

**CSOP INVESTMENTS II VCC**

*a Singapore variable capital company with the following sub-fund authorised under  
Section 286 of the Securities and Futures Act 2001 of Singapore*

**CSOP USD MONEY MARKET FUND**

**PROSPECTUS**

**(Registered by the Monetary Authority of Singapore on 3 July 2023)**

**MANAGER**

**CSOP ASSET MANAGEMENT PTE. LTD.**

## **CSOP INVESTMENTS II VCC**

### **DIRECTORY**

#### **DIRECTORS OF THE COMPANY**

NG Choe Yong  
WONG Ka Yan  
Esmond CHOO Liong Gee

#### **MANAGER**

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(Company Registration No. 201814646Z)  
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Singapore 039192

#### **DIRECTORS OF THE MANAGER**

DING Chen  
NG Choe Yong

#### **CUSTODIAN**

Citicorp Trustee (Singapore) Limited  
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#### **SOLICITORS TO THE COMPANY**

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#### **AUDITORS**

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Level 18 North Tower  
One Raffles Quay  
Singapore 048583

#### **REGISTRAR**

**(in respect of the maintenance of register of  
Shareholders)**

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#### **FUND ADMINISTRATOR**

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## **PRELIMINARY**

This Prospectus has been prepared in connection with the offer in Singapore of shares in the Sub-Fund(s) ("**Shares**") under the CSOP Investments II VCC (the "**Company**"), a variable capital company incorporated in Singapore on 10 January 2022 with variable capital and limited liability.

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this Prospectus and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Prospectus constitutes full and true disclosure of all material facts about the Company and the Sub-Fund(s), and the Directors are not aware of any facts the omission of which would make any statement in this Prospectus misleading. Where information in this Prospectus has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors of the Company has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Prospectus in its proper form and context.

The collective investment scheme(s) offered in this Prospectus, the Sub-Fund(s), are authorised scheme(s) under the Securities and Futures Act 2001 of Singapore (the "**Securities and Futures Act**"). 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. Registration of this Prospectus with the MAS does not imply that the Securities and Futures Act, or any other legal or regulatory requirements have been complied with. The MAS has not, in any way, considered the investment merits of the Sub-Fund(s).

Applicants for Shares should consult their financial advisers and take legal advice as appropriate as to whether any governmental or other consents are required, or other formalities need to be observed, to enable them to acquire Shares and as to whether any taxation effects, foreign exchange restrictions or exchange control requirements are applicable.

The distribution of this Prospectus and the offering, subscription, purchase, sale or transfer of the Shares in certain jurisdictions may be restricted by law. The Company requires persons into whose possession this Prospectus comes to inform themselves about and to observe any such restrictions at their own expense and without liability to the Company. This Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase, any of the Shares in any jurisdiction in which such offer or invitation would be unlawful. Persons to whom a copy of this Prospectus has been issued 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.

### **Restriction on U.S. Persons on subscribing to the Sub-Fund(s)**

Persons to whom a copy of this Prospectus has been issued 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 Shares 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 Sub-Fund(s) have not been and will not be registered as an investment company under the U.S. Investment Company Act of 1940, as amended. The Shares 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. The Shares are not being offered or made available to U.S. persons and nothing in this Prospectus is directed to or is intended for U.S. persons.

## Foreign Account Tax Compliance Act

The US Foreign Account Tax Compliance Act and sections 1471 through 1474 of the US Internal Revenue Code (collectively referred to as “**FATCA**”) includes provisions under which the Company as a Foreign Financial institution (“**FFI**”) may be required to collect information aiming to identify direct and indirect shareholders that are Specified U.S. Persons for FATCA purposes and report them to the U.S. Internal Revenue Service (“**IRS**”). Failure to do so could result in the FFI being subject to a withholding tax (currently at the rate of 30 per cent) on certain payments. Payments subject to withholding under these rules generally include gross US-source dividend and interest income, gross proceeds from the sale of property that produces dividend or interest income from sources within the US and certain other payments made by or through “Participating Foreign Financial Institutions” to “recalcitrant account holders” and “Non-participating Financial Institutions”.

Singapore has concluded a Model I Intergovernmental Agreement (the “**IGA**”) with the US government. Under the Singapore-US IGA, entities classified as “Reporting Singapore-based Financial Institutions” will be required to register with the IRS, obtain certain information from investors and report requisite account information of investors who are Specified US Persons or where the controlling person (in certain circumstances) is a Specified US Person to the Inland Revenue Authority of Singapore (“**IRAS**”). The IRAS will in turn report the relevant information to the IRS. Singapore FATCA regulations apply to financial institutions who, amongst others, are incorporated or tax residents in Singapore. The Company and/or the Sub-Fund(s) are obliged to comply with the provisions of FATCA under the terms of the Singapore-US IGA and under the terms of Singapore legislation implementing the IGA.

In order to comply with its FATCA obligations, the Company and/or the Manager may be required to obtain certain information from its investors (or the controlling person, in certain circumstances) to ascertain their US tax status. If the investor is a Specified US Person under the provisions of FATCA, non-US entity (i.e. a passive non-foreign financial entity) with one or more controlling persons that is a Specified U.S. Person, non-participating FFI or does not provide the requisite documentation, the Company will need to report information on these investors to the IRAS, in accordance with applicable law and regulations, which will in turn report this to the IRS. Provided that the Company acts in accordance with these provisions, it will not be subject to withholding tax under FATCA.

If the Company is not able to comply with the obligations under the Singapore FATCA legislation, a 30% withholding tax could be imposed on US-sourced amounts paid to the Company. The Company may also be subject to penalties under the Singapore law.

Distributors and investors should note that it is the existing policy of the Company that Shares are not being offered or sold for the account of U.S. Persons and that subsequent transfers of Shares to such U.S. Persons are prohibited. If Shares are beneficially owned by such U.S. Person, the Company may compulsorily redeem such Shares. Investors should note that under the FATCA legislation, the definition of “Specified U.S. Persons” will include a wider range of investors than the current U.S. Person definition.

## Common Reporting Standard and Automatic Exchange of Information

The Common Reporting Standard (“**CRS**”) was developed by the Organisation for Economic Co-operation and Development (“**OECD**”) to be a global standard for the automatic exchange of financial account information for tax purposes, and it contains the due diligence and reporting rules for Financial Institutions. Jurisdictions committed to the CRS (each a “**Participating Jurisdiction**”) will either be a signatory to the Multilateral Competent Authority Agreement (“**MCAA**”) or will sign Bilateral Competent Authority Agreements with certain other Participating Jurisdictions, which are the legal basis for jurisdictions to exchange information.

With effect from 1 January 2017, the Income Tax (International Tax Compliance Agreements) (Common Reporting Standard) Regulations 2016 ("**Singapore CRS Regulations**") have been promulgated to allow Singapore to implement the CRS.

The CRS Regulations require certain Singapore financial institutions (as defined in the CRS Regulations) to identify financial asset holders and establish if they are resident for tax purposes in jurisdictions with which Singapore has a bilateral exchange relationship for CRS in force or the jurisdictions that are signatory to the MCAA (the "**CRS Reportable Jurisdictions**"). Singapore financial institutions will report prescribed financial account information of the financial asset holder to the IRAS, which will thereafter automatically transfer this information to the respective CRS Reportable Jurisdictions on a yearly basis.

Accordingly, the Company and/or the Manager may be required to obtain/ maintain certain information from/ of its financial account holders to ascertain their tax residency status. If the financial account holders (or the controlling person, in certain circumstances) are tax residents in a CRS Reportable Jurisdiction, or do not provide the requisite documentation, the Company may need to report the requisite information to the IRAS, in accordance with applicable laws and regulations, including but not limited to the financial account holders' identities and tax residences of their accounts (and the controlling persons, if any), account details, account balance/value and income/sale or redemption proceeds.

If the Company is not able to comply with the obligations under the Singapore CRS Regulations, it may also be subject to penalties under the local Singapore tax law.

The list of Reportable Jurisdictions for Singapore is available on the IRAS website at [https://www.iras.gov.sg/irashome/uploadedFiles/IRASHome/Quick\\_Links/International\\_Tax/List%20of%20Reportable%20Jurisdictions\\_2019%20CRS%20reporting.pdf](https://www.iras.gov.sg/irashome/uploadedFiles/IRASHome/Quick_Links/International_Tax/List%20of%20Reportable%20Jurisdictions_2019%20CRS%20reporting.pdf)

By investing (or continuing to invest) in the Company, investors shall be deemed to acknowledge that:

- (a) the Company (or any person authorised by it such as the Manager or agent or distributor) may be required to disclose to the IRAS certain confidential information in relation to the investor, including but not limited to the investor's name, address, tax identification number (if any) and certain information relating to the investor's investment;
- (b) the IRAS will automatically exchange such information received as outlined above with the authorities of CRS Reportable Jurisdictions;
- (c) the authorities may use such information received for the purpose of administering its tax legislation;
- (d) the Company (or any person authorised by it such as the Manager or agent or distributor) may require the investor to provide additional information and/or documentation which the Company may be required to disclose to the IRAS; and
- (e) in the event an investor does not provide the requested information and/or documentation, whether or not that actually leads to compliance failures by the Company, or a risk of the Company or its investors being subject to penalties under the relevant CRS regulations, the Company reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation, compulsory redemption or withdrawal of the investor concerned.

All investors should consult with their professional advisors regarding their own obligation under CRS Regulations as well as the possible tax implications and other consequences with respect to the implementation of the CRS in Singapore and the jurisdictions which he/she has tax residency.

#### Data Protection

For the purposes of, and subject to the provisions in, the Personal Data Protection Act 2012 of Singapore (“**PDPA**”) and its regulations, each investor consents and acknowledges that all personal data of the investor provided to the Company, the Sub-Fund(s), the Manager or any delegate, agent or distributor appointed by the Company and/or the Manager (including but not limited to the administrator, custodian, sub-custodians, registrar and any other third party service provider which may be applied), may be collected, used, disclosed or otherwise processed to enable each of the aforesaid entities to carry out their respective duties and obligations, or to enforce their respective rights and remedies, in connection with any investment by the investor into the Sub-Fund(s) or any law applicable to the respective parties.

All enquiries in relation to the Sub-Fund(s) should be directed to the Company.

## **DEFINITIONS**

In this Prospectus, unless the context requires otherwise, the following expressions have the meanings set out below.

“Business Day”, in respect of a Sub-Fund, means any day (other than a Saturday, Sunday or a gazetted public holiday) on which commercial banks are open for business, or such other day or days as the Company may determine.

“Class” means a class of Shares and/or sub-class of a class of Shares issued by the Company or by the Company in respect of a Sub-Fund, as the case may be.

“Code” means the Code on Collective Investment Schemes issued by the MAS pursuant to section 321 of the Securities and Futures Act, as the same may be modified, amended, supplemented, revised or replaced from time to time.

“Code Guidelines” means the investment and borrowing guidelines as set out in Appendix 1 of the Code and the applicable appendices under the Code, as the same may be modified, amended, supplemented or revised by the MAS from time to time.

“Connected Person” has the meaning ascribed to it under the Securities and Futures Act, and in relation to any firm, limited liability partnership, corporation or company (as the case may be) means:

- (a) another firm, limited liability partnership or corporation in which the first mentioned firm, limited liability partnership or corporation has control of not less than 20 per cent of the voting power in that other firm, limited liability partnership or corporation; or
- (b) a director, chief executive officer or substantial shareholder or controlling shareholder of the company or any of its subsidiaries or an associate of any of them.

“Constitution” means the constitution of the Company filed with the Accounting and Corporate Regulatory Authority of Singapore, as amended or restated from time to time.

“Custodian” means Citicorp Trustee (Singapore) Limited or its successors.

“Dealing Day” means each Business Day during the continuance of the relevant Sub-Fund, and/or such other day or days as the Company may from time to time determine either generally or for a particular Class or Classes of Shares.

“Dealing Deadline” in means such time of day (being a time of day on or, subject as hereinafter mentioned, prior to that Dealing Day) in that place as the Company may from time to time determine;

“Directors” means the directors of the Company for the time being or the directors of the Company present at a meeting of directors at which a quorum is present and includes any committee of the Directors duly constituted for the purposes relevant in the context in which any reference to the Directors appears or the members of such committee present at a meeting of such committee at which a quorum is present, and “Director” shall be construed accordingly.

“Duties and Charges” means, in relation to any particular transaction or dealing, all stamp and other duties, taxes, government charges, brokerage fees, bank charges, transfer fees, registration fees, transaction levies and other duties and charges whether in connection with the constitution of the Sub-Fund Assets or the increase or decrease of the Sub-Fund Assets or the creation, issue, transfer, cancellation or redemption of



Shares or the acquisition or disposal of Securities or otherwise which may have become or may be payable in respect of, and whether prior to, upon or after the occasion of, any transaction or dealing and including but not limited to, in relation to an issue of Shares or redemption of Shares, a charge (if any) of such amount or at such rate as determined by the Manager to be made for the purpose of (i) compensating or reimbursing the Company and/or the Sub-Fund(s) for the difference between (a) the prices used when valuing the Securities of the Sub-Fund Assets for the purpose of such issue or redemption of Shares and (b) (in the case of an issue of Shares) the prices which would be used when acquiring the same Securities if they were acquired by the Company and/or the Sub-Fund(s) with the amount of cash received by the Company and/or the Sub-Fund(s) upon such issue of Shares and (in the case of a redemption of Shares) the prices which would be used when selling the same Securities if they were sold by the Company and/or the Sub-Fund(s) in order to realise the amount of cash required to be paid out of the Sub-Fund Assets upon such redemption of Shares and (ii) preventing the Net Asset Value of the Company and/or the Sub-Fund(s) from being diluted by the high transactional costs which would be incurred by the Company and/or the Sub-Fund(s) in connection with a large or significant subscription application or redemption application.

“Excluded Investment Product” means any capital markets product that belongs to a class of capital markets products listed in the Schedule to the Securities and Futures (Capital Markets Products) Regulations 2018, issued by the MAS (as may be amended from time to time).

“Issue Price” means in respect of each Sub-Fund (or Class), the price at which Shares in that Sub-Fund (or Class) may be issued, determined in accordance with the Constitution.

“Management Agreement” means the investment management agreement dated 26 January 2022 between the Company for itself and each Sub-Fund and the Manager by which the Manager is appointed.

“Management Shares” means the management shares in the capital of the Company issued subject to and in accordance with the Variable Capital Companies Act and the Constitution and having the rights and subject to the restrictions provided for in the Constitution.

“Manager” means CSOP Asset Management Pte. Ltd. or such other person or persons for the time being duly appointed as manager or managers of the Company in succession thereto.

“Market” means in relation to any Security, any stock exchange from time to time determined by the Manager and any over-the-counter transaction conducted in any part of the world and in relation to any Security shall be deemed to include any bilateral agreement with a responsible firm, corporation or association in any country in any part of the world dealing in the Security which the Manager may from time to time elect;

“MAS” means the Monetary Authority of Singapore or its successors.

“Net Asset Value” means the net asset value of a Sub-Fund or, as the context may require, the net asset value of a Share of a Sub-Fund (or Class thereof) calculated pursuant to the Constitution.

“Ordinary Resolution” means an ordinary resolution of the Company in general meeting passed by a majority of Shareholders in accordance with the Constitution and the Variable Capital Companies Act (and includes any resolution in writing signed in accordance with the Constitution).

“Participating Shares” means the participating shares in the capital of the Company or in respect of a particular Sub-Fund issued subject to and in accordance with the Variable Capital Companies Act and the Constitution and having the rights and subject to the restrictions provided for in the Constitution. For the avoidance of doubt, if the Company has constituted two or more Sub-Funds, the Participating Shares of each

Sub-Fund participate only in the assets and liabilities of that particular Sub-Fund as a collective investment scheme segregated from other Sub-Fund or Sub-Funds.

“Permissible Investment” means such investment as may be permitted to be made by a Sub-Fund under the Code, (where applicable) the CPF Investment Guidelines and (for so long as Shares of a Sub-Fund are Excluded Investment Products and Prescribed Capital Markets Products) the Securities and Futures (Capital Markets Products) Regulations 2018, or as may be permitted to invest in, by the MAS.

“Prescribed Capital Markets Product” means any capital markets product that belongs to a class of capital markets products listed in the Schedule to the Securities and Futures (Capital Markets Products) Regulations 2018.

“Redemption Price” means, in respect of each Sub-Fund (or Class), the price at which Shares in that Sub-Fund (or Class) may be redeemed in accordance with the Constitution;

“Register” means the register of Shareholders kept and maintained by the Company in accordance with section 81 of the Variable Capital Companies Act.

“Registrar” means Citicorp Trustee (Singapore) Limited or such person as may from time to time be appointed by the Company (and acceptable to the Manager) as registrar in respect of each Sub-Fund to maintain the Register on behalf of the Sub-Fund.

