

# UNITED ASIA CONSUMER FUND

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

Aug '11

# UNITED ASIA CONSUMER FUND

## Directory

### Managers

UOB Asset Management Ltd  
(Company Registration Number: 198600120Z)

Registered Address:  
80 Raffles Place  
UOB Plaza  
Singapore 048624

Operating Address:  
80 Raffles Place  
6th Storey, UOB Plaza 2  
Singapore 048624

### Directors of the Managers

Terence Ong Sea Eng  
Yeo Eng Cheong  
Thio Boon Kiat

### Trustee/Custodian

HSBC Institutional Trust Services (Singapore) Limited  
(Company Registration Number: 194900022R)  
21 Collyer Quay  
#14-01 HSBC Building  
Singapore 049320

### Auditors

PricewaterhouseCoopers LLP  
8 Cross Street  
#17-00 PWC Building  
Singapore 048424

### Solicitors to the Managers

Allen & Gledhill LLP  
One Marina Boulevard  
#28-00  
Singapore 018989

### Solicitors to the Trustee

Shook Lin & Bok LLP  
1 Robinson Road  
#18-00 AIA Tower  
Singapore 048542

# UNITED ASIA CONSUMER FUND

## Important Information

The managers of United Asia Consumer Fund (the “**Fund**”), UOB Asset Management Ltd (the “**Managers**”) accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, this Prospectus contains all information with respect to the Fund which is material in the context of the offer of units of the Fund (“**Units**”) hereunder and the statements contained in this Prospectus are in every material respect true and accurate and not misleading and there are no other facts the omission of which would make any statement in this Prospectus misleading. Unless otherwise stated all terms not defined in this Prospectus have the same meanings as used in the deed of trust dated 28 August 2009 (as amended) constituting and relating to the Fund (the “**Deed**”).

Investors should refer to the provisions of the Deed and obtain independent professional advice in the event of any doubt or ambiguity relating thereto. Copies of the Deed are available for inspection at the Managers’ office at all reasonable times during normal business hours (subject to such reasonable restrictions as the Managers may impose).

Investors should note that the Units offered by the Fund are not listed on any stock exchange. There is no ready market for the Units. Investors may subscribe for or realise their Units through the Managers or any authorised agents or distributors of the Managers subject to the ultimate discretion of the Managers in respect of the subscription, sale, switching or realisation of an investor’s Units in accordance with and subject to the provisions in the Deed. This Prospectus may be supplemented or replaced from time to time to reflect material changes.

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and may only be used in connection with the offering of Units as contemplated herein. No representation is made as to the tax status of the Fund.

Potential investors should seek professional advice to ascertain (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they may encounter under the laws of the countries of their citizenship, residence, domicile and which may be relevant to the subscription, holding or disposal of Units and should inform themselves of and observe all laws and regulations of any relevant jurisdiction that may be applicable to them.

Investment in the Fund requires consideration of the usual risks involved in investing and participating in collective investment schemes. Investors should also carefully consider the risks of investing in the Fund which are set out in Part VIII of this Prospectus. Investors should consider these risks carefully before making an investment decision. Investors should note that because their investments can be volatile and that the value of the Units may decline as well as appreciate, there can be no assurance that the Fund will be able to attain its objectives. The prices of Units as well as the income from them may go up as well as down to reflect changes in the value of the Fund. An investment should only be made by those persons who can sustain losses on their investment. Investors should also satisfy themselves of the suitability to them of an investment in the Fund based on their personal circumstances.

No person, other than the Managers, has been authorised to issue any advertisements or to give any information, or to make any representations in connection with the offering, subscription or sale of Units, other than those contained in this Prospectus and, if issued, given or made, such advertisements, information or representations must not be relied upon as having been authorised by the Managers.

All enquiries in relation to the Fund should be directed to the Managers, UOB Asset Management Ltd, or any authorised agents or distributors of the Managers.

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# UNITED ASIA CONSUMER FUND

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

## I. BASIC INFORMATION

### 1. United Asia Consumer Fund

The Fund is a Singapore-constituted, open-ended, non-specialised, stand-alone collective investment scheme.

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

The date of registration of this Prospectus with the Authority is 18 August 2011. This Prospectus shall be valid for 12 months from the date of registration (i.e., up to and including 17 August 2012) and shall expire on 18 August 2012.

### 3. Trust Deed

- 3.1 The deed of trust relating to the interests being offered for subscription or purchase (the “**Principal Deed**”) is dated 28 August 2009 and has been amended by a First Amending and Restating Deed dated 20 August 2010 and a Second Amending and Restating Deed dated 18 August 2011. The Principal Deed as amended by the First Amending and Restating Deed and the Second Amending and Restating Deed shall hereinafter be referred to as the “**Deed**”.
- 3.2 The parties to the Deed are UOB Asset Management Ltd (the “**Managers**” or “**UOBAM**”) and HSBC Institutional Trust Services (Singapore) Limited (the “**Trustee**”).
- 3.3 The terms and conditions of the Deed shall be binding on each unitholder (each a “**Holder**” and collectively the “**Holders**”) and all persons claiming through such Holder as if such Holder had been a party to the Deed and as if the Deed contained covenants on the part of such Holder to observe and be bound by all provisions of the Deed and an authorisation by each Holder to do all such acts and things as the Deed may require the Trustee or the Managers (as the case may be) to do.
- 3.4 A copy of the Deed is available for inspection free of charge, at the office of the Managers at 80 Raffles Place, 6th Storey, UOB Plaza 2, Singapore 048624 at all reasonable times during normal business hours (subject to such reasonable restrictions as the Managers may impose) and shall be supplied by the Managers to any person upon request on

application at a charge not exceeding S\$25 per copy of the document (or such other amount as the Trustee and the Managers may from time to time agree in writing).

#### **4. Semi-annual report and audited financial statements**

A copy of the latest annual and semi-annual accounts and reports as well as the auditor's report on the annual accounts relating to the Fund may be obtained during normal business hours from the Managers upon request at their operating office at 80 Raffles Place, 6th Storey, UOB Plaza 2, Singapore 048624.

## **II. THE MANAGERS**

5. The Managers are UOB Asset Management Ltd, whose registered office is at 80 Raffles Place, UOB Plaza, Singapore 048624.
6. UOBAM is a wholly-owned subsidiary of UOB Group. Established in 1986, UOBAM has been managing collective investment schemes and discretionary funds in Singapore for 25 years and as of 31 May 2011 manages about S\$16.50 billion in clients' assets. UOBAM also has investment operations in Malaysia and Thailand.

UOBAM offers global investment management expertise to institutions, corporations and individuals, through customised portfolio management services and unit trusts. As at 31 May 2011, UOBAM manages 52 unit trusts in Singapore, with total assets of about S\$3.37 billion under management. UOBAM is one of the largest unit trust managers in Singapore in terms of assets under management.

In terms of market coverage, UOBAM has acquired specialist skills in equity investment in Asian, Australian, European and US markets and in major global sectors. In the bond markets, UOBAM covers the Organisation of Economic Co-operation and Development (“OECD”) countries to emerging markets. UOBAM's investment philosophy is to emphasise on securities selection using a bottom-up approach. UOBAM makes regular company visits and supplements its fundamental investment approach with quantitative tools to control risks and to aid in the portfolio construction process. UOBAM has also established itself as one of the leading players in structured credits and investment solutions, managing third party investments in global emerging market securities as well as global investment grade, non-investment grade and multi-sector credits.

In addition, UOBAM is committed to achieving consistently good performance. Since 1996, UOBAM has won 118 awards for investments in local, regional and global markets, and across global sectors such as Banking and Finance, Technology, Healthcare, as well as Gold and Mining.

As of 31 May 2011, UOBAM has a staff strength of over 210, including about 52 investment professionals in Singapore.

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

### III. THE TRUSTEE AND CUSTODIAN

7. The Trustee is HSBC Institutional Trust Services (Singapore) Limited, whose registered office is at 21 Collyer Quay, #14-01 HSBC Building, Singapore 049320. The custodian of the Fund is also HSBC Institutional Trust Services (Singapore) Limited and/or such other custodian as may be appointed from time to time in respect of the Fund or any of its assets.

### IV. OTHER PARTIES

8. The registrar of the Fund is the Trustee and the register of Holders (“the “**Register**”) is kept and maintained at 20 Pasir Panjang Road (East Lobby), #12-21, Mapletree Business City, Singapore 117439. The Register is accessible to the public during normal business hours (subject to such reasonable restrictions as the registrar may impose). Under the Deed, the Trustee may appoint any other party (including, without limitation, the Managers) to keep and maintain the Register.

The Register is conclusive evidence of the number of Units held by each Holder and the entries in the Register shall prevail in the event of any discrepancy between the entries in the Register and the details appearing on any statement of holdings, unless the Holder proves to the satisfaction of the Managers and the Trustee, that the Register is incorrect.

9. The auditors of the Fund are PricewaterhouseCoopers LLP (the “**Auditors**”) whose registered office is at 8 Cross Street, #17-00 PWC Building, Singapore 048424.

