent permitted by the MAS, and subject to the prior approval of the Trustee, change the method of valuation provided in this paragraph 20.7 and the Trustee shall determine if the Holders should be informed of such change.

## **20.8 Termination of the Fund**

**20.8.1** The Fund constituted by the Deed is of indeterminate duration and may be terminated as provided in Clause 35 of the Deed.

**20.8.2** Either the Trustee or we may in their/our absolute discretion terminate the Fund by not less than six months’ notice in writing to the other given so as to expire at the end of the accounting period current at the end of the fifth year after 6 April 1995 or any year thereafter. Either the Trustee or we shall be entitled by notice in writing as aforesaid to make the continuation of the Fund beyond any such date conditional on the revision to its or our satisfaction at least three months before the relevant date of its or our remuneration under the Deed. If the Fund shall fall to be terminated or discontinued we shall give notice thereof to all Holders not less than six months in advance. Subject as aforesaid the Fund shall continue until terminated in the manner hereinafter provided.

**20.8.3** Subject to the SFA, the Fund may be terminated by the Trustee by notice in writing as hereinafter provided in any of the following events, namely:

- (i) if we 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 our assets or if a judicial manager is appointed in respect of us or if any encumbrancer shall take possession of any of our assets or if we shall cease business;
- (ii) if any law shall be passed, any authorisation revoked or withdrawn or any direction given by the MAS which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue for the Fund; and
- (iii) if within the period of three months from the date of the Trustee expressing in writing to us the desire to retire we shall have failed to appoint a new trustee within the terms of Clause 32 of the Deed.

The decision of the Trustee in any of the events specified in this paragraph 20.8.3 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 Fund according to this paragraph or otherwise.



We shall accept the decision of the Trustee and relieve the Trustee of any liability to us therefor and hold it harmless from any claims whatsoever on our part for damages or for any other relief.

- 20.8.4** The Fund or any Class of the Fund may be terminated by us in our absolute discretion by notice in writing as hereinafter provided (i) on the fifth anniversary of 6 April 1995 or on any date thereafter if on such date the aggregate Value of the Deposited Property attributable to such Class shall be less than S\$5,000,000 in the case of SGD Class Units or US\$5,000,000 in the case of USD Class Units or (ii) if any law shall be passed, any authorisation revoked or withdrawn or any direction given by the MAS which renders it illegal or in our opinion impracticable or inadvisable to continue the Fund or Class of the Fund.
- 20.8.5** The party terminating the Fund or the relevant Class 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.
- 20.8.6** The Fund may at any time after five years from 6 April 1995 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 on Meetings of Holders and such termination shall take effect from the date on which the said Extraordinary Resolution is passed or such later date (if any) as the said Extraordinary Resolution may provide.
- 20.8.7** A Class of the Fund may at any time after the date of its establishment be terminated by an Extraordinary Resolution of a meeting of the Holders of that Class duly convened and held in accordance with the provisions contained in the Schedule to the Deed on Meetings of Holders and such termination shall take effect from the date on which the said Extraordinary Resolution is passed or on such later date (if any) as the said Extraordinary Resolution may provide.

**20.9 Risks associated with investments in certain eligible China-A shares through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (collectively, the “Stock Connect”)**

In order to achieve its investment objective, the Fund may invest in and have direct access to certain eligible China A-shares through the Stock Connect. Investments through the Stock Connect are subject to additional risks, including but not limited to, daily quota limitations, suspension risk, operational risk, restrictions on selling imposed by front-end monitoring, recalling of eligible stocks, clearing and settlement risks, nominee arrangements in holding China A-shares and regulatory risk. The laws, regulations and rules applicable to Stock Connect are subject to change and the risk disclosures below should not be considered an exhaustive list of risks related to Stock Connect.

**(i) Daily quota limitations**

The Stock Connect is subject to daily quota limitations on investments, which are currently set at RMB 13 billion for each Northbound Trading Link and may be adjusted in light of actual operational performance. Daily quota may restrict the Fund's ability to invest in China A-shares through the Stock Connect on a timely basis, and the Fund may not be able to effectively pursue its investment policy.

**(ii) Suspension risk**

The Stock Exchange of Hong Kong (“SEHK”) and Shanghai Stock Exchange (“SSE”) / Shenzhen Stock Exchange (“SZSE”) (as the case may be) reserve the right to suspend trading if necessary for ensuring an orderly and fair market and managing risks prudently which could adversely affect the Fund's ability to access the Mainland China market.

