

PROSPECTUS  
United Enhanced Income Fund

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UNITED  
ENHANCED  
INCOME  
FUND

# UNITED ENHANCED INCOME FUND

## **Directory**

### **Managers**

UOB Asset Management Ltd  
(Company Registration No. 198600120Z)

Registered Address:  
80 Raffles Place, UOB Plaza  
Singapore 048624

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

### **Trustee**

RBC Dexia Trust Services Singapore Limited  
(Company Registration No. 199504677Z)

Registered Address:  
20 Cecil Street  
#28-01 Equity Plaza  
Singapore 049705

### **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**

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

# UNITED ENHANCED INCOME FUND

## Important Information

UOB Asset Management Ltd (the “**Managers**”) accept full responsibility for the accuracy of the information contained in this Prospectus of the **UNITED ENHANCED INCOME FUND** (the “**Fund**”) and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no facts the omission of which would make any statement herein misleading. Unless otherwise stated or the context otherwise requires, all undefined terms in this Prospectus have the same meanings as ascribed to them in the deed of trust dated 9 May 2007 (as may be amended) 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 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 in the Fund (“**Units**”). This Prospectus may be supplemented or replaced from time to time to reflect material changes.

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 and 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.

Investors should carefully consider the usual risks involved in investing and participating in collective investment schemes and the risks of investing in the Fund before making an investment decision. Details of the risks involved are set out in [paragraph 8](#) of this Prospectus. 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 on their investments. Investors should satisfy themselves of the suitability to them of an investment in the Fund based on their personal circumstances.

The Fund will use financial derivative instruments for investment purposes. While the prudent use of derivatives can be beneficial, derivatives also involve risks different from and in certain cases, greater than, the risks presented by more traditional investments. Some structured derivative transactions are complex and may involve a high degree of loss.

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 offered by the Fund 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, switch, 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 ENHANCED INCOME FUND

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# UNITED ENHANCED INCOME FUND

*The United Enhanced Income Fund is constituted in Singapore and is an authorised scheme under the Securities and Futures Act (Chapter 289) (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. 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 United Enhanced Income 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 United Enhanced Income Fund (the “**Fund**”). The Managers are presently offering for subscription units in the Fund (“**Units**”) for such period as the Managers may decide from time to time.

### 1.2 Date of registration and expiry of the Prospectus

The date of registration of this Prospectus with the Authority is 27 April 2010. This Prospectus is valid for 12 months after the date of registration (i.e., up to and including 26 April 2011) and will expire on 27 April 2011.

### 1.3 The Deed

- (a) The Fund is constituted as a unit trust by way of a deed of trust dated 9 May 2007 (the “**Principal Deed**”) between UOB Asset Management Ltd (the “**Managers**”) and RBC Dexia Trust Services Singapore Limited (the “**Trustee**”). The Principal Deed has been amended by the following deeds (collectively, the “**Supplemental Deeds**”):

	<b>Date</b>
First Amendment Deed	29 June 2007
Second Amendment Deed	9 May 2008
Third Amendment Deed	29 May 2009
Fourth Amendment Deed	27 April 2010

The Principal Deed as amended by the Supplemental Deeds will hereinafter be referred to as the “**Deed**”.

- (b) The Deed is binding on the Managers, the Trustee and each unitholder (each a “**Holder**”) and all persons claiming through the Holders as if such persons had each been a party to the Deed.

- (c) Investors should note that this Prospectus includes some of the provisions found in the Deed, which have to a large extent been summarised and that not all provisions of the Deed are reflected in this Prospectus. ***Investors should read the Deed for full details.***
- (d) Copies of the Deed are available for inspection free of charge at the Managers' operating office 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 upon request 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).

#### 1.4 Accounts and reports

Copies of the latest semi-annual and annual reports, the Auditor's report on the annual accounts, the semi-annual accounts and the audited annual accounts relating to 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**

### 2.1 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 28 February 2010, manages about S\$14.69 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 28 February 2010, UOBAM manages 49 unit trusts in Singapore, with total assets of about S\$3.06 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 109 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 28 February 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 AND THE CUSTODIAN

The trustee of the Fund is RBC Dexia Trust Services Singapore Limited (the “**Trustee**”), whose registered office is at 20 Cecil Street, #28-01 Equity Plaza, Singapore 049705.

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

### 4. OTHER PARTIES

#### 4.1 The Registrar

The registrar of the Fund is the Trustee and the register of Holders (the “**Register**”) is kept and maintained 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 any other party (including, without limitation, the Managers) to carry out and administer the Trustee’s duties in relation to the Register.

The Register is conclusive evidence of the number of Units held by each Holder. The entries in the Register shall prevail over 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.

#### 4.2 The Auditors

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

## 5. STRUCTURE OF THE FUND

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

The Managers have the discretion to establish different classes of Units within the Fund from time to time. The Managers may launch and issue any class of Units established subsequent to the date of this Prospectus either at an Issue Price per Unit of S\$1.00 or such other fixed price per Unit as the Managers may determine in consultation with the Trustee. All existing Units at the time of the establishment of the new class of Units will be re-classified.

## 6. INVESTMENT OBJECTIVE, FOCUS AND APPROACH

### 6.1 Investment objective, focus and approach

#### (a) Investment objective

The investment objective of the Fund is to provide investors with:

- (i) regular payouts;
- (ii) capital growth; and
- (iii) optimum risk adjusted total return.

#### (b) Investment focus and approach

In order to achieve the investment objective, the Fund will primarily invest in cash, cash-equivalents, high quality bonds and other fixed income instruments, and will use derivative transactions (please see [paragraph 6.2](#)) to enhance the yield and capital growth of the Fund while taking steps to reduce the downside risk. The Fund may also invest in other Authorised Investments to achieve its investment objective.

The Fund may purchase fixed income securities issued or guaranteed by sovereign or other governmental, quasi-government or supranational entities or agencies. The Managers may also make investments in fixed income securities issued by various organisations, companies and other entities that have a credit rating of at least Baa3 by Moody's Investors Service or BBB- by Standard and Poor's or an equivalent rating from any other reputable rating agency.

### 6.2 Derivative transactions

#### (a) The Managers will employ various strategies to enhance the yield and capital growth of the Fund. The Managers will:

- (i) analyse the potential returns generated by exposure to the strategies and select those strategies with a high ratio of return to risk and/or volatility, and

in particular, to target a return at a volatility that is less than that experienced in the general markets for that expected level of return;

- (ii) allocate diversified strategy positions in a combination of asset classes with the objective of supporting regular income payouts and enhancing the yield and capital growth of the Fund; and
  - (iii) measure, monitor and manage the level of risks related to the Fund's exposure to such strategies.
- (b) To achieve its investment objective, the Fund may from time to time invest in financial derivative instruments, including options, warrants and swaps (“**Instruments**”), which are selected by the Managers.
- (c) The Managers will employ rigorous research and analysis to ensure that:
- (i) the use of the Instruments will enhance the yield and capital growth of the Fund with low risk and volatility (i.e. with a high return-to-risk ratio); and
  - (ii) risks in relation to any negative performance of any investment strategy will be minimized to the extent which the Managers consider reasonable.
- (d) To further mitigate the risks relating to use of the Instruments, the Managers will enter into Instruments only with counterparties which are banks or financial institutions with a minimum long-term issuer credit rating of above BB+ by Standard and Poor's, an individual rating of above C by Fitch Inc, a financial strength rating of above C by Moody's Investors Service or an equivalent rating from any other reputable rating agency.
- (e) Without prejudice to the generality of the foregoing, the Fund may invest in Instruments which are linked to the performances of various investment or trading strategies or indices selected by the Managers. Where appropriate and consistent with the Managers' risk management procedures, the Managers will employ ancillary techniques or instruments designed to limit the Fund's exposure to loss under the Instruments.

Examples of investments which may be entered into by the Fund:

- (i) The Fund may enter into unfunded index swaps with counterparties to seek to replicate proprietary trading strategies which takes advantage of multi-asset arbitrage opportunities within and across various asset classes, for example, bond yields versus short-term interest rates, equity earnings yields versus short-term interest rates, interest rate differentials between different currencies or risk premium differences between implied and realized equity volatility. Other examples of such proprietary trading strategies include the relative out-performance of a dynamically selected basket of currencies against a fixed basket of currencies, as well as arbitrage opportunities from the early identification of trends in interest rates, interest rate differentials

between long-term and short-term interest rates and interest rate spreads between different interest rate curves. One or a combination of strategies will be selected by the Managers through a pre-determined process over short trading periods, with the makeup of each strategy being adjusted from time to time based on pre-defined risk-return adjusted criteria.

- (ii) The Fund may enter into funded swaps with various counterparties such that the investment amounts are swapped for the performance of an “underlying”. Examples of such underlyings may include a basket of pre-selected securities, or a combination of one or more proprietary indices or trading strategies which take advantage of multi-asset arbitrage opportunities within and across various asset classes such as equities, bonds, currencies, interest rates or other assets. Such underlyings may be adjusted from time to time based on pre-defined risk-return adjusted criteria.

The Managers will monitor any downside performance of such Instruments, and may, in appropriate circumstances, take steps to limit losses through the use of options and other instruments in conjunction with the relevant Instrument.

***Investors should note that the above are only examples of Instruments which the Fund may invest into and shall not limit the ability of the Fund to invest in other Instruments and/or Authorised Investments.***

- (f) The Fund may invest in other financial derivative instruments which are Authorised Investments.

### 6.3 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, and/or meeting the investment objective of the Fund. Please see paragraph 6.2 above for more information.
- (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, which will include money market instruments, fixed income securities and Instruments. 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 (if any) 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 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 Instruments and other financial instruments 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., 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 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. One of the aims of the Fund is to target a return at a volatility that is less than that experienced in the general markets for that expected level of return. 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 sub-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.

- (vii) *Fixed income securities.* The Fund will invest in fixed income securities and will be subject to the risks that are typical of such instruments, such as interest rate risks and default risk. Interest rate risks will arise from unexpected changes in the term structure of interest rates, which are in turn dependent on general economic conditions. In addition, such investments are subject to the specific ability of the issuers of such securities to meet their debt obligations and are hence dependent on the financial health of the issuers, which may change adversely over time due to their specific business conditions and general market conditions. The Managers will restrict investments in fixed income securities to those issued or guaranteed by sovereign or other governmental, quasi-government or supranational entities or agencies or those issued by organisations, companies and other entities that have a credit rating of at least Baa3 by Moody's Investors Service or BBB- by Standard and Poor's or an equivalent rating from any other reputable rating agency.
- (viii) *Foreign exchange/Currency risk.* The Fund may have exposure, either directly or indirectly to a wide range of currencies, some of which may be restricted in terms of convertibility. The Managers may hedge the exposure to these currencies to the Singapore Dollar, possibly leading to a reduced overall gain or greater loss on currency swap transactions entered into by the Fund. The Fund may also employ strategies to invest in certain currencies while borrowing in other currencies, and this may result in losses if the net movements of the various currencies pairs move in unfavourable directions. The Managers will select transactions in currencies that are likely to yield favourable returns to the Fund based on their historical trends.
- (ix) *Cash assets.* The cash assets of the Fund will be invested in one of the following:
  - (1) government or other public body securities with a minimum credit rating of A3 by Moody's Investors Service or A- by Standard and Poor's;
  - (2) certificates of deposit rated A and above by either Fitch, Standard and Poor's or Moody's Investors Service;
  - (3) commercial paper which are issued by issuers with a minimum short-term credit rating of F2 by Fitch Inc or A2 by Standard and Poor's or P2 by Moody's Investors Service;
  - (4) repurchase agreements with counterparties which have, or which are guaranteed by third parties with, ratings of A2 by Standard and Poor's or P2 by Moody's Investors Service;

- (5) daily dealing money market funds which have a minimum short-term credit rating of F2 by Fitch Inc or A2 by Standard and Poor's, or long-term ratings of A by Fitch Inc or A by Moody's Investors Service or A by Standard and Poor's; and
- (6) deposits with Singapore-incorporated banks licensed under the Banking Act (Chapter 19 of Singapore) or financial institutions with either a minimum short-term issuer credit rating of F2 by Fitch Inc or A2 by Standard and Poor's, or a minimum short-term bank deposit rating of P2 by Moody's Investors Service,

or, in each case, with an equivalent rating from any other reputable rating agency.

- (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.

#### 6.4 Distribution policy

In this paragraph:

**“Dealing Day”** shall have the meaning given to it in paragraph 9.4 herein.

**“Distribution Date”** shall mean any date on which a distribution is made (whether under sub-paragraph (a)(i) or sub-paragraph (a)(ii)).

**“Observation Date”** means:

- in respect of the first Observation Date, the Trade Date; and/or
- in respect of each subsequent Observation Date, the Distribution Date falling in June each year,

and/or on such other dates as the Managers may from time to time determine.

**“Trade Date”** means 2 July 2007.

- (a) The Managers currently aim to make the following distributions to Holders:
  - (i) Regular distributions.

The Managers aim to make regular bi-monthly distributions. The first distribution was made on the last Dealing Day of October 2007. Subsequent distributions will be made on the last Dealing Day of every alternate calendar month thereafter, or on such other dates as the Managers may from time to time determine.

The distribution rate will be determined by the Managers from time to time at their discretion. Currently, the Managers aim to distribute, during each distribution period, up to 10% of the net asset value per Unit calculated as of an Observation Date (net of any distributions made up to and including that date, including bonus distributions (if any)). In this sub-paragraph, a “**distribution period**” refers to the period commencing after the relevant Observation Date up to and including the next Observation Date.

*Investors should refer to sub-paragraph (d) below for important notes on distributions.*

- (ii) Annual bonus distributions.

If the net asset value per Unit on an Observation Date (the “**Relevant Date**”) is higher than the net asset value per Unit on the previous Observation Date, the Fund will make a bonus distribution equal to 50% of the amount of increase (if any) in the net asset value per Unit on the Relevant Date.

*The calculation of net asset value per Unit on any Observation Date for the purpose of determining annual bonus distributions shall be net of any distributions made by the Fund up to and including that date, including a distribution which is made under sub-paragraph (a)(i) on that Observation Date.*

Illustrations:

If the net asset value per Unit on the Trade Date is S\$1.00 and the net asset value per Unit on the next Observation Date (net of any other distributions) is S\$1.50, the bonus distribution will be  $(50\% \times \{1.50 - 1.00\})$  S\$0.25 per Unit.

If the net asset value per Unit on the Trade Date is S\$1.00 and the net asset value per Unit on the next Observation Date (net of any other distributions) is S\$0.95, no bonus distribution will be made.

*Investors should refer to sub-paragraph (d) below for important notes on distributions.*

- (b) Distributions shall be based on the number of Units held by each Holder as at the Distribution Date as evidenced by the Register. Distributions will be paid to Holders within 30 Business Days from the relevant Distribution Date. For clarity, since all Distribution Dates fall on Dealing Days, Holders who realise their Units on a Distribution Date or who submit a realisation request on a Distribution Date (whether before or after the Dealing Deadline) or whose realisation request is in the course of being processed on a Distribution Day will not be treated as a registered Holder in respect of the Units realised on that Distribution Date or

as set out in the realisation request and therefore, will not receive the relevant distribution in relation to those Units.

- (c) A Holder may at the time of an initial application for Units make a request in writing (a “**Distribution Reinvestment Mandate**”) to elect for the automatic reinvestment of all (but not part) of the net amount of distributions to be received by him in the purchase of further Units (including fractions of Units, if any). A Distribution Reinvestment Mandate once made shall apply to all of the Units then held by the same Holder at any particular time and such Distribution Reinvestment Mandate may only be withdrawn by the Holder giving the Managers not less than 30 days’ notice in writing prior to the date of any particular distribution. If a Holder has withdrawn the Distribution Reinvestment Mandate, the distribution to be made to such Holder shall be the relevant amount in cash available for distribution in respect of such Holder’s holding of Units.
- (d) *Investors should note that the making of distributions is at the absolute discretion of the Managers and that distributions are not guaranteed. If distributions are made, such distributions are not in any way a forecast, indication or projection of the future or likely performance of the Fund. The making of any distribution shall not be taken to imply that further distributions will be made. The Managers reserve the right to vary the frequency and/or amount of distributions and the discretion to determine whether distributions will be paid out or reinvested. Distributions from the Fund may be made out of the income and/or out of the capital of the Fund. Where distributions are to be made out of the capital of the Fund, Holders will be notified accordingly of the proportion of the distribution which is made out of the capital of the Fund. Investors should also note that the declaration and/or paying of dividends or payouts (whether out of capital or otherwise) may have the effect of lowering the net asset value of the Fund.*

## 6.5 Authorised Investments

- (a) The authorised investments of the Fund (“**Authorised Investments**”) include the following Investments:
- (i) any Quoted Investment which is selected by the Managers for the purpose of investment of the Deposited Property;
  - (ii) any Investment in respect of which an application for listing for permission to deal has been made to a Recognised Market 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 such other period as may be agreed between the Managers and the Trustee) or in respect of which the Managers are satisfied that the subscriptions or other transactions will be cancelled if the application is refused;
  - (iii) any Unquoted Investment which is selected by the Managers for the purpose of investment of the Deposited Property;

- (iv) any Investment which is a unit in any unit trust scheme or a share or participation in an open-ended mutual fund or other collective investment scheme;
- (v) the currency of any country or any contract for the spot purchase or sale of any such currency or any forward contract of such currency;
- (vi) any Investment denominated in any currency;
- (vii) any Investment which is a future, option, forward, swap, collar, floor or other derivative; and
- (viii) any Investment which is not covered by sub-paragraphs (i) to (vii) above selected by the Managers and approved by the Trustee.

The Investments described in sub-paragraphs (v) and (vii) above shall be used for the purposes of (1) hedging existing positions in a portfolio or efficient portfolio management; and/or (2) meeting the investment objective of the Fund. Please refer to paragraphs 6.2 and 6.3 above for more information.

- (b) The investment guidelines and borrowing limits for non-specialised funds under the Code on Collective Investment Schemes issued by the Authority (the “**Code**”, as the same may be amended or re-enacted from time to time) shall apply to the Fund. Investors may obtain the latest version of the Code from the Authority’s website, [www.mas.gov.sg](http://www.mas.gov.sg).

## 7. FEES AND CHARGES

### 7.1 Fees and charges table

<b>Fees payable by a Holder</b>	
Subscription Fee	Currently 5%; maximum 5%.
Realisation Fee	Currently 0%; maximum 2%.
Switching Fee <sup>(1)</sup>	Currently 1%; maximum 1%.
<b>Fees payable by the Fund to the Managers, the Trustee and other parties</b>	
Management Fee	Currently 1.5% per annum; maximum 2% per annum.
Trustee Fee	Currently below 0.05% per annum (subject always to a minimum of S\$10,000 per annum). Maximum 0.1% per annum. One time inception fee of S\$5,000.
Registrar fee	The higher of S\$15,000 per annum or 0.125% per annum, subject to a maximum of S\$25,000 per annum.
Valuation and accounting fees	0.125% per annum.
Audit fee <sup>(2)</sup> , custodian fee and other fees and charges <sup>(3)</sup>	Subject to agreement with the relevant parties. Each of the fees or charges may exceed 0.1% per annum <sup>(4)</sup> , depending on the proportion that each of the fees or charges 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 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 that normally imposes a subscription fee of more than 1%, effectively translate into a discount of the subscription fee of the New Fund.

<sup>(2)</sup> The audit fee is subject to agreement with the Auditors for the relevant financial year.

<sup>(3)</sup> Other fees and charges include printing costs, professional fees, goods and services tax and other out-of-pocket expenses. The Fund may also invest in Instruments from time to time and fees may be payable by the Fund for such investments.

<sup>(4)</sup> Based on the net asset value of the Fund as of 31 January 2010, the Managers anticipate that none of the other fees or charges for the current financial year would exceed 0.1% per annum of the net asset value of the Fund.

7.2 As required by 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 Deposited Property.

- 7.3 The Subscription Fee and Realisation Fee will be retained by the Managers for their own benefit, and will not form part of the Deposited Property. Any commission, remuneration or other sum payable to agents in respect of the issue or sale of any Units will be paid by the Managers.
- 7.4 The Managers may at any time differentiate between applicants as to the amount of the Subscription Fee, Realisation Fee, 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).

## 8. RISKS

### 8.1 General risks

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

Investment in the Fund is meant to produce returns over the long-term and investors should not expect to obtain short-term gains from such investment. The value of Units and the income accruing from the Units may fall or rise and investors may not get back their original investment.

### 8.2 Specific risks

#### (a) Market risk

As some of the Instruments entered into by the Fund will allow the Fund to participate in the performance of listed and unlisted securities and their derivatives, the usual risks of investing and participating in listed and unlisted securities apply. Prices of securities may go up or down in response to changes in economic conditions, interest rates and the market's perception of securities which in turn may cause the value of Units to rise or fall.

Investments in bonds and other fixed income securities are subject to interest rate fluctuations and credit risks, such as risk of default by issuers.

Bond prices may go up or down in response to interest rates with increases in interest rates usually leading to falling bond prices.

Investments in fixed income securities are subject to adverse changes in the financial condition of the issuer, or in general economic conditions, or both, or an unanticipated rise in interest rates, which may impair the ability of the issuer to make payments of interest and principal.

(b) Interest rate risk

Interest rates are determined by factors of supply and demand in the international money markets which are influenced by macroeconomic factors, speculation and central bank and government intervention. Fluctuations in short term and/or long term interest rates may affect the value of the Fund. Fluctuations in interest rates of the currencies in which investments of the Fund are denominated and/or fluctuations in interest rates of the currencies in which the underlying assets comprised in the investments of the Fund are denominated may affect the value of the Fund.

(c) Derivatives risk

The Fund may enter into Instruments, which are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. Such assets, rates and indices may include bonds, stocks, interest rates, currency exchange rates, bond indices and stock indices.

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

The Managers may use derivatives for hedging and efficient portfolio management, and/or to meet the investment objective of the Fund.

Investments in derivatives may require the deposit of initial margin and additional deposit of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, the Fund's investments may be liquidated at a loss. Therefore, it is essential that such investments in derivatives are monitored closely.

(d) Underlying risk

An investment in the Fund is subject to the volatility of any Instrument employed by the Fund and/or any assets, securities, investment/trading strategies and/or indices underlying the Instrument. Investors should note that distributions will be linked to the performance of the Instruments and the underlying assets, securities, investment/trading strategies and/or indices.

Exposure of the Fund through an Instrument to assets, rates or indices can be volatile and move dramatically over short periods of time. Whilst some Instruments offer diversified exposure to multiple asset classes, rates and/or indices, and may restrict weighting in which it takes notional trading positions, there can be no assurance that these trading positions will not be subject to substantial loss. Profits earned may therefore be reduced or eliminated entirely due to movements in any of these market parameters.

In addition, exposure of the Fund may be calculated in a currency other than Singapore Dollars. The underlying assets, securities, investment/trading strategies and/or indices of any Instrument may also be denominated in other currencies. Accordingly, movements in the foreign exchange rate will also have an impact on the value of the Fund. It should be noted that since foreign exchange rates are unpredictable, such movements could well have a material adverse impact on the value of the Fund and the price of Units.

(e) Counterparty credit risk

The Fund may enter into Instruments, which exposes 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 incurrance 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.

(f) 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 foreign currencies against the Singapore Dollar may affect the value of the 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 the 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.

(g) 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. In particular, exposure of the Fund to any underlying assets, securities, investment/trading strategies and/or indices of an Instrument which is, as the case may be, located in or focused on any particular market may in turn expose the Fund to the political risks of that market.

(h) 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.

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

## 9. SUBSCRIPTION AND ISSUE OF UNITS

### 9.1 How Units may be subscribed and paid for

Applications for Units may be made to the Managers by submitting the application form attached to this Prospectus or through any agents or distributors appointed by 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 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 sales channel, if applicable. 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. Applicants may make payment for Units by telegraphic transfer and should contact the Managers for details regarding such payment. All bank charges incurred in respect of a telegraphic transfer will be borne by the applicant.

Investors have a choice of paying for Units with cash or SRS (as defined below) monies.

Investors wishing to use their SRS monies to purchase Units shall indicate so on the application form (which will contain the investor's instructions to his SRS Operator (as defined below) to withdraw from his SRS Account (as defined below) the subscription monies in respect of the Units applied for).

Currently, the Managers accept payment in both Singapore Dollars and US Dollars. The Issue Price will be calculated and quoted in Singapore Dollars and (where applicable) in its equivalent in US Dollars by conversion at the applicable Rate of Exchange (as defined below). 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 at their sole discretion.

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 investor.

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.

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

In this Prospectus:

“**Rate of Exchange**” means such exchange rate (whether official or otherwise) which the Managers, after consultation with the Trustee or in accordance with a method approved by the Trustee, deem appropriate in all circumstances.

“**SRS**” means the scheme referred to by the Minister of Finance as the Supplementary Retirement Scheme or such other scheme as shall replace or supersede the Supplementary Retirement Scheme from time to time.

“**SRS Account**” means an account opened by an investor with a participating branch of a designated SRS Operator for the purpose of an investment under the SRS.

“**SRS Operator**” means any of the designated banks as appointed by the Minister of Finance from time to time to operate SRS Accounts.

## 9.2 The minimum initial subscription and minimum subsequent subscription amounts

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 notice to the Trustee.

### 9.3 Issue Price

Units shall be issued on a forward pricing basis. Therefore, the Issue Price of such Units will not be ascertained at the time an application is made.

Units will be issued on each Dealing Day at an Issue Price that is ascertained by the Managers by calculating the net asset value as at the applicable Valuation Point in relation to the particular 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 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 will be retained by the Managers for their own benefit and the amount of the adjustment will be retained by the Fund. The Managers’ policy in relation to the valuation of the assets of the Fund is set out in paragraph 21.3 of this Prospectus.

The Managers may, in consultation with the Trustee and in accordance with the provisions of the Deed, make fixed price offers of Units from time to time.

No certificates for Units will be issued.

Any change to the method of determining the Issue Price will be effected with the consent of the Trustee, who will determine whether Holders should be informed of the change.

### 9.4 Pricing and Dealing Deadline

The Managers administer the Fund by stipulating the days on which transactions in Units are permitted, and the times by which (among other things) applications or instructions must be received for transactions in Units to take place as of a particular day or time.

The Issue Price is based on the net asset value of the Fund at the relevant Valuation Point.

The dealing deadline is 3 p.m. Singapore time on any Dealing Day (“**Dealing Deadline**”). Applications received and accepted by the Managers or any other agent or distributor by the Dealing Deadline will be transacted on that day at that Dealing Day’s Issue Price. Applications received and accepted by the Managers or any other agent or distributor after the Dealing Deadline or on a day which is not a Dealing Day will be transacted on the next Dealing Day. The Managers will be entitled to convert the Issue 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 accept the purchase of Units in 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 such additional terms as they may impose from time to time.

In this Prospectus:

“**Business Day**” means a day (other than a Saturday, Sunday or 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.

“**Dealing Day**”, in connection with the subscription and realisation of Units, means every Monday of the week, and if a Monday is not a Business Day, then the Dealing Day will be the Business Day immediately following that Monday in that week, or such Business Day or Business Days at such intervals as the Managers may from time to time determine with prior notification to the Trustee, who will decide whether Holders should be informed of such determination.

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

The Deed sets out the circumstances in which the issue of Units may be suspended. The relevant provisions are summarised in paragraph 15 of this Prospectus.

#### 9.5 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).

## 9.6 Confirmation of purchase

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

## 10. **REGULAR SAVINGS PLAN**

Holders may participate in the 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 to join the RSP (or such other number of Units as the Managers may from time to time determine).

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 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, the Holder 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 relevant application form.

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

The RSP sum will be debited from the account indicated on the relevant application form 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) or on such other date as the Managers may determine. The investment will be made on the next Dealing 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.

A Holder may terminate his participation in the RSP without penalty upon giving not less than 30 days’ written notice to the Managers. The Managers reserve the right to terminate or suspend the RSP at any time in their absolute discretion by giving at least 30 days’ notice to the affected Holders.

The Managers shall not assume any liability for any losses attributable to a Holder’s participation in the RSP.

## 11. REALISATION OF UNITS

### 11.1 How Units may be realised

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

Realisations of Units may be suspended in the situations described in paragraph 15 of this Prospectus.

### 11.2 Minimum holding amount and minimum realisation amount

A Holder can realise Units in full or partially, but will not be entitled to realise part of his holding of Units if, as a consequence of such realisation, his holding in the Fund would be reduced to less than the Minimum Holding. Where any realisation request would result in the Holder holding less than the Minimum Holding, the Managers will require such Holder to realise all of his holding of Units.

In this Prospectus:

“**Minimum Holding**” means 1,000 Units or such number of Units as may be subscribed for S\$1,000 or its equivalent in such other currency as the Managers may decide or such other number of Units or amount as may from time to time be determined by the Managers.

Presently, no Holder may realise less than 100 Units in each request.

The Managers may, with a view to protecting the interests of all Holders of the Fund and with the approval of the Trustee, limit the total number of Units which Holders may realise on any Dealing Day to 10% of the total number of Units then in issue (disregarding any Units which have been agreed to be issued). Such limitation will be applied pro rata to all Holders who have validly requested realisations on such Dealing Day.

The realisations of Units may be suspended in the situations described in paragraph 15 of this Prospectus.

### 11.3 Dealing deadline and pricing basis

Requests for realisation of Units received and accepted by the Managers or any of their authorised agents or distributors by way of realisation forms (or in such other form or manner as may be approved from time to time by the Managers) by the Dealing Deadline (i.e. 3 p.m. Singapore time on any Dealing Day) will be transacted on that day at that Dealing Day's Realisation Price. Requests received and accepted by the Managers after

the Dealing Deadline or on a day not being a Dealing Day will be transacted on the next Dealing Day at that Dealing Day's Realisation Price.

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 is 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 and accepted by the Managers of the proportion of the Deposited Property then represented by one Unit and truncating the resultant amount to 3 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 applicable, charge a Realisation Fee 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 Fee will be retained by the Managers for their own benefit and the amount of the adjustment aforesaid will be retained by the Fund.

Any change to the method of determining the Realisation Price will be effected with the consent of the Trustee, who will determine whether Holders should be informed of the change.

The Managers will 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 Holder. 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 in such event, quote the Realisation Price in such currency at the applicable Rate of Exchange.

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.

For the avoidance of doubt, should a realisation request for 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 Dealing Day following that upon which the subscription monies in respect of such Units have been received by the Trustee.

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.

#### 11.4 Numerical example of the computation of Net Realisation Proceeds

The Net Realisation Proceeds payable to a Holder on the realisation of 1,000.00 Units and on a notional Realisation Price of S\$0.900\* will be calculated as follows:

1,000 Units	x	S\$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 Fee (0%)		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.

The Net Realisation Proceeds will normally be paid by cheque or credited to the Holder's relevant account as applicable within 4 Business Days (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 the events set out in [paragraph 15](#) below.

## 12. SWITCHING OF UNITS

The Managers will 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 (if established) upon such terms and conditions as the Managers may from time to time determine in accordance with the provisions of the Deed.

## 13. CANCELLATION OF SUBSCRIPTION FOR UNITS

- 13.1 Subject to the provisions of 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 will 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 (or such longer period as may be agreed between the Managers and the Trustee or such other period as may be prescribed by the Authority) from the date of his initial subscription (the "**Cancellation Period**"), provided that where the last day of the Cancellation Period falls on a Sunday or public holiday in Singapore, the Cancellation Period will be extended to the next calendar day, not being a Sunday or public holiday in Singapore.

- 13.2 A Holder may choose to realise his Units under paragraph 11 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 13 if he chooses to realise his Units (i.e. there will be no refund of the Subscription Fee and the prevailing Realisation Fee, if any, may be imposed) and the Net Realisation Proceeds may be lower than the cancellation proceeds if the appreciation in the value of the Units is less than the aggregate of the Subscription Fee and the prevailing Realisation Fee, if any, as may be imposed.

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

#### **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 foreign publication as the Managers may decide upon and can also be obtained from the Managers' website at [ubam.com.sg](http://ubam.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 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. Save for publications of the Managers, the Managers do not accept responsibility for any errors on the part of the publisher concerned in the prices published in the newspapers or such other publication or for any non-publication or late publication of prices by such publisher, and will incur no liability in respect of any action taken or loss suffered by investors upon such publication or non-publication by such publisher.

#### **15. SUSPENSION OF DEALINGS**

- 15.1 The Managers or the Trustee may, with the prior written approval of the other, suspend the issue, realisation and valuation of Units in relation to the Fund during:
- (a) any period when the Recognised Market on which any Authorised Investments forming part of the Deposited Property for the time being are listed or dealt in is closed (otherwise than for public 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, might seriously prejudice the interests of the Holders as a whole or of the Deposited Property;
  - (c) any breakdown in the means of communication normally employed in determining the price of any of such Authorised Investments or the current price on the relevant Recognised Market or when for any reason the prices of any of such Authorised Investments or the amount of any liability of the Trustee and/or the Managers for

the account of the Fund cannot 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 such Authorised Investments or in the payment for such Authorised Investments for the time being constituting the Deposited Property cannot, in the opinion of the Managers and the Trustee, be carried out at normal rates of exchange;
- (e) any period, whereby subject to the approval of the Trustee, dealing of Units has to be suspended to effect the subdivision or consolidation of Units;
- (f) any period when the dealing 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 operation 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 will 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 will 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 such 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). Any payment for any Units realised before the commencement of any such suspension but for which payment has not been made before the commencement thereof may, if the Managers and the Trustee so agree, be deferred until immediately after the end of such suspension.

## **16. PERFORMANCE OF THE FUND**

### **16.1 Past performance**

There is no benchmark against which the performance of the Fund is measured, as there is no benchmark which can accurately reflect the investment objective, focus and approach of the Fund.

The performance of the Fund as at 22 February 2010 is set out in the table below:

	1 year	Since inception <sup>1</sup>
NAV – NAV <sup>2</sup>	6.48%	-8.41%
NAV – NAV <sup>3</sup>	1.15%	-10.29%

Source: Lipper, a Thomson Reuters company

<sup>^</sup>Taking into account the Subscription Fee.

***Past performance of the Fund is not necessarily indicative of the future or likely performance of the Fund.***

## 16.2 Expense ratio

The expense ratio for the Fund for the financial year ending 30 June 2009 is 1.95%. The expense ratio for the Fund has been 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, and such other expenses as may be set out in the IMAS Guidelines (as may be updated from time to time) (where applicable) are 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 or 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.

<sup>1</sup> Inception date is 2 July 2007.

<sup>2</sup> Calculated in S\$ on a NAV-to-NAV basis as at 22 February 2010, with all dividends and distributions reinvested (net of reinvestment charges). Performance figures show the percentage change since the inception date.

<sup>3</sup> Calculated in S\$ on a NAV-to-NAV basis as at 22 February 2010, taking into account the Subscription Fee, with all dividends and distributions reinvested (net of reinvestment charges). Performance figures show the percentage change since the inception date.

### 16.3 Turnover ratio

The turnover ratio for the Fund for the financial year ending 30 June 2009 is 29.25% and has been 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 of the Fund.

## 17. **SOFT DOLLAR COMMISSIONS/ARRANGEMENTS**

The Managers may from time to time receive or enter into soft-dollar commissions/arrangements in the management of the Fund. The Managers will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions/arrangements 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 and custodial service in relation to the investments managed for clients.

Soft-dollar commissions/arrangements will 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/arrangements unless (a) such soft-dollar commissions/arrangements would reasonably assist them in the management of the Fund, (b) the Managers will 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**

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 each 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 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 investment 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.

The Managers and the Trustee will conduct all transactions for and on behalf of the Fund on an arm's length basis.

## **19. REPORTS**

The financial year-end of the Fund is 30 June. The annual report, auditors' report on annual accounts and annual audited accounts in relation to the Fund will be prepared and sent to Holders within 3 months of the financial year-end to which the report and accounts relate (or such other period as may be permitted by the Authority). The semi-annual report and semi-annual accounts in relation to the Fund will be prepared and sent to Holders within 2 months of the financial half-year end to which the report and accounts relate (or such other period as may be permitted by the Authority).

## **20. QUERIES AND COMPLAINTS**

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

24 hour Hotline No	:	1800 22 22 228
Fax No	:	6532 3868
Email	:	<a href="mailto:uobam@uobgroup.com">uobam@uobgroup.com</a>

## **21. OTHER MATERIAL INFORMATION**

### **21.1 Market Timing**

The Fund is designed and managed to support its investment objective. 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 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 borne 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 other 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 the Trustee and provide notice to 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 interests of investors in the Fund.

## 21.2 Distributions

The Managers shall have the absolute discretion to determine whether a distribution is to be made and, 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 Net Income of the Fund and if the Managers deem fit such part or all of the net capital gains realised on the sale of Authorised Investments in relation to the Fund or (in the event that the income or capital gains of the Fund is insufficient) the capital of the Fund (or a combination of any of the above) in respect of the amount available for distribution referred to in the Deed for each Accounting Period or distribution period at such time and in accordance with such method of calculations as the Trustee and the Managers may agree having regard to the provisions of the Deed. Where distributions are to be made out of the capital of the Fund, Holders will be notified of the proportion of the distribution which is made out of the capital of the Fund.

## 21.3 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:

- (a) 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 (or, with the prior approval of the Trustee, the last bid price) as at the last official close on such Recognised Market (or at such other time as the Managers may from time to time after consultation with the Trustee determine). Where such Quoted Investment is listed, dealt or traded in more than one Recognised 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 Market for the foregoing purposes and, if there is no such official closing price, last known

transacted price or last transacted price, the value shall be calculated by reference to the last available prices quoted by responsible firms, corporations or associations on a Recognised Market at the time of calculation (or at such other time as the Managers may from time to time after consultation with the Trustee determine);

- (b) an Unquoted Investment, shall be calculated by reference to, where applicable: (i) the initial value thereof being the amount expended in the acquisition thereof; (ii) the 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 to represent the fair value of such Investment; or (iii) the sale prices of recent public or private transactions in the same or similar Investments, valuations of comparable companies or discounted cash flow analysis, as may be determined to represent the fair value of such Authorised Investment. 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;
- (c) 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;
- (d) 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
- (e) an Investment other than as described above, shall be valued (by a person approved by the Trustee as qualified to value such an Investment) 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 paragraphs 21.3(a) to 21.3(e) above are not available, or if the value of the Authorised Investment determined in the manner described in paragraphs 21.3(a) to 21.3(e) above, in the opinion of the Managers, is not representative of the value of such Authorised Investment, then the value shall be such value as the Managers may with due care and in good faith consider in the circumstance to be fair 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.

#### 21.4 Indemnities and protection accorded to the Managers and/or the Trustee

- (a) Neither the Trustee nor the Managers nor any company controlled by them or either of them nor any person, firm or corporation (hereinafter referred to in this

paragraph as a “**delegate**”) entitled to exercise any investment powers or discretions under the Deed pursuant to a delegation by the Managers shall as principal sell, or deal in the sale of, Authorised Investments to the Trustee for account of the Fund or vest Authorised Investments in the Trustee against the issue of Units or purchase Authorised Investments from the Trustee acting for the account of the Fund except as provided under sub-paragraphs (i), (ii) and (iii) below and each shall (without incurring any liability for failure to do so) use its best endeavours to procure that no such sale or dealing or vesting or purchase except as provided under sub-paragraphs (i), (ii) and (iii) below shall be made by (1) any person, firm or corporation holding or beneficially entitled to 10% or more of the share capital of the Trustee or the Managers or any delegate, (2) any corporation controlled by any such person, firm or corporation, (3) any director of the Trustee or of the Managers, or of any delegate (being a corporation) or of any such corporation, or (4) any partner of any such firm. Each such person or body (other than the Trustee and the Managers) referred to in this paragraph 21.4(a) shall be known in this paragraph as a “**connected person**”. Nothing shall prevent:

- (i) any sale for account of the Fund of any Authorised Investment to, or any purchase for account of the Fund of any Authorised Investment from, the trustee or managers or any delegate of any other unit trust scheme for account of such scheme, notwithstanding that the Trustee and/or the Managers and/or any delegate and/or any connected person may be, or be interested in, the trustee or the managers or delegate of, or any person, firm or corporation to whom any investment powers or discretions may have been delegated under such a scheme provided that:
  - (1) the value of the Authorised Investment in question is certified in writing for the purpose of the transaction by a stockbroker or an Approved Valuer; and
  - (2) the Trustee shall be of the opinion that the terms of such transaction shall not be such as are likely to result in any prejudice to Holders;
- (ii) the Trustee or the Managers or any delegate or any connected person from becoming the owner of Units and holding, disposing of, or otherwise dealing with, the same, with the same rights (subject as provided in paragraph 2 of Schedule 2 of the Deed on meetings of Holders) which they would have had if neither the Trustee nor the Managers nor any connected person were a party to, or delegate under, the Deed, provided that in so owning, holding or disposing of or otherwise dealing with Units, the Trustee and the Managers shall each maintain with respect to the Trustee or the Managers and any of their respective connected persons a register giving details of such transactions, including the prices, discounts, net prices, quantities of Units transacted and dates of and parties to such transactions, or from buying, holding or dealing in any Authorised Investments upon their respective individual accounts, notwithstanding that similar Authorised Investments may be held under the Deed as part of the Deposited Property; or

- (iii) the Managers or any delegate or any connected person from receiving commissions, terms and other benefits (through standing arrangements with brokers used for securities transactions relating to the Fund and other funds managed by the Managers by which the Managers or any delegate or connected person may be provided with research, statistical or other essential investment services for which the Managers or any delegate or any connected person make or makes no direct payment but instead endeavour or endeavours to place business with such brokers) which they or it may receive in relation to any transaction effected for the account of the Fund provided that the amount of such commissions, terms and other benefits is not in excess of rates or terms commonly receivable by fund managers in like transactions and that they or it shall do so on the best terms reasonably obtainable having regard to the interests of the Fund and provided further that any such commissions, terms or other benefits shall exclude cash rebates and shall be so received in circumstances that do not raise any financial burden for the Fund. Such commissions, terms and other benefits received by the Managers shall be disclosed to Holders in the half-yearly reports referred to in Clause 26.1 of the Deed if required by the relevant authorities.

Neither the Trustee nor the Managers nor any delegate nor any connected person shall be liable to account, either to the other or others of them or to the Holders or any of them, for any profits or benefits made or derived by or in connection with any transaction permitted under sub-paragraphs (i), (ii) and (iii) above.

- (b) 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 bound to make any payment to any Holder except out of the funds held by it for that purpose under the provisions of the Deed.
- (c) 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 facsimile, electronic means or otherwise) affecting the title to or transmission of Units or be in any way liable for any forged or unauthorised signature on or any seal affixed to such endorsement, transfer or other document or for acting upon or giving effect to any such forged or unauthorised signature or seal. The Trustee and the Managers respectively shall nevertheless be entitled but not bound to require that the signature of any person to any document required to be signed by him under or in connection with the Deed shall be verified to its or their reasonable satisfaction.
- (d) 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 of funds separate and distinct from the Fund and neither of them shall in any way be liable to account to the Fund or any other person for any profit or benefit made or derived hereby or in connection therewith.

- (e) Neither the Trustee nor the Managers shall be responsible for acting upon any resolution purported to have been passed at any meeting of the Holders in respect whereof minutes shall have been made and signed even though it may be subsequently found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not binding upon all the Holders.
- (f) The Trustee and the Managers may accept as sufficient evidence of the value of any Authorised Investment or the cost price or sale price thereof or of any market quotation a certificate by a stockbroker or any other person, firm or association qualified in the opinion of the Managers and Trustee to provide such a certificate.

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 Market and any committees and officials thereof on which any dealing in any Authorised Investment or other property is from time to time effected in determining what shall constitute a good delivery and any similar matters and such practice and rulings shall be conclusive and binding upon all persons under the Deed.

- (g) The Trustee shall not be under any liability on account of anything done or suffered to be done by the Trustee in good faith in accordance with or in pursuance of any request or advice of the Managers. Whenever pursuant to any provision of the Deed, any certificate, notice, instruction or other communication is to be given 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 by any one person whose signature the Trustee is for the time being authorised by the Managers to accept and may act on verbal, written, electronic mail and facsimile instructions given by authorised officers of the Managers specified in writing by the Managers to the Trustee.
- (h) The Trustee may act upon any advice of or information obtained from the Managers or any bankers, accountants, brokers, lawyers, agents or other persons acting as agents or advisers of the Trustee or the Managers and the Trustee shall not be liable for anything done or omitted or suffered in reliance upon such advice or information provided the Trustee has acted in good faith. The Trustee shall not be responsible for any misconduct, mistake, oversight, error of judgment, forgetfulness or want of prudence on the part of any such banker, accountant, broker, lawyer, agