

PROSPECTUS
United Asia Top 50 Fund

**UNITED
ASIA TOP 50
FUND**

UNITED ASIA TOP-50 FUND

DIRECTORY

MANAGERS

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

Registered address:
80 Raffles Place
UOB Plaza
Singapore 048624

Operating office address:
80 Raffles Place
6th Storey
UOB Plaza 2
Singapore 048624

TRUSTEE

HSBC Institutional Trust Services (Singapore) Limited
(Company Registration Number: 194900022R)

Registered address:
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

Tan Peng Chin LLC
30 Raffles Place
#11-00 Chevron House
Singapore 048622

SOLICITORS TO THE TRUSTEE

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

IMPORTANT INFORMATION

UOB Asset Management Ltd (the “**Managers**”) accepts full responsibility for the accuracy of the information contained in this Prospectus of the United Asia Top-50 Fund (the “**Fund**”) and confirms, having made all reasonable enquiries, that to the best of its 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 herein misleading. Unless otherwise stated or the context otherwise requires, all terms not defined in this Prospectus have the same meanings as ascribed to them in the trust deed (as may be amended) constituting and relating to the Fund (the “**Deed**”).

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

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. This Prospectus may be supplemented or replaced from time to time to reflect material changes.

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 or domicile or (d) any restrictions or requirements under the Central Provident Fund (“**CPF**”) (Investment Schemes) Regulations and the terms and conditions in respect of the CPF Investment Scheme issued by the CPF Board thereunder (as the same may be amended, modified or supplemented from time to time), which may be relevant to the subscription, holding or disposal of Units and should inform themselves of and observe all such laws and regulations in any relevant jurisdiction that may be applicable to them. No representation is made as to the tax status of the Fund.

Investment in the Fund requires consideration of the usual risks involved in investing and participating in collective investment schemes and the risks of investing in the Fund. Details of the risks involved are set out in paragraph 9 of this Prospectus. Investors should consider these risks carefully before making an investment decision. Investors should note that their investments can be volatile and there can be no assurance that the Fund will be able to attain its objective. 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 in their investments. Investors should 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.

Investors should note that the Units are not listed on any stock exchange. Investors may subscribe for or realise their Units through the Managers or any agent or distributor appointed by the Managers subject to the ultimate discretion of the Managers in respect of the subscription, sale, switching, conversion or realisation of an investor's Units in accordance with and subject to the provisions in the Deed.

Applications may be made in other jurisdictions to enable the Units to be marketed freely in those jurisdictions.

All enquiries in relation to the Fund should be directed to the Managers, UOB Asset Management Ltd, or any agent or distributor appointed by the Managers.

UNITED ASIA TOP-50 FUND

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UNITED ASIA TOP-50 FUND

PROSPECTUS

The United Asia Top-50 Fund offered in this Prospectus is an authorised scheme constituted in Singapore 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 of trust (as may be amended) constituting the Fund.

1. BASIC INFORMATION

1.1 Name of the collective investment scheme

This Prospectus is in relation to a stand-alone, Singapore constituted, non-specialised collective investment scheme known as the United Asia Top-50 Fund (the “Fund”).

1.2 Date of registration and expiry of the Prospectus

The date of registration of this Prospectus with the Authority is 14 July 2010. This Prospectus is valid for 12 months after the date of registration (i.e. up to and including 13 July 2011) and will expire on 14 July 2011.

1.3 Principal Deed and Supplemental Deeds

The Fund is constituted as a unit trust by way of a trust deed dated 28 September 1999 (the “**Principal Deed**”) as supplemented by the following supplemental and amendment deeds (the “**Supplemental Deeds**”), all entered into between UOB Asset Management Ltd (the “**Managers**”) and HSBC Institutional Trust Services (Singapore) Limited (the “**Trustee**”):

- (a) the First Supplemental Deed dated 26 September 2000;
- (b) the Second Supplemental Deed dated 25 September 2001;
- (c) the Third Supplemental Deed dated 26 September 2002;
- (d) the First Amendment Deed dated 1 July 2003;
- (e) the Second Amendment Deed dated 24 September 2004;
- (f) the Third Amendment Deed dated 7 October 2005;
- (g) the Fourth Amendment Deed dated 2 August 2006;

- (h) the Fifth Amendment Deed dated 29 June 2007;
- (i) the Sixth Amendment Deed dated 30 July 2007;
- (j) the Seventh Amendment Deed dated 28 July 2008;
- (k) the Eighth Amendment Deed dated 29 May 2009;
- (l) the Ninth Amendment Deed dated 21 July 2009; and
- (m) the Tenth Amendment Deed dated 14 July 2010.

The Principal Deed as amended by the foregoing shall hereinafter be referred to as the “**Deed**”.

A copy of the Deed is available for inspection free of charge at the operating office of the Managers at 80 Raffles Place, 6th Storey, UOB Plaza 2, Singapore 048624, during normal business hours (subject to such reasonable restrictions as the Managers may impose) and will be supplied by the Managers to any person 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).

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

Investors should note that this Prospectus includes some of the provisions found in the Deed, which have to a large extent been summarised. Not all provisions of the Deed are reflected in this Prospectus.

Investors should read the Deed for full details.

1.4 Reports and accounts

A copy of the latest semi-annual and annual report, semi-annual accounts and audited annual accounts as well as the auditors’ report on the annual accounts relating the Fund may be obtained during normal business hours (subject to such reasonable restrictions as the Managers may impose) from the Managers at their operating office at 80 Raffles Place, 6th Storey, UOB Plaza 2, Singapore 048624, upon request.

2. THE MANAGERS

The managers of the Fund are UOB Asset Management Ltd (referred to as “**UOBAM**” in this paragraph), whose registered office is at 80 Raffles Place, UOB Plaza, Singapore 048624.