**(iii) Differences in trading day**

The Stock Connect only operates on days when both the Mainland China and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal

trading day for the Mainland China market but Hong Kong investors (such as the Fund) cannot carry out any China A-shares trading. The Fund may be subject to a risk of price fluctuations in China A-shares during the time when the Stock Connect is not trading as a result.

(iv) Restrictions on selling imposed by front-end monitoring

Mainland China regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise SSE / SZSE (as the case may be) will reject the sell order concerned. SEHK will carry out pre-trade checking on China A-shares sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

(v) Recalling of eligible stocks

When a stock is recalled from the scope of eligible stocks for trading via the Stock Connect, the stock can only be sold but is restricted from being bought. This may affect the investment portfolio or strategy of the Fund, for example, when the Fund wishes to purchase a stock which is recalled from the scope of eligible stocks.

(vi) Foreign shareholding restrictions and forced-sale arrangement

The China Securities Regulatory Commission (“**CSRC**”) stipulates that, when holding China A-Shares, Hong Kong and overseas investors are subject to the following shareholding restrictions:

- a. shares held by a single foreign investor (such as the Fund) is not allowed to exceed 10% of the company’s total issued shares; and
- b. total China A-Shares held by all foreign investors (i.e. all Hong Kong and overseas investors) in a listed company is not allowed to exceed 30% of its total issued shares.

When Hong Kong and overseas investors carry out strategic investments in listed companies in accordance with the rules, the shareholding of the strategic investments is not capped by the above-mentioned percentages.

Should the shareholding of the Fund in a China A-Share listed company exceed the above restriction, the Fund may be required to unwind its position on the excessive shareholding within 5 trading days for Northbound Trading, otherwise SEHK participants shall apply the forced-sale arrangement on the Fund.

As there are limits on the total shares held by all Hong Kong and overseas investors in a listed company in Mainland China, the capacity of the Fund to make investments in China A-Shares will be affected by the activities of all Hong Kong and overseas investors investing through the Stock Connect or any other permissible ways to obtain China A-Shares investment exposures. If the aggregate foreign shareholding limit is exceeded, SSE / SZSE will notify SEHK of the number of shares that are subject to forced sale within 5 trading days for Northbound Trading. On a last-in-first-out basis, SEHK will identify the relevant trades involved and request the relevant SEHK participants to require the Hong Kong and overseas investors concerned to sell the shares within the timeframe as stipulated by SEHK. If the relevant investors fail to sell the shares before the stipulated deadline, SEHK participants will be required to force-sell the shares for the relevant investors (such as the Fund). SSE / SZSE (as the case may be) will publish a notice if the percentage of total foreign shareholding in a listed company reaches 26% and the buy orders are not allowed for the related China A-Shares if the aggregate foreign shareholding reaches 28%.

(vii) Clearing, settlement and custody risks

The Hong Kong Securities Clearing Company Limited (“**HKSCC**”), a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited (“**HKEx**”) and China Securities Depository and Clearing Corporation Limited (“**ChinaClear**”) establish the clearing links and each is a participant of the other to facilitate clearing and settlement of cross-boundary trades. As the national central counterparty of the Mainland China’s securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure.

ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote. Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

(viii) Operational risk

The Stock Connect provides new channels for investors from Hong Kong and overseas, such as the Fund, to access the Mainland China stock market directly. The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. It should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the program to operate, market participants may need to address issues arising from the differences on an on-going basis. Further, the "connectivity" in the Stock Connect program requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. new order routing systems ("China Stock Connect System") to be set up by SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the program could be disrupted. The Fund's ability to access the China A-share market (and hence to pursue its investment strategy) will be adversely affected.

(ix) Nominee arrangements in holding China-A shares

HKSCC is the "nominee holder" of the SSE securities / SZSE securities (as the case may be) acquired by overseas investors (including the Fund) through the Stock Connect. The CSRC Stock Connect rules expressly provide that investors such as the Fund enjoy the rights and benefits of the SSE securities acquired through the Stock Connect in accordance with applicable laws. The CSRC has clarified and restated in Frequently Asked Questions published on 30 September 2016 that (i) the concept of nominee shareholding is recognised in Mainland China, (ii) overseas investors shall hold SSE securities / SZSE securities (as the case may be) through HKSCC and are entitled to proprietary interests in such securities as shareholders, (iii) Mainland China law does not expressly provide for a beneficial owner under the nominee holding structure to bring legal proceedings, nor does it prohibit a beneficial owner from doing so, (iv) as long as certification of holding issued by HKSCC and its participants is treated as lawful proof of a beneficial owner's holding of SSE securities / SZSE securities (as the case may be) under the Hong Kong Special Administrative Region law, it would be fully respected by CSRC and (v) as long as an overseas investor can provide evidential proof of direct interest as a beneficial owner, the investor may take legal actions in its own name in Mainland China courts.