“Securities and Futures Act” means the Securities and Futures Act 2001 of Singapore, as the same may be modified, amended, supplemented, revised or replaced from time to time

“Security” means any shares, stocks, debentures, loan stocks, bonds, securities, commercial paper, acceptances, trade bills, warrants, participation notes, certificates, structured products, treasury bills, instruments or notes of, or issued by or under the guarantee of, any body, whether incorporated or unincorporated, and whether listed or unlisted, or of any government or local government authority or supranational body, whether paying interest or dividends or not and whether fully-paid, partly paid or nil paid and includes (without prejudice to the generality of the foregoing):-

- (a) any right, option or interest (howsoever described) in or in respect of any of the foregoing, including units in any Unit Trust;
- (b) any certificate of interest or participation in, or temporary or interim certificate for, receipt for or warrant to subscribe or purchase, any of the foregoing;
- (c) any instrument commonly known or recognised as a security;
- (d) any receipt or other certificate or document evidencing the deposit of a sum of money, or any rights or interests arising under any such receipt, certificate or document; and
- (e) any bill of exchange and any promissory note,

provided that each of such security falling within paragraphs (a) to (e) of this definition shall be a Permissible Investment.

“Share” means the shares in the capital of a particular Sub-Fund, and may be divided into more than one Class of the same.

“Shareholder” means the person for the time being entered on the Register as the holder of a Share or Shares including, where the context so admits, persons jointly so registered.

“Singapore dollar” or “S\$” means the lawful currency for the time being and from time to time of Singapore.

“Special Resolution” means either: (1), in relation to a Special Resolution or a Special Resolution of the Company, a special resolution of the Company in General Meeting passed in accordance with the Constitution and the Variable Capital Companies Act (and includes any resolution in writing signed in accordance with the Constitution) or (2) in relation to a Special Resolution of a Sub-Fund, a resolution in writing (which may consist of several documents in like form, each signed by one or more Shareholders) signed by, or a resolution passed at a separate general meeting of the Sub-Fund by, one or more Shareholders holding Shares issued in respect of that Sub-Fund that represent at least 75% of the total voting rights of all the Shareholders holding Shares issued in respect of the relevant Sub-Fund (and includes approval by any form of electronic communication and any signature to any such resolution may be written or printed or in the electronic form which includes electronic and/or digital signatures and the provisions of the Constitution relating to General Meetings apply with the necessary modifications to every separate general meeting of the Shareholders holding Shares issued in respect of the Sub-Fund), except that: (x) the necessary quorum is at least 1 person; and (y) any Shareholder holding Shares issued in respect of the Sub-Fund with voting rights present in person or by proxy may demand a poll;

“Specified U.S. Person” means U.S. Person, other than: (i) a corporation the stock of which is regularly traded on one or more established securities markets; (ii) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation described in clause (i); (iii) the United States or any wholly owned agency or instrumentality thereof; (iv) any State of the United States, any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (v) any organization exempt from taxation under section 501(a) of the U.S. Internal Revenue Code or an individual retirement plan as defined in section 7701(a)(37) of the U.S. Internal Revenue Code; (vi) any bank as defined in section 581 of the U.S. Internal Revenue Code; (vii) any real estate investment trust as defined in section 856 of the U.S. Internal Revenue Code; (viii) any regulated investment company as defined in section 851 of the U.S. Internal Revenue Code or any entity registered with the U.S. Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64); (ix) any common trust fund as defined in section 584(a) of the U.S. Internal Revenue Code; (x) any trust that is exempt from tax under section 664(c) of the U.S. Internal Revenue Code or that is described in section 4947(a)(1) of the U.S. Internal Revenue Code; (xi) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State; (xii) a broker as defined in section 6045(c) of the U.S. Internal Revenue Code; or (xiii) any tax-exempt trust under a plan that is described in section 403(b) or section 457(g) of the U.S. Internal Revenue Code.

“Sub-Fund Asset” means an asset of the Company in respect of or attributed to or allocated or held by the Company for the purpose of a Sub-Fund and “Sub-Fund Assets” shall be construed accordingly.

“Unauthorised US Person” means (i) a US person within the meaning of Rule 902 of the United States Securities Act of 1933, as amended, (ii) a US resident within the meaning of the United States Investment Company Act of 1940, as amended, or (iii) any person that would not qualify as a Non-United States person within the meaning of United States Commodity Futures Trading Commission Rule 4.7(a)(1)(iv).

“Unit Trust” means any arrangement whose units are not quoted, made for the purpose, or having the effect, of providing facilities for the participation by persons, as beneficiaries under a trust, in profits or income arising from the acquisition, holding, management or disposal of Securities or any other property whatsoever or in respect of any such arrangement which offers more than one class of units to participating persons (each

representing a separate portfolio acquiring, holding, managing or disposing as aforesaid) means each such class of units.

“US dollar” or “US\$” or “USD” means the lawful currency for the time being and from time to time of the US.

“U.S. Person” means a US citizen or resident individual, a partnership or corporation organised in the US or under the laws of the US or any State thereof, a trust if (i) a court within the US would have authority under applicable law to render orders or judgements concerning substantially all issues regarding administration of the trust, and (ii) one or more US persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the US.

“Valuation Point” in respect of each Sub-Fund, means the official close of trading on the Market on which the Securities are listed on each Dealing Day or if more than one such Market, the official close of trading on the last relevant Market to close or such other time or times as determined by the Company who shall determine if the Shareholders should be informed of such change provided that there shall always be a Valuation Point on each Dealing Day other than where there is a suspension of the subscription and redemption of Shares.

“Value” means, except where otherwise expressly stated, the value of any Security, or of the Sub-Fund Assets, in each case determined in accordance with the Constitution.

“Variable Capital Companies Act” means the Variable Capital Companies Act 2018 of Singapore, as the same may be modified, amended, supplemented, revised or replaced from time to time.

## 1. CSOP INVESTMENTS II VCC

The Company is an umbrella variable capital company incorporated in Singapore on 10 January 2022 under the Variable Capital Companies Act, with the company number T22VC0011D. It is constituted by way of its Constitution with its registered address at 1 Temasek Avenue, #18-03 Millenia Tower One, Singapore 039192. The Company will consist of a number of Sub-Funds. The Company currently has 1 Sub-Fund established under it. A copy of the Constitution is available for inspection by Shareholders and potential investors at the registered office of the Company during usual business hours. The assets of a Sub-Fund will be invested and administered separately from the other assets of the Company. All assets and liabilities attributable to each Sub-Fund shall be segregated from the assets and liabilities of any other Sub-Fund(s), and shall not be used for the purpose of, or borne by the assets of, any other Sub-Fund.

The Company will issue two different types of shares: Management Shares and Participating Shares. The Management Shares will be issued in respect of the Company only while the Participating Shares will be issued in respect of each Sub-Fund. It is intended that only one Management Share will be issued to the Manager. Each Management Share and Participating Share will comprise one vote at any general meeting of the Company.

Management Share shall carry the following rights:

- (1) notice, attendance and voting rights: the holder of a Management Share shall (in respect of such share) have the right to receive notice of, attend at and vote as a Shareholder at, any general meeting of the Company (including the right to vote on a scheme of arrangement, merger, reconstruction, amalgamation or winding up), with each Management Share comprising one vote;
- (2) right to financial statements: the holder of a Management Share shall have the right, in accordance with the Variable Capital Companies Act, to receive a copy of the financial statements (or consolidated financial statements and balance sheet, as the case may be) of the Company in its capacity as a person entitled to receive notice of general meetings;
- (3) redemption and repurchase rights: Management Shares are redeemable and repurchasable at the option of the Company in accordance with the Constitution and are not redeemable at the option of the holders of such Management Shares in accordance with the Constitution and as set out in this Prospectus, save that no Management Shares may be redeemed or repurchased if there shall be less than one Management Share in issue after such redemption and repurchase;
- (4) economic participation: Management Shares shall not be entitled to any share of the profits of the Company or any proceeds of realisation of the assets of the Company. A holder of Management Shares will only be entitled to the return of capital paid up on the Management Shares on the liquidation of the Company in accordance with the order of priority set out the Constitution and may not be redeemed or repurchased for an amount greater than the capital paid up on the Management Shares; and
- (5) such other rights in accordance with the Constitution and as set out in this Prospectus. For the avoidance of doubt, where the Company comprises two or more Sub-Funds, the Management Shares carry the rights and restrictions described in sub-paragraphs (1) to (4) above for each of the Sub-Funds.

Participating Shares shall carry the following rights:

- (1) voting rights: the holder of a Participating Share shall (in respect of such share) not have the right to vote as a Shareholder at any general meeting of the Company (including any vote on a scheme of arrangement, merger, reconstruction or amalgamation) except for any of the following matters, with each Participating Share comprising one vote to;
  - (a) sanction any alteration to the investment objective of a Sub-Fund (in which case only each Participating Share issued in respect of such Sub-Fund shall comprise one vote);
  - (b) sanction any increase in the Subscription Fee beyond the permitted limit;
  - (c) sanction any increase in the Redemption Fee beyond the permitted limit;
  - (d) sanction the variation of share rights of a particular Class of Shares (in which case only each Participating Share issued in respect of such Class shall comprise one vote);
  - (e) sanction the removal of the Manager;
  - (f) sanction the appointment of another corporation to act as the manager of the Company;
  - (g) sanction any alteration or amendment to the Constitution;
  - (h) sanction an alteration of capital;
  - (i) sanction any increase in the management fee beyond the permitted limit;
  - (j) wind up the Company or a Sub-Fund (in which case only each Participating Share issued in respect of such Sub-Fund shall comprise one vote); and
  - (k) sanction such other matters as may be proposed by the Board to be approved by holders of Participating Shares in relation to a Sub-Fund (in which case only each Participating Share issued in respect of such Sub-Fund shall comprise one vote);
- (2) notice, attendance and requisition rights: the holder of a Participating Share shall (in respect of such share) have the right to receive notice of, attend and speak at any general meeting of the Company, and shall have the right to convene a general meeting on requisition in accordance with the Constitution and the Variable Capital Companies Act;
- (3) right to financial statements: the holder of a Participating Share shall have the right, in accordance with the Variable Capital Companies Act and the Code, to receive a copy of the financial statements (or consolidated financial statements and balance sheet, as the case may be) of the Company in its capacity as a person entitled to receive notice of general meetings;
- (4) redemption and repurchase rights: Participating Shares are redeemable and repurchasable at the option of the Company in accordance with the Constitution and Participating Shares shall be redeemable at the option of the holders of such Participating Shares in accordance with the Constitution and, in each case, as set out in this Prospectus;
- (5) economic participation: the holders of Participating Shares may receive dividends in accordance with the Constitution and the distributable proceeds, income and profits earned by the Company from holding or disposal of investments and any surplus assets available for distribution to the

holders of Participating Shares in the event of liquidation shall be divided among the Shareholders in accordance with the order of priority set out in the Constitution; and

- (6) such other rights in accordance with the Constitution and as set out in this Prospectus. For the avoidance of doubt, where the Company comprises two or more Sub-Funds, each Sub-Fund shall issue Participating Shares that participate in the Sub-Fund Asset and Sub-Fund Liability of such Sub-Fund only, and the Participating Shares carry the rights described in sub-paragraphs (1) to (5) above for that Sub-Fund only.

## **2. REGISTRATION AND EXPIRY DATE**

This Prospectus is registered with the MAS on 3 July 2023. This Prospectus shall be valid for a period of 12 months after the date of registration and shall expire on 3 July 2024.

## **3. INVESTMENT OBJECTIVE**

The investment objective of the Company is to invest, subject to the Code, in a wide range of instruments including, but not limited to, shares or securities equivalent to shares, bonds or other securitised debt instruments, money market instruments, eligible deposits, units in other schemes and financial derivatives. The Company may retain amounts in cash or cash equivalents (including money market funds) pending reinvestment, for use as collateral or as otherwise considered appropriate to the investment objective.

The investment objective of each Sub-Fund is stated in the relevant Appendix. Appendix I contains information in respect of the CSOP USD Money Market Fund.

## **4. INVESTMENT POLICY OF THE SUB-FUND(S)**

### **4.1 Investment Approach**

The investment approach of each Sub-Fund is stated in the relevant Appendix.

## **5. CLASSES OF SHARES IN RESPECT OF THE SUB-FUNDS**

The Classes of Shares may differ in terms of currency of denomination, fees and charges, minimum subscription and redemption amounts and/or minimum holding amounts.

Any new Class will be offered during such initial offer period (if any) at such initial offer price (if any) as determined by the Company at its discretion.

## **6. INVESTMENT RESTRICTIONS AND BORROWING POLICY**

Each Sub-Fund is subject to the investment guidelines, restrictions and borrowing limits set out in the Code, which guidelines, restrictions and borrowing limits may be amended from time to time by the MAS. For so long as the Shares are Excluded Investment Products and Prescribed Capital Markets Products, the Sub-Fund will not invest in any product or engage in any transaction which may cause the Shares not to be regarded as Excluded Investment Products and Prescribed Capital Markets Products (unless otherwise permitted by the MAS).

Subject to the Code and to the provisions of the Constitution, the Manager may at any time make and vary arrangements for the borrowing (including entering into overdraft facilities) by the Company for the

account of any Sub-Fund of any currency for the purpose of meeting redemptions and bridging requirements or such other purposes as permitted by the Code.

The Manager may from time to time formulate such other investment and borrowing restrictions to apply to each Sub-Fund, as it may in its sole discretion think fit, subject to the investment guidelines, restrictions and borrowing limits set out in the Code.

To the extent that Shares of a Sub-Fund are classified as Excluded Investment Products and Prescribed Capital Markets Products, the Manager may engage in securities lending or repurchase transactions for the Sub-Fund, where such securities lending or repurchase transactions are carried out solely for the purpose of efficient portfolio management and do not amount to more than 50% of the Net Asset Value of the Sub-Fund, and is in line with the Securities and Futures (Capital Markets Products) Regulations 2018 issued by the MAS (as may be amended from time to time). Any securities lending or repurchase transactions which the Manager may engage in will be in accordance with Appendix 1 of the Code.

## **7. RISK FACTORS**

*The Sub-Fund(s) are subject to the following principal risks. The market price of Shares and the Net Asset Value per Share may fall or rise. There can be no assurance that you will achieve a return on your investments in the Shares or a return on capital invested. Some or all of the following risks may adversely affect the Sub-Fund'(s) Net Asset Value, yield, total return and/or its ability to achieve its investment objective. Investors should note the following risk factors associated with investing in the Sub-Fund(s). The following statements are intended to be summaries of some of those risks. They are by no means exhaustive and they do not offer advice on the suitability of investing in the Sub-Fund(s). Investors should carefully consider the risk factors described below together with all of the other information included in this Prospectus before deciding whether to invest in Shares of the Sub-Fund(s). You should be aware that an investment in the Sub-Fund(s) may be exposed to other risks of an exceptional nature from time to time.*

### **7.1 Investment Objective Risk**

There is no assurance that the investment objective of a Sub-Fund will be achieved. Whilst the Manager will implement strategies it believes are appropriate for the investment objective of each Sub-Fund, there can be no assurance that these strategies will be successful. It is possible that an investor may lose a substantial proportion or all its investment in a Sub-Fund. As a result, each investor should carefully consider whether you can afford to bear the risks of investing in the relevant Sub-Fund.

### **7.2 Market Risk**

The Net Asset Value of the Shares of each Sub-Fund will fluctuate with changes in the market value of the Securities held by the Sub-Fund. The price of Shares and the income from them may go down as well as up. Investors may not get back their original investment. The capital return and income of a Sub-Fund is based on the capital appreciation and income of the Securities that it holds, less expenses incurred. A Sub-Fund's return may fluctuate in response to changes in such capital appreciation or income. Investors in a Sub-Fund are exposed to risks such as interest rate risks (risks of falling portfolio values in a rising interest rate market); income risks (risks of falling incomes from a portfolio in a falling interest rate market); and credit risk (risk of a default by the underlying issuer of a Security).



### **7.3 Concentration Risk**

A Sub-Fund which tracks the performance of a single geographical region may be subject to concentration risk. Such a Sub-Fund is likely to be more volatile than a broad-based fund, such as a global or regional equity fund, as it is more susceptible to fluctuations in value resulting from adverse conditions in the relevant region.

### **7.4 Foreign Exchange Risk**

An investment in a Sub-Fund may directly or indirectly involve exchange rate risk. The Securities of a Sub-Fund may be denominated in currencies other than the base currency of the Sub-Fund. Fluctuations in the exchange rates between such currency and the base currency may have an adverse impact on the performance of the Sub-Fund.

### **7.5 The Sub-Fund(s) are not typical funds**

Investors should note that the Sub-Fund(s) are not like the typical funds offered to the public in Singapore and which are structured as unit trusts. The Company is a variable capital company constituted under the Variable Capital Companies Act and is not structured as an umbrella unit trust. In the typical umbrella unit trust structure, a trustee is appointed to safeguard the rights and interests of the holders of the unit trust. This is not present in the Company and the Sub-Fund(s). Instead, the Company has appointed Directors who are obliged to act in the best interest of the Company and each Sub-Fund, pursuant to their duties imposed by the Variable Capital Companies Act as well as any other duties mandated by common law, and are responsible for the overall management and control of the Company and each Sub-Fund. As a variable capital company, the Company is also regulated by the Variable Capital Companies Act, which is administered by the Accounting and Corporate Regulatory Authority.