### V. STRUCTURE OF THE FUND

10. The Fund is a Singapore-constituted, open-ended, non-specialised, stand-alone collective investment scheme, which is denominated in Singapore Dollars.

### VI. INVESTMENT OBJECTIVE, FOCUS AND APPROACH

#### 11. Investment Objective / Product Suitability

The investment objective of the Fund is to achieve capital appreciation through investment in equities or equity-related securities of Asian (excluding Japanese) companies whose businesses are likely to benefit from or are related to growth in consumer spending in Asia. This may include companies that provide goods or services in the consumer, financial, real estate, healthcare, technology, telecom, internet, airlines or other tourism – related industries. The Fund may also invest in instruments issued by Asian (excluding Japanese) companies such as American Depository Receipts and Global Depository Receipts.

#### **Product Suitability**

The Fund is suitable for investors who:

- seek capital appreciation;
- are looking for exposure to the Asian consumer industry; and
- are comfortable with the volatility and risk of an equity fund which invests in this industry.

**Investors should consult their financial advisers if in doubt whether the Fund is suitable for them.**

## **12. Investment Focus and Approach**

The Fund will invest in consumer staples and consumer discretionary companies which will allow for dynamic sector allocation between growth companies (eg. consumer discretionary stocks) to income and dividend companies (eg. consumer staples stocks).

Consumer staples generally refer to necessities and basics such as household products, food & beverages and tobacco. These are products that are more related to consumer needs.

Consumer discretionary generally refers to products and services that are more related to consumer wants, such as luxury goods, cars and high-end clothing etc.

The Managers' core products are supported by a bottom-up investment process involving rigorous company research. In addition, the Managers also employ a top down process to review asset allocation at both the regional/country and sector levels. The Managers believe long-term investment performance can be achieved by employing a rigorous research process that enables the Managers to identify companies that generate superior returns as well as by identifying companies that are undervalued.

### **Bottom-up Approach**

As mentioned above, fundamental and valuation analysis (bottom-up) forms an integral part of the Managers' research effort. Key elements of this include:

#### **Fundamental Evaluation**

This includes the evaluation of company management, products and services, competitive positioning, operating outlook, earnings prospects, risk factors and corporate governance standards.

#### **Valuation Analysis**

This includes some form of discounted cash flow valuation approach, comparative multiples (price/earnings ("P/E"), price/book value ("P/BV"), price/cash flow ("P/CF")) and dividend yield, and a wide range of profitability measures (operating margin, return on equity ("ROE"), return on invested capital ("ROIC")) vs cost of capital.

In addition, company visits, meetings with management and participation in conference calls are important to the Managers' research effort. In the stock screening process, the Managers actively screen reasonable number of equity securities from a larger universe.

Investment analysts identify investment opportunities after considering a range of potential alternatives, assessing on the basis of performance benchmark analysis as well as valuation considerations.

The Managers' niche products are supported by the same broad bottom-up approach. Rather than being supported by a large investment team and the firm's core model portfolios, these products are supported by smaller teams dedicated to managing the specific mandate type.

### **Top down Approach**

The top down assessment of the markets and asset allocation involves a detailed quarterly review of market conditions, risks and valuations to arrive at return expectations across asset classes, regions and sectors in order to establish internal target allocations for the various portfolios.

*Investors should note that the Fund may use or invest in financial derivatives. Further information is set out in paragraph 15.4 of this Prospectus.*

## **VII. FEES AND CHARGES**

13. All fees and charges that are payable by investors and payable out of the Fund are outlined in the following table:

<b>Payable by the investors</b>	
Subscription fee	Currently 5%; maximum 5%.
Realisation charge	Currently 0%; maximum 2%.
Switching fee <sup>1</sup>	Currently 1%; maximum 1%.
<b>Payable by the Fund to the Managers, Trustee and other parties</b>	
Annual management fee	Currently 1.5% p.a.; maximum 2% p.a.
Annual trustee fee <sup>2</sup>	Currently not more than 0.05% p.a., (presently subject to a minimum of S\$5,000.00 p.a.); maximum 0.1% p.a.
Annual valuation and accounting fee	0.125% p.a.
Annual registrar and transfer agent fee	0.125% p.a. (subject to a minimum of S\$15,000.00 and a maximum of S\$25,000.00 p.a.)
Administration fee	0.25% p.a.
Audit fee <sup>3</sup> (payable to the Auditors), custodian fee (payable to the custodian) <sup>4</sup> and other fees and charges <sup>5</sup>	Subject to agreement with the relevant parties. Each fee or charge may exceed 0.1% p.a., depending on the proportion that each fee or charge bears to the net asset value of the Fund.

<sup>1</sup> In the case of a switch of Units to units of any other Group Fund<sup>1</sup>, the switching fee referred to relates to the 1% subscription fee imposed by the Managers for investment into the Group Fund. Such 1% switching fee would, in the case of a Group Fund which normally imposes a subscription fee of more than 1%, effectively translate into a discount off the subscription fee of the Group Fund.

- <sup>2</sup> The annual trustee fee is subject to a minimum of S\$15,000.00 or such other lower sum as may be agreed from time to time between the Trustee and the Managers.
- <sup>3</sup> The audit fee payable is subject to agreement with the Auditors for the relevant financial year. Based on the audited accounts of the Fund for the financial year ended 30 June 2010, the audit fee did not amount to or exceed 0.1% in that financial year.
- <sup>4</sup> The custodian fee payable is subject to agreement with the Custodian and will depend on the number of transactions carried out and the place at which such transactions are effected in relation to the Fund. Based on the audited accounts of the Fund for the financial year ended 30 June 2010, the custodian fee did not amount to or exceed 0.1% in that financial year.
- <sup>5</sup> Other fees and charges include printing costs, professional fees, goods and services tax and other out-of-pocket expenses. Based on the audited accounts of the Fund for the financial year ended 30 June 2010, the aggregate of the other fees and charges amounted to 0.17% based on the average net asset value of the Fund for that financial year.

As required by the Code on Collective Investment Schemes issued by the Authority (the Code as amended from time to time hereinafter referred to as the “**Code**”), all marketing, promotional and advertising expenses in relation to the Fund will be borne by the Managers and not charged to the Assets of the Fund<sup>2</sup>.

The subscription fee and realisation charge will be retained by the Managers for their own benefit, and will not form part of the Assets of the Fund. All or part of the subscription fee may also be paid to or retained by the authorised agents or distributors of the Managers. Any other commission, remuneration or sum payable to such authorised agents or distributors in respect of the marketing of Units will be paid by the Managers. Investors should also note that the authorised agents and distributors of the Managers through whom the investors subscribe for Units may (depending on the specific nature of services provided) impose other fees and charges that are not disclosed in this Prospectus, and investors should therefore check with such authorised agents or distributors as to whether any additional fees and charges are imposed.

The Managers may at any time differentiate between applicants as to the amount of the subscription fee, realisation charge, switching fee and other charges (if any) payable to the Managers upon the issue, realisation or switching of Units (as the case may be), or allow to investors discounts on such basis and to such extent as they may think fit (such discounts to be borne by the Managers and not by the Fund), or to waive such fees and charges (if any).

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<sup>1</sup>“**Group Fund**” means a unit trust scheme the managers of which are the Managers or a company under their control or under common control with them or at least fifty (50) per cent of the share capital of which is held by a company which is a shareholder of the Managers and which shall approve the terms of any switching which may be made under Clause 9(H) of the Deed.

<sup>2</sup>“**Assets of the Fund**” means all the assets (including cash and earnings on cash deposits) for the time being held or deemed to be held upon the trusts of the Deed excluding any amount for the time being standing to the credit of the distribution account.

## VIII. RISKS

### 14. General Risks

- 14.1 Investors should consider and satisfy themselves as to the risks of investing in the Fund. Generally, some of the risk factors that should be considered by investors are market risks, interest rate risks, foreign exchange risks, political risks, repatriation risks, liquidity risks and derivatives risks.
- 14.2 An investment in the Fund is meant to produce returns over the long-term. Investors should not expect to obtain short-term gains from such investment.
- 14.3 Investors should be aware that the value of Units and the income accruing from the Units, may fall or rise and that investors may not get back their original investment (in whole or in part). **No guarantee is given, express or implied, that investors will receive back their original investment.**
- 14.4 There is no guarantee that the investment objective of the Fund will be achieved. Investments in the Fund are not deposits or other obligations of, or guaranteed or insured by any party and are subject to investment risks, including the possible loss of the principal amount invested.

### 15. Specific Risks

#### 15.1 Market Risk in Asian (excluding Japan) Markets

Investors should consider and satisfy themselves as to the usual risks of investing and participating in publicly traded securities. Prices of securities may go up or down in response to changes in economic conditions, interest rates and the market's perception of securities which in turn may cause the price of Units to rise or fall.

#### 15.2 Foreign Exchange Risk

The Fund is denominated in Singapore dollars. Where investments are made by the Fund in the form of foreign currency denominations, fluctuations in the exchange rates of other currencies against the base currency of the Fund may affect the value of Units. In the management of the Fund, the Managers adopt an active currency management approach. However, the foreign currency exposure of the Fund may not be fully hedged depending on circumstances of each case and investors may be subject to exchange rate risks. Such considerations shall include but are not limited to the outlook on the relevant currency, the costs of hedging and the market liquidity of the relevant currency.