Under the rules of the Central Clearing and Settlement System ("CCASS") operated by HKSCC for the clearing of securities listed or traded on SEHK, HKSCC as nominee holder shall have no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the SSE securities / SZSE securities (as the case may be) in Mainland China or elsewhere. Therefore, although the Fund's ownership may be ultimately recognised, the Fund may suffer difficulties or delays in enforcing its rights in China A-shares. Moreover, whether Mainland China courts will accept the legal action independently initiated by the overseas investor with the certification of holding in SSE securities / SZSE securities (as the case may be) issued by HKSCC and its participants has yet to be tested.



(x) Participation in corporate actions

HKSCC will keep CCASS participants informed of the corporate actions of SSE securities / SZSE securities (as the case may be), in particular those that require CCASS participants / investors to take actions. Hong Kong and overseas investors (such as the Fund) should note and comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants) in order to participate in the corporate actions relating to their SSE securities / SZSE securities (as the case may be). The time for the Fund to take actions for some types of corporate actions of SSE securities / SZSE securities (as the case may be) may be very short. Therefore, the Fund may not be able to participate in some corporate actions in a timely manner.

(xi) Investor compensation

Investments of the Fund through Northbound Trading under the Stock Connect will not be covered by Hong Kong's Investor Compensation Fund. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong.

Since default matters in Northbound Trading via the Stock Connect do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. Therefore, the Fund is exposed to the risk of default of the broker(s) it engages in its trading in China A-Shares through the Stock Connect. On the other hand, since the Fund is carrying out Northbound Trading through securities brokers in Hong Kong but not Mainland China brokers, therefore it is not protected by the China Securities Investor Protection Fund in Mainland China.

(xii) Trading costs

In addition to paying trading fees and stamp duties in connection with China A-shares trading, the Fund may be subject to new portfolio fees, dividend tax and tax concerned with income arising from stock transfers which are yet to be determined by the relevant authorities.

(xiii) Regulatory risk

The CSRC Stock Connect rules are departmental regulations having legal effect in Mainland China. However, the application of such rules is untested, and it is uncertain how the Mainland China courts will apply such rules, e.g. in liquidation proceedings of Mainland China companies.

The Stock Connect is novel in nature, and is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in Mainland China and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect.

The regulations are untested so far and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that the Stock Connect will not be abolished. The Fund which may invest in the Mainland China markets through the Stock Connect may be adversely affected as a result of such changes.

## 21 Queries and Complaints

If you have questions concerning your investment in the Fund, you may call us at telephone number (65) 6417 6900. You can also email us at [contactus@lionglobalinvestors.com](mailto:contactus@lionglobalinvestors.com).

# PROSPECTUS OF LIONGLOBAL ASIA PACIFIC FUND

## PROSPECTUS

Signed:

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Khor Hock Seng  
Chairman  
(signed by Gerard Lee How Cheng  
for and on behalf of Khor Hock Seng)

Signed:

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Ching Wei Hong  
Deputy Chairman  
(signed by Gerard Lee How Cheng  
for and on behalf of Ching Wei Hong)

Signed:

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Gerard Lee How Cheng  
CEO

Signed:

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Tan Siew Peng  
Director  
(Signed by Gerard Lee How Cheng  
for and on behalf of Tan Siew Peng)

Signed:

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Ronnie Tan Yew Chye  
Director  
(Signed by Gerard Lee How Cheng  
for and on behalf of Ronnie Tan Yew Chye)

Signed:

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Wee Ai Ning  
Director  
(signed by Gerard Lee How Cheng  
for and on behalf of Wee Ai Ning)

Signed:

---

Chong Chuan Neo  
Director  
(Signed by Gerard Lee How Cheng  
for and on behalf of Chong Chuan Neo)

Signed:

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Leslie Teo Eng Sipp  
Director  
(Signed by Gerard Lee How Cheng  
for and on behalf of Leslie Teo Eng Sipp)

This Product Highlights Sheet is an important document.

- It highlights the key terms and risks of this investment product and complements the Prospectus<sup>1</sup>.
- It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.
- You should not invest in the product if you do not understand it or if you are not comfortable with the accompanying risks.
- If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.