### **7.6 Risks related to Borrowings by a Sub-Fund**

Subject to the Code, the Company may pledge the assets of a Sub-Fund if the lender requires security to be provided in connection with any borrowings by the Company for the account of the Sub-Fund. In the event that the Sub-Fund is unable to repay the principal or interest on such borrowing, the pledged assets may be disposed of by the lender. If the price received by the lender is insufficient to satisfy the outstanding due to the lender in full, the Sub-Fund may have to dispose of its investments to raise cash for payment of the shortfall to the lender. There may be an adverse effect on the Net Asset Value of the Sub-Fund if such disposal is effected during any period when general market conditions are unfavourable.

### **7.7 Derivatives Risk**

#### **(a) Use of financial derivative instruments ("FDIs")**

The Manager may use or invest in FDIs on behalf of a Sub-Fund in accordance with the Securities and Futures (Capital Markets Products) Regulations 2018 (to the extent that Shares of a Sub-Fund are Excluded Investment Products and Prescribed Capital Markets Products), Appendix 1 of the Code and the Constitution. Such FDIs may include, but are not limited to futures, options, warrants, forwards, contract for differences, extended settlement contracts, swaps or swap options. Subject to the Securities and Futures (Capital Markets Products) Regulations 2018 (to the extent that Shares of a Sub-Fund are Excluded Investment Products and Prescribed Capital Markets Products), the Manager may use or invest in FDIs on behalf of a Sub-Fund for the

purposes of hedging, efficient portfolio management, optimising returns or a combination of all three.

(b) Risks associated with the use of FDIs

While the judicious use of FDIs can be beneficial, the ability to use such instruments successfully depends on the Manager's ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the Manager's predictions are wrong, or if the FDIs do not work as anticipated, the Sub-Fund could suffer greater losses than if the Sub-Fund had not used such FDIs.

In addition to the inherent risks of investing in FDIs, a Sub-Fund will also be exposed to credit risk on the counterparties with which it trades, particularly in relation to FDIs that are not traded on a recognised market. Such instruments are not afforded the same protection as may be afforded to participants trading such FDIs on a recognised market, such as the performance guarantee of an exchange clearing house. The Sub-Fund may be subject to the possibility of insolvency, bankruptcy or default of a counterparty with which that Sub-Fund trades, which could result in substantial losses to the Sub-Fund.

Investments in derivatives may require the deposit of initial margin and additional deposit of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, the Sub-Fund's investments may be liquidated at a loss. In cases of FDIs which are derivatives on commodities, such transactions shall be settled in cash at all times.

(c) Exposure to FDIs

The Manager confirms that the global exposure of each Sub-Fund to FDIs or embedded FDIs will not exceed 100%. Such exposure would be calculated using an approach as specified in the relevant Appendix.

(d) Risk Management Process and Compliance Controls

In the event the Manager uses FDIs on behalf of a Sub-Fund, it is of the view that it has the necessary expertise to control and manage the risks relating to the use of FDIs. The Manager will ensure that the risk management and compliance procedures and controls adopted are adequate and have been or will be implemented and that they have the necessary expertise to control and manage the risks relating to the use of FDIs.

## **7.8 Taxation Risk**

Investing in a Sub-Fund may have tax implications for a Shareholder depending on the particular circumstances of each Shareholder. Prospective investors are strongly urged to consult their own tax advisers and counsel on the possible tax consequences with respect to an investment in the Sub-Fund. Such tax consequences may differ in respect of different investors.

## **7.9 Securities Lending or Repurchase Transactions Risk**

Securities lending or repurchase transaction involve counterparty risk, credit risk, liquidity risk, sufficiency of collateral risk, collateral investment risk, delivery risk and operational risk, as described below:

(a) Counterparty risk

A counterparty to such securities lending or repurchase transaction may default on its obligations by being insolvent or otherwise being unable to complete a transaction.

(b) Liquidity risk

A counterparty may not be able to settle its obligations under such securities lending or repurchase transaction for the full value when it is due but would be able to settle on some unspecified date thereafter. This may affect the ability of a Sub-Fund to meet its redemption obligations and other payment commitments.

(c) Sufficiency of collateral risk

Following a default by a counterparty, a Sub-Fund can sell its collateral in the market to raise funds to replace the lent securities. It will suffer a loss if the value of the collateral securities falls relative to the lent securities.

(d) Collateral investment risk

The value of the securities in which the Manager invests the cash collateral may decline due to fluctuations in interest rates or other market-related events.

(e) Delivery risk

Delivery risk occurs both when securities have been lent and collateral has not been received at the same time or prior to the loan, and when collateral is being returned but the loan has not been received.

(f) Operational risk

The custodian or the lending agent may not administer the securities lending or repurchase transaction as agreed. This includes the failure to mark to market the collateralisation levels, call for additional margin or to return excess margin and to post corporate actions and income including all economic benefits of ownership.

## **7.10 Liquidity Risk**

Trading volumes in the underlying investments of a Sub-Fund may fluctuate significantly depending on market sentiment. There is a risk that investments made by a Sub-Fund may become less liquid in response to market developments, adverse investor perceptions or regulatory and government intervention (including the possibility of widespread trading suspensions implemented by domestic regulators). In extreme market conditions, there may be no willing buyer for an investment and so that investment cannot be readily sold at the desired time or price, and consequently the relevant Sub-Fund may have to accept a lower price to sell the relevant investment or may not be able to sell the investment at all. An inability to sell a particular investment or portion of a Sub-Fund's assets can have a negative impact on the value of the relevant Sub-Fund or prevent the relevant Sub-Fund from being able to take advantage of other investment opportunities.

The Manager has established liquidity risk management policies which enable it to identify, monitor and manage the liquidity risks of the Sub-Fund(s). Such policies, combined with the

liquidity management tools available, seeks to achieve fair treatment of Shareholders and safeguard the interests of remaining Shareholders against the redemption behaviour of other investors and mitigate against systemic risk.

The Manager's liquidity risk management policies take into account the relevant Sub-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) a Sub-Fund may borrow up to 10 per cent of the latest available Net Asset Value of the relevant Sub-Fund (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) the Company may pursuant to the Constitution, suspend the redemption of Shares of the relevant Class or Sub-Fund, and/or delay the payment of any monies and transfer of any Securities in respect of any redemption application; and
- (c) the Manager may reduce the redemption requests rateably and pro rata amongst all Shareholders seeking to redeem Shares on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to 10 per cent (or such higher percentage as the Manager may determine in respect of a Sub-Fund) of the Shares of the relevant Class or Sub-Fund then in issue.

#### **7.11 Cross Liability Risk**

The assets and liabilities of each Sub-Fund under the Company will be tracked, for book keeping purposes, separately from the assets and liabilities of any other Sub-Fund(s). The Constitution provides that the assets of each Sub-Fund should be segregated from each other and that transactions relating to each Sub-Fund shall be separately recorded. Any asset derived from any Sub-Fund Asset shall be applied in the books and records of the Company to the same Sub-Fund as the asset from which it was derived and any increase or diminution in the value of such asset shall be applied to such Sub-Fund, and each Sub-Fund shall be charged with the liabilities, expenses, costs and charges of the Company in respect of or attributable to the Sub-Fund. While section 29 of the Variable Capital Companies Act provides that the assets of a sub-fund cannot be used to discharge the liabilities of any sub-fund or the umbrella variable capital company itself and that any liability of a sub-fund must be discharged solely out of the assets of the sub-fund including in its winding up, there is no guarantee that the courts of any jurisdiction outside Singapore will respect the limitations on liability and that the assets of any particular Sub-Fund will not be used to satisfy the liabilities of any other Sub-Fund.

#### **7.12 Conflicts of Interest Risk**

The Directors, the Fund Administrator, the Custodian, the Manager and other service providers or their respective agents, delegates or associated parties may face potential conflicts of interest in the course of discharging their duties owed to the Company and each Sub-Fund.

For instance, certain Directors of the Company may also serve as directors and executives of the Manager's related corporations. In addition, only the Manager (by virtue of being the holder of the Management Share) may vote on the appointment and removal of the Directors in accordance with the Constitution while the Directors may terminate the appointment of the Manager in accordance with the Management Agreement. These matters do not require and are not subject to the approval of holders

of Participating Shares. In the event that the Manager shall retire or be removed or its appointment shall otherwise terminate, the Company shall appoint another corporation to act as the manager of the Company and such appointment is subject to the approval of the holders of Participating Shares by Special Resolution.

In dealing with any potential conflicts of interest, the Directors are obliged to act in the best interest of the Company and each Sub-Fund, pursuant to their duties imposed by the Variable Capital Companies Act as well as any other duties mandated by common law. Further, the Company will have at least one independent Director. Additionally, the Manager is required to act in the best interest of Shareholders pursuant to the Code. The holders of Participating Shares may also determine by Special Resolution at a general meeting that the Manager's appointment be terminated in accordance with the Constitution. Further information on how conflicts of interest will be resolved can be found in paragraph 23 "Conflicts of Interest" below.

### **7.13 Corporate Structure Risk**

The holders of Participating Shares of each Sub-Fund do not have full voting rights. Under the Constitution, voting arrangements will differ depending on the specific matter in question. For example, to the extent that a matter relates to the appointment and removal of any Director of the Company, only the holder of the Management Share will be able to vote on the relevant resolution. Additionally, to the extent that a matter in question relates to the Company, the Shareholders of each Sub-Fund, and the holder of the Management Share will be voting on such matter. Further information on the voting rights afforded to each holder of Participating Shares can be found in paragraph 20 "Voting Rights" below.

## **8. MANAGEMENT AND ADMINISTRATION**

### **8.1 Directors of the Company**

The Directors are responsible for the overall management and control of the Company and each Sub-Fund in accordance with the Constitution. In executing these responsibilities, the Directors are bound by the duties imposed by the Variable Capital Companies Act as well as any other duties mandated by common law.

The Directors will review the operations and investment performance of the Company and each Sub-Fund at regular meetings. For this purpose, the Directors will receive periodic reports from the Manager detailing the performance of the Company and each Sub-Fund and providing an analysis of each Sub-Fund's investment portfolio. The Manager will provide such other information as may from time to time be reasonably required by the Directors for the purpose of such meetings.

The Directors of the Company are as follows: -

#### **NG Choe Yong**

Mr. Ng of 1 Temasek Avenue, #18-03 Millenia Tower One, Singapore 039192, is a Director of the Company. Mr. Ng is also concurrently the Chief Operating Officer of CSOP Asset Management Limited ("**CSOP AM**"), the parent company of CSOP Asset Management Pte. Ltd. Prior to this, Mr. Ng was the head of Business Controls and Management for South East Asia at Bank of America Merrill Lynch and was responsible for the governance and business management of the Global Banking and Markets Businesses in the region. Mr. Ng was also on the management committees of Merrill Lynch Singapore, Bank of America Singapore Branch and Bank of America Securities Limited to provide governance and acted as a liaison to local regulators in South East Asia.

Before that, Mr. Ng was the Head of APAC Middle Office for Equities Execution Services at Bank of America Merrill Lynch. In that role, he managed the team which supported the Equities Cash, Index/ETF and Delta One businesses for APAC. He also managed the implementation for the Hong Kong Shanghai Connect go-live for Middle Office.

Prior to Bank of America Merrill Lynch, Mr. Ng has worked in a number of large financial institutions such as Barclays Capital and Morgan Stanley in a variety of roles covering operations, middle office and finance. Mr. Ng started his career in Deloitte Australia as an auditor.

Mr. Ng holds a Bachelor of Computer Science and a Master of Applied Commerce (Accounting) from The University of Melbourne. He also holds a Master of Business Administration from the University of Chicago – Booth School of Business.

## **WONG Ka Yan**

Ms. Wong of 1 Temasek Avenue, #18-03 Millenia Tower One, Singapore 039192 is a Director of the Company. She is concurrently the General Counsel and Head of Legal and Compliance Department of CSOP AM, responsible for providing strategic legal and compliance advice to the business teams of CSOP AM and its subsidiaries (“**CSOP Group**”). Ms. Wong oversees, from legal and compliance perspectives, the design and development of financial products of CSOP Group globally. Ms. Wong has extensive legal and compliance experience in relation to retail funds, in particular, the listing and distribution of exchange traded funds to retail investors in Hong Kong. Ms. Wong currently serves as the representative director of CSOP AM in the China New Balance Opportunity Fund, a retail fund domiciled in Luxemburg, and China Southern Dragon Dynamic Multi Strategy Fund SPC, a Cayman Segregated Portfolio Company. Ms. Wong is a solicitor in Hong Kong. She was trained and had worked in reputable US law firms before she joined CSOP AM, including Reed Smith LLP and Hogan Lovells. She obtained her Master of Laws degree from the University College London, and her double Bachelor’s degrees in Business Administration (LAW) and LLB from the University of Hong Kong.

## **Esmond CHOO Liong Gee** (independent director, pursuant to chapter 2A.1(a) of the Code)

Mr. Choo holds a Bachelor of Commerce (Honours) Degree from the University of Melbourne and is a member of the Chartered Accountants Australia and New Zealand. He is currently the Non-Executive Non-Independent Director of UOB-Kay Hian Holdings Limited. He was the emeritus Chairman of UOB Kay Hian Securities (M) Sdn Bhd.

He had proactively served in various industry committees and was the past Chairman of the Stockbrokers Association of Singapore from 2009 to 2012. In recognition of his contribution to the Securities and Futures industry, Mr. Choo was conferred the title IBF Distinguished Fellow in 2014.

Mr. Choo has accumulated substantial experience in the finance and insurance sectors since 1986.

For Community service, he serves as a member of the Asian Advisory Board of the University of Melbourne, Board Governor and Finance Committee Chairman of the SJI International School in Singapore.

## **8.2 Manager**

The Manager of the Company is CSOP Asset Management Pte. Ltd., whose registered office is at 1 Temasek Avenue, #18-03 Millenia Tower One, Singapore 039192.

The Manager was incorporated in Singapore on 30 April 2018. The Manager holds a capital markets services licence granted by the MAS, and provides fund management and investment advisory services to both institutional and retail clients. The issued and paid-up share capital of the Manager is S\$6,500,000.

The Manager currently manages the ICBC CSOP FTSE Chinese Government Bond Index ETF, a sub-fund of CSOP Investments VCC, the CSOP USD Money Market Fund, a sub-fund of CSOP Investments II VCC, the CSOP Global Quant Allocation Balanced III Fund and CSOP Alternative I Fund, both being sub-funds of CSOP Alternative VCC, CSOP iEdge S- REIT Leaders Index ETF, CSOP CGS-CIMB FTSE Asia Pacific Low Carbon Index ETF and CSOP CSI STAR and CHINEXT 50 Index ETF, being sub-funds of the CSOP SG ETF Series I as well as the CSOP iEdge Southeast Asia+ TECH Index ETF, a sub-fund of CSOP Investments III VCC. The Manager has been managing collective investments schemes for 4 years.

The Manager is wholly owned by CSOP AM. CSOP AM was established in Hong Kong in January 2008 and is licensed to carry on Types 1 (Dealing in Securities), 4 (Advising on Securities) and 9 (Asset Management) regulated activities under Part V of the Securities and Futures Ordinance of Hong Kong.

CSOP AM is a leading exchange traded product issuer in the Hong Kong market. CSOP AM manages a broad range of exchange traded products which covers equity exchange traded funds (“ETFs”), money market ETFs and leveraged and inverse products. As at the date of this Prospectus, it is currently managing 21 ETFs (sub-funds under the CSOP ETF Series, the CSOP ETF Series II, the CSOP ETF Series III and the CSOP ETF Series OFC, which are both umbrella unit trusts domiciled in Hong Kong). In addition, CSOP AM also manages 19 products (sub-funds under the CSOP Leveraged and Inverse Series and the CSOP Leveraged and Inverse Series II which are both umbrella unit trusts domiciled in Hong Kong), which are all listed and traded on The Stock Exchange of Hong Kong Limited.

CSOP AM, a subsidiary of China Southern Asset Management Co. Ltd., is the first Hong Kong subsidiary set up by mainland Chinese fund houses to carry out asset management and securities advisory activities in Hong Kong.

### **8.3 General Responsibilities of the Manager**

The Manager has general powers of management over the assets of the Company and/or the Sub-Fund(s). The Manager has covenanted in the Management Agreement to use its best endeavours to carry on and conduct its business in a proper and efficient manner and will ensure that each Sub-Fund is carried on and conducted in a proper and efficient manner.

Under the provisions of the Management Agreement, the Manager shall not be liable for any loss to the Company howsoever arising in the absence of negligence, wilful default or fraud.