#### 15.3 Political Risk

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

## 15.4 Derivatives Risk

As the Fund may be investing in financial derivative instruments for efficient portfolio management or hedging, it will be subject to risks associated with such investments. These financial derivative instruments include foreign exchange forward contracts and equity index future contracts. Investments in financial derivative instruments 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 Fund's investments may be liquidated at a loss. Therefore, it is essential that such investments in financial derivative instruments are monitored closely. The Managers have the necessary controls for investments in financial derivative instruments and have in place systems to monitor the derivative positions for the Fund.

### Risk management procedures of the Managers

- (a) ***The Managers may use financial derivative instruments for the purposes of hedging existing positions in a portfolio or efficient portfolio management.*** With effect from 1 October 2011, where such instruments are financial derivatives on commodities, such transactions shall be settled in cash at all times.
- (b) The Managers will ensure that the exposure of the Fund to financial derivative instruments will not at any time exceed 100% of the net asset value of the Assets of the Fund. Such exposure will be calculated by converting the derivative positions into equivalent positions in the underlying assets embedded in those derivatives. With effect from 1 October 2011, the Managers will ensure that the global exposure of the Fund to financial derivative instruments or embedded financial derivative instruments will not exceed 100% of the net asset value of the Fund at all times. Such exposure will be calculated using the commitment approach as described in, and in accordance with the provisions of, the Code.
- (c) Description of risk management and compliance procedures and controls adopted by the Managers:
  - (i) The Managers will implement various procedures and controls to manage the risk of the Assets of the Fund. The decision to invest in any particular security or instrument on behalf of the Fund will reflect the Managers' judgment of the benefit of such transactions to the Fund and will be consistent with the Fund's investment objectives in terms of risk and return.
  - (ii) *Execution of Trades.* Prior to each trade, the Managers will ensure that the intended trade will comply with the stated investment objective, focus, approach and restrictions of the Fund, and that best execution and fair allocation of trades are done. The Managers' Middle Office department will conduct periodic checks to ensure compliance with the investment objective, focus, approach and restrictions (if any) of the Fund. In the event of any non-compliance, Middle Office is empowered to instruct the relevant officers to rectify the same. Any non-compliance will be reported to higher management and monitored for rectification.

- (iii) *Liquidity.* In the event there are unexpectedly large realisations of Units, there may be a possibility that the Assets of the Fund may be forced to be liquidated at below their fair and expected value, especially in illiquid public exchanges or over-the-counter markets. The Managers will ensure that a sufficient portion of the Fund will be in liquid assets such as cash and cash-equivalents to meet expected realisations, net of new subscriptions.
  - (iv) *Counterparty exposure.* The Fund may have credit exposure to counterparties by virtue of positions in financial instruments (including derivatives) held by the Fund. To the extent that a counterparty defaults on its obligations and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its assets, its income stream and incur extra costs associated with the exercise of its financial rights. Subject to the provisions of the Code, the Managers will restrict their dealings to counterparties that have a minimum long-term issuer credit rating of above BB+ by Standard and Poor's, an individual rating of above C by Fitch Inc or a financial strength rating of above C by Moody's Investors Service. If any approved counterparty fails this criterion subsequently, the Managers will take steps to unwind the Fund's position with that counterparty as soon as practicable.
  - (v) *Volatility.* To the extent that the Fund has exposure to financial derivative instruments that allow a larger amount of exposure to a security for no or a smaller initial payment than the case when the investment is made directly into the underlying security, the value of the Fund's assets will have a higher degree of volatility. The Fund may use derivatives for hedging purposes for reducing the overall volatility of the value of its assets. At the same time, the Managers will ensure that the total exposure of the Fund to derivative positions will not exceed the net asset value of the Assets of the Fund, as stated in paragraph (b) above.
  - (vi) *Valuation.* The Fund may have exposure to over-the-counter derivatives that are difficult to value accurately, particularly if there are complex positions involved. The Managers will ensure that independent means of verifying the fair value of such instruments are available, and will conduct such verification at an appropriate frequency.
- (d) The Managers 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 financial derivative instruments. The Managers may modify the risk management and compliance procedures and controls as they deem fit and in the interests of the Fund.

## 15.5 Liquidity Risk

Investments by the Fund in some Asian and/or emerging markets often involve a greater degree of risk due to the nature of such markets which do not have fully developed services such as custodian and settlement services often taken for granted in more

developed markets. There may be a greater degree of volatility in such markets because of the speculative element, significant retail participation and the lack of liquidity which are inherent characteristics of these Asian and/or emerging markets.

#### 15.6 Small Capitalisation Companies Risk

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

#### 15.7 Single Sector and Regional Risk

Investors should be aware that the Fund invests solely in the Asian (excluding Japan) consumer staples and consumer discretionary sector. Investors should also be aware that investments in single sector or regional funds such as the Fund which may present greater opportunities and potential for capital appreciation may be subject to higher risks as they may be less diversified than a global portfolio.

#### 15.8 Counterparty Credit Risk

The Fund may enter into instruments, which expose the Fund to the credit risk of the counterparties of the instruments and their ability to satisfy the terms of such instruments. The Fund is exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Fund could experience delays in liquidating the position and thereby incur significant losses, including declines in the value of its investment during the period in which the Fund seeks to enforce its rights, inability to realise any gains on its investment during such period and the incurrence of fees and expenses in enforcing its rights. There is also a possibility that the contracts may be terminated due to, for instance, bankruptcy, supervening illegality or change in the tax or accounting laws relative to those laws existing at the time the agreement was entered into.

#### 15.9 Financial Institution Risk

In comparison to the overall stock market, the value of shares of financial institutions is more likely to be adversely affected by falling interest rates and/or deteriorating economic conditions. Also, financial institutions are subject to greater regulation than other industries in the overall stock market. For example, industries like banking and insurance are subject to special regulatory schemes not shared by other industries. Additionally, tighter government regulation and potential government intervention of financial institutions in which the Fund invests may adversely affect the Fund by preventing the Fund's holdings from realising their growth potential.

#### 15.10 Equity Risk

The Fund may invest in stocks and other equity securities which are subject to market risks that historically have resulted in greater price volatility than experienced by bonds and other fixed income securities. This in turn may affect the value or volatility of the Fund.

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

## **IX. SUBSCRIPTION OF UNITS**

### **16. Subscription Procedure**

Applications for Units may be made on the application form attached to this Prospectus, or through any authorised agents or distributors of the Managers from time to time, or through automated teller machines (“**ATMs**”) (as and when ATM applications are made available by the Managers or their authorised agents or distributors, if applicable), or through the Managers’ website at [uobam.com.sg](http://uobam.com.sg) or any other website designated by the Managers, or through any other sales channels, if applicable. Applications should be accompanied by such documents as may be required, with the subscription monies in full.

Applicants may make payments for Units by telegraphic transfer and should contact the Managers for details regarding such form of payment.

Investors may subscribe for Units either with cash or Supplementary Retirement Scheme (“**SRS**”) monies.

Investors wishing to use their SRS monies to purchase Units shall indicate so on the application form. The application form will contain the investor’s instructions to the SRS operator bank to withdraw from the investor’s SRS account, the purchase monies in respect of Units applied for.

Currently, the Managers accept payment in Singapore dollars (for payment using SRS monies) and in both Singapore dollars and US dollars (for cash payment). The issue price will be calculated and quoted in Singapore dollars and in its equivalent in US dollars by conversion at the applicable rate of exchange. Investors who paid for their Units in Singapore dollars will have their Units issued at the relevant issue price quoted in Singapore dollars, and investors who paid for their subscriptions in US dollars will have their Units issued at the relevant issue price in US dollars. The Managers may also accept payment in any other currency from time to time in their sole discretion. The Managers shall be entitled to convert the issue price to a foreign currency at the applicable rate of exchange. The costs of the currency exchange, if any, will be borne by the investor.

As the Fund is denominated in Singapore dollars, investors should note that any subscription monies paid in US dollars will be converted to Singapore dollars at the applicable rate of exchange prior to such subscription monies being invested in the Fund, and the costs of such currency exchange, if any, will be borne by the investors.

Units will generally only be issued when subscription monies have been received by the Trustee on a cleared funds basis, although the Managers may at their discretion issue Units before the Trustee receives full payment in cleared funds (save for those subscriptions made through the use of SRS monies).

For compliance with anti-money laundering laws and guidelines, the Managers or their authorised distributors reserve the right to request for such information and/or documents as are necessary to verify the identity of an applicant.

## 17. **Minimum initial subscription amount and minimum subsequent subscription amount**

The minimum initial subscription amount for the Fund is S\$1,000 (or in the case where payment is made in US Dollars, US\$1,000) or its equivalent in such other currencies at the applicable rate of exchange, as the Managers may decide. The minimum subsequent subscription amount is S\$500 (or in the case where payment is made in US Dollars, US\$500) or its equivalent in such other currencies at the applicable rate of exchange, as the Managers may decide or such other minimum initial subscription amounts or minimum subsequent subscription amounts as the Managers may from time to time in their sole discretion determine upon giving prior written notice to the Trustee.

Investors should also note that the Managers' authorised distributors may impose a higher minimum initial or subsequent subscription amount. Investors should therefore check with the relevant distributors before submitting their applications for subscriptions.

## 18. **Dealing Deadline and Pricing Basis**

- 18.1 The dealing deadline is at 3.00 p.m. Singapore time on a Dealing Day (the “**Dealing Deadline**”) or such other time on or prior to such Dealing Day as the Managers may from time to time determine with the approval of the Trustee.
- 18.2 For applications received and accepted by the Managers or any authorised agents or distributors of the Managers by the Dealing Deadline on any Dealing Day, Units will be issued at the issue price for that Dealing Day. For applications received and accepted by the Managers or any authorised agents or distributors of the Managers after the Dealing Deadline on any Dealing Day or on a day which is not a Dealing Day, Units will be issued at the issue price for the next Dealing Day.

“**Dealing Day**”, in connection with the issuance, cancellation and realisation of Units, means every Business Day or such other day or days at such intervals as the Managers may from time to time determine with the prior consultation of the Trustee Provided That reasonable notice of any such determination shall be given by the Managers to all Holders at such time and in such manner as the Trustee may approve Provided That if on any day which would otherwise be a Dealing Day the Recognised Stock Exchange or over-the-counter market (“**OTC Market**”) or over-the-telephone market on which investments of the Fund having in aggregate values amounting to at least 50% of the value of the Assets of the Fund (as at the relevant Valuation Point) are quoted, listed or dealt in is not open for normal trading, the Managers may determine that that day shall not be a Dealing Day.

“**Business Day**” means any day (other than a Saturday, Sunday or a gazetted public holiday) on which commercial banks are open for business in Singapore or any other day as the Managers and the Trustee may agree in writing.

“**Recognised Stock Exchange**” means any duly licensed stock exchange, futures exchange or commodities exchange of sufficient repute as may be approved by the Managers.

“**Valuation Point**” means the close of business of the last relevant market in relation to the relevant Dealing Day on which the net asset value of the Assets of the Fund is to be determined or such other time on the relevant Dealing Day or such other day as the Managers may determine with the prior approval of the Trustee who will determine if Holders should be informed of such change and the Managers shall notify the Holders of such change if requested by the Trustee.

- 18.3 Units are issued on a forward pricing basis. Therefore, the issue price cannot be calculated at the time of application. The issue price per Unit shall be ascertained by calculating the net asset value as at the Valuation Point in relation to such Dealing Day on which such issue occurs of the proportion of the Assets of the Fund represented by one Unit, truncated to three decimal places (or such other method of adjustment or number of decimal places as determined by the Managers with the approval of the Trustee). The Managers may, if so required, charge a subscription fee which is deducted from the total amount paid by the investor for the subscription of Units (the “**Gross Investment Amount**”), and the resultant amount (the “**Net Investment Amount**”) will be applied towards the subscription of Units. The subscription fee shall be retained by the Managers for their own benefit and the amount of the adjustment shall be retained by the Fund. The Managers may, subject to the prior approval of the Trustee, change the method of determining the issue price and the Trustee shall determine if the Holders should be informed of such change.

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

The number of Units an investor will receive with a Gross Investment Amount of S\$1,000.00, assuming a subscription fee of 5% and based on a notional issue price of S\$1.000, will be calculated as follows:

S\$1,000.00	-	S\$50.00	=	S\$950.00
Gross Investment Amount		Subscription fee (5%)		Net Investment Amount
S\$950.00	÷	S\$1.000	=	950.00
Net Investment Amount		Issue price		Number of Units allotted

*The above example is for illustrative purposes only and is not an indication of the future or likely performance of the Fund. The value of Units and the income from them may go down as well as up. Investors should read this Prospectus before investing.*

The number of Units to be issued to an investor will be rounded down to two decimal places (the method of adjustment and the number of decimal places to which the adjustment occurs may be varied by the Managers from time to time with the approval of the Trustee).

## **20. Confirmation of purchase**

A confirmation note detailing the investment amount and the number of Units allocated to an investor will be sent to the investor within 5 Business Days from the date of issue of Units for cash applications and within 11 Business Days from the date of issue of Units for SRS applications.

## **21. Cancellation of initial subscription by Holders**

Subject to Clause 10(B) of the Deed and the cancellation terms and conditions attached to the application form for the subscription of Units, every Holder shall have the right to cancel their purchase of Units within 7 calendar days from the date of subscription or purchase of Units (or such longer period as may be agreed between the Managers and the Trustee or such other period as may be prescribed under the Notice on Cancellation Period or as permitted by the Authority) by providing notice in writing to the Managers or their authorised agents or distributors, provided that where the last day of the time period falls on a Sunday or a public holiday in Singapore, the time period shall be extended to the next calendar day, not being a Sunday or a public holiday in Singapore. However the Holder will have to take the risk of any price changes in the net asset value of the Fund since his subscription and pay any bank charges, administrative or other fee imposed by the distributor.

A Holder may choose to realise his Units under Part XI of this Prospectus instead of cancelling his subscription for Units but should note that he will not be able to enjoy the benefits of a cancellation under this paragraph 21 if he chooses to realise his Units (ie. there will be no refund of the subscription fee or the prevailing realisation charge, if any, as may be imposed) and the realisation proceeds may be lower than the cancellation proceeds if the appreciation in the value of the Units is less than the subscription fee and the prevailing realisation charge, if any, as may be imposed.

Full details of the provisions relating to the cancellation of Units may be found in the cancellation terms and conditions attached to the application form for the subscription of Units and investors should read the cancellation terms and conditions carefully before subscribing for Units.

## **X. REGULAR SAVINGS PLAN**

22. The Managers have implemented a Regular Savings Plan (“**RSP**”) for the Fund. A Holder must have a minimum holding of 1,000 Units or the number of Units which were or would have been purchased for S\$1,000 (or in the case where the purchase is made in US Dollars, US\$1,000) or its equivalent in such other currencies at the applicable rate of exchange as the Managers may decide, based on the issue price prevailing at the time of the initial purchase or such other number of Units or amounts as the Managers may from time to time determine, to join the RSP. A Holder may opt to invest a minimum sum of S\$100 (or in the case where payment is made in US Dollars, US\$100) on a fixed day per month or S\$500 (or in the case where payment is made in US Dollars, US\$500) on a fixed day per quarter through GIRO payment (or such other amounts or in such other currencies as the Managers may determine).

For RSP using cash, Holders must complete an Interbank GIRO Form authorising the payment for the RSP (or such other form or method as the Managers may determine from time to time) and submit it together with the application form.

For RSP using SRS monies, Holders must submit the application form.

Payment for the RSP will be debited from the Holders' bank accounts or SRS accounts (as the case may be) on the 25th calendar day (or the next Business Day if that day is not a Business Day) of (i) each month (in the case of monthly RSP subscriptions) or (ii) the last month of each calendar quarter (in the case of quarterly RSP subscriptions). The investment will be made on the same day after payment has been debited for cash or SRS monies (as the case may be) with the allotment of Units made normally within 2 Business Days thereafter.

In the event that the debit is unsuccessful, no investment will be made for that month or quarter (as the case may be). No notification relating to the unsuccessful debit will be sent to Holders. After 2 consecutive unsuccessful debits, the RSP will be terminated and no notification of such termination will be sent to the relevant Holders.

The Managers shall not assume any liability for any losses arising from the Holders' payment for the RSP via direct debit transactions.

A Holder may terminate his participation in the RSP without penalty upon giving 30 days' prior written notice to the Managers.

## **XI. REALISATION OF UNITS**

### **23. Realisation Procedure**

Holders may realise their Units on any Dealing Day. Requests for realisation of Units may be made on realisation forms which may be obtained from any authorised agents or distributors of the Managers from time to time, or through an ATM (as and when ATM realisation is made available by the Managers, or their authorised agents or distributors, if applicable) or through the Managers' website at [uobam.com.sg](http://uobam.com.sg) or any other website designated by the Managers, or any other channels if applicable.

### **24. Dealing Deadline and Pricing Basis**

- 24.1 For requests received and accepted by the Managers or any authorised agents or distributors of the Managers by the Dealing Deadline, Units shall be realised at the realisation price on that Dealing Day. For requests received and accepted by the Managers or any authorised agents or distributors of the Managers after the Dealing Deadline or on a day which is not a Dealing Day, Units shall be realised at the realisation price for the next Dealing Day.
- 24.2 Units are realised on a forward pricing basis. Therefore, the realisation price cannot be calculated at the time of request. The realisation price per Unit shall be the price per Unit ascertained by the Managers by calculating the net asset value as at the Valuation Point in relation to the Dealing Day on which the realisation request is received of the proportion of the Assets of the Fund then represented by one Unit, truncated to three

decimal places (or such other method of adjustment or other number of decimal places as determined by the Managers with the approval of the Trustee). The Managers may, if so required, charge a realisation charge which is deducted from the total amount payable to the investor in respect of the realisation of Units (the “**Gross Realisation Proceeds**”), and the resultant amount (the “**Net Realisation Proceeds**”) will be paid to the investor. The realisation charge will be retained by the Managers for their own benefit and the amount of the adjustment aforesaid shall be retained by the Fund.

- 24.3 The Managers shall be entitled to convert the realisation price to a foreign currency at the applicable rate of exchange. The cost of the currency exchange, if any, will be borne by the investor. Currently, the Managers permit the realisation of Units in both Singapore dollars and US dollars and will quote the realisation price in Singapore dollars and its equivalent in US dollars at the applicable rate of exchange. In future, the Managers may permit the realisation of Units in any other foreign currency and will quote the realisation price in such currency at the applicable rate of exchange.
- 24.4 For avoidance of doubt, should a realisation request for any Units be received by the Managers prior to the receipt of the subscription monies in respect of such Units, the Managers may refuse to realise such Units until the Business Day following that upon which the subscription monies in respect of such Units have been received by the Trustee.
- 24.5 If a Holder is resident outside Singapore, the Managers will be entitled to deduct, from the total amount which would otherwise be payable on the realisation of Units, from the Holder an amount equal to the excess of the expenses actually incurred over the amount of expenses, which would have been incurred if the Holder had been resident in Singapore.

## **25. Minimum holding, minimum realisation amount and limits on realisation**

Unless the Managers and the Trustee otherwise agree, a Holder may not realise part of his holding of Units if thereafter his holding would be reduced to less than the minimum holding. The minimum holding of Units is 1,000 Units or such number of Units which at the issue price prevailing at the time of the initial purchase were or would have been purchased for S\$1,000 (or in the case where purchase was made in US dollars, US\$1,000) or its equivalent in such other currencies at the applicable rate of exchange as determined by the Managers or such other number of Units or amounts as may from time to time be determined by the Managers. Unless the Managers in any particular case, or generally otherwise agree, a Holder shall not be entitled to realise Units other than in amounts of 100 Units and above.

With a view to protecting the interests of all Holders the Managers shall be entitled with the approval of the Trustee to limit the total number of Units which Holders are entitled to realise, and the Managers are entitled to have cancelled pursuant to Clause 10 of the Deed on any Dealing Day up to 10% of the total number of Units then in issue (disregarding all Units which have been agreed to be issued), such limitation to be applied pro rata to the Managers and all Holders who have validly requested realisation on such Dealing Day so that the proportion realised of each holding so requested to be realised or cancelled pursuant to Clause 10 of the Deed is the same for the Managers and for all such Holders.

## 26. Numerical example of the computation of Net Realisation Proceeds

The Net Realisation Proceeds payable to a Holder on the realisation of 1,000 Units, and on a notional realisation price of S\$0.900\* and on the basis that there is no realisation charge, will be calculated as follows:

1,000 Units	x	\$0.900*	=	S\$900.00
Your realisation request		Realisation price		Gross Realisation Proceeds
S\$900.00	-	S\$0.00	=	S\$900.00
Gross Realisation Proceeds		Realisation charge (0%)**		Net Realisation Proceeds

\* *The above example is hypothetical and is not indicative of any future realisation price of the Fund. The actual realisation price will fluctuate according to the then prevailing net asset value of the Fund.*

\*\* *No realisation charge is currently imposed.*

## 27. Payment of realisation proceeds

The Net Realisation Proceeds shall normally be paid by cheque or credited into the Holder's SRS account, as applicable, within 6 Business Days in Singapore (or such number of days as permitted by the Authority) from the Dealing Day following the receipt and acceptance of the realisation request in written form by the Managers or their duly authorised agents or distributors unless the realisation of Units has been suspended in accordance with paragraphs 30 and 31 of this Prospectus.

## XII. SWITCHING OF UNITS

- 28.1 The Managers shall be entitled to allow a Holder to switch his Units for units in other collective investment schemes managed by the Managers or for a different class of Units in the Fund (if established), upon such terms and conditions as the Managers may from time to time determine. Applications for switching of Units may be made by submitting the relevant form to the Managers or through any authorised agents or distributors of the Managers or through any other applicable sales channel.
- 28.2 Subject to the provisions of the Deed, the Managers may on the application of a Holder effect the switching of Units to units of any Group Fund, save that Units purchased with SRS monies may only be switched for units of a Group Fund which may be subscribed or purchased with SRS monies.
- 28.3 Subject as hereinafter provided, the switching of the Units specified in the Switching Notice shall be made on the Common Switching Dealing Day (as defined below) on which the Switching Notice is received by the Managers up to the Dealing Deadline on

such Common Switching Dealing Day and, for this purpose, a “**Common Switching Dealing Day**” is a day which is both a Dealing Day in relation to Units and a dealing day in relation to units of the Group Fund. If a Switching Notice is received on a day which is not a Common Switching Dealing Day, such Switching Notice shall be treated as having been received before the Dealing Deadline on the next Common Switching Dealing Day.

- 28.4 A switch for the purpose of this paragraph 28 of Units for units of a Group Fund shall be effected by the Holder surrendering his Units to the Managers who shall pay to the managers of the Group Fund concerned a sum representing the value of the surrendered Units calculated as aforesaid (after deducting any realisation charge payable) in consideration of the issue to that Holder of units in that Group Fund to the same value as the aforesaid sum representing surrendered Units (after deducting any subscription fee payable in respect of units of that Group Fund).
- 28.5 A switch of units of a Group Fund for Units shall be effected by the managers of that Group Fund paying on the surrender to them of units of that Group Fund by the holder thereof a sum representing the value of the surrendered units to the Managers who shall pay over such sum to the Trustee as an accretion to the Assets of the Fund and shall issue to the previous holder of the surrendered units of that Group Fund Units to the same value as the surrendered units of the Group Fund as calculated in accordance with paragraph (vi) of Clause 9(H) of the Deed (after deducting any subscription fee payable in respect of the Units).
- 28.6 No Units shall be switched during any period when the right of Holders to require the realisation of Units is suspended pursuant to Clause 11(D) of the Deed or on any Common Switching Dealing Day on which the number of Units that can be realised by any Holder is limited pursuant to Clause 11(F) of the Deed.
- 28.7 A Holder shall not without the consent of the Managers be entitled to withdraw a Switching Notice duly made in accordance with this Clause.

### **XIII. PRICES OF UNITS**

29. The indicative issue and realisation prices will be published in The Straits Times, The Business Times, Lianhe Zaobao and such other local and foreign publications as the Managers may decide upon and can also be obtained from the Managers’ website at [uobam.com.sg](http://uobam.com.sg) or any other website designated by the Managers, if applicable, or by calling the Managers’ 24 hour hotline at telephone number 1800 222 2228. The actual issue and realisation prices will generally be published 2 Business Days after the relevant Dealing Day in Singapore dollars and will usually be published in US dollars as well.

Investors should note that the frequency of the publication of the prices is dependent on the publication policies of the publisher concerned. Except for publications of the Managers, the Managers do not accept any responsibility for any errors on the part of the publisher concerned in the prices published in any publication or any non-publication or late publication of prices by such publisher.

#### **XIV. SUSPENSION OF DEALINGS**

- 30.** Subject to the provisions of the Code, the Managers or the Trustee may at any time, with the prior written approval of the other (as the case may be), suspend the issuance, switching and realisation of Units during:
- (i) any period when the Recognised Stock Exchange or the OTC Market on which any Authorised Investments forming part of the Assets of the Fund for the time being are listed or dealt in is closed (otherwise than for ordinary holidays) or during which dealings are restricted or suspended;
  - (ii) the existence of any state of affairs which, in the opinion of the Managers and the Trustee might seriously prejudice the interests of the Holders as a whole or of the Assets of the Fund;
  - (iii) any breakdown in the means of communication normally employed in determining the price of any of such Authorised Investments in the opinion of the Managers and the Trustee or the current price thereof on that Recognised Stock Exchange or that OTC Market or when for any reason the prices of any of such Authorised Investments cannot be promptly and accurately ascertained;
  - (iv) any period when remittance of money which will or may be involved in the realisation of such Authorised Investments or in the payment for such Authorised Investments cannot, in the opinion of the Managers and the Trustee, be reasonably carried out at normal rates of exchange;
  - (v) any 48-hour period (or such other longer period as the Managers and the Trustee may agree) prior to the date of any meeting of Holders (or any adjourned meeting thereof);
  - (vi) any period when the dealing of Units is suspended pursuant to any order or direction issued by the Authority;
  - (vii) any period when the business operations of the Managers or the Trustee in relation to the operations of the Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God; or
  - (viii) such circumstances as may be required under the provisions of the Code.
- 31.** Such suspension shall take effect forthwith upon the declaration in writing thereof to the Trustee by the Managers or vice versa (as the case may be) and subject to the provisions of the Code, shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other conditions under which the suspension is authorised under paragraph 30 above shall exist upon the declaration in writing thereof by the Managers or the Trustee (as the case may be).

## XV. PERFORMANCE OF THE FUND

### 32.1 Past performance of the Fund and its benchmark (as of 31 May 2011)

	One Year	Since Inception <sup>3</sup> (average annual compounded return)
Fund <sup>4</sup>	21.22%	16.01%
Fund <sup>5</sup>	15.16%	12.42%
Benchmark	22.47%	20.73%

Source: Lipper, a Thomson Reuters Company.

The benchmark of the Fund is 50% MSCI AC Asia ex Japan Consumer Discretionary Index and 50% MSCI AC Asia ex Japan Consumer Staples Index.

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

### 32.2 Expense ratio

The expense ratio (including preliminary expenses) for the year as of 30 June 2010 is 2.54%<sup>6</sup>.

The expense ratio (excluding preliminary expenses) for the year as of 30 June 2010 is 2.40%<sup>6</sup>.

<sup>3</sup> Inception date is 12 October 2009.

<sup>4</sup> Calculated in S\$ on a NAV-to-NAV basis as at 31 May 2011, with all dividends and distributions reinvested (net of reinvestment charges). Figures for one year show the percentage change, while figures for more than one year show the average annual compounded return.

<sup>5</sup> Calculated in S\$ on a NAV-to-NAV basis as at 31 May 2011, taking into account the subscription fee, with all dividends and distributions reinvested (net of reinvestment charges). Figures for one year show the percentage change, while figures for more than one year show the average annual compounded return.

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

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

### 32.3 Turnover ratio

The turnover ratio for the year as of 30 June 2010 is 88.83%<sup>7</sup>.

## XVI. SOFT DOLLAR COMMISSIONS/ARRANGEMENTS

33. The Managers may, from time to time, receive or enter into soft-dollar commissions or arrangements in the management of the Fund. The soft-dollar commissions or arrangements which the Managers may receive include specific advice as to the advisability of dealing in, or the value of any investments, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision-making process, the giving of advice, or the conduct of research or analysis in relation to the investments managed for clients.

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

The Managers may not accept or enter into soft-dollar commissions or arrangements in respect of the Fund unless such soft-dollar commissions or arrangements shall reasonably assist them in their management of the Fund, provided that the Managers shall ensure at all times that (prior to 1 October 2011) the transactions are executed on the best available terms taking into account the relevant market at the time for transactions of the kind and size concerned and (with effect from 1 October 2011) best execution is carried out for the transactions, and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions or arrangements.

The Managers do not, and are not entitled to, retain cash rebates for their own account in respect of rebates earned when transacting in securities for account of the Fund. The Managers will only accept soft-dollar commissions or arrangements in accordance with applicable regulatory requirements and industry standards.

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

## XVII. CONFLICTS OF INTEREST

34. The Managers are of the view that there are no conflicts of interest in managing their other funds and the Fund because of the following structures in place:

- Investment decisions for the Fund are made impartially. There are no preferred customers or funds and all accounts are treated equally.
- All investment ideas are shared equally among fund managers.
- The Managers subscribe to the Code of Ethics and the Standards of Professional Conduct as prescribed by the Chartered Financial Analyst Institute (the “**CFA Institute**”) in U.S.A. CFA Institute is the primary professional organisation for security analysts, investment managers and others who are involved in the investment decision-making process. All Certified Financial Analyst charter holders of CFA Institute and candidates who are in pursuit of the charter, including those from Singapore, are expected to comply with CFA Institute standards. The Code of Ethics and the Standards of Professional Conduct are in place to ensure high ethical and professional standards of the investment professionals as well as fair treatment to the investing public.
- In addition, despite the possible overlap in the scope of investments, none of the funds managed by the Managers are identical to one another and investment decisions are made according to the individual risk return characteristic of the fund.
- Most importantly, the Managers’ usual fair and unbiased practice is to allocate investments between various funds which place the same orders simultaneously on a *pro rata* basis. However, should any potential conflicts of interest arise from a situation of competing orders for the same securities, the Managers adopt an average pricing policy whereby orders that are partially fulfilled on a particular day shall be allotted proportionately among the funds based on their respective initial order size and such quantity allotted shall be at the average price of such investments on that particular day.

The Managers and the Trustee shall conduct all transactions with or for the Fund on an arm’s length basis. Associates of the Managers and/or Trustee may be engaged to provide financial, banking or brokerage services to the Fund. Associates of the Trustee may also buy, hold and deal in any investments, enter into contracts or other arrangements with the Trustee and make profits from these activities. Such services to the Fund, where provided, and such activities with the Trustee, where entered into, will be on an arm’s length basis. .

## XVIII. REPORTS

35. The financial year-end of the Fund is 30 June. The annual report, annual accounts and the auditors’ report on the annual accounts will be prepared and sent or (with effect from 1 October 2011) made available to Holders within three months of the financial year-end (or such other period as may be permitted by the Authority). The semi-annual report and semi-annual accounts will be prepared and sent or (with effect from 1 October 2011) made available to Holders within two months of the financial half-year end (or such other period as may be permitted by the Authority).

## **XIX. QUERIES AND COMPLAINTS**

36. All enquiries and complaints about the Fund should be directed to the Managers at:

24 hour Hotline Number : 1800 222 2228  
Facsimile number : 6532 3868  
E-mail : [uobam@uobgroup.com](mailto:uobam@uobgroup.com)

## **XX. OTHER MATERIAL INFORMATION**

### **37. Market Timing**

The Fund is designed and managed to support medium to long-term investments. In this regard, the Managers take a serious view of, and strongly discourage the practice of market timing (that is, investors conducting short-term buying or selling of Units to gain from inefficiencies in pricing) as such practices may cause an overall detriment to the long-term interest of other investors. In addition, short-term trading in Units increases the total transaction costs of the Fund, such as trading commission and other costs which are absorbed by all other investors. Moreover, the widespread practice of market timing may cause large movements of cash in the Fund which may disrupt the investment strategies to the detriment of long-term investors. For the reasons set out above, the Managers strongly discourage the practice of market timing and may implement internal measures to monitor and control such practice. If any internal measure to restrict the practice of market timing amounts to a significant change to the Fund (as provided in the Code), the Managers will inform Holders of such internal measure not later than one month before its implementation. The Managers intend to review their policy on market timing from time to time in a continuous effort to protect the long-term interests of investors in the Fund.

### **38. Information on investments**

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

### **39. Distributions of income and capital**

The Managers shall have the absolute discretion to determine whether a distribution is to be made. As and when the Managers shall decide, the Managers may by notice in writing direct the Trustee to distribute such part or all of the income and/or capital of the Fund, subject to the Deed, to Holders in respect of such period at such time and in accordance with such method of calculation as the Trustee and the Managers may agree having regard to the provisions of the Deed.

### **40. Custody of investments**

40.1 The Trustee shall be responsible for the safe custody of the Assets of the Fund. Any Authorised Investments forming part of the Assets of the Fund shall, whether in bearer

or registered form, be paid or transferred to or to the order of the Trustee forthwith on receipt by the Managers and be dealt with as the Trustee may think proper for the purpose of providing for the safe custody thereof. The Trustee may from time to time upon notification in writing to the Managers appoint such person or persons as it thinks fit (including itself or its associates) as agents, nominees, custodians (where the Trustee is not acting as custodian) or (if the Trustee is acting as custodian) sub-custodians in respect of any of the Assets of the Fund, and the fees and expenses of such agents, nominees, custodians and sub-custodians shall be paid out of the Assets of the Fund. Any Authorised Investment in registered form shall as soon as reasonably practicable after receipt of the necessary documents by the Trustee, be registered in the name of the Trustee and/or its nominee, agents, custodians, sub-custodians and shall remain so registered until disposed of pursuant to the Deed. Subject as aforesaid the Trustee shall retain the documents of title to all Authorised Investments held upon the trusts of the Deed in its possession in safe custody. The Trustee may at any time procure that:

- a. the Trustee; or
- b. any officer of the Trustee jointly with the Trustee; or
- c. any nominee appointed by the Trustee; or
- d. any such nominee and the Trustee; or
- e. any custodian, joint custodian or sub-custodian appointed; or
- f. any company operating a depository or recognised clearing system in respect of the Assets of the Fund; or
- g. any broker, financial institution or other person with whom the same is deposited in order to satisfy any requirement to deposit margin or security,

take delivery of and retain and/or be registered as proprietor of any Authorised Investments in registered form held upon the trusts of the Deed.

40.2 Notwithstanding anything contained in the Deed, but subject always to all applicable laws and regulations:

- (a) the Trustee shall not incur any liability in respect of or be responsible for losses incurred through the insolvency of or any act or omission of any depository or clearing system with which Authorised Investments may be deposited or any broker, financial institution or other person with whom Authorised Investments are deposited in order to satisfy any margin requirement;
- (b) the Trustee shall not incur any liability in respect of or be responsible for losses incurred through the insolvency of or any act or omission of any nominee, custodian, joint custodian or sub-custodian appointed by the Trustee; and
- (c) the Trustee shall not incur any liability in respect of or be responsible for losses incurred through the insolvency of or any act or omission of any sub-custodian not appointed by the Trustee.

#### 41. Valuation

Except where otherwise expressly stated in the Deed and subject always to the requirements of the Code, the value of the assets comprised in the Fund with reference to any Authorised Investment which is:-

- (i) a Quoted Investment, shall be calculated, as the case may be, by reference to the official closing price, the last known transacted price or the last transacted price on such Recognised Stock Exchange or OTC Market before the Valuation Point in respect of the Dealing Day on which the value is to be determined; where such Quoted Investment is listed, dealt or traded in more than one Recognised Stock Exchange or OTC Market, the Managers (or such person as the Managers shall appoint for the purpose) may in their absolute discretion select any one of such Recognised Stock Exchange or OTC Market for the foregoing purposes and, if there be no such official closing price, last known transacted price or last transacted price, the value shall be calculated by reference to the last available price(s) quoted by responsible firms, corporations or associations on a Recognised Stock Exchange or an OTC market at the Valuation Point in respect of the Dealing Day on which the value of the Assets of the Fund is to be determined;
- (ii) an Unquoted Investment, shall be calculated by reference to, where applicable, the initial value thereof being the amount expended in the acquisition thereof, or price of the relevant Investment as quoted by a person, firm or institution making a market in that Investment, if any (and if there shall be more than one such market maker then such market maker as the Managers may designate), as may be determined by the Managers to represent the fair value of such Authorised Investment, and in the valuation of such investment the Managers may take into account relevant factors including without limitation significant recent events affecting the issuer such as pending mergers and acquisitions and restrictions as to saleability or transferability;
- (iii) cash, deposits and similar assets shall be valued (by a person approved by the Trustee as qualified to value such cash, deposits and similar assets) at their face value (together with accrued interest) unless, in the opinion of the Managers (after consultation with the Trustee), any adjustment should be made to reflect the value thereof;
- (iv) a unit or share in a unit trust or mutual fund or collective investment scheme shall be valued at the latest published or available net asset value per unit or share, or if no net asset value per unit or share is published or available, then at their latest available realisation price; and
- (v) an Investment other than as described above, shall be valued (by an approved valuer) in such manner and at such time as the Managers after consultation with the Trustee shall from time to time determine.

PROVIDED THAT, if the quotations referred to in (i), (ii) or (iv) above are not available, or if the value of the Authorised Investment determined in the manner described in (i),

(ii), (iii), (iv) or (v) above, in the opinion of the Managers, is not representative, then the value shall be such value as the Managers may with due care and in good faith consider in the circumstances to be fair value and is approved by the Trustee and the Managers shall notify the Holders of such change if required by the Trustee. For the purposes of this proviso, the “fair value” shall be determined by the Managers in consultation with an approved stockbroker or an approved valuer and with the approval of the Trustee in accordance with the Code.

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

An “**Investment**” or “**Investments**” means any share, stock, bond, note, debenture, debenture stock, loan, loan stock, warrant, options, futures, certificate of deposit, commercial paper, promissory note, treasury bill, fixed and floating rate instrument, unit or sub-unit in a unit trust scheme, participation in a mutual fund or other interests in collective investment schemes or similar scheme or other security (as defined in the Securities and Futures Act) or any money market instrument and derivative instruments including but not limited to index futures, or any other securities which may be selected by the Managers for the purpose of investment of the Assets of the Fund or which may for the time being form part thereof.

A “**Quoted Investment**” means:-

- (i) any Investment (denominated in any currency), which is listed or traded or in respect of which permission to deal is effective on a Recognised Stock Exchange; or
- (ii) any Investment (denominated in any currency), in respect of which application for listing or for permission to deal has been made to a Recognised Stock Exchange and the subscription for or purchase of which is either conditional upon such listing or permission to deal being granted within a specified period not exceeding twelve weeks or in respect of which the Managers are satisfied that the subscription or other transactions will be cancelled if the application is refused.

An “**Unquoted Investment**” means any Investment which is not quoted, listed or dealt in on any Recognised Stock Exchange.

## **42. Concerning the Managers and/or the Trustee**

- 42.1 The Trustee (or the Managers or other agents with the approval of the Trustee) shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of 6 years from the date of registration thereof and all distribution mandates which have been cancelled or lapsed at any time after the expiration of 1 year from the date of cancellation or lapse thereof and all notifications of change of address after the expiration 1 year from the date of the recording thereof and all forms of proxy in respect of any meeting of Holders 1 year from the date of the meeting at which the

same are used and all registers, statements and other records and documents relating to the Fund at any time after the expiration of 6 years from the termination of the Fund. Neither the Trustee nor the Managers nor their agents shall be under any liability whatsoever in consequence thereof and unless the contrary be proved, every instrument of transfer so destroyed shall be deemed to have been a valid and effective instrument duly and properly registered and every other document hereinbefore mentioned so destroyed shall be deemed to have been a valid and effective document in accordance with the recorded particulars thereof.

Provided Always That:

- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
  - (b) nothing in this paragraph shall be construed as imposing upon the Trustee or the Managers or other agents any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of sub-paragraph (a) are not fulfilled; and
  - (c) references herein to the destruction of any document include references to the disposal thereof in any manner.
- 42.2 Save as otherwise expressly provided in the Deed, the Trustee shall as regards all the trusts, powers, authorities and discretions vested in it have absolute and uncontrolled discretion as to the exercise thereof whether in relation to the manner or as to the mode of and time for the exercise thereof and in the absence of fraud or gross negligence the Trustee shall not be in any way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise thereof.
- 42.3 Any provision in the Deed providing for any act or matter to be done by the Trustee may (if the Trustee is a corporation) be performed on behalf of the Trustee by any officer of the Trustee and any act or matter so performed by an authorised officer of the Trustee specified in writing by the Trustee to the Managers shall be deemed for all the purposes of the Deed to be the act of the Trustee.
- 42.4 The Trustee may beneficially own all or any part of the issued share capital of any company in or outside Singapore if the Trustee considers it necessary or desirable for fiscal or other reasons to incorporate such companies or acquire issued share capital of such companies for the purpose of holding all or any part of the Assets of the Fund.
- 42.5 The Trustee may in relation to the acquisition, holding or disposal of any investment with the concurrence of the Managers utilise its own services or the services of any associate of the Trustee (if such associate is a banker) without there being any liability to account therefor and any charges or expenses incurred shall be payable out of the Assets of the Fund.

### **43. Indemnities and protections accorded to the Managers and/or the Trustee**

Prospective investors should read the Deed for the complete list of indemnities, exemptions and protections accorded to the Managers and/or the Trustee under the Deed.

- 43.1 The Trustee and the Managers respectively shall incur no liability in respect of any action taken or thing suffered by them in reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganisation or other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.
- 43.2 The Trustee and the Managers shall incur no liability to the Holders for doing or (as the case may be) failing to do any act or thing which by reason of any provision of the Deed or future law or regulation made pursuant thereto, or of any decree, order or judgment of any court, or by reason of any request, announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (whether legally or otherwise) either they or any of them shall be directed or requested to do or perform or to forbear from doing or performing. If for any reason it becomes impossible or impracticable to carry out any of the provisions of the Deed, neither the Trustee nor the Managers shall be under any liability therefor or thereby.
- 43.3 Neither the Trustee nor the Managers shall be responsible for any authenticity of any signature or of any seal affixed to any endorsement on any certificate or to any transfer or form of application, endorsement or other document (sent by mail, facsimile, electronic means or otherwise) affecting the title to or transmission of Units or be in any way liable for any forged or unauthorised signature on or any seal affixed to such endorsement, transfer or other document or for acting on or giving effect to any such forged or unauthorised signature or seal. The Trustee and the Managers respectively shall nevertheless be entitled but not bound to require that the signature of any Holder or joint Holder to any document required to be signed by him under or in connection with the Deed shall be verified by a banker or broker or other responsible person or otherwise authenticated to its or their reasonable satisfaction.
- 43.4 Any indemnity expressly given to the Trustee and/or the Managers in the Deed is in addition to and without prejudice to any indemnity allowed by law, Provided Nevertheless That nothing in any of the provisions of the Deed shall in any case in which the Trustee and/or the Managers, as the case may be, have failed to show the degree of diligence and care required by them by the provisions of the Deed exempt them from or indemnify them against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of duty or trust of which they may be guilty in relation to their duties.
- 43.5 Nothing contained in the Deed shall be construed so as to prevent the Managers and the Trustee in conjunction or the Managers or the Trustee separately from acting as managers or trustee for trusts separate and distinct from the Fund.

- 43.6 The Trustee and the Managers may accept as sufficient evidence of the value of any investments thereof a certificate by a member of any Recognised Stock Exchange.
- 43.7 At all times and for all purposes of the Deed, the Trustee and the Managers may rely upon the established practice and rulings of any Recognised Stock Exchange and any committees and officials thereof on which any dealing in any Authorised Investment is from time to time effected in determining what shall constitute a good delivery and any similar matters and such practice and rulings shall be conclusive and binding upon all persons under the Deed.
- 43.8 The Managers shall not be under any liability on account of anything done or suffered to be done by the Managers in good faith in accordance with or in pursuance of any request or advice of the Trustee or the Trustee's delegates. Whenever pursuant to any provision of the Deed any certificate, notice, instruction or other communication is to be given by the Trustee (or its delegates) to the Managers, the Managers may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Trustee (or the relevant delegate) by any one person whose signature the Managers are for the time being authorised by the Trustee (or as the case may be, by the relevant delegate) to accept and may act on verbal, electronic mail and facsimile instructions given by authorised officers of the Trustee (or the relevant delegate) specified in writing by the Trustee (or as the case may be, by the relevant delegate) to the Managers.
- 43.9 Without prejudice to the powers, authorities and discretions of the Trustee under the Trustees Act, Chapter 337 of Singapore, the Trustee may in particular act upon any advice of or information obtained from the Managers or any bankers, accountants, brokers, lawyers, agents or other persons acting as agents or advisers either of the Trustee or of the Managers and the Trustee shall not be liable for anything done or omitted or suffered in good faith in reliance upon such advice or information. The Trustee shall not be responsible for any misconduct, mistake, oversight, error of judgment, forgetfulness or want of prudence on the part of any such bankers, accountant, broker, lawyer, agent or other person as aforesaid or of the Managers except in regard to any matter in which the Managers are acting on behalf of the Trustee with their express authority. Any such advice or information may be obtained or sent by letter, facsimile and/or electronic form (including electronic mail) and the Trustee shall not be liable for acting on any advice or information purported to be conveyed by any such letter, facsimile and/or electronic form (including electronic mail) although the same shall be found to contain some error or not to be authentic.
- 43.10 Save as provided in the Deed, nothing in the Deed shall prevent the Trustee or any associate of the Trustee from contracting or entering into any financial, banking or other transaction with each other or with the Managers, the Fund or any Holder or any company or body any of whose shares or securities form part of the Assets of the Fund or from being interested in any such contract or transaction Provided That any such contract or transaction with the Fund shall be conducted at arms' length and the Trustee or any such associate shall not be in any way liable to account either to the Fund or to the Managers or to the Holders or any of them for any profit or benefit made or derived by the Trustee or any such associate thereby or in connection therewith provided the Trustee at all times ensures that all Holders of Units are treated equitably and fairly.

- 43.11 The Trustee shall not be under any obligation to institute, acknowledge service of, appear in, prosecute or defend any action, suit, proceedings or claim in respect of the provisions of the Deed or in respect of the Assets of the Fund or any part thereof or any corporate or shareholders' action which in its opinion would or might involve it in expense or liability, unless the Managers shall so request in writing and shall so often as required by the Trustee furnish it with an indemnity satisfactory to it against any such expense or liability.
- 43.12 Subject as provided in the Deed, the Trustee shall be entitled for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as trustee of the Fund to have recourse to the Assets of the Fund or any part thereof.
- 43.13 Before making any distribution or other payment in respect of any Unit or in respect of management fee the Trustee may make such deductions as by the law of any country in which such payment or distribution is made the Trustee is required or entitled to make in respect of any income or other taxes, charges or assessments whatsoever and the Trustee may also deduct the amount of any stamp duties or other governmental taxes or charges payable by it for which it might be made liable in respect of such distribution or payment or any documents signed by it in connection therewith. The Trustee shall not be liable to account to any Holder or otherwise for any payment made or suffered by the Trustee in good faith to any duly empowered fiscal authority or any country for taxes or other charges in any way arising out of or relating to any transaction of whatsoever nature under the Deed notwithstanding that any such payments ought not to be or need not have been made or suffered.
- 43.14 The Trustee shall not be responsible for verifying or checking any valuation of the Assets of the Fund or any calculation of the prices at which Units are to be issued, switched or realised, except as provided in the Deed but shall be entitled (but not bound) at any time to require the Managers to justify the same.
- 43.15 In no event shall a Holder have or acquire any rights against the Trustee or Managers or either of them save such as are expressly conferred upon such Holder by the Deed nor shall the Trustee be bound to make any payment to any Holder except out of the funds held by or paid to it for that purpose under the provisions of the Deed.
- 43.16 In the absence of gross negligence or wilful default the Managers shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done by them in good faith hereunder and the Managers shall not be under any liability except such liability as may be expressly assumed by them under the Deed nor shall the Managers be liable for any act or omission of the Trustee.
- 43.17 Nothing in the Deed shall prevent the Managers or any associate of the Managers from contracting or entering into any financial, banking or other transactions with the Trustee (when acting other than in its capacity as trustee of the Fund), the Fund or any Holder or any company or body any of whose shares or securities form part of the Assets of the Fund or from being interested in any such contract or transaction Provided That any such contract or transaction with the Fund shall be conducted at arms' length and the Managers or any such associate shall not be in anyway liable to account either to the Fund or to the Trustee or to the Holders or any of them for any profit or benefit made or derived by the Managers or any such associate thereby or in connection therewith.

- 43.18 The Trustee shall not be under any liability on account of anything done or suffered by the Trustee in good faith in accordance with or in pursuance of any request or advice of the Managers and/or the delegates or distributors appointed by the Managers. Whenever pursuant to any provision of the Deed any certificate, notice, instruction or other communication is to be given by the Managers and/or the delegates or distributors appointed by the Managers to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Managers and/or the delegates or distributors appointed by the Managers by any one person whose signature the Trustee is for the time being authorised in writing by the Managers and/or the delegates or distributors appointed by the Managers to accept and may act on verbal or facsimile instructions or other instructions on electronic form (including electronic mail) given by authorised officers of the Managers and/or the delegates or distributors specified in writing by the Managers (or as the case may be, by the relevant delegate or distributor) to the Trustee.
- 43.19 The Trustee shall not be responsible for any misconduct, mistake, oversight, error of judgment, forgetfulness or want of prudence on the part of the Managers or any such persons acting as agents or adviser of the Trustee or the Managers.

#### **44. Termination of the Fund**

- 44.1 Subject to section 295 of the SFA, the Fund may be terminated by the Trustee by notice in writing as hereinafter provided in any of the following events namely:-
- (i) if the Managers go into liquidation (other than voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver or a judicial manager shall be appointed of the undertaking of the Managers or any part thereof or if they shall cease business; or
  - (ii) if on the expiration of 3 months after notifying the Managers that in the Trustee's opinion a change of managers is desirable in the interests of the Holders the Trustee has not found another corporation ready to accept the office of managers and of which the Trustee and any relevant statutory authority shall approve Provided Always That if the Managers shall be dissatisfied with the circumstances in which the Trustee's power of termination under this paragraph on any occasion is exercised the matter shall be referred to arbitration in accordance with the provisions of the Arbitration Act, Chapter 10 and such decision shall bind the Trustee and the Managers and all Holders; or
  - (iii) if it becomes illegal in the Republic of Singapore to continue the Fund or if in the opinion of the Trustee it becomes impracticable or inadvisable to continue the Fund; or
  - (iv) if the Trustee is desirous of retiring and a new trustee has not been appointed in accordance with Clause 29 of the Deed within 2 months after the Managers has been notified of such desire; or
  - (v) if the Authority so directs pursuant to the SFA.

The decision of the Trustee in any of the events in this paragraph 44.1 shall be final and binding upon the Managers and the Holders but the Trustee shall be under no liability on account of any failure to terminate the Fund pursuant to this paragraph 44.1 or otherwise. The Managers shall accept the decision of the Trustee and relieve the Trustee of any liability to it therefor and hold it harmless from any claims whatsoever on its part for damages or for other relief.

- 44.2 The Fund may be terminated by the Managers by notice in writing as hereafter provided (i) if at any time the aggregate of the value of the Assets of the Fund shall be less than S\$5,000,000 or (ii) if it becomes illegal in the Republic of Singapore to continue the Fund or (iii) if in the opinion of the Managers and the Trustee it becomes impracticable or inadvisable to continue the Fund or (iv) if the Authority so directs pursuant to the SFA.
- 44.3 The party terminating the Fund shall give notice thereof to the Holders in manner herein provided and by such notice fix the date at which such termination is to take effect which date shall not be less than 1 month after the service of such notice. The Managers shall give not less than 7 days (or such other notice period as may be permitted by the Authority) prior notice of such termination to the Authority.
- 44.4 The Fund may at any time after the date of the Principal Deed be terminated by Extraordinary Resolution of a meeting of the Holders duly convened and held in accordance with the provisions contained in the Schedule to the Deed on meetings of Holders and such termination shall take effect from the date on which the said resolution is passed or such later date (if any) as the said resolution may provide.
- 44.5 The Trustee may (with the consent of the Managers, such consent not to be unreasonably withheld) remove the Fund to the jurisdiction of a country other than Singapore, if it appears to the Trustee to be beneficial to the Fund and in the interests of the Holders to do so.

#### **45. Investment restrictions**

The investment guidelines issued by the Authority under Appendix 1 to the Code, which guidelines may be amended from time to time, shall apply to the Fund.

The Fund currently does not intend to carry out securities lending or repurchase transactions but may in the future do so, in accordance with the applicable provisions of the Code. Accordingly, the Fund may at such time in the future become subject to the provisions on securities lending and repurchase transactions as set out in the Code.

# 大華亞洲消費基金

## 發售計劃說明書