#### LIONGLOBAL ASIA PACIFIC FUND (the “Fund”)

<b>Product Type</b>	Unit Trust (The Units are Excluded Investment Products)	<b>Launch Date</b>	19 May 1995 <sup>2</sup>
<b>Manager</b>	Lion Global Investors Limited	<b>Custodian</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>Trustee</b>	HSBC Institutional Trust Services (Singapore) Limited	<b>Dealing Frequency</b>	Every Business Day
<b>Capital Guaranteed</b>	No	<b>Expense Ratio for FYE 31 Dec 2019</b>	1.69%
<b>Name of Guarantor</b>	Not Applicable		

#### PRODUCT SUITABILITY

##### WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth over the long term;
- are comfortable with the greater volatility and risks of an equity fund.

Please note your investment in the Fund is at risk and you may not get back the principal sum invested.

##### Further Information

Refer to “Investment Objective, Focus and Approach (Section 7) of the Prospectus for further information on product suitability.

#### KEY PRODUCT FEATURES

##### WHAT ARE YOU INVESTING IN?

You are investing in a unit trust constituted in Singapore that aims to provide you with long term capital appreciation by investing primarily in the equities markets of the Asia Pacific (ex-Japan) region.

Distributions of income and/or net capital gains (to the extent permitted under the Deed) will be at our sole discretion. Any distributions made will reduce the Net Asset Value of the Fund.

Refer to “Fund Structure” and “Investment Objective, Focus and Approach” (Sections 6 and 7) of the Prospectus for further information on features of the product.

#### Investment Strategy

The Fund will be investing in emerging and developed markets. There are no target industry and/or sector.

We believe that Asian equity markets are structurally inefficient and this inefficiency provides the opportunity for us to add value through a disciplined investment process. We believe that consistent long term returns can be achieved through in-depth fundamental research, a disciplined focus on valuations, understanding what is “priced in” by the market and what the key stock catalysts are.

Our investment process comprises research and portfolio construction. We construct the portfolio in a manner consistent with the Fund’s objective as well as taking into account the prevailing macro directions and sector/thematic considerations.

Refer to “Investment Objective, Focus and Approach” (Section 7) of the Prospectus for further information on features of the product.

<sup>1</sup> The Prospectus is available for collection at Lion Global Investors Limited, 65 Chulia Street, #18-01, Singapore 049513 from Monday to Friday (9am to 6pm) or website: [www.lionglobalinvestors.com](http://www.lionglobalinvestors.com)

<sup>2</sup> Inception dates for the SGD Class and USD Class are 19 May 1995 and 2 August 2004 respectively.

**Parties Involved**
**WHO ARE YOU INVESTING WITH?**

- **The Managers**
  - o Lion Global Investors Limited
- **The Trustee**
  - o HSBC Institutional Trust Services (Singapore) Limited
- **The Custodian**
  - o The Hongkong and Shanghai Banking Corporation Limited

Refer to “The Managers” and “The Trustee and the Custodian” (Sections 2 and 3) of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

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

You should consider and satisfy yourself as to the risks of investing in the Fund.

An investment in the Fund is meant to produce returns over the long-term. You should not expect to obtain short-term gains from such an investment.

**You should note that the value of Units, and the income accruing to the Units, may fall or rise and that you may not get back your original investment.**

**The Fund’s net asset value may have higher volatility as a result of its narrower investment focus on a limited geographical market, when compared to funds investing in global or wider regional markets.**

Refer to “Risks” (Section 9) of the Prospectus for further information on risks of the product.

**Market and Credit Risks**

- **You are exposed to Market Risks in Asia Pacific (ex-Japan)**
  - o Prices of securities may go up or down in response to changes in economic conditions, interest rates and the market’s perception of securities. These may cause the price of Units in the Fund to go up or down as the price of Units in the Fund is based on the current market value of the investments of the Fund.
- **You are exposed to Currency Risks**
  - o As the investments of the Fund may be denominated in foreign currencies, fluctuations of the exchange rates of foreign currencies against the base currency of the Fund (i.e. Singapore Dollar) may affect the value of the Units in the Fund.

**Liquidity Risks**

- o The Fund is not listed and you can redeem only on Dealing Days.

**Product Specific Risks**

- **You are exposed to Derivatives Risks**
  - o The Fund may invest in financial derivative instruments such as futures, options, warrants, forwards and swaps for hedging purposes or for the purpose of efficient portfolio management. While the judicious use of derivatives by professional investment managers can be beneficial, derivatives involve risks different from, and, in some cases, greater than, the risks presented by more traditional securities investments.
- **You are exposed to Emerging Markets Risks**
  - o The risk of investing in companies in the emerging markets will be higher than that encountered when investing in companies in developed markets.
  - o The Fund may invest in certain eligible China A-shares through the Stock Connect. Please note that there are additional risks associated with investments via the Stock Connect.