The Manager may delegate all or any of its duties, powers and discretions under the Management Agreement to any other person or corporation (including a Connected Person of the Manager) and notwithstanding such delegation the Manager shall remain entitled to receive and retain in full all sums payable to the Manager under any provision of the Management Agreement.

The Manager may delegate any of its functions, powers and duties under the Management Agreement (including, without limitation, functions, power and duties connected with the management of the Sub-Fund(s) and the exercise of discretion in relation to any investments) to any person subject to the terms of the Management Agreement. Except to the extent otherwise agreed with the Company, the Manager

shall be responsible for the costs of any such delegation including, without limitation, any fees and expenses of the delegate.

The Company may terminate the Management Agreement if the Manager is liquidated or dissolved (except a voluntary liquidation or a voluntary dissolution for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the notifying party) or be unable to pay its debts as they fall due or commit any act of bankruptcy under the laws of any jurisdiction to which that party may be subject or if a receiver is appointed over any of its assets.

The Manager will remain as manager of the Company and the Sub-Fund(s) until its appointment is terminated in accordance with the terms of the Management Agreement. In the event that the Manager shall retire or be removed or its appointment shall otherwise terminate, the Company shall appoint another corporation to act as the manager of the Company which is approved by the Shareholders by Special Resolution to be the manager in place of the Manager so retiring or being removed on or before the expiry of any period of notice of such retirement or removal.

Any change to the Manager of the Sub-Fund(s) will be notified to Shareholders.

#### **8.4 Directors of the Manager**

The directors of the Manager are as follows: -

##### **DING Chen**

Ms. Ding of 1 Temasek Avenue, #18-03 Millenia Tower One, Singapore 039192, joined CSOP AM in 2010 and is the Chief Executive Officer, overseeing the overall business of the Manager.

Ms. Ding, from 2003 to June 2013, was the Assistant Chief Executive Officer and Managing Director of China Southern Asset Management Co. Ltd., one of the largest fund management companies in China with assets under management of RMB160 billion (as at 30 June 2013), where she was accountable for international strategic planning, fund product development and relationship management with various distribution channels and industry regulators for the company. She established and managed the first QDII mutual fund (assets under management RMB10 billion as at 30 June 2012), which she was also a member of the Investment Management Committee, from 2007 to June 2013. She was responsible for setting the investment policies and strategies of the fund, monitoring market, portfolio and systematic risk, asset allocation and stock selection in addition to reviewing and monitoring portfolio performance of the fund. She supervised five portfolio managers and two analysts.

Ms. Ding is the Chairperson of Chinese Asset Management Association of Hong Kong Limited, which promotes professional standards of practice in the fund management industry. She is also the Deputy Chairperson of the Chinese Securities Association of Hong Kong Company Limited. Ms. Ding was appointed under authority delegated by the Chief Executive and the Financial Secretary, as a member to the Securities and Futures Appeals Tribunal as of 1 April 2013. She was also appointed by the Securities and Futures Commission as a member of the Product Advisory Committee for two years with effect from 1 April 2014, a member to the Process Review Panel since 1 November 2014 and a member of the Advisory Committee since 1 June 2015. Ms. Ding is also a member of the Financial Reporting Review Panel of the Financial Reporting Council as well as a member of the New Business Committee of the Hong Kong Financial Services Development Council.

Prior to joining China Southern Asset Management Co. Ltd., Ms. Ding served from 2001 to 2003 as an Associate General Manager of China Merchants Securities Co. Ltd. in the PRC. She assumed key roles



in building solid management infrastructure and repositioning the asset management business of the company.

Ms. Ding was also the Investment Manager of ML Stern & Co., in California, United States, which is a securities house. She was responsible for accounts management, where she provided investment solutions to high net worth and institutional investors; customer relationship development, where she conducted company research and profiling; communicated with sell-side analysts and prepared investment analyses for clients, and participated in the innovation of annuity product rollouts.

Ms. Ding holds a Master's Degree in Business Administration from the San Francisco State University in the United States and a Bachelor degree in Electrical Engineering from the China Chengdu Science and Technology University in the PRC.

### **NG Choe Yong**

Please refer to paragraph 8.1 above for Mr. Ng's profile.

## **8.5 Key Executives**

The key executive of the Manager in respect of the CSOP USD Money Market Fund is:

### **ZHANG Dinghai (Bruce)**

Mr. Zhang Dinghai (Bruce) is a fixed income portfolio manager at the Manager and is responsible for bond investment strategies for fixed income investments and equity investment strategies. His major responsibilities include bond portfolio management and business development to enhance the company's bond strategies positioning.

Before that, Bruce worked at State Street Global Advisors and held several roles including product engineer, portfolio specialist and portfolio manager. He was responsible for managing fixed income portfolios across multiple sectors. Other responsibilities include bespoke analysis for the client facing teams and quantitative support for the local product group.

Bruce holds a Masters degree in Economics from the University of Hong Kong and a Bachelor of Arts from Peking University. He is a CFA Charterholder and is a member of CFA Institute and the Hong Kong Society of Financial Analysts.

## **8.6 Registrar**

Citicorp Trustee (Singapore) Limited (Company Registration No.: 199604601H) has been appointed as the Registrar. Its registered address is at 5 Changi Business Park Crescent, Level 5, Singapore 486027.

The Registrar is regulated in Singapore by the MAS. The Registrar was incorporated on 25 June 1996 in Singapore. As at 1 January 2022, the issued and paid-up share capital of the Registrar is S\$2,500,000.

If the Registrar goes into liquidation (except for a voluntary liquidation for the purposes of reconstruction, amalgamation or merger on terms previously approved in writing by the Company), the Company may by notice in writing to the Registrar terminate the appointment of the Registrar in accordance with the fund administration agreement between the Company and the Registrar.

## 8.7 Auditors

The auditors of the Company are Ernst & Young LLP whose registered address is at Level 18 North Tower, One Raffles Quay, Singapore 048583.

## 8.8 Custodian

The Custodian is Citicorp Trustee (Singapore) Limited. The Custodian is an approved trustee under the Securities and Futures Act and a trust business license holder licensed under the Trust Companies Act 2005 of Singapore, and is regulated by the MAS.

The Company has appointed the Custodian as the global custodian to provide custodial services to the Company and the Sub-Fund(s) globally and will hold such property of the Sub-Fund(s) where such property is capable of being held in custody by the Custodian. The Custodian is entitled to appoint sub-custodians to perform any of the Custodian's duties in specific jurisdictions where the Company and/or the Sub-Fund(s) invest. The Custodian has appointed Citibank, N.A. Singapore Branch as the master sub-custodian to provide the custodial services to the Company and the Sub-Funds.

Citibank, N.A. Singapore Branch 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 use reasonable care in the selection and monitoring of its selected sub-custodians.

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

The Custodian will provide custodial services in respect of the property of the Sub-Fund(s) until its appointment is terminated in accordance with the terms of its appointment.

If the Custodian goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon the terms previously approved in writing by the Company) or a receiver shall be appointed over any of its assets or if a liquidator or judicial manager is appointed in respect of the Custodian, the Company may by notice in writing to the Custodian terminate the appointment of the Custodian in accordance with the custody agreement between the Company and the Custodian.

## 8.9 Fund Administrator

Citibank, N.A. Singapore Branch has been appointed as the fund administrator of the Company in respect of the Sub-Fund(s) (the "**Fund Administrator**").

## 9. BROKERAGE TRANSACTIONS

The policy of the Manager regarding purchases and sales of Securities is that primary consideration will be given to obtaining the most favourable prices and best execution of transactions in accordance with the requirements of the Code. Consistent with this policy, when Securities transactions are effected on a stock exchange or an interbank bond market, the Manager's policy is to pay commissions or execution prices which are considered fair and reasonable without necessarily determining that the lowest possible commissions or execution prices are paid in all circumstances.

The Manager believes that a requirement always to seek the lowest possible commission cost or execution price may impede effective portfolio management and preclude the Company, the Sub-Fund(s) and the Manager from obtaining a high quality of brokerage. In seeking to determine the reasonableness of brokerage commissions or execution prices paid in any transaction, the Manager relies upon its experience and knowledge regarding commissions or execution prices generally charged by various brokers and on its judgement in evaluating the brokerage services received from the broker effecting the transaction. Such determinations are necessarily subjective and imprecise and, as in most cases, an exact dollar value for those services is not ascertainable.

In seeking to implement the above policies, the Manager effects transactions with those brokers and dealers that the Manager believes provide the most favourable prices and are capable of providing best execution of transactions in accordance with the requirements of the Code. If the Manager believes such price and execution are obtainable from more than one broker or dealer, it may consider placing portfolio transactions with those brokers and dealers who also furnish other services to the Company, the Sub-Fund(s) or the Manager. Such services may include, but are not limited to, information as to the availability of Securities for purchase or sale, and statistical information pertaining to corporate actions affecting Securities.

None of the Manager, its directors and their associates is or will be entitled to receive any part of any brokerage charged to the Company and/or the Sub-Fund(s), or any part of any fees, allowances and benefits (other than soft dollar commissions or arrangements mentioned below) received on purchases charged to the Company and/or the Sub-Fund(s).

#### **10. SOFT DOLLAR COMMISSIONS OR ARRANGEMENTS**

The Manager may receive or enter into soft dollar commissions or arrangements in respect of the Company and/or the Sub-Fund(s). The Manager will comply with applicable regulatory and industry standards on soft dollars. Subject to the Code, the soft dollar commissions which the Manager may receive include research, and payment of certain expenses, such as newswire and data processing charges, quotation services, and periodical subscription fees.

Soft dollar commissions or arrangements shall not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries, direct money payment, or any other goods and services as may be prescribed from time to time in any code or guideline issued by the Investment Management Association of Singapore from time to time.

The Manager will not accept or enter into soft dollar commissions or arrangements unless such soft dollar commissions or arrangements would, in the opinion of the Manager, be reasonably expected to assist the Manager in their management of the Company and/or the Sub-Fund(s), provided that the Manager shall ensure at all times that transactions are executed on a "best execution" basis taking into account the relevant market at the time for transactions of the kind and size concerned, and that no unnecessary trades are entered into in order to qualify for such soft dollar commissions or arrangements.

The Manager does not, and is not entitled to, retain cash or commission rebates for their own account in respect of rebates earned when transacting in Securities for account of the Company and/or the Sub-Fund(s).

The Company may be deemed to be paying for these services with "soft" or commission dollars. Although the Manager believes that the Company will demonstrably benefit from the services obtained

with “soft” dollars generated by trades, the Company does not benefit from all of these “soft” dollar services because the Manager and other accounts managed by the Manager or its affiliates also derive substantial direct or indirect benefits from these services, particularly to the extent that the Manager uses “soft” or commission dollars to pay for expenses the Manager would otherwise be required to pay itself.

The Manager intends generally to consider the amount and nature of research, execution and other services provided by brokers, as well as the extent to which such services are relied on, and attempt to allocate a portion of their brokerage business on the basis of that consideration. The investment information received from brokers, however, may be used by the Manager and its affiliates in servicing other accounts and not all such information may be used by the Manager in connection with the Company. The Manager believes that such an allocation of brokerage business may help the Company to obtain research and execution capabilities and provides other benefits to the Company.

The relationships with brokerage firms that provide “soft” dollar services to the Manager may influence the Manager’s judgement in allocating brokerage business and create a conflict of interest in using the services of those broker-dealers to execute brokerage transactions. The brokerage commissions that the Manager will pay to those firms, however, will not differ materially from and will not be in excess of customary full brokerage commissions payable to other firms for comparable services.

## **11. SUBSCRIPTION AND REDEMPTION**

### **11.1 Subscription Procedures**

Applications for Shares may be made to us on the application form prescribed by the Company or through the Company’s appointed agents or distributors or through any other sales channels, if applicable.

Please refer to the relevant Appendix for further information on the subscription procedure and the minimum subscriptions for using cash or SRS monies (as the case may be) for each Sub- Fund.

If you are purchasing Shares using your SRS monies, you may not be registered as Joint Shareholders of the Shares.

If you are paying with SRS monies, you shall instruct the relevant SRS operator bank to withdraw monies from your SRS account in respect of the Shares applied for. You should also indicate on the application form that you wish to use your SRS monies to purchase Shares.

No transfer is permitted in respect of Shares purchased by you with SRS monies, unless required or permitted by applicable laws or the relevant authorities.

Notwithstanding receipt of the application forms, the Company shall retain the absolute discretion to accept or reject any application for Shares in accordance with the provisions of the Constitution. If an application for Shares is rejected by the Company, the application monies shall be refunded (without interest) to you within a reasonable time in such manner as the Company or its appointed agents or distributors shall determine.

Any applicable bank and related charges incurred shall be borne by you.

Certificates will not be issued in respect of Shares in the Sub-Fund(s).

## **11.2 Initial Offer Price and Initial Offer Period**

Where relevant, please refer to the relevant Appendix for information on the initial offer price and initial offer period of Shares in the Sub-Fund to which it relates.

## **11.3 Minimum Initial Subscription, Minimum Subsequent Subscription and Minimum Holding**

For information on the minimum initial subscription, minimum subsequent subscription and minimum holding of each Sub-Fund, please refer to the relevant Appendix.

## **11.4 Dealing Deadline - Subscription**

The Company may, subject to the prior approval of its Directors, change the method of determining the Issue Price of a Share, and the Directors shall determine if the Shareholders should be informed of any such change.

The dealing deadline is 10:00 a.m. Singapore time on each Dealing Day (the “**Dealing Deadline**”) (or such other time as the Company may from time to time determine). Shares in respect of applications received and accepted by the Company before the Dealing Deadline will be issued at that Dealing Day’s Issue Price.

In the event that any application for the issue of Shares is received on a day which is not a Dealing Day or is received after the Dealing Deadline on a Dealing Day then the application will be deemed to have been received on the Dealing Day next following such receipt, provided that the Company may agree to accept an application in respect of any Dealing Day which is received after the Dealing Deadline if it is received prior to the Valuation Point relating to the relevant Dealing Day.

## **11.5 Pricing Basis - Subscription**

Please refer to the relevant Appendix for information on the pricing basis of each Sub-Fund in respect of subscription of shares.

## **11.6 Numerical example of how Shares are allotted**

Please refer to the relevant Appendix for the numerical example of how Shares of the relevant Sub-Fund are allotted.

## **11.7 Confirmation of Purchase**

A confirmation note detailing your investment amount and the number of Shares allocated to you in the Sub-Funds will be sent to you within 10 Business Days from the date of issue of such Shares.

## **11.8 Cancellation of Shares**

If you are subscribing for Shares in the Sub-Funds for the first time, subject to the Constitution and to the cancellation terms and conditions contained in the Notice to Cancel form, you shall have the right to cancel your subscription of Shares within 7 calendar days from the date of subscription of Shares (or such longer period as may be determined by the Company or such other period as may be prescribed by the MAS) by providing notice in writing to the Company or its appointed agents or distributors in such form as the Company may prescribe. Subject to the provisions of the Constitution, you will be refunded the lower of the market value of the Shares held on the day of receipt and acceptance of such form or the original amount paid by you. Where the market value of the Shares held is greater than the original

amount paid by you, the Company is not obliged to pay the excess amount to you and the excess amount shall be retained in the relevant Sub-Fund.

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

Any applicable bank and related charges incurred in cancellation and returning of proceeds will be borne by you.

### **11.9 Regular Savings Plan**

Shareholders of at least a certain number of Shares in the relevant Sub-Fund may participate in the Company's Regular Savings Plan. Shares are allotted and payment will be debited from the Shareholder's bank account or SRS account (as the case may be) on the 8<sup>th</sup> day of each month (or such other date as the appointed agents or distributors may stipulate) commencing on the month following activation of the Shareholder's direct debit instructions. Where the 8<sup>th</sup> day of any month (or such other date as the appointed agents or distributors may stipulate) is not a Business Day, the Shareholder's bank account or SRS account (as the case may be) will be debited on the next Business Day. A Shareholder may terminate his participation without suffering any penalty upon giving 30 days' prior written notice (or such other period of notice as the Company may determine provided that such period of notice shall not be longer than the period between the regular subscription) to the Company.

If a Shareholder is in breach of his obligations under the Regular Savings Plan or fails to maintain sufficient funds in his bank account or SRS account, the Company may terminate the participation of that Shareholder in the Regular Savings Plan upon serving a written termination notice to such Shareholder.

The Company shall not assume any liability for any losses arising from the Shareholder's payment for the Regular Savings Plan via direct debit transactions.

Any applicable bank and related charges incurred shall be borne by the Shareholder.

Please refer to the relevant Appendix for information on whether the Regular Savings Plan is available for each Sub-Fund.

### **11.10 Redemption Procedures**

Shareholders may realise their holdings in the Sub-Funds or Class (as the case may be) on any Dealing Day by submitting redemption forms to the Company or through its appointed agents or distributors, if applicable. Shareholders may realise their Shares in full or partially, subject to paragraph 11.1 of the main body of this Prospectus.

In the event that redemption requests are received for the redemption of Shares representing in aggregate more than ten per cent (or such higher percentage as the Company may determine in respect of the Sub-Fund(s)) of the total number of Shares in a Sub-Fund then in issue, the Company may reduce the requests rateably and pro rata amongst all Shareholders seeking to redeem Shares on the relevant Dealing Day and carry out only sufficient redemptions which, in aggregate, amount to ten per cent (or such higher percentage as the Company may determine in respect of a Sub-Fund) of the Shares in the Sub-Fund then in issue. Shares which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Dealing Day (subject to further deferral if the deferred requests in respect of the relevant Sub-Fund themselves exceed ten per cent (or such higher percentage as the Company may determine in respect of that Sub-Fund) of the Shares in the relevant

Sub-Fund then in issue) in priority to any other Shares in the relevant Sub-Fund for which redemption requests have been received. Shares will be redeemed at the Redemption Price prevailing on the Dealing Day on which they are redeemed.

#### **11.11 Minimum Holding and Minimum Redemption Amount**

Please refer to the relevant Appendix for information on the minimum holding and minimum redemption amount applicable to each Sub-Fund.

#### **11.12 Dealing Deadline - Redemption**

Where a redemption request is received on a day which is not a Dealing Day or is received after the Dealing Deadline on a Dealing Day, that redemption request shall, unless otherwise determined by the Company, be carried forward and deemed to be received at the opening of business on the next following Dealing Day which shall be the relevant Dealing Day for the purposes of that redemption request. For valuation purposes, the relevant Valuation Point shall be the Valuation Point for the Valuation Day relating to the Dealing Day on which the redemption request is deemed to be received.

#### **11.13 Pricing Basis - Redemption**

Please refer to the relevant Appendix for information on the pricing basis of each Sub-Fund in respect of redemption of Shares.

#### **11.14 Numerical example of how the amount paid to you is calculated**

Please refer to the relevant Appendix for numerical example of how the net redemption proceeds are calculated for a Sub-Fund.

#### **11.15 Payment of Redemption Proceeds**

Redemption proceeds shall be paid within 7 Business Days of receipt and acceptance of the redemption form by us unless the redemption of Shares has been suspended in accordance with the Constitution.

If you are a resident outside Singapore, the Company 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 redemption proceeds shall also be borne by you.

#### **11.16 Redemption of Shares by the Company**

The Company may compulsorily realise your holding of Shares in certain circumstances. Please see paragraph 21 of the main body of this Prospectus for further details.

### **12. CONVERSION**

Subject to the prior consent of the Company either generally or in any particular case, a Shareholder shall be entitled to convert all or any of the Shares of any Class of Shares owned by such Shareholder (the “**Existing Class**”) into Shares of any other class of Shares, whether in respect of the same Sub-Fund or any other Sub-Fund (the “**New Class**”) in accordance with the provisions of the Constitution. The Company may also permit Shareholders to convert Existing Shares for units/shares in any other fund managed by the Manager or its Connected Persons and which has been authorised by the MAS

under section 286 of the Securities and Futures Act (a “**Relevant Scheme**”).

No conversion of Shares may be made which would result in the relevant Shareholder holding in respect of either the Existing Class or the New Class (as the case may be), fewer shares than the relevant minimum holding of either the Existing Class or the New Class (as the case may be). If the number of shares of the New Class (as the case may be) 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 Class.

Conversion shall only be permitted between the same currency of Shares between the Existing Class and the New Class (as the case may be), unless otherwise permitted by the Company at its absolute discretion.

Shares shall not be converted during any period when the determination of the Net Asset Value of any relevant Sub-Fund or Class is suspended according to paragraph 14 of the main body of this Prospectus. When the redemption of Shares of the Existing Class is limited according to paragraph 11.10 of the main body of this Prospectus, conversions shall be limited accordingly.

### **13. DETERMINATION OF NET ASSET VALUE**

The Net Asset Value of each Sub-Fund will be determined by the Fund Administrator as at each Valuation Point applicable to the relevant Sub-Fund, which may be different from the close of any Market, by calculating the value of the assets of the relevant Sub-Fund and deducting the liabilities of the relevant Sub-Fund, in accordance with the terms of the Constitution.

Set out below is a summary of how the assets of the relevant Sub-Fund are valued, subject to the provisions of the Code:

- (a) Securities that are quoted, listed, traded or dealt in on any Market shall unless the Company (in consultation with the Fund Administrator) determines that some other method is more appropriate, be valued by reference to the price appearing to the Company to be the official closing price or last known transacted price on the relevant Market, or, if there be no such official closing price or last known transacted price, the value shall be calculated by reference to the last traded price on a Market as the Company may consider in the circumstances to provide fair criterion, provided that (i) if a Security is quoted or listed on more than one Market, the Company shall adopt the relevant price quoted on the Market which in its opinion provides the principal market for such Security; (ii) if prices on that Market are not available at the relevant time, the value of the Securities shall be certified by such firm or institution making a market in such investment as may be appointed for such purpose by the Company; (iii) interest accrued on any interest-bearing Securities shall be taken into account, unless such interest is included in the quoted or listed price; and (iv) the Company and the Fund Administrator shall be entitled to use and rely on electronic price feeds from such source or sources as they may from time to time determine, notwithstanding that the prices so used are not the official closing prices or last traded prices as the case may be;
- (b) the value of each interest in any unlisted mutual fund corporation or Unit Trust shall be the latest available net asset value per share or unit in such mutual fund corporation or Unit Trust or if not available or appropriate, the last available bid or offer price for such unit, share or other interest;
- (c) except as provided for in paragraph (a)(iii) or (b), the value of any investment which is not listed, quoted or ordinarily dealt in on a Market shall be the initial value thereof equal to the amount



expended out of the relevant Sub-Fund in the acquisition of such investment (including, in each case the amount of stamp duties, commissions and other acquisition expenses) provided that the Company may at any time in consultation with the Fund Administrator and shall at such times or at such intervals as the Fund Administrator shall request cause a revaluation to be made by a professional person approved by the Fund Administrator as qualified to value such investments (which may, if the Fund Administrator agrees, be the Company);

- (d) cash, deposits and similar investments shall be valued at their face value (together with accrued interest) unless, in the opinion of the Company in consultation with the Fund Administrator, any adjustment should be made to reflect the value thereof; and
- (e) notwithstanding the foregoing, the Company in consultation with the Fund Administrator may adjust the value of any investment if, having regard to relevant circumstances, it determines that such adjustment is more appropriate to fairly reflect the value of the investment.

The Fund Administrator will perform any currency conversion at the rates which the Fund Administrator and the Company deem appropriate from time to time.

The above is a summary of the key provisions of the Constitution with regard to how the various assets of the relevant Sub-Fund are valued.

The Company may change the method of valuation of investments subject to the prior approval of the Directors of the Company, and the Directors shall arrange for such change to be notified to Shareholders.

#### **14. SUSPENSION OF DEALINGS**

Subject to the provisions of the Code, the Company may at its discretion, suspend the subscription and/or redemption of Shares and/or delay the payment of any monies and transfer of any Securities in respect of any redemption application, and declare a suspension of the determination of the Net Asset Value of a Sub-Fund in the following circumstances:

- (a) there exists any state of affairs prohibiting the normal disposal and/or purchase of the Sub-Fund's investments;
- (b) circumstances exist as a result of which, in the opinion of the Company, it is not reasonably practicable to realise any Securities held or contracted for the account of that Sub-Fund or it is not possible to do so without seriously prejudicing the interest of Shareholders of that Sub-Fund;
- (c) there is a breakdown in the means normally employed in determining the Net Asset Value of the relevant Sub-Fund or the Net Asset Value per Share of the relevant Class or when for any other reason the Value of any Securities or other assets in the Sub-Fund cannot, in the opinion of the Company, reasonably, promptly and fairly be ascertained;
- (d) the remittance or repatriation of funds which will or may be involved in the realisation of, or in the payment for, any Securities or other property of that Sub-Fund or the subscription or redemption of Shares of the relevant Class is delayed or cannot, in the opinion of the Company, be carried out promptly or at normal rates of exchange;
- (e) any 48 hours period (or such longer period as the Company may determine) prior to the date of any meeting of Shareholders, or any adjourned meeting thereof;

- (f) during any period when the business operations of the Company, the Manager, the Custodian or delegate of the Company on which the Company relies to effect the subscription/redemption of Shares in the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes or acts of God;
- (g) any period when the market value or fair value of a material portion of the Sub-Fund Assets of the relevant Sub-Fund cannot be determined;
- (h) during any period when the dealing of Shares is suspended pursuant to any order or direction issued by the MAS; or
- (i) during any circumstances as may be required under the provisions of the Code.

Subject to the provisions of the Code, a suspension of the determination of the Net Asset Value shall terminate upon the earlier of:

- (a) the Company declaring the suspension is at an end; or
- (b) the first Dealing Day on which (i) the condition giving rise to the suspension has ceased to exist and (ii) no other condition under which suspension is authorised under the Constitution exists.

Subject to the Code, the Company shall immediately notify Shareholders and the MAS whenever it declares such a suspension. The Company will publish an announcement on its website containing information about the suspension of the determination of the Net Asset Value and/or suspension of dealings.

No Shares will be created or issued during any period of suspension. The Company may at any time by notice to the Company and the MAS, suspend the issue of Shares if, as a result of the issue of such Shares, a Sub-Fund would breach a provision of the Code Guidelines, and the relevant provisions relating to suspension of the right of Shareholders to redeem Shares shall also apply in accordance with the provisions of the Constitution.

## **15. DISTRIBUTION POLICY**

The Company will adopt a distribution policy for each Sub-Fund as set out in the relevant Appendix.

The Company may make distributions out of distributable income and/or the capital of the Sub-Fund. Distributions (whether out of income and/or capital) may have the effect of lowering the Net Asset Value of the Sub-Fund and this will be reflected in the Redemption Price of the Shares. Moreover, distributions out of capital may amount to a reduction of a Shareholder's original investment. Shareholders redeeming their Shares may therefore receive an amount less than their initial investment. Such distributions may also result in reduced future returns to Shareholders.

Distributions will only be paid to the extent that they are available for distribution pursuant to the Constitution. Distributions are not guaranteed and are subject at all times to the Company's discretion.

On a distribution, the Company, in accordance with the instructions of the Manager, will allocate the amount available for distribution and will pay such amount to the distributors who will in turn allocate and make the necessary payment to the Shareholders based on the number of Shares held by each Shareholder on the distributors' record.

Amounts to be distributed in respect of each Share shall be rounded to the nearest US\$0.00001 per Share. Subject to the Constitution, any unclaimed distributions payable to a Shareholder may at the expiration of 6 years from the date upon which the same became payable be forfeited and will be held by the Company for the purpose of the relevant Sub-Fund (unless such Sub-Fund has been terminated in which case it will revert to the Company).

## **16. FEES, CHARGES AND EXPENSES**

### **16.1 Management Fee**

The Manager is entitled to receive a management fee for each Sub-Fund, accrued daily and calculated as at each Dealing Day and payable monthly in arrears. The current management fee percentage in respect of each Sub-Fund is set out in the relevant Appendix.

### **16.2 General Expenses**

Any promotional expenses incurred by any marketing agents and any fees imposed by such marketing agents on their customers investing in a Sub-Fund will not be paid (either in whole or in part) out of the assets of the relevant Sub-Fund(s).

All the expenses incurred in connection with the convening of meetings of Shareholders and all other transactional costs and operating costs shall be paid out of the assets of the relevant Sub-Fund(s).

The legal fees and/or cost and expenses for the preparation of this Prospectus and any supplementary, replacement or updated prospectus, the Management Agreement and any supplementary, replacement or updated management agreement, product highlights sheets, reports and/or other statements to Shareholders will be borne by the relevant Sub-Fund(s).

### **16.3 Fees and Charges Payable by Investors**

Please refer to the relevant Appendix for information on the fees and charges applicable to each Sub-Fund.

### **16.4 Fees and Charges Payable by a Sub-Fund**

The fees and charges payable by a Sub-Fund are summarised as follows and are subject to the fee arrangement as specified in the relevant Appendix of a Sub-Fund:

Management Fee	As specified in the relevant Appendix of a Sub-Fund.
Custodian Fee	The Custodian Fee payable is subject to agreement between the Company and the Custodian and may exceed 0.10% of the Net Asset Value of a Sub-Fund depending on, amongst others, the size of the Sub-Fund and the number of transactions carried out.
Other fees and charges	Other fees and charges include fund administration and valuation fees, audit fees, accounting fees, licensing fees, corporate secretarial fees, printing costs, out-of-pocket expenses and Directors' fees. Such fees and charges are subject to agreement with the relevant parties and may amount

	to or exceed 0.10% of the Net Asset Value of a Sub-Fund, depending on the proportion each fee or charge bears to the Net Asset Value of a Sub-Fund.
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## 17. REPORTS AND ACCOUNTS

The financial year-end of the Company is 31 December every year. Audited accounts and the annual report will be prepared and made available on the Company's website at <http://www.csopasset.com/sg/en/products/sg-mmef/etf.php> within three months of each financial year-end (unless otherwise waived or permitted by the MAS). Semi-annual unaudited accounts and the semi-annual report will be prepared and made available on the Company's website at <http://www.csopasset.com/sg/en/products/sg-mmef/etf.php> within two months of the end of the period covered by the relevant accounts and report (unless otherwise waived or permitted by the MAS). Printed copies of the audited accounts and annual report, semi-annual unaudited accounts and the semi-annual reports are not sent to Shareholders. Shareholders may obtain electronic copies of these accounts and reports from the Company's website at <http://www.csopasset.com/sg/en/products/sg-mmef/etf.php>. However, Shareholders who would like to receive printed copies of the accounts and reports may submit the relevant request to the Manager. The Company will also make available, or cause to be made available, hardcopies of the accounts and reports to any Shareholder who requests for them within 2 weeks of any request from such Shareholder (or such other period as may be permitted by the MAS). The contents of the reports will comply with the requirements of the Code.

## 18. CONSTITUTION

The Company is established under Singapore law by the Constitution. All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Constitution. In the event of any conflict between any of the provisions of this Prospectus and those of the Constitution or Participation Agreement, the provisions of the Constitution or the Participation Agreement shall prevail. The Constitution contains provisions for the indemnification of the Company's officers relief from liability in certain circumstances. Shareholders and intending applicants are advised to consult the terms of the Constitution. All material amendments to the Constitution will be notified to Shareholders.

## 19. MODIFICATION OF CONSTITUTION

Subject to the Constitution, the Company may at any time and from time to time by Special Resolution alter or amend the Constitution in whole or in part.

Notwithstanding the above, the Directors may, without approval of the Shareholders, by Board Resolutions alter the following in the Constitution:

- (a) any alteration for the purpose of forming a Sub-Fund;
- (b) any alteration to reflect any appointment or change of the Manager;
- (c) any alteration that does not prejudice the interests of any Shareholder, and does not release to any material extent the Manager or any Director from any responsibility to the Shareholders;
- (d) any alteration that is necessary for the purpose of complying with any order of court, law, direction of a public authority, code of conduct or other quasi-legislation; and

- (e) the removal of an obsolete provision or the correction of any manifest error.

## **20. VOTING RIGHTS**

Shareholders' meetings may be convened by the Directors or by Shareholders representing at least 10% of the Shares in issue, on not less than 21 calendar days' notice (exclusive of the date of the notice and the date of the meeting) in respect of a meeting where a Special Resolution is to be proposed and 14 calendar days' notice (exclusive of the date of the notice and the date of the meeting) in respect of a meeting where an Ordinary Resolution is to be proposed.

These meetings may be used to modify the terms of the Constitution, including to terminate the Company or any Sub-Fund at any time. Subject to the Constitution, such amendments to the Constitution must be passed by Special Resolution. For meetings to pass Ordinary Resolutions, Shareholders will be given at least 14 calendar days' notice (exclusive of the date of the notice and the date of the meeting) of such meeting. For meetings to pass Special Resolutions, Shareholders will be given at least 21 calendar days' notice (exclusive of the date of the notice and the date of the meeting) of such meeting.

Shareholders should take note that voting arrangements will differ depending on the specific matter, as follows:

- (1) to the extent that a matter relates to the appointment and removal of any Director of the Company, only the holder of the Management Share will be able to vote on the relevant resolution, and any potential conflicts of interest will be resolved in accordance with paragraph 27 "Conflicts of Interest" below;
- (2) to the extent that a matter relates to the variation of share rights of a particular Class of Shares, only holders of the Shares of the relevant Class will be able to vote on the relevant resolution. However, the Directors may vary the rights attaching to any Class without consent of the holders of such Shares provided that the rights will not, in the determination of the Directors, be materially adversely varied or abrogated by such variation;
- (3) to the extent that a matter in question relates to a specific Sub-Fund, the Shareholders of the specific Sub-Fund and the holder of the Management Share will be voting on such matter; and
- (4) to the extent that a matter in question relates to the Company, the Shareholders of all Sub-Fund(s) and the holder of the Management Share will be voting on such matter.