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 24 years and as of 31 May 2010, manages about S\$14.8 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 2010, UOBAM manages 50 unit trusts in Singapore, with total assets of about S\$3.01 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 110 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 at 31 May 2010, UOBAM has a staff strength of over 200 including 46 investment professionals in Singapore.

Investors should note that the past performance of the Managers is not necessarily indicative of their future performance.

3. THE TRUSTEE

The Trustee of the Fund is HSBC Institutional Trust Services (Singapore) Limited whose registered office is at 21 Collyer Quay, #14-01, HSBC Building, Singapore 049320.

4. OTHER PARTIES

4.1 The Registrar

The registrar of the Fund is the Trustee. The register of Holders (the “**Register**”) for the Fund is kept at 60 Alexandra Terrace #10-12/13, The Comtech, Singapore 118502. A copy of the Register will also be kept at 156 Cecil Street #08-03 Far Eastern Bank Building, Singapore 069544. Both the Register and the copy of the Register are accessible to the public during normal business hours (subject to such reasonable restrictions as the registrar or the Managers (as the case may be) may impose). Under the Deed, the Trustee may appoint an agent to carry out the Trustee’s duties in relation to the Register on the Trustee’s behalf.

The Register is conclusive evidence of the number of units in the Fund (collectively the “**Units**” and each a “**Unit**”) held by each Holder and the details in the Register will prevail in the event of any discrepancy between the entries in the Register and the details appearing on any statement of holding, unless the Holder proves to the satisfaction of the Managers and the Trustee that the Register is incorrect.

4.2 The Auditors

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

4.3 The Custodian

The custodian of the Fund is State Street Bank and Trust Company (the “**Custodian**”¹) whose registered office is at 225 Franklin Street, Boston, MA 02110, U.S.A. and/or such other custodian as may be appointed from time to time in respect of the Fund or any of its assets.

5. STRUCTURE OF THE FUND

The Fund is a Singapore-authorized stand-alone open-ended non-specialised unit trust.

6. INVESTMENT OBJECTIVE, FOCUS AND APPROACH

6.1 Investment objective

The investment objective of the United Asia Top-50 Fund is to achieve long-term capital appreciation by investing, directly or indirectly, in Authorised Investments issued by not more than 50 in total of the top corporations or any other entities either unincorporated or incorporated in or whose principal operations are in, Asia, as may from time to time be determined by the Managers. These companies can be listed in any of the stock exchanges of the world.

¹ “**Custodian**” means the person or persons appointed by the Trustee to be the custodian of any of the Deposited Property pursuant to the provisions of the Deed.

6.2 Authorised Investments

The authorised investments of the Fund (the “**Authorised Investments**”) are any of the following investments:

- (a) any investment which is of a kind in which trustees are for the time being authorised by any written law for the time being in force to invest in trust funds;
- (b) any Quoted Investment²;
- (c) any investment in respect of which application for listing or for permission to deal has been made to a Recognised Stock Exchange³ 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 12 weeks (or such other period as may be agreed between the Managers and the Trustee) or in respect of which the Managers are satisfied that the subscription or other transactions will be cancelled if the application is refused;
- (d) any investment which is a unit in any unit trust scheme or a participation in a mutual fund;
- (e) any Unquoted Investment⁴;
- (f) for purposes of hedging and efficient portfolio management only, any derivative including but not limited to any swap, futures contract, forward contract, option, index futures, foreign exchange transaction and forward rate transaction (including but not limited to currency options) or any combination or variation of these derivatives; and
- (g) any investment which is not covered by sub-paragraphs (a) to (f) but is selected by the Managers for the purpose of investment of the assets of the Fund and approved by the Trustee,

provided always that if the Fund is a CPFIS Included Fund⁵, the Authorised Investments shall not include any investment except such investment for the time being approved by the relevant authorities in Singapore for investment by members of the Central Provident Fund (“**CPF**”) Board pursuant to the CPF Investment Scheme (“**CPFIS**”) Regulations or for investment by the Fund to enable it to qualify as a CPFIS Included Fund.

² “**Quoted Investments**” means any investments which are for the time being quoted, listed or dealt in on a Recognised Stock Exchange or OTC Market.

³ “**Recognised Stock Exchange**” means any recognised stock exchange, futures exchange and organised securities exchange in Asia and such other stock exchange, futures exchange and organised securities exchange selected by the Managers with the approval of the Trustee.

⁴ “**Unquoted Investment**” means any investment which is not quoted, listed or dealt with on any Recognised Stock Exchange or OTC Market.

⁵ “**CPFIS Included Fund**” means a fund that has been included by the CPF Board under the CPFIS for investment by CPF members.

6.3 Investment focus

The majority of the companies in which the Fund will invest in will be those that are competitive, well managed and offer attractive growth prospects over a multi-year investment horizon. These companies will be already among the leaders in Asia and have the ambition and ability to use and profit from these changed success factors.

These companies will be likely to exhibit some or all of the following characteristics:

- (a) focus on industry sectors that exhibit higher growth on a global scale (not just because the local industry may be less mature than elsewhere);
- (b) local or regional leadership already in place and with ambitions to expand, not just to maintain that position;
- (c) high quality professional management at both senior and mid-level;
- (d) focus on maximizing value for shareholders, using techniques such as Economic Value Added (EVA) and corporate risk management;
- (e) a base in the more advanced Asian economic/political countries; and
- (f) products or services with a high added-value competitive edge (such as technology), and the ability and desire to invest to develop that advantage.

These companies are likely to be found in Japan, Korea, Taiwan, Hong Kong SAR and Singapore. However, there are others in Malaysia, India, Indonesia, the Philippines, China, Thailand and other Asian countries that also possess unique strength and competitive edge which could be included for investment.

6.4 Investment approach

- (a) The Fund will invest in 2 categories of companies: those that are either strong and competitive on a global or regional basis, or those that are strong within their domestic markets.
- (b) While the main focus will be on long term growth, the Managers will only invest in companies where valuation levels can be justified.
- (c) Competitive edge will be defined in terms of:
 - (i) superiority of products and service;
 - (ii) business franchise;
 - (iii) distribution capability;
 - (iv) forward looking management;

- (v) shareholder value oriented management style;
- (vi) financial strength;
- (vii) research and development capability; and
- (viii) high barriers to entry of competitors.

6.5 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.
- (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 Deposited Property. Such exposure will be calculated by converting the derivative positions into equivalent positions in the underlying assets embedded in those derivatives.
- (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 objective 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, the Managers' middle office department is empowered to instruct the relevant officers to rectify the same. Any non-compliance will be reported to higher management and monitored for rectification.
 - (iii) *Liquidity.* In the event of 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 and in its income stream and incur extra costs associated with the exercise of its financial rights. The Managers will restrict their dealings with counterparties to entities that have a minimum long-term issuer credit rating of above BB+ by Standard and Poor's, an individual rating of above C by Fitch Inc. or a financial strength rating of above C by Moody's Investors Service or an equivalent rating from any other reputable rating agency. 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 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 value of such instruments are available, and will conduct such verification on a regular basis, which is expected to be at least once a month.

(d) The Managers will ensure that the risk management and compliance procedures and controls adopted are adequate 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.

7. INCLUSION UNDER THE CPF INVESTMENT SCHEME

The Fund is included by the CPF Board under the CPFIS-Ordinary Account for subscription by members of the public using their CPF monies. However, the Managers shall no longer accept any application for subscriptions, switches or RSP (as defined in paragraph 11 below) subscriptions into the Fund using CPF monies with effect from 1 April 2008. **Accordingly, all references and provisions in this Prospectus relating to the use of CPF monies for subscriptions and RSPs, including, without limitation, under paragraphs 8.1 (in the row entitled "Subscription Fee"), 10.1(b), 10.9 and 11, shall cease to be applicable and have no effect until such time as the Managers decide to again accept subscriptions and/or RSPs into the Fund using CPF monies.**

The Fund has been classified by the CPF Board under the risk classification of "**Higher Risk-Narrowly Focused-Regional-Asia**".

Under the Central Provident Fund Act (Chapter 36) of Singapore (the “**CPF Act**”), the CPF Board currently pays a legislated minimum annual interest rate of 2.5% on monies in the CPF ordinary account. The CPF interest rate is based on the 12-month fixed deposit and month-end savings rates of the major local banks and is revised by the CPF Board quarterly. The interest is computed monthly and is credited and compounded annually.

The interest rate for the Special and Medisave Accounts (“**SMA**”) is pegged to the 12-month average yield of 10-year Singapore government securities (10YSGS) plus 1%. From 1 January 2010, the interest rate to be credited to the Retirement Account (“**RA**”) will be the weighted average interest of the entire portfolio of Special Government Securities (SSGS), adjusted yearly in January, in which the RA savings are invested in, which earn a fixed coupon equal to the 12-month average yield of the 10YSGS plus 1% at the point of issuance. For 2010, the minimum interest rate for the SMA and RA is 4.0% per annum. After 31 December 2010, the 2.5% per annum legislated minimum interest rate, as prescribed by the CPF Act, will apply to the SMA and RA.

In addition, the CPF Board pays an extra interest rate of 1% per annum on the first S\$60,000 of a CPF member’s combined balances, including up to S\$20,000 in the CPF Ordinary Account. The first S\$20,000 in the CPF Ordinary Account and the first S\$30,000 in the CPF Special Account are not allowed to be invested under the CPFIS. With effect from 1 July 2010, the first S\$40,000 in CPF Special Account will not be allowed to be invested under the CPFIS.

Investors should note that the applicable interest rates for each of the CPF accounts may be varied by the CPF Board from time to time.

Subscriptions using CPF monies shall at all times be subject to the regulations and such directives or requirements imposed by the CPF Board from time to time.

8. FEES AND CHARGES

8.1 All fees and charges payable by the Holders and payable out of the Fund are outlined in the following table:

Payable by a Holder	
Subscription Fee	For Units purchased with cash, SRS monies: Currently 5%, maximum 5%. For Units purchased with CPF monies: Currently 3%, maximum 3%.
Realisation Charge	Currently Nil.
Switching fee ¹	Currently 1%; maximum 2%.

Payable out of the Fund to the Managers, the Trustee or other parties	
Annual Management Fee	Currently 1.5%; maximum 1.75%.
Annual trustee fee	Currently not more than 0.05% (subject to a minimum of S\$5,000); maximum 0.175% p.a. ² .
Annual Valuation Fee (payable to the Managers)	Currently 0.125%; maximum 0.2%.
Audit fee ³ , custodian fee ⁴ and other fees and charges ⁵	Subject to agreement with the relevant parties, each of the fees or charges may exceed 0.1% p.a. ⁶ , depending on the proportion that each fee or charge bears to the net asset value of the Fund.
Annual Registrar Fee	Currently S\$15,000; maximum S\$25,000.

Notes:

- ¹ In the case of a switch of Units in the Fund to units of any other fund managed by the Managers (“**New Fund**”), the switching fee referred to relates to the 1% subscription fee imposed by the Managers for investment into the New Fund. Such 1% switching fee would, in the case of a New Fund which normally imposes a subscription fee of more than 1%, effectively translate to a discount of the subscription fee of the New Fund.
- ² The annual trustee fee for the Fund is subject always to a minimum sum of S\$15,000 or such other smaller sum as may be agreed in writing from time to time between the Trustee and the Managers.
- ³ The audit fee payable is subject to agreement with the Auditors for the relevant financial year.
- ⁴ The custodian fee payable to the Custodian 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.
- ⁵ Other fees and charges include printing costs, professional fees, goods and services tax and other out-of-pocket expenses.
- ⁶ Based on the net asset value of the Fund as at 31 May 2010, the Managers anticipate that the aggregate of legal and professional and printing and stationery expenses for the current financial year (on the assumption that such fees and charges would be similar to that incurred in the previous financial year) would exceed 0.1% of the net asset value of the Fund.

As required by the Code on Collective Investment Schemes issued by the Authority (the “**Code**”), all marketing, promotional and advertising expenses in relation to the Fund will be borne by the Managers and not charged to or borne by the Fund.

9. RISKS

9.1 General risks

- (a) 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, credit risks of issuers, foreign exchange risks, repatriation risks, political risks, liquidity risks and derivatives risks.
- (b) 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.
- (c) Investors should be aware that the value of Units and the income accruing to the Units may fall or rise. Investors may not get back their original investment.

There is no guarantee that the investment objective of the Fund will be achieved.

9.2 Specific risks

(a) *Market risk*

Investors in the Fund 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 value of Units to rise or fall.

Furthermore, some of the markets or exchanges on which the Fund may invest may prove to be illiquid or highly volatile from time to time and this may affect the price at which the Fund may liquidate its positions to meet realisation requests.

(b) *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 Singapore Dollar 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. Such considerations include but are not limited to the outlook on the relevant currency, the costs of hedging and the market liquidity of the relevant currency.

(c) *Political risk*

The investments in 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 the relevant countries.

(d) *Derivatives risk*

As the Fund may be investing in derivatives for efficient portfolio management and/or hedging, it will be subject to risks associated with such investments. These derivatives include foreign exchange forward contracts and equity index future contracts. Investment in derivatives may require the deposit of initial margin and additional deposit of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, the Fund's investment may be liquidated at a loss. Therefore, it is essential that such investments in derivatives are monitored closely. The Managers have the necessary controls for investments in derivatives and have in place systems to monitor the derivative positions for the Fund. Please refer to paragraph 6.5 above for more information.

(e) *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.

(f) *Single country, sector and regional risk*

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

(g) *Exceptional market conditions risk*

Under certain market conditions, it may be difficult or impossible to liquidate or rebalance positions. For example, this may occur during volatile markets or crisis situations or where trading under the rules of the relevant stock exchange is suspended, restricted or otherwise impaired. During such times, the Fund may be unable to dispose of certain assets due to thin trading or lack of a market or buyers. Placing a stop-loss order may not necessarily limit a Fund's losses to intended amounts as market conditions may make it impossible to execute such an order at the ideal price. In addition, such circumstances may force the Fund to dispose of assets at reduced prices, thereby adversely affecting the Fund's performance. Further, such investments may be difficult to value with any degree of accuracy or certainty. The dumping of securities in the market could further deflate prices. If the Fund incurs substantial trading losses, the need for liquidity could rise sharply at the same time that access to liquidity is impaired. Further, in a market downturn, the Fund's counterparties' financial conditions could be weakened, thereby increasing the Fund's credit risk to them.

(h) *Risk of institutional investors*

The Managers may accept subscriptions from institutional investors and such subscriptions may constitute a large portion of the total investments in the Fund. Whilst these institutional investors will not have any control over the Managers' investment decisions, the actions of such investors may have a material effect on the Fund. For example, substantial realisations of Units by an institutional investor over a short period of time could necessitate the liquidation of the Fund's assets at a time and in a manner which does not provide the most economic advantage to the Fund and which could therefore adversely affect the value of the Fund's assets.

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

10. SUBSCRIPTION OF UNITS

10.1 Subscription procedure

- (a) Applications for Units may be made by submitting the application form attached to this Prospectus to the Managers or any agents or distributors appointed by the Managers from time to time, or through any 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 or any other website designated by the Managers, if applicable. The acceptance or non-acceptance of applications for Units shall be at the absolute discretion of the Managers acting in consultation with the Trustee and in the best interests of the Fund.

Applications should be accompanied by such documents as may be required, with the subscription monies in full, failing which the Managers reserve the right to reject the relevant application. 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.

Applicants who wish to make payment by telegraphic transfer may do so and should contact the Managers for details regarding such form of payment. All bank charges incurred in respect of a telegraphic transfer will be borne by the applicant.

- (b) Investors may subscribe for Units either with cash, Supplementary Retirement Scheme (“**SRS**”) monies or CPF 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 subscription monies in respect of Units applied for.

Investors wishing to use their CPF monies to purchase Units shall indicate so on the application form which contains the investor's instructions to the investor's CPF agent bank to withdraw from the investor's CPF Investment Account the purchase monies in respect of the Units applied for. Investors using CPF monies to invest in the Fund may not be registered as joint Holders.

10.2 Minimum initial subscription amount and minimum subsequent subscription amount

The minimum initial subscription amount for the Fund is \$1,000 (in Singapore Dollars or its equivalent in US Dollars or such other currencies at the applicable rate of exchange as determined by the Managers) and subsequent subscription amounts must be in multiples of \$500 (in Singapore Dollars or its equivalent in US Dollars or such other currencies at the applicable rate of exchange as determined by the Managers). Holders must have a holding of not less than the minimum initial subscription amount of the Fund or such number of Units which at the issue price prevailing at the time of the initial purchase was or would have been purchased for the minimum initial subscription amount.

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

10.3 Dealing Deadline and pricing basis

- (a) The dealing deadline in relation to the Fund on any Dealing Day⁶ is at 3 p.m. Singapore time on that Dealing Day ("**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 and nothing in the Deed shall prevent the Managers from determining that the time of day shall in relation to any Dealing Day be a time of day on any day selected by the Managers which precedes that Dealing Day).