**FEES AND CHARGES**
**WHAT ARE THE FEES AND CHARGES FOR THIS INVESTMENT?**
**• Payable directly by you**

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

Preliminary Charge	Currently 4% Maximum 5%
Realisation Charge	Currently Nil. Maximum 1%
Switching Fee	Currently up to 1%. Maximum 5%

Additional fees may be imposed and payable to appointed distributors that are in addition to the maximum Preliminary Charge disclosed above, depending on the specific nature of services provided by the appointed distributor.

**• Payable by the Fund from invested proceeds**

The Fund will pay the following fees and charges to us, Trustee and other parties:

Annual Management Fee	Currently 1.5% p.a. Maximum 1.5%p.a.
(a) Retained by Managers	(a) 0% to 60% of the Annual Management Fee
(b) Paid by Managers to financial advisers/distributors (trailer fee)	(b) 40% to 100% <sup>3</sup> of the Annual Management Fee
Annual Trustee Fee	Currently 0.05% p.a. Maximum 0.25% p.a. Subject always to a minimum of S\$15,000 p.a. (or lower amount agreed to by the Trustee). The Trustee has presently agreed to charge a minimum of S\$8,000 p.a.

Refer to “Fees and Charges” (Section 8) of the Prospectus for further information on fees and charges.

**VALUATIONS AND EXITING FROM THIS INVESTMENT**
**HOW OFTEN ARE VALUATIONS AVAILABLE?**

The Fund will be valued on each Dealing Day. The indicative prices of Units are quoted on a forward pricing basis and will likely be available two Business Days in Singapore after each relevant Dealing Day (subject to the publication policies of the relevant publisher). The prices will be published on our website at [www.lionglobalinvestors.com](http://www.lionglobalinvestors.com).

**HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?**
Cooling Off Period

If you are subscribing for Units in the Fund for the first time, you may cancel your subscription of Units within 7 calendar days from the date of subscription by submitting a Notice to Cancel Form to us, subject to cancellation terms and conditions. Subject to the provisions of the Deed, you will be refunded the lower of the market value of the Units held on the day of receipt and acceptance of such form or the original amount paid by you. Where the market value of the Units held is greater than the original amount paid by you, we are not obliged to pay the excess amount to you and the excess amount shall be retained in the Fund.

Realisation

You may realise your holdings in the Fund on any Dealing Day by submitting a realisation form to us or our appointed agents or distributors.

If your realisation form is received and accepted by us by the dealing deadline of 3 p.m. Singapore time on a Dealing Day, your Units shall be realised at that Dealing Day's realisation price. Realisation forms received after the dealing deadline or on a day which is not a Dealing Day shall be treated as having been received on the next Dealing Day.

You will receive your realisation proceeds within 7 Business Days from the receipt and acceptance of the realisation form by us.

Refer to “Obtaining Prices of Units” (Section 14) of the Prospectus for further information on valuation of the product.

Refer to “Realisation of Units” (Section 12) of the Prospectus for further information on exiting from the product.

<sup>3</sup> Your financial adviser/distributor is required to disclose to you the amount of trailer fee it receives from the Managers.

Illustration of Realisation Proceeds Paid				
<b>100</b>	<b>x</b>	<b>\$1.000</b>	<b>=</b>	<b>\$100.00</b>
Units Realised		Notional Realisation Price (= Net Asset Value per Unit)		Gross Realisation Proceeds
<b>\$100.00</b>	<b>-</b>	<b>Nil</b>	<b>=</b>	<b>\$100.00</b>
Gross Realisation Proceeds		Realisation Charge		Net Realisation Proceeds
CONTACT INFORMATION				
<b>HOW DO YOU CONTACT US?</b>				
If you have questions concerning your investment in the Fund, you may call us at telephone number (65) 6417 6900.				
Website: <a href="http://www.lionglobalinvestors.com">www.lionglobalinvestors.com</a>				
Email: <a href="mailto:contactus@lionglobalinvestors.com">contactus@lionglobalinvestors.com</a>				
APPENDIX: GLOSSARY OF TERMS				
<p><b>Business Day</b> Any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore.</p> <p><b>Dealing Day</b> Every business day (other than a Saturday or Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore or such business day or business days at such intervals as we may from time to time determine Provided That reasonable notice of any such determination shall be given by us to all Holders at such time and in such manner as the Trustee may approve.</p> <p><b>Excluded Investment Products</b> Any capital markets products that belong to a class of capital markets products listed in the Schedule to the Securities and Futures (Capital Markets Products) Regulations 2018.</p> <p><b>Net Asset Value</b> The value of all assets of the Fund less liabilities.</p> <p><b>Stock Connect</b> The Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect.</p>				



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**Lion Global Investors Ltd**

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