The Directors, the Manager, the Custodian and any of their Connected Persons are prohibited from voting their beneficially owned Shares at, or counted in the quorum for, the meeting at which they have a material interest (including, for the avoidance of doubt, interested party transactions) in the business to be contracted.

## **21. RESTRICTIONS ON SHAREHOLDERS**

Every person purchasing Shares will be deemed to have represented, agreed and acknowledged that it is not an Unauthorised US Person.

The Directors shall have the power to impose such restrictions as it may think necessary for the purpose of ensuring that no Shares are owned directly or beneficially by any person: -

- in breach of the law or requirements of any country, any governmental authority or any stock exchange on which the Shares are listed;
- in circumstances (whether directly or indirectly affecting such person and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which in its opinion might result in the Sub-Fund, the Company, the Directors, any service provider and/or other Shareholders incurring any liability to taxation or suffering any other potential or actual pecuniary disadvantage or would subject the Company, any Sub-Fund or any service provider to any regulatory compliance which the Company, the relevant Sub-Fund, the Directors, any service provider and/or other Shareholders might not otherwise have incurred, suffered or been subject to; or
- any person in breach of, or reasonably deemed by the Directors to be in breach of, any applicable anti-money laundering or FATCA or identification verification or national status or residency requirements imposed on him (whether under the terms of any underlying investment arrangement or otherwise) including without limitation the issue of any warranty or supporting document required to be given to the Company or the Registrar.

If it shall come to the notice of the Directors that any Shares are owned directly, indirectly or beneficially by any person in contravention of any such restrictions as are referred to in the Constitution, the Directors may give notice to such person requiring him to transfer such Shares to a person who would not thereby be in contravention of any such restrictions as aforesaid or to request in writing the redemption of such Shares in accordance with the provisions of the Constitution. If any person upon whom such a notice is served pursuant to the Constitution does not within 30 days after such notice transfer such Shares as aforesaid or establish to the satisfaction of the Directors (whose judgment shall be final and binding) that such Shares are not held in contravention of any such restrictions he shall be deemed to have given a redemption request in respect of all such Shares pursuant to the provisions of the Constitution.

A person who becomes aware that he is holding or owning Shares in contravention of any such restrictions as are referred to in the Constitution shall without delay either transfer all such Shares to a person who would not thereby be in contravention of any such restrictions as aforesaid or request in writing the redemption of all such Shares pursuant to the provisions of the Constitution.

The Directors may at any time and from to time, by notice in writing, call upon any person holding directly or beneficially any Shares to provide to the Directors such information and evidence as they shall require upon any matter concerned with or in relation to such person's holding of or interest in, or the ultimate beneficial owners of (or intermediate holders or owners of), the Shares. The exercise by the Directors of the powers conferred by the Constitution shall not be questioned or invalidated in any case on the ground that there was insufficient evidence of ownership of Shares by any person or that the true ownership of any Shares was otherwise than appeared to the Directors at the relevant date, provided that the said powers shall have been exercised in good faith. Save where the Directors is found by a court of competent jurisdiction that it has been fraudulent, in wilful default or negligent, the Directors shall have no liability whatsoever to any person for any special, direct, indirect, consequential or any other damages (including lost profits) on account of anything done or omitted by the Directors in exercising its duties and right to restrict or prevent ownership of Shares by an Unauthorised US Person or any person falling under the relevant provisions of the Constitution.

## **22. TRANSFER OF SHARES**

Shares held by Shareholders may be transferred by an instrument in writing and must be signed (and, in the case of a body corporate, signed on behalf of or sealed) by the transferor and the transferee. The transferor shall be deemed to remain the Shareholder of the Shares transferred until such time as the name of the transferee is entered in the Register pursuant to the transfer.

## **23. CONFLICTS OF INTEREST**

The following inherent or potential conflicts of interest should be considered by prospective investors before investing in the Company. Where any potential conflict of interest arises, the Directors and the Manager will endeavour to ensure that any such conflict is resolved in a fair and equitable manner and in the best interest of the Company and its Shareholders.

- (a) The Directors, the Fund Administrator, the Custodian, the Manager and other service providers or their respective agents, delegates or associated parties may engage in or possess an interest in other business ventures of every kind and description, including (i) investments for their own account in securities held by the Company from time to time (save and except for the Manager); or (ii) investment advisory or supervisory services with respect to securities or other types of financial investments. Each of the parties will ensure that the performance of their respective duties will not be impaired by any such involvement. If a conflict of interest does arise, the parties will endeavour to ensure that it is resolved fairly and equitably and in the interest of the Company or the relevant Sub-Fund(s). Moreover, each of them will devote to the Company or the relevant Sub-Fund(s), as the case may be, only so much of their time as they deem necessary or appropriate in connection with the activities of the Company or the relevant Sub-Fund(s) (as the case may be).
- (b) The Directors, the Fund Administrator, the Custodian and the Manager may from time to time act as directors, administrator, registrar, secretary, custodian, cash custodian, manager or investment adviser or carry out other functions as may be required from time to time in relation to, or be otherwise involved in or with, other funds and clients which have similar investment objectives to those of the Company or the relevant Sub-Fund(s). Any of them may, in the course of business, have potential conflicts of interest with the Company or the relevant Sub-Fund(s). Each will, at all times give due regard in such event to its obligations to the Company and the relevant Sub-Fund(s) and will endeavour to ensure that such conflicts are resolved fairly. To the extent that there are similar investment objectives, the Manager will, as far as practicable, endeavour to have the same Securities holdings for such overlapping areas with such Securities allocated on a fair and equitable basis among the relevant funds. The Fund Administrator will act in accordance with the standard of care applicable to a professional administrator for hire providing equivalent services to companies such as the Company.
- (c) The Directors, the Fund Administrator, the Custodian and the Manager and their respective affiliates, delegates and their key personnel may, in certain circumstances, take positions in accounts of other clients opposite to those taken in relation to a Sub-Fund and/or take positions in accounts of other clients which involve conflicts or potential conflicts with positions taken by such Sub-Fund. These positions could adversely affect the performance of investments held by a Sub-Fund. Subject to the investment strategy adopted by a Sub-Fund as specified in the relevant Appendix, the Manager may also decline to make an investment for a Sub-Fund out of concern that such investment might harm another client of the Manager, the Directors or any of their respective affiliates or key personnel.

- (d) To the extent permitted by applicable law, the Manager and/or any of its affiliates or delegates may have a monetary or non-monetary interest in the transactions and/or a potential conflict of interest including the fact that the Manager and/or its affiliates or delegates may provide services to other parties in the same transactions and in turn earn profits from such services, including without limitation, investment management and advisory services, brokerage services, marketing services, providing research reports, consultancy services, acting in the same transactions as agent for more than one customer, and none of the Manager and its affiliates and delegates shall be liable to account for any profits earned from any aforementioned transactions, provided that such transactions are conducted on an arm's length basis.
- (e) Without limiting the generality of the forgoing paragraph (d), to the extent permitted by applicable law and the Code, the Manager may enter into portfolio transactions for or with the Company (for the purpose of a Sub-Fund) either as agent, in which case it may receive and retain brokerage commissions, or as principal with the Company (for the purpose of a Sub-Fund) provided that such transactions are carried out as if effected on normal commercial terms negotiated on an arm's length basis, consistent with best execution standards and subject to such commissions being charged at rates which do not exceed customary full service brokerage rates.
- (f) The Manager may share with any other person (including, but not limited to, any investor or any person introducing investors) any fees and other benefits to which it is entitled to receive from the Company or a Sub-Fund. The Manager and any person connected with it, including any shareholder, director, officer and employee of the Manager or its associated companies, may invest in a Sub-Fund, and the Manager may allow to any such person a reduction or rebate of any fees to which the Manager is entitled.
- (g) The Manager may manage other funds and/or accounts and will remain free to provide such services to additional funds and accounts, including for their own accounts, in the future. The Manager may vary the investment strategies employed on behalf of a Sub-Fund from those used for itself and/or for other clients. No assurance is given that the results of the trading by the Manager on behalf of a Sub-Fund will be similar to that of other funds and/or accounts concurrently managed by the Manager. It is possible that such funds and accounts and any additional funds and accounts to which the Manager in the future provides such services may compete with a Sub-Fund for the same or similar positions in the markets. Where the Manager is managing or advising other funds or accounts with similar investment policies to a Sub-Fund, it will ensure that appropriate investment opportunities are allocated on a fair and equitable basis between the Sub-Fund and such other funds or accounts.
- (h) The Directors may also hold or may assume directorships or equivalent positions in other funds or entities (including the Manager's related corporations). Therefore, they may be put in a position where their duties to act in the best interests of the funds or entities in which they hold directorships (or equivalent positions) may conflict. In dealing with any potential conflicts of interest, the Directors are obliged to act in the best interest of the Company and each Sub-Fund, pursuant to their duties imposed by the Variable Capital Companies Act as well as any other duties mandated by common law. The Directors will ensure that the performance of their respective duties will not be impaired by any such involvement and that any such activities will be conducted on an arm's length basis. If a conflict of interest does arise, the Directors will endeavour to ensure that it is resolved fairly and in the interest of the Shareholders.
- (i) A Director may be a party to, or otherwise interested in, any transaction or arrangement with a Sub-Fund, or in which a Sub-Fund is otherwise interested. The Director will not be liable to account to a Sub-Fund for any profit he derives from such a transaction or arrangement provided



the nature and extent of any material interest has been disclosed to the other Directors and that the Director acts in the best interest of a Sub-Fund, pursuant to the duties imposed by the Variable Capital Companies Act as well as any other duties mandated by common law. Save as disclosed in this Prospectus, no Director has any interest, direct or indirect, in the promotion of, or in any assets which are proposed to be acquired, disposed of by or leased to, a Sub-Fund. Save as disclosed in this Prospectus, no Director has a material interest in any contract or arrangement entered into by a Sub-Fund which is unusual in nature or conditions or significant in relation to the business of such Sub-Fund, nor has any Director had such an interest since the Company was incorporated. To the extent that a Director has a personal material interest in any contract or arrangement directly or indirectly, such Director may not vote on such contract or arrangement.

- (j) The Fund Administrator, the Custodian and/or their respective Connected Persons may contract with or enter into any financial banking or other transaction with the Company (for the purpose of a Sub-Fund), any Shareholder or any company or body whose assets are held by or on behalf of the Sub-Fund. The Fund Administrator, the Custodian and/or their respective Connected Persons may deal, as principal or agent, with the Company (for the purpose of a Sub-Fund) if such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis. In addition, any of the foregoing may own Shares and hold, dispose or otherwise deal with the Shares as well as hold or deal in any investments notwithstanding that similar investments may be held by or on behalf of the Sub-Fund. The Fund Administrator, the Custodian and their respective Connected Persons shall not be liable to account to any person for any profits or benefits made or derived by them in connection with any such transaction.
- (k) The Directors, the Manager and its associated companies may, from time to time, acting on an arm's length basis, receive fees from portfolio companies for structuring, negotiating documentation, monitoring and administering of the facilities and securities of the portfolio companies.
- (l) Each Sub-Fund bears its own expenses. However, common expenses will be incurred on behalf of a Sub-Fund and one or more other clients. The Manager will seek to allocate those common expenses among the Sub-Fund(s) and the other clients in a manner that is fair and equitable over time. However, expense allocation decisions will involve potential conflicts of interest (e.g., conflicts relating to different expense arrangements with certain clients). The Manager may use a variety of methods to allocate common expenses among the Sub-Fund(s) and the other clients, including methods based on assets under management, relative use of a product or service, the nature or source of a product or service, the relative benefits derived by the Sub-Fund(s) and the other clients from a product or service, or other relevant factors. Nonetheless, because the Manager's expense allocations often depend on inherently subjective determinations, the portion of a common expense that the Manager allocates to the Sub-Fund(s) for a particular product or service may not reflect the relative benefit derived by such Sub-Fund(s) from that product or service in any particular instance.
- (m) In respect of voting rights relating to any Securities where the Manager may face a conflict between its own interest and that of the Shareholders, the Manager shall cause such voting rights to be exercised in consultation with the Directors.
- (n) Only the Manager (by virtue of being the holder of the Management Share) may vote on the appointment and removal of the Directors in accordance with the Constitution while the Company acting through its Directors may terminate the appointment of the Manager in accordance with the Management Agreement. These matters do not require and are not subject to the approval

of holders of Participating Shares. Nonetheless, should the Directors fail to terminate the appointment of the Manager, the Company may still do so in accordance with the Management Agreement by way of the holders of Participating Shares requisitioning a general meeting of the Company and passing a Special Resolution in accordance with the Constitution and the Variable Capital Companies Act. Approval of the holders of Participating Shares by Special Resolution is also necessary in order for the Company to appoint another corporation to act as the manager of the Company in the event that the Manager shall retire or be removed or its appointment shall otherwise terminate.

#### **24. REMOVAL OF THE MANAGER**

The Management Agreement shall continue and remain in force unless and until terminated by either the Company or the Manager, as the case may be, giving to the other party not less than 90 days' written notice, provided that the Management Agreement may be determined without delay by notice in writing by the Company if the Manager shall:-

- (a) commit any material breach of its obligations under the Management Agreement and if such breach is capable of being made good, shall fail to make good such breach within 30 days of receipt of written notice from the notifying party requiring it so to do; or
- (b) be liquidated or dissolved (except a voluntary liquidation or a voluntary dissolution for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the notifying party) or be unable to pay its debts as they fall due or commit any act of bankruptcy under the laws of any jurisdiction to which that party may be subject or if a receiver is appointed over any of its assets.

The Company may terminate the Management Agreement without delay by notice in writing if:-

- (a) it appears to the Company that the Manager is not performing its duties under the Management Agreement effectively or in compliance with any applicable laws, regulations and/or regulatory requirements; or
- (b) it is directed by the MAS to remove the Manager.

In the event that the Manager be removed or its appointment shall otherwise terminate, the Company shall appoint another corporation to act as the manager of the Company which is approved by the Shareholders by Special Resolution to be the manager in place of the Manager being removed on or before the expiry of any period of notice of such removal.

#### **25. RETIREMENT OF THE MANAGER**

The Manager shall have power to retire in favour of a corporation selected by the Manager and approved by the Company and upon payment to the Company of all sums due by the retiring Manager to the Company under the Management Agreement at the date thereof the retiring Managers shall be absolved and released from all further obligations hereunder but without prejudice to the rights of the Company in respect of any act or omission prior to such retirement.

In the event that the Manager shall retire, the Company shall appoint another corporation to act as the manager of the Company which is approved by the Shareholders by Special Resolution to be the manager in place of the Manager so retiring on or before the expiry of any period of notice of such retirement.

## **26. LIABILITY AND INDEMNITY OF MANAGER**

The Management Agreement contains the duties and responsibilities of the Manager. It requires amongst others, that the Manager use its best endeavours to: (a) carry on and conduct its business in a proper and efficient manner; and (b) ensure that each Sub-Fund is carried on and conducted in a proper and efficient manner.

The Manager shall not be exempted from any liability to the Company for losses due to its gross negligence, wilful default or fraud or that of any of its officers or employees, nor may it be indemnified against such liability by the Company. The Management Agreement includes certain exclusions of liability and indemnities in favour of the Manager, other than in respect of the Manager's gross negligence, wilful default, fraud or bad faith.

## **27. TERMINATION**

The Company and each of its Sub-Fund(s) may be terminated by the Directors in their absolute discretion by notice in writing to the Shareholders if:

- (a) after one year from 4 July 2022 or the date of establishment of each Sub-Fund, as the case may be, the aggregate Net Asset Value of all the Shares in each Sub-Fund outstanding hereunder shall be less than US\$5 million; or
- (b) any law or regulation is passed or amended or any regulatory directive or order is imposed that affects the Company and which renders the Company illegal, impracticable or inadvisable in the good faith opinion of the Directors to continue.

One or more Sub-Fund(s) and/or Classes of Shares may be terminated by the Directors in their absolute discretion by notice in writing to the relevant Shareholders if:

- (a) after one year from the date of establishment of the relevant Sub-Fund or any Class of Shares, the aggregate Net Asset Value of all the Shares in the relevant Sub-Fund or any Class of Shares outstanding hereunder shall be less than US\$5 million;
- (b) any law or regulation shall be passed or amended or any regulatory directive or order is imposed that affects a Sub-Fund and which renders such Sub-Fund illegal, impracticable or inadvisable in the good faith opinion of the Directors to continue;
- (c) the MAS revokes or withdraws the authorisation of the Sub-Fund under the Securities and Futures Act; or
- (d) the Manager is unable to implement its investment strategy in respect of the relevant Sub-Fund.

The Directors shall give notice of termination to the relevant Shareholders and by such notice fix the date at which such termination is to take effect which date shall not be less than three months after the service of such notice (unless otherwise stated).

Upon the Company or any Sub-Fund being terminated:

- (a) no redemption application or redemption request may be submitted;
- (b) the Manager shall arrange the sale of all investments then comprised in each Sub-Fund being terminated and such sale shall be carried out and completed in such manner and within such

period as the Manager shall consider advisable except in the event that circumstances exist as a result of which, in the sole opinion of the Manager, it is not reasonably practicable to realise all the investments comprised in the relevant Sub-Fund;

- (c) Participating Shares of each Sub-Fund being terminated shall be compulsorily redeemed on a date determined by the Directors and the Company shall pay (in cash or in specie, as may be determined by the Directors, provided that no Shareholder will be required to accept the distribution to him of any assets in specie without his written consent) to each holder of Participating Shares the Redemption Price in respect of the redeemed Participating Share and following the effective date of such compulsory redemption such Shareholder shall only have the right to receive the Redemption Price and the right to receive any declared but unpaid dividends.

## 28. TAXATION

The following summary of the principal Singapore income tax consequences applicable to the Sub-Fund(s) is based upon the proposed conduct of the activities to be carried out by the Sub-Fund(s), the Company and the Manager as described in this Prospectus. The following summary does not constitute legal or tax advice and does not address non-Singapore withholding taxes or other taxes that may be applicable to the income and gains derived from the investments of the Sub-Fund(s). The comments in this summary could be adversely affected if any of the material facts on which they are based should prove to be inaccurate.

The summary is based on the existing provisions of the relevant Singapore income tax laws and the regulations thereunder, the circulars issued by the MAS and practices and interpretation of such income tax laws in effect as of the date hereof, all of which are subject to change and differing interpretations at any time, either on a prospective or retrospective basis. Any such changes could adversely affect the summary herein. The summary does not purport to be comprehensive.

In addition, the comments herein are not binding on the Singapore tax authorities and there can be no assurance that the authorities will not take a position contrary to any of the comments herein. The summary is not intended to constitute a complete analysis of all the tax considerations relating to investment in the Shares. It is emphasised that none of the Sub-Fund(s), the Company, the Manager or any other persons involved in the preparation of the Prospectus accepts responsibility for any tax effects or liabilities resulting from the purchase, ownership or disposition of the Shares. Prospective investors should consult their own tax advisers concerning the tax consequences of their particular situations.

The Singapore tax information herein are based on Section 13U of the Income Tax Act 1947 of Singapore (“**ITA**”) as well as the Income Tax (Exemption of Income Arising from Funds Managed in Singapore by Fund Manager) Regulations 2010 (the “**Section 13U Regulations**”) (hereafter referred to as the “**Section 13U Tax Exemption Scheme**”), read with relevant circulars issued by the MAS in this regard from time to time. It should be noted that the changes announced during the Singapore Budget 2019 on 18 February 2019, further details of which were released in the MAS circular dated 7 June 2019, have yet to be legislated.

\*With effect from 31 December 2021, Section 13X of the ITA has been renumbered to Section 13U in the ITA. However, the details of the tax exemption schemes remain the same and the change in numbering has yet to be updated in the Subsidiary Legislation under the ITA (including the Section 13U Regulations) and the relevant circulars issued by the MAS.

The Variable Capital Companies (Miscellaneous Amendments) Act 2019 which comprises amendments to the ITA, dealing with the tax treatment for variable capital companies, was enacted on 15 January 2020. On 15 January 2020, the ITA was amended to add a new Section 107 which states that reference to a company in the ITA and the subsidiary legislation made under it includes a VCC.

## **28.1 Income Tax**

Singapore income tax is imposed on income accruing in or derived from Singapore, and on foreign-sourced income received or deemed to have been received in Singapore, subject to certain exemptions. The corporate income tax rate in Singapore is currently 17%.

## **28.2 Gains on Disposal of Investments**

Singapore does not impose tax on capital gains. However, gains from the disposal of investments may be construed to be of an income nature and subject to Singapore income tax. Generally, gains on disposal of investments are considered income in nature if they arise from or are otherwise connected with the activities of a trade or business carried on in Singapore.

Specific exemption from tax is provided under the ITA for gains derived from the disposal of ordinary shares (not preference shares, bonds, debentures or other instruments) where the divesting company has held at least 20% of the ordinary shares in the investee company for a continuous period of at least 24 months immediately prior to the disposal. This is provided that the investee company, if unlisted, is not in the business of trading or holding Singapore immovable properties (other than the business of property development). This exemption is applicable to disposals during the period from 1 June 2012 to 31 May 2027 (both dates inclusive) but does not apply to gains derived from the disposal of shares by a limited partnership where one / more of the partners is a company or are companies. For shares disposed on or after 1 June 2022, the above exemption will not apply to disposals of unlisted shares in an investee company that is in the business of trading, holding or developing immovable properties in Singapore or abroad. The tax treatment of such share disposals will be based on the facts and circumstances of the case. All other conditions and exclusions of the exemption scheme remain the same.

As the investment and divestment of assets of each Sub-fund(s) is managed by the Manager, each Sub-fund(s) may be construed to be carrying on activities of a trade or business in Singapore. Accordingly, income from and gains on disposal of investments derived by each Sub-fund(s) should be considered as income accruing in or derived from Singapore and subject to Singapore income tax, unless the income and gains on disposal are exempted from tax pursuant to the Section 13U Tax Exemption Scheme, or the above exemption in relation to the disposal of ordinary shares.

## **28.3 Section 13U Tax Exemption Scheme**

The Company has submitted its application with the MAS to be an “approved person” for the purpose of the Section 13U Tax Exemption Scheme on 7 July 2022.

Under the Section 13U Tax Exemption Scheme, “specified income” derived by an “approved person” in respect of “designated investments” is exempt from tax in Singapore, if the funds of the “approved person” are managed directly by a “fund manager” in Singapore and the prescribed conditions under the Section 13U Tax Exemption Scheme are met.

Pursuant to the new Section 107 of the ITA, the Section 13U Tax Exemption Scheme shall apply for the purpose of determining the exempt income of a sub-fund if and only if the umbrella VCC (i.e. the Company) is approved by the Minister or a person appointed by the Minister under that section.

The Company should qualify as an “approved person” for the purpose of the Section 13U Tax Exemption Scheme, if the Company is approved by the MAS for this purpose and satisfies the following conditions at all times during the basis period relating to any year of assessment (the “**Section 13U Conditions**”):

- (a) the Company has a minimum fund size of at least S\$50 million at the point of application or committed capital (in respect of a private equity fund or fund of funds, a real estate, an infrastructure, a debt fund or credit fund) of S\$50 million at the point of application;
- (b) the Company is managed or advised directly throughout each basis period for any year of assessment by a fund management company (“**FMC**”) in Singapore, where the FMC:
  - (i) must hold a capital markets services licence for the regulated activity of fund management under the Securities and Futures Act or is exempt from the requirement to hold such a licence under the Securities and Futures Act, or as otherwise approved by the Minister or such other persons as he may appoint; and
  - (ii) must employ at least three investment professionals who are tax residents of Singapore and are earning more than S\$3,500 per month each. The investment professionals must also be substantially engaged in qualifying activities throughout the basis period relating to any year of assessment for which the tax exemption is sought. Examples include portfolio managers, research analysts and traders;
- (c) the Company incurs at least S\$200,000 in local business spending in each basis period relating to any year of assessment for which the Section 13U Tax Exemption Scheme is sought;
- (d) the Company uses a Singapore-based fund administrator;
- (e) the Company does not change its investment objective/strategy after being approved for the Section 13U Tax Exemption Scheme unless the MAS is satisfied that the change is for a *bona fide* commercial reason and approval is obtained from the MAS before the change takes effect;
- (f) the Company does not concurrently enjoy other tax incentive schemes; and
- (g) any other conditions as may be specified in the letter of approval issued by the MAS approving the Company for the purpose of the Section 13U Tax Exemption Scheme.

Except for the condition in paragraph (a) above which is required to be complied with at the time of application only, other conditions (i.e. paragraphs (b) to (g)) will have to be fulfilled by the “approved person” on an annual basis throughout the life of the “approved person”. In the event that the “approved person” fails to satisfy any of the Section 13U Conditions for any basis period, the “approved person” will not enjoy the tax exemption on “specified income” derived from “designated investments” for the basis period concerned. If at any time the “approved person” ceases to meet the conditions of the Section 13U Tax Exemption Scheme, the “approved person” has to inform the MAS in writing within 1 week of such event. The “approved person” can however continue to enjoy the tax exemption in any subsequent basis period, if the “approved person” is able to satisfy the Section 13U Conditions in that

subsequent period. In case of an umbrella VCC, the above conditions should be fulfilled at the level of umbrella VCC (and not at each sub-fund level).

A “fund manager” for the purpose of the Section 13U Tax Exemption Scheme means a company holding a capital markets services licence for fund management under the Securities and Futures Act or one that is exempt under the Securities and Futures Act from holding such a licence. The Manager currently holds a capital markets services licence for fund management under the Securities and Futures Act. The Manager therefore qualifies as a “fund manager” for the purpose of the Section 13U Tax Exemption Scheme.

The Manager will endeavour to conduct the affairs of the Company such that it will qualify for the Section 13U Tax Exemption Scheme. There is, however, no assurance that the Manager will be able to ensure, on an ongoing basis, that the Company will always meet all the qualifying conditions for the Section 13U Tax Exemption Scheme as may be in force for the relevant period of time. Upon any such disqualification, the Company may be exposed to Singapore tax on its income and gains, wholly or partially as the case may be, at the prevailing corporate tax rate.

Any sub-funds subsequently set up by the Company will not be required to separately apply to the MAS for the Section 13U Tax Exemption Scheme, so long as the investment objective and strategy of such sub-fund is aligned to the investment objective and strategy approved by the MAS for the Company. However, the MAS should be notified upon addition of a sub-fund to the Company.

The Section 13U Tax Exemption Scheme is available until 31 December 2024. As long as the Company is an “approved person” before 1 January 2025, the Section 13U Tax Exemption Scheme would continue to apply for the life of the Company even if the Section 13U Tax Exemption Scheme is not extended beyond this date, provided that all the Section 13U Conditions continue to be met.

#### **28.4 “Specified Income”**

Unless specifically excluded, all income and gains derived on or after 19 February 2022 from “designated investments” will be considered as “specified income”. Excluded income or gains are defined to be:

- (a) distributions made by a trustee of a real estate investment trust (as defined in Section 43(10) of the ITA) that is listed on the Singapore Exchange;
- (b) distributions made by a trustee of a trust who is a resident of Singapore or a permanent establishment in Singapore, other than a trust that enjoys tax exemption under Sections 13D, 13F, 13L or 13U of the ITA;
- (c) income or gain derived or deemed to be derived from Singapore from a publicly-traded partnership and/or non-publicly traded partnership, where tax is paid or payable in Singapore on such income of the partnership by deduction or otherwise; and
- (d) income or gain derived or deemed to be derived from Singapore from a limited liability company, where tax is paid or payable in Singapore on such income of the limited liability company by deduction or otherwise.

## 28.5 “Designated Investments”

The list of “designated investments” on or after 19 February 2022<sup>1</sup> is defined to mean:

- (a) stocks and shares of any company, other than an unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);
- (b) debt securities (i.e. bonds, notes, commercial papers, treasury bills and certificates of deposits), other than non-qualifying debt securities<sup>2</sup> issued by an unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);
- (c) units in real estate investment trusts and exchange traded funds constituted in the form of trusts and other securities (not already covered in other sub-paragraphs of this “designated investments” list) but excludes any securities issued by any unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);
- (d) futures contracts held in any futures exchanges;
- (e) immovable property situated outside Singapore;
- (f) deposits held with any financial institution;
- (g) foreign exchange transactions;
- (h) interest rate or currency contracts on a forward basis, interest rate or currency options, interest rate or currency swaps, and financial derivatives relating to any designated investment specified in this list or financial index;
- (i) units in any unit trust, except:
  - (i) a unit trust that invests in Singapore immovable properties;
  - (ii) a unit trust that holds stock, shares, debt or any other securities, that are issued by any unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development); and
  - (i) a unit trust that grants loans that are excluded under (j);
- (j) loans, including secondary loans, credit facilities and advances, except:
  - (i) loans granted to any unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);
  - (ii) loans to finance/ re-finance the acquisition of Singapore immovable properties; or

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<sup>1</sup> The MAS has updated its list of “designated investments” in a circular issued on 19 September 2022.

<sup>2</sup> “Non-qualifying debt securities” will refer to debt securities that do not enjoy the “Qualifying Debt Securities” tax status as defined under Section 13(16) of the ITA.



- (iii) loans that are used to acquire stocks, shares, debt or any other securities, that are issued by an unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);
- (k) commodity derivatives<sup>3</sup>;
- (l) physical commodities other than physical investment precious metals mentioned in (z) if:
  - (i) the trading of those physical commodities by the “approved person” in the basis period for any year of assessment is done in connection with and is incidental to its trading of commodity derivatives (referred to in this sub-paragraph as related commodity derivatives) in that basis period; and
  - (ii) the trade volume of those physical commodities traded by the “approved person” in that basis period does not exceed 15% of the total trade volume of those physical commodities and related commodity derivatives traded in that basis period;
- (m) units in a registered business trust;
- (n) emission derivatives<sup>4</sup> and emission allowances;
- (o) liquidation claims;
- (p) structured products (as defined in Section 13(16) of the ITA);
- (q) Islamic financial products<sup>5</sup> and investments in prescribed Islamic financing arrangements under Section 34B of the ITA that are commercial equivalents of any of the other “designated investments” specified in this list;
- (r) private trusts that invest wholly in “designated investments”;
- (s) freight derivatives<sup>6</sup>;
- (t) publicly-traded partnerships that do not carry on a trade, business, profession or vocation in Singapore<sup>7</sup>;
- (u) interests in limited liability companies that do not carry on any trade, business, profession or vocation in Singapore;
- (v) bankers’ acceptances issued by financial institutions;
- (w) accounts receivables and letters of credits;

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<sup>3</sup> Commodity derivatives means derivatives the payoffs of which are wholly linked to the payoffs or performance of the underlying commodity.

<sup>4</sup> Emission derivatives means derivatives, the payoffs of which are wholly linked to the payoffs or performance of the underlying emission allowances.

<sup>5</sup> Recognised by a Shariah council, whether in Singapore or overseas.

<sup>6</sup> Freight derivatives means derivatives, the payoffs of which are wholly linked to the payoffs or performance of the underlying freight rates.

<sup>7</sup> The allocation of profits from such partnerships to the fund vehicle will be considered as specified income. However, the fund vehicle would not be entitled to a refund of any taxes that was imposed on the partnership profits. This would relate to the publicly-traded partnerships’ profits which are derived or deemed to be derived from Singapore, and examples of such income are payments that fall within section 12(6) and (7) of the ITA.

- (x) interests in Tokumei Kumiai (“TK”)<sup>8</sup> and Tokutei Mokuteki Kaisha (“TMK”)<sup>9</sup>;
- (y) non-publicly-traded partnerships that:
  - (i) do not carry on a trade, business, profession or vocation in Singapore; and
  - (ii) invest wholly in designated investments.
- (z) physical investment precious metals (“IPM”), if the investment in those physical investment precious metals does not exceed 5% of the total investment portfolio, calculated in accordance with the formula  $A \leq 5\% \text{ of } B$ , where –
  - (i) A is the average month-end value of the total investment portfolio in physical IPMs over the basis period; and
  - (ii) B is the value of the total investment portfolio as at the last day of the basis period.

## 28.6 Taxation of Shareholders and Reporting Obligations

Taxation of any income derived as a result of a Shareholder’s status as a Shareholder under Singapore law will depend on the Shareholder’s specific circumstances.

Prospective Shareholders are responsible for obtaining tax advice on any investments they intend to make in the Company in light of their specific circumstances. Such tax advice should address the tax laws of Singapore as well as any other jurisdiction that may be applicable to prospective investors.

Where the Company has been approved as an “approved person” for the purpose of the Section 13U Tax Exemption Scheme, it will be required to submit an annual income tax return to the Inland Revenue Authority of Singapore. Additionally, the Company will be required to submit annual declaration to the MAS within four (4) months of each financial year-end.

In the instance of an umbrella VCC, the umbrella VCC (and not its sub-funds) should ensure that the above reporting obligations are met at the umbrella VCC level.

## 28.7 Singapore Goods and Services Tax (“GST”)

The Company / Sub-fund(s) may incur GST on fees and other payments charged by GST-registered vendors and service providers in Singapore or under reverse charge, where applicable. The prevailing standard GST rate is 8% with effect from 1 January 2023 and will be 9% with effect from 1 January 2024. The Company / Sub-fund(s) will be eligible to claim a refund of a specified percentage of the GST incurred if the Company is approved under Section 13U Tax Exemption Scheme and if it satisfies all the conditions thereunder. The specified GST recovery rate is determined by the Singapore tax authorities annually.

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<sup>8</sup> A TK is a contractual arrangement under which one or more silent investors (the TK investor) makes a contribution to a Japanese operating company (the TK operator) in return for a share in the profit/ loss of a specified business conducted by the TK operator (the TK business)

<sup>9</sup> A TMK is generally a type of corporation formed under Japanese law. It is a structure/ entity used for securitisation purposes in Japan.

## **28.8 Singapore stamp duty**

An instrument for issuance of new shares in a variable capital company or shares attributable to a specific sub-fund of an umbrella variable capital company is not subject to stamp duty in accordance with the Singapore Stamp Duties Act 1929 of Singapore (“**SDA**”). An instrument for the acquisition or transfer of shares in a variable capital company or shares attributable to a specific sub-fund of an umbrella variable capital company, shall be chargeable with Singapore stamp duty. The Singapore stamp duty applicable is 0.2% on the higher of the amount of consideration or the net asset value of the shares acquired. Singapore stamp duty is not chargeable on the general cancellation of shares by the variable capital company or the sub-funds, unless it is to effect a disposal of shares by a transferor to a transferee. In such case, the cancellation of shares of the variable capital company or the sub-funds held by the transferor and the issuance of new shares of the variable capital company or the sub-funds to the transferee will be regarded as a transfer of shares under Section 33 of the SDA and Singapore stamp duty as described above will be charged accordingly.

## **29. MISCELLANEOUS INFORMATION**

### **29.1 Inspection of Documents**

Copies of the following documents are available for inspection at the offices of the Company during usual business hours on each Business Day:

- Constitution;
- Register of each Sub-Fund; and
- the latest available annual report and audited accounts, and the latest semi-annual report and unaudited semi-annual accounts of the Company (once available).

### **29.2 Online Publication of Dealing Prices**

The Net Asset Value per Share of the Sub-Fund(s) and the respective Dealing Day to which the Net Asset Value per Share relates to will be published on the Company’s website at <http://www.csopasset.com/sg/en/products/sg-mm/etf.php> on the Business Day following each Dealing Day.

### **29.3 Information on the Internet**

The Company will publish information with respect to the Company and the Sub-Fund(s) on the Company’s website at <http://www.csopasset.com/sg/en/products/sg-mm/etf.php> including:

- this Prospectus and the Product Highlights Sheet of each Sub-Fund (as may be updated, replaced or supplemented from time to time);
- the latest available annual report and audited accounts, and the latest semi-annual report and unaudited semi-annual accounts of the Company (once available);
- any removal or retirement of the Manager;
- any material events relating to the management of the Company.

#### **29.4 Anti-Money Laundering Regulations**

As part of the Manager's and the Company's responsibility for the prevention of money laundering and countering the financing of terrorism and to comply with all applicable laws, regulations, notices, codes and guidelines to which the Manager, the Company or any Sub-Fund is subject, the Manager, the Registrar or the Company may require a detailed verification of an investor's identity and the source of payment of any subscriptions. Depending on the circumstances of each application, a detailed verification may not be required where:

- the investor makes the payment from an account held in the investor's name at a recognised financial institution; or
- the application is made through a recognised intermediary.

These exceptions will only apply if the financial institution or intermediary referred to above is within a country recognised by the Company and the Manager as having sufficient anti-money laundering regulations.

#### **29.5 Queries and Complaints**

If you have questions concerning the Company or any Sub-Fund, you may call the Company or the Manager at telephone number +65 6279 2899.

## **APPENDIX I – CSOP USD MONEY MARKET FUND**

**The purchase of a Share in the CSOP USD Money Market Fund is not the same as placing funds on deposit with a bank or deposit-taking company.**

**Although the Manager may seek to maintain or preserve the principal value of the Sub-Fund, there can be no assurance that the Sub-Fund will be able to meet this objective.**

**The Sub-Fund is not a guaranteed fund, in that there is no guarantee as to the amount of capital invested or return received.**

### **A. KEY INFORMATION**

The following table is a summary of key information in respect of the CSOP USD Money Market Fund and should be read in conjunction with the full text of this Prospectus.

Investment Objective	The investment objective of the Sub-Fund is to provide liquidity and returns comparable to US Dollar deposit rates.
Investment Approach	The Sub-Fund will invest in high quality short-term money market instruments and debt securities. These may include government and corporate bonds, commercial bills and deposits with financial institutions as defined in the Money Market Funds Investment Guidelines under Appendix 2 of the Code.
Currency of Account (Base Currency)	USD
Distribution Policy	Not applicable
Dealing Deadline for subscription or redemption	10:00 a.m. Singapore time on each Dealing Day (or such other time as the Company may from time to time determine)
Management Fee	Currently 0.30% per annum of the Net Asset Value. Maximum of 1.00% per annum of the Net Asset Value.
Custodian Fee	The Custodian Fee payable is subject to agreement between the Company and the Custodian and may exceed 0.10% of the Net Asset Value of a Sub-Fund depending on, amongst others, the size of the Sub-Fund and the number of transactions carried out.
Other fees and charges	Other fees and charges include fund administration and valuation fees, audit fees, accounting fees, licensing fees, corporate secretarial fees, printing costs, out-of-pocket expenses and Directors' fees. Such fees and charges are subject to agreement with the relevant parties and may amount to or exceed 0.10% of the Net Asset Value of a Sub-Fund, depending on the proportion each fee or charge bears to the Net Asset Value of a Sub-Fund.
Investor Profile	This Sub-Fund is <u>only</u> suitable for investors who are seeking capital growth while maintaining liquidity.

## **B. INVESTMENT OBJECTIVE AND APPROACH**

### **1. Investment Objective**

The investment objective of this Sub-Fund is to provide liquidity and returns comparable to US Dollar deposit rates.

### **2. Investment Approach**

The Sub-Fund will invest in high quality short-term money market instruments and debt securities in compliance with Appendix 2 of the Code. These may include government and corporate bonds, commercial bills and deposits with eligible financial.

The Manager may use FDIs for hedging purposes as permitted under the Code and subject to compliance with the limits and/or restrictions (if any) applicable to Excluded Investment Products and Prescribed Capital Markets Products. In any event, not more than 10% of the Sub-Fund's assets will be invested in the aforementioned FDIs.

Subject to the Constitution and the Code, the Sub-Fund may participate in securities lending and repurchase transactions and as long as the Sub-Fund is an Excluded Investment Product and Prescribed Capital Markets Products, in accordance with and subject to compliance with the limits and/or restrictions (if any) applicable to Excluded Investment Products and Prescribed Capital Markets Products.

The Manager has established a set of internal credit assessment standards and has put in place a credit assessment process to ensure that its investments are in line with these standards and information on the manager's credit assessment process would be made available to investors upon request.

## **C. CLASSES OF SHARES OFFERED**

The following Class of Shares is offered: USD Class.

The USD Class Shares of the Sub-Fund are Excluded Investment Products and Prescribed Capital Markets Products. Accordingly, the Sub-Fund will not invest in any product or engage in any transaction which may cause such Shares not to be regarded as Excluded Investment Products and Prescribed Capital Markets Products.

## **D. FEES AND CHARGES**

### **1. Fees and charges payable by you:**

Subscription Fee*	Currently 0%. Maximum 5%.
Redemption Fee	Currently 0%. Maximum 3%.
Switching Fee	Currently up to 1%. Maximum 1%.

\* The subscription fee (if any) will be payable by Shareholders to the Company or to its appointed agents or distributors or will be shared between the Company and its appointed agents or distributors depending on the arrangement between the Company and its appointed agents or

distributors. Some appointed agents or distributors may charge their customers additional fees for their services that are in addition to the subscription fee disclosed above, depending on the specific nature of services provided by them.

## 2. Fees payable by the Sub-Fund

Management Fee	Currently 0.30% per annum of the Net Asset Value. Maximum of 1.00% per annum of the Net Asset Value.  Of which: (a) 25% to 100% of the Management Fee to be retained by us and (b) 0% to 75% of the Management Fee to be paid by us to our financial advisers (trailer fee)**
Custodian Fee	The Custodian Fee payable is subject to agreement between the Company and the Custodian and may exceed 0.10% of the Net Asset Value of a Sub-Fund depending on, amongst others, the size of the Sub-Fund and the number of transactions carried out.
Other fees and charges	Other fees and charges include fund administration and valuation fees, audit fees, accounting fees, licensing fees, corporate secretarial fees, printing costs, out-of-pocket expenses and Directors' fees. Such fees and charges are subject to agreement with the relevant parties and may amount to or exceed 0.1% of the Net Asset Value of a Sub-Fund, depending on the proportion each fee or charge bears to the Net Asset Value of a Sub-Fund.

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

## E. SPECIFIC RISK FACTORS

In addition to the risk factors described under paragraph 6 "Risk Factors" of this Prospectus, investors should also consider the specific risks associated with investing in this Sub-Fund set out below before deciding whether to invest in this Sub-Fund.

### (a) Investment not a deposit

Investors should note that the purchase of a Share in this Sub-Fund is not the same as placing funds on deposit with a bank or deposit-taking company. This Sub-Fund does not guarantee principal and the Manager has no obligation to redeem the Shares at the offer value. This Sub-Fund is also not protected by a deposit guarantee scheme.

### (b) Risks associated with bank deposits

This Sub-Fund may make investments in the form of deposits with financial institutions. These deposits will be subject to the credit risks associated with the relevant financial institutions. The deposits may not be protected by any deposit guarantee schemes or may not be protected by the deposit guarantee schemes to the extent of the full amount

deposited by this Sub-Fund. Therefore, if the relevant financial institution defaults, this Sub-Fund may suffer losses as a result.

(c) Risks associated with valuation based on amortised cost basis

Certain investments of this Sub-Fund are valued on an amortised cost basis. As such, there may be circumstances under which the Net Asset Value of this Sub-Fund may differ materially from a valuation based on fair value. In addition, when Shares in the Sub-Fund are realised, the Sub-Fund Assets would typically be sold at a price based on fair value. This price may, in certain circumstances, be lower than the value of the Sub-Fund Assets which is determined on an amortised cost basis. This difference (which may be material) will be borne by this Sub-Fund and thus impact the price of Shares in this Sub-Fund.

(d) Risks associated with debt securities

- (i) Short-term debt instruments risk: As this Sub-Fund invests in short-term debt instruments with short maturities, the turnover rates of this Sub-Fund's investments may be relatively high, and this may result in increased transaction costs from the purchase or sale of short-term debt instruments. This may have a negative impact on the Net Asset Value of this Sub-Fund.
- (ii) Credit/Counterparty risk: This Sub-Fund is exposed to the credit/default risk of issuers of the debt securities that it may invest in.
- (iii) Interest rate risk: Investments in this Sub-Fund are subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.
- (iv) Sovereign debt risk: This Sub-Fund's investment in debt instruments issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request this Sub-Fund to participate in restructuring such debts. This Sub-Fund may suffer significant losses when there is a default of sovereign debt issuers.
- (v) Credit rating risk and downgrading risk: Credit ratings assigned by rating agencies are subject to limitations and cannot guarantee the creditworthiness of the security and/or issuer at all times. The credit rating of a debt instrument or its issuer may subsequently be downgraded by the rating agency. In the event of such downgrading, the value of this Sub-Fund may be adversely affected. The Manager may or may not be able to dispose of the debt instruments that are being downgraded.
- (vi) Valuation risk: Valuation of this Sub-Fund's investments may involve uncertainties. If such valuations turn out to be incorrect, this may affect the Net Asset Value calculation of this Sub-Fund.
- (vii) Risks relating to repurchase agreements: In the event of the failure of the counterparty with which collateral has been placed, this Sub-Fund may suffer losses due to delays in recovering collateral placed out or because the cash originally



received is less than the collateral placed with the counterparty due to inaccurate pricing of the collateral or market movements.

#### **F. DISTRIBUTION POLICY**

The Company will not be making any distributions in respect of the Sub-Fund.

#### **G. PERFORMANCE AND BENCHMARK OF THIS SUB-FUND**

As this Sub-Fund was only inceptioned on 13 July 2022, a track record of at least one year is not available.

There is no appropriate benchmark to compare the performance of this Sub-Fund. The Manager has the discretion to select the Sub-Fund's investments and is not constrained by any benchmark in this process.

#### **H. EXPENSE RATIO**

The expense ratio<sup>10</sup> for this Sub-Fund is 0.37% as at 31 December 2022.

#### **I. TURNOVER RATIO**

The turnover ratio<sup>11</sup> for this Sub-Fund is 32.58% as at 31 December 2022.

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<sup>10</sup> The expense ratios of the Sub-Fund are calculated in accordance with the Investment Management Association of Singapore's Guidelines for the Disclosure of Expense Ratios ("**IMAS Guidelines**"), and are based on the Sub-Fund's latest audited accounts.

The following expenses as set out in the IMAS Guidelines are excluded from the calculation of the expense ratio (where applicable):

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

<sup>11</sup> The turnover ratio is calculated based on the lesser of purchases or sales of underlying investments expressed as a percentage of daily average net asset value, over the same period used for calculation of the expense ratios.

## **J. SUBSCRIPTION AND REDEMPTION**

### **1. Minimum Subscription Amount**

The minimum subscription amount for this Sub-Fund is 100 Shares (or such higher number of Shares in multiples thereof) or such other subscription amount as may be determined by the Company.

### **2. Pricing Basis – Subscription**

Shares of the Sub-Fund are issued on a forward pricing basis. As such, the Issue Price is not ascertainable at the time of subscription.

### **3. Numerical example of how Shares are allotted**

The following is an illustration of the total number of Shares that you will receive with an investment of US\$1,000 at an Issue Price of US\$1.00000 and assuming no Subscription Fee will be calculated as follows:

US\$1,000	-	US\$0	=	US\$1,000	/	US\$1.00000	=	1,000.00 Shares
Investment Amount		Subscription Fee		Net Investment Amount		Issue Price		Number of Shares allotted

*Note: The above example is for illustration purposes only and should not be taken as any forecast of future performance. Investors subscribing through appointed agents or distributors should note that there may be other additional fees which are payable in addition to the Subscription Fee, depending on the specific nature of service provided by such appointed agents or distributors. Investors should consult the relevant appointed agent or distributor for details on all additional fees payable by investors.*

### **4. Regular Savings Plan**

A Shareholder of at least 1,000 Shares in the Sub-Fund (or the number of Shares which were or would have been purchased for US\$100 at the prevailing Issue Price at the time of his initial subscription or purchase of Shares) may participate in the Regular Savings Plan for the Sub-Fund by investing a minimum of US\$100 (as the case may be) every month.

### **5. Minimum Holding Amount**

The minimum holding amount is 1,000 Shares.

### **6. Pricing Basis – Redemption**

Shares of the Sub-Fund are redeemed on a forward pricing basis. As such, the Redemption Price is not ascertainable at the time of redemption.

## 7. Minimum Redemption Amount

The minimum redemption amount is 100 Shares (or such higher number in multiples thereof) or such other redemption amount as may be determined by the Company.

## 8. Numerical example of how redemption proceeds are calculated

The following is an illustration of the redemption proceeds that you will receive in making a redemption application based on 1,000 Shares and a Redemption Price per Share of US\$1.00000 assuming Redemption Fee to be nil:

1,000 Shares	x	US\$1.00000)	-	US\$0	=	US\$1,000
Number of Shares proposed to be redeemed		Redemption Price per Share		Redemption Fee		Redemption Proceeds

*Note: The above example is for illustration purposes only and should not be taken as any forecast of future performance. Investors redeeming through appointed agents or distributors should note that there may be other additional fees which are payable in addition to the Redemption Fee, depending on the specific nature of service provided by such appointed agents or distributors. Investors should consult the relevant appointed agent or distributor for details on all additional fees payable by investors.*

## K. OTHER MATERIAL INFORMATION

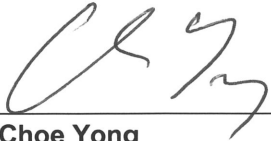
You should note that in determining the Net Asset Value of this Sub-Fund, the Sub-Fund Assets may be valued on an amortised cost basis. Valuing the Sub-Fund Assets in such a manner may cause the Net Asset Value of this Sub-Fund to differ materially from a valuation based on fair value. Additionally, when Shares in this Sub-Fund are realised, the Sub-Fund Assets would typically have to be sold at a price based on fair value. This price may, in certain circumstances, be lower than the value of the Sub-Fund Assets which is determined on an amortised cost basis. This difference (which may be material) will be borne by this Sub-Fund, which will have an impact on its Net Asset Value.

**CSOP INVESTMENTS II VCC**

**PROSPECTUS**

**BOARD OF DIRECTORS OF CSOP INVESTMENTS II VCC**

Signed:



**NG Choe Yong**  
Director

Signed:



**WONG Ka Yan**  
Director

(signed by NG Choe Yong for and  
on behalf of WONG Ka Yan)

Signed:



**Esmond CHOO Liong Gee**  
Director

(signed by NG Choe Yong for and  
on behalf of Esmond CHOO Liong Gee)