Therefore, if any application for Units is received by the Managers or any other agent/distributor up to the Dealing Deadline in respect of a Dealing Day, the issue of Units shall be effected on that Dealing Day. If any application for Units is received after the Dealing Deadline in respect of a relevant Dealing Day, such application shall be treated as having been received before the Dealing Deadline in respect of the next Dealing Day.

- (b) Units are issued on a forward pricing basis. Therefore, the issue price cannot be ascertained at the time of application. The issue price per Unit shall be ascertained

⁶ "**Dealing Day**" 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. If on any day which would otherwise be a Dealing Day the Recognised Stock Exchange or OTC 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 such day shall not be a Dealing Day.

by calculating the net asset value as at the Valuation Point⁷ in relation to such Dealing Day on which such issue occurs of the proportion of the Deposited Property represented by one Unit and truncating the resultant amount to 3 decimal places (or such other method of rounding 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.

- (c) The Managers shall be entitled to convert the issue price to a foreign currency at the applicable rate of exchange as determined by the Managers. The cost of the currency exchange, if any, will be borne by the investor. Currently, the Managers accept the purchase of Units with both Singapore Dollars and US Dollars and will quote the issue price in Singapore Dollars and its equivalent in US Dollars at the applicable rate of exchange. In future, the Managers may accept the purchase of Units in any other foreign currency and will quote the issue price in such currency at the applicable rate of exchange. Acceptance of subscriptions in currencies other than Singapore Dollars is at the discretion of the Managers and subject to the provisions of the Deed and such additional terms as they may impose from time to time.

- 10.4 In the event of arrangements being made by the Managers for the issue of Units for delivery in any countries outside Singapore, the price at which such Units may be issued may at the Managers’ discretion include (as an addition to the issue price) a further amount sufficient to cover any additional stamp duty or taxes payable in that country in respect of such issue or the remittance of money to Singapore.
- 10.5 The Managers may differentiate between applicants as to the amount of the Subscription Fee to be charged (within the permitted limit) on such basis or scale as the Managers may think fit.
- 10.6 If a Holder is resident outside Singapore the Managers shall be entitled to deduct from the total amount which would otherwise be payable in accordance with the Deed on the purchase from the Holder an amount equal to the excess of the expenses actually incurred over the amount which would have been incurred if the Holder had been resident in Singapore.
- 10.7 For compliance with anti-money laundering laws and guidelines, the Managers or their authorised distributors reserve the rights to request such information or documents as is necessary to verify the identity of an applicant.

⁷ “**Valuation Point**” means 7 a.m. Singapore time on the day following the relevant Dealing Day on which the value of the assets of the Fund is to be determined or such other time as the Managers may determine with the prior approval of the Trustee who shall decide if a notice to notify the Holders of such determination by the Managers is required.

10.8 Numerical example of the computation of Units allotted

The number of Units an investor will receive with a Gross Investment Amount of S\$1,000.00 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 example above is a hypothesis and is not indicative of any future issue price. The actual issue price will fluctuate according to the then prevailing net asset value of the Fund.

The number of Units to be issued to an investor will be rounded down to 2 decimal places (the method of adjustment and the number of decimal places to which adjustment occurs may be varied by the Managers from time to time with the approval of the Trustee).

10.9 Confirmation of purchase

An investor who invests in the Fund will be sent a confirmation of his purchase within 5 Business Days⁸ for cash applications and within 11 Business Days for SRS and CPF applications, from the date of issue of Units.

10.10 Cancellation of subscription

Subject to provisions under the Deed and to the terms and conditions for cancellation of subscription in the cancellation form to be provided together with the application form for Units, every Holder shall have the right by notice in writing delivered to the Managers or their authorised agents or distributors to cancel his subscription for Units within 7 calendar days provided that where the last day of the time period falls on a Sunday or public holiday in Singapore, the time period shall be extended to the next calendar day, not being a Sunday or public holiday in Singapore.

A Holder may choose to realise his Units under paragraph 12 of this Prospectus instead of cancelling his subscription for Units but he will not be able to enjoy the benefits of a cancellation under this paragraph if he chooses to realise his Units (i.e. there will be no refund of the Subscription Fee and 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.

⁸ "Business Day" means a day (other than a Saturday or Sunday or a public holiday) on which banks in Singapore are open for business or any other day as the Managers and the Trustee may agree in writing.

Investors should refer to the terms and conditions for the cancellation of subscriptions in the cancellation form before subscribing for Units.

11. REGULAR SAVINGS PLAN

Holders may participate in 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 would have been purchased for S\$1,000 or its equivalent in US Dollars or such other currency as the Managers may decide based on the issue price prevailing on the date of application, whichever is the lower number (or such other number of Units as the Managers may from time to time determine) before embarking on a RSP. A Holder may opt to invest a minimum sum of S\$100 (or such other amount as may be determined by the Managers) on a fixed day per month or S\$500 (or such other amount as may be determined by the Managers) on a fixed day per quarter through Interbank GIRO payment (or such other amounts or in such other currencies as the Managers may determine from time to time).

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

For RSP using CPF monies, Holders must complete a CPF Standing Instruction Form 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 account, SRS account or CPF account (as the case may be) on the 25th calendar day (or next Business Day if that day is not a Business Day) of (a) the relevant month (in the case of monthly RSP subscriptions); and (b) 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, SRS monies and CPF monies, 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 attributable to the Holder’s participation in the RSP.

A Holder may terminate his participation without penalty upon giving 30 days’ written notice to the Managers.

12. REALISATION OF UNITS

12.1 Realisation procedure

Requests for realisation of Units may be made by submitting realisation forms which may be obtained from any agent or distributor as the Managers may appoint from time to time or through ATMs (as and when ATM realisations are made available by the Managers, or their authorised agents or distributors, if applicable), or through the Managers' website at uobam.com.sg, or any other website as the Managers may from time to time designate, or any other channels, if applicable.

12.2 Dealing Deadline and pricing basis

- (a) The Managers will, on receipt by them or their duly authorised agents of a realisation request in writing (or in such other form or manner as may be approved from time to time by the Managers) by a Holder (or in the case of Joint-All Holders⁹ both the Joint-All Holders and in the case of Joint-Alternate Holders¹⁰ any one of the two Joint-Alternate Holders), realise his Units at the realisation price. If any realisation request is received and accepted by the Managers or any of their authorised agents or distributors up to the Dealing Deadline in respect of a Dealing Day, Units will be realised at that Dealing Day's realisation price calculated in accordance with sub-paragraph (b) below. If any realisation request is received and accepted by the Managers or any authorised agent or distributor after the Dealing Deadline in respect of a relevant Dealing Day, such realisation request will be treated as having been received before the Dealing Deadline in respect of the next Dealing Day.
- (b) Units are realised on a forward pricing basis. Therefore, the realisation price cannot be ascertained at the time of request. The realisation price per Unit shall be ascertained by calculating the net asset value as at the Valuation Point in relation to the Dealing Day on which the realisation request is received and accepted of the proportion of the Deposited Property then represented by one Unit, truncated to 3 decimal places (or such other method of rounding or other number of decimal places as determined by the Managers with the approval of the Trustee). The Managers may, if applicable, 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 shall be retained by the Managers for their own benefit and the amount of the adjustment aforesaid shall be retained by the Fund.

⁹ "**Joint-All Holders**" means Joint Holders whose mandate the Managers and the Trustee shall act upon only if given by both of such Joint Holders. "**Joint Holders**" means subject to the provisions of the Deed, such persons, not exceeding two in number, for the time being entered in the Register as joint holders of a cash Unit, who shall hold the Unit either as Joint-All Holders or Joint-Alternate Holders.

¹⁰ "**Joint-Alternate Holders**" means Joint Holders whose mandate the Managers and the Trustee shall act upon if given by either of such Joint Holders.

- (c) The Managers shall be entitled to convert the realisation price to a foreign currency at the applicable rate of exchange as determined by the Managers. The cost of the currency exchange, if any, will be borne by the Holder. Currently, the Managers accept the purchase 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 in such event, quote the realisation price in such currency at the applicable rate of exchange.
- (d) If a Holder is resident outside Singapore, the Managers will be entitled to deduct from the total amount which would otherwise be payable to the Holder on realisation 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.
- (e) For the avoidance of doubt, should a realisation request for any Units be received and accepted 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 Dealing Day following that upon which the subscription monies in respect of such Units have been received by the Trustee.
- (f) Bank charges (if any) incurred in respect of a telegraphic transfer of realisation proceeds to a Holder's bank account will be borne by the Holder.

12.3 Minimum holding and minimum realisation amount

Unless the Managers and the Trustee otherwise agree, a Holder may not realise less than 100 Units in each request or realise part only of his holding of Units if thereafter his holding would be less than 1,000 Units or such number of Units which at the issue price prevailing at the time of the initial purchase was or would have been purchased for S\$1,000 or its equivalent in US Dollars or such other currency as the Managers may decide.

12.4 Limit to realisations

With a view to protecting the interests of all Holders the Managers are entitled (with the approval of the Trustee) to limit the total number of Units which Holders are entitled to realise. The Managers are also entitled to cancel, 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 is to be applied on a pro rata basis 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 is the same for the Managers and for all such Holders. In such case, any Units which are not realised or cancelled shall be realised or cancelled on the next succeeding Dealing Day, provided that if on the next succeeding Dealing Day the total number of Units to be cancelled or realised, including those carried forward from any earlier Dealing Day, shall exceed the aforesaid limit the Managers shall be entitled to further carry forward the requests for realisation or cancellation until such time as the total number of Units to be cancelled or

realised on a Dealing Day falls within the aforesaid limit, and provided further that any Units which have been carried forward as aforesaid shall on any such succeeding Dealing Day be realised or cancelled in priority to any new Units of that Fund due to be realised or cancelled on that Dealing Day. If realisation requests are carried forward as aforesaid, the Managers will give notice to the Holders of Units affected thereby within 7 Business Days that such Units have not been realised or cancelled and that (subject as aforesaid) they shall be realised or cancelled on the next succeeding Dealing Day.

12.5 Numerical example of the computation of Net Realisation Proceeds

The Net Realisation Proceeds payable to an investor on a realisation of 1,000 Units and on a notional realisation price of S\$0.900* will be calculated as follows:

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

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

** There is currently no Realisation Charge payable.

12.6 The Net Realisation Proceeds will normally be paid by cheque or credited to the Holder's CPF Investment Account or SRS account, as applicable, within 6 Business Days in Singapore (or such other period as may be permitted by the Authority) from the Dealing Day on which the realisation form is received and accepted by the Managers or their duly authorised agent or distributor unless the realisation of Units has been suspended in accordance with paragraph 15 below.

13. SWITCHING OF UNITS

Subject to the provisions of the Deed, the Managers may on the application of a Holder effect the switching of Units in the Fund to units of any other Group Fund¹¹, save that (i) Units purchased with CPF monies may only be switched for units of a Group Fund which may be subscribed or purchased with CPF monies; and (ii) Units purchased with SRS monies may only be switched for units of a Group Fund which may be subscribed or purchased with SRS monies.

¹¹ "Group Fund" means a unit trust scheme the managers of which are the Managers or a corporation under their control or under common control with them or at least 50% of the share capital of which is held by a corporation which is a shareholder of the Managers and which shall approve the terms of any switch which may be made under the provisions of the Deed.

14. OBTAINING PRICES OF UNITS

The indicative issue and realisation prices will be published in The Straits Times, The Business Times, Lianhe Zaobao, Today, Teletext and such other publication(s) as the Managers may decide upon, can also be obtained from the Managers' website at 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 22 22 228. The actual prices quoted will generally be published 2 Business Days after the relevant Dealing Day in Singapore Dollars and 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. Save for publications by the Managers, the Managers do not accept any responsibility for errors on the part of publishers concerned in the prices published in the newspapers or such other publication or for any non-publication or late publication of prices by any publisher and will incur no liability in respect of any action taken or loss suffered by investors upon such publication by such publisher.

15. SUSPENSION OF DEALINGS

15.1 The Managers may, with the Trustee's approval, suspend the issuance and realisation of Units during:

- (a) any period when the Recognised Stock Exchange on which any 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;
- (b) the existence of any state of affairs which, in the opinion of the Managers and the Trustee, constitutes an emergency as a result of which disposal of investments would not be reasonably practicable or might seriously prejudice the interest of the Holders as a whole and of the Fund;
- (c) any breakdown in the means of communication normally employed in determining the Value of any Investment or when for any reason whatsoever the Value of any Investment cannot, in the Managers' opinion, be promptly and accurately ascertained (including any period when the fair value of a material portion of the Authorised Investments cannot be determined);
- (d) any period when remittance of moneys which will or may be involved in the realisation of investments or payment for Investments cannot, in the Managers' opinion, be reasonably carried out at normal rates of exchange;
- (e) any period when realisation of Units is suspended pursuant to Clauses 12.5 and 12.7 of the Deed;
- (f) any period when the issue of Units is suspended pursuant to any order or direction of the Authority;

- (g) any 48-hour period (or such longer period as may be agreed between the Managers and the Trustee) prior to the date of any meeting of Holders (or any adjourned meeting thereof); or
- (h) 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, revolutions, civil unrest, riots, strikes or acts of God.

15.2 Such suspension shall take effect forthwith upon the declaration in writing thereof to the Trustee by the Managers (or, as the case may be, to the Managers by the Trustee) and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other condition under which suspension is authorised under paragraph 15.1 above shall exist upon the declaration in writing thereof by the Managers (or, as the case may be, the Trustee).

16. PERFORMANCE OF THE FUND

16.1 Past performance

The performance of the Fund and its benchmark as of 31 May 2010 are set out below.

	<u>1 year</u>	<u>3 years</u>	<u>5 years</u>	<u>10 years</u>	<u>Since inception</u>
Fund (NAV-NAV) ¹²	7.45%	-12.43%	-1.26%	-1.49%	-2.40%
Fund (NAV-NAV [^]) ¹³	2.07%	-13.91%	-2.26%	-1.99%	-2.87%
Benchmark: MSCI AC Far East Index	7.45%	-10.05%	0.64%	-1.59%	-1.88%

Source: Lipper, a Thomson Reuters company.

Inception date: 22 November 1999.

[^]Taking into account the Subscription Fee.

Investors should note that past performance of the Fund is not necessarily indicative of the future performance of the Fund.

16.2 Expense ratio

The expense ratio for the Fund for the financial year ended 30 June 2009 is 2.14%.

¹² Calculated in S\$ on a NAV-to-NAV basis as at 31 May 2010, 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.

¹³ Calculated in S\$ on a NAV-to-NAV basis as at 31 May 2010, 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.

The expense ratio for the Fund has been calculated in accordance with the guidelines on disclosure of expense ratios issued by the Investment Management Association of Singapore and based on the latest audited accounts of the Fund (dated 30 June 2009).

The following expenses as set out in the IMAS Guidelines (as may be updated from time to time), are (where applicable) excluded from the calculation of the above 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 distributions paid to Holders.

16.3 Turnover ratio

The turnover ratio of the Fund for the financial year ended 30 June 2009 is 81.60% and has been calculated based on the lesser of purchases or sales of underlying investments expressed as a percentage of the daily average net asset value of the Fund.

17. **SOFT DOLLAR COMMISSIONS/ARRANGEMENTS**

- 17.1 The Managers may from time to time receive or enter into soft dollar commissions/arrangements in respect of the management of the Fund. The Managers will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Managers may receive or enter into include specific advice as to the advisability of dealing in or of 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/arrangements shall not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payment.
- 17.2 The Managers may not receive or enter into soft dollar commissions/arrangements unless: (a) such soft dollar commissions/arrangements shall in the opinion of the Managers, assist the Managers in their management of the Fund; (b) the Managers shall ensure at all times that 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 (c) no unnecessary trades are entered into in order to qualify for such soft dollar commissions/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.

18. CONFLICTS OF INTEREST

- 18.1 The Managers are of the view that there is no conflict of interest in managing their other funds and the Fund because of the following structures in place:
- (a) Investment decisions for the Fund are made impartially. There are no preferred customers or funds and all accounts are treated equally.
 - (b) All investment ideas are shared equally among fund managers.
 - (c) The Managers subscribe to the Code of Ethics and the Standards of Professional Conduct as prescribed by the Chartered Financial Analyst Institute (“**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.
 - (d) In addition, despite the possible overlap in the scope of investments, none of the funds are identical to one another and investment decisions are made according to the individual risk return characteristic of the fund.
 - (e) 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 will adopt an average pricing policy whereby orders that are partially fulfilled on a particular day will be allotted proportionately among the funds based on their respective initial order size and such quantity allotted will be at the average price of such investments on that particular day.
- 18.2 The Managers and the Trustee will conduct all transactions with or for the Fund on an arm’s length basis.
- 18.3 Associates of the Trustee may be engaged to provide banking, brokerage or financial services to the Fund. Such services, where provided, will be on an arm’s length basis.

19. REPORTS

- 19.1 The financial year-end of the Fund is 30 June. Holders shall receive (i) the semi-annual report and the semi-annual accounts of the Fund to Holders within 2 months of its financial half-year end (or such other periods as may be permitted by the Authority) and (ii) the annual report, the annual accounts and the Auditors’ report on the annual accounts of the Fund to Holders within 3 months of its financial year-end (or such other periods as may be permitted by the Authority).

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

20. QUERIES AND COMPLAINTS

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

24 Hour Hotline No : 1800 2222 228
Fax No. : 6532 3868
E-mail : uobam@uobgroup.com

21. OTHER MATERIAL INFORMATION

21.1 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 interests 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 described in the Code), the Managers will inform the relevant Holders of such internal measure no 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.

- 21.2 The Managers may change the investment objective of the Fund (a) with the approval of the Trustee if the Trustee shall be of the opinion that any change would not amount to a significant or material change prejudicial to the interests of the Holders and the relevant authorities (if necessary), (b) upon giving the Holders of the Fund not less than 90 days' notice or such other notice period as may be agreed between the Managers and the Trustee and (c) upon the lodgment of a new prospectus of the Fund.

21.3 Exemptions from liability

- (a) 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.
- (b) Neither the Trustee nor the Managers shall be responsible for the authenticity of any signature on any statement of account or any seal affixed to any endorsement or any certificate or to any form of transfer or application, or other document (sent by 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 a seal affixed to such endorsement, form of transfer or application 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.
- (c) The Trustee and the Managers shall incur no liability to the Holders for doing or (as the case may be) failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order or judgement 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.
- (d) 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.
- (e) Neither the Managers nor the Trustee shall be responsible to the Fund or any Holder for any loss or damage arising from reasons or causes beyond their control, or the control of any of their employees, including without limitation, nationalisation, war, terrorism, currency restrictions, civil unrest, riots or strikes, nuclear fusion or acts of God.

- (f) In no event shall a Holder have or acquire any rights against the Trustee and the Managers or either of them save such as are expressly conferred upon such Holder by the Deed nor shall the Trustee be found to make any payment to any Holder except out of funds held by or paid to it for that purpose under the provisions of the Deed.

21.4 Custody of Investments

- (a) Any investments forming part of the assets of the Fund shall, if in bearer form, be held by or on behalf of or deposited with the Trustee for the purpose of safe custody. Any 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 or its nominee and shall remain so registered until disposed of pursuant to the provisions of these presents. The Trustee shall be entitled, if it considers that it is expedient to do so, to cause to be deposited in safe custody with any banker or agent of the Trustee the documents of title to any Investment held upon the trusts of these presents. Subject as aforesaid the Trustee or its agents upon payment of a fee to be agreed upon shall retain the documents of title to all investments held upon the trusts of these presents in its possession in safe custody. Any expense of whatever nature incurred by the Trustee in effecting such registration or providing such safe custody shall be payable out of the assets of the Fund. Notwithstanding the provisions of Clause 23.1 of the Deed, the Trustee may, for the purpose of securing any borrowings made pursuant to Clause 15.5 of the Deed, cause any investment forming part of the assets of the Fund to be deposited with or registered in the name of any banker or person approved by the Managers.

- (b) Acts performed by officer, agent or nominee of Trustee:

With regard to the provisions of the Deed which provides for (a) any act or matter to be done by the Trustee such act or matter may be performed on behalf of the Trustee by an officer of the Trustee or the agent or nominee of the Trustee and (b) the vesting of Authorised Investments, such provision shall be deemed also to relate to any nominee of the Trustee. The Trustee shall be entitled to procure:

- (i) the Trustee; or
- (ii) any officer of the Trustee jointly with the Trustee; or
- (iii) any nominee appointed by the Trustee; or
- (iv) any such nominee and the Trustee; or
- (v) any custodian, co-custodian or sub-custodian appointed pursuant to this paragraph; or
- (vi) any company operating a recognised clearing system in respect of the investments involved; or

- (vii) any broker, financial institution or other person with whom the sum is deposited in order to satisfy any requirement to deposit margin or security,

to take delivery of and retain and/or be registered as proprietor of any Investments or other property held upon the trusts of these presents. Without prejudice to Clause 23.1 of the Deed, the Trustee may from time to time appoint such person or persons as it thinks fit as custodian or joint custodian of the whole of or any part of the assets of the Fund and may empower any such custodian or joint custodian to appoint, with the prior consent in writing of the Trustee, sub-custodian. The fees and expenses of any such custodian, joint custodian or sub-custodian shall be paid out of the assets of the Fund.

21.5 Notwithstanding anything in the Deed, the following provisions shall apply:

- (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 (each a “**Depository**”), except where (i) the Trustee is responsible for procuring the Depository and the Trustee has failed to exercise reasonable skill and care in the procurement of such Depository in respect of the Authorised Investments involved or (ii) the Trustee is in wilful default;
- (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 except where (i) the Trustee has failed to exercise reasonable skill and care in the selection, appointment and monitoring of such appointee (having regard to the market in which the relevant appointee is located) or (ii) the Trustee is in wilful default; 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 it, except where the Trustee has failed to exercise reasonable skill and care in the procurement of such sub-custodian.

21.6 Distribution of income and capital

The Managers have the absolute discretion to determine whether a distribution is to be made, and as and when the Managers decide, the Managers may by notice in writing direct the Trustee to distribute such part or all of the income, and if the Managers deem fit, such part or all of the net capital gain realised on the sale of investments in respect of the amount available for distribution for each relevant period at such time and in accordance with such method of calculations as the Trustee and Managers may agree having regard to the provisions of the Deed.

21.7 Investment restrictions

The investment guidelines for non-specialised funds issued by the Authority under the Code which guidelines may be amended from time to time, shall apply to the Fund.

The investment restrictions for CPFIS Included Funds issued by the CPF Board which guidelines may be amended from time to time, shall apply to the Fund.

The Managers may engage in securities lending transactions and invest in derivatives and accordingly, are subject to the provisions on securities lending and derivatives as set out in the foregoing.

发售计划说明书
大华亚洲50大企业基金

大华

亚洲50大企业基金

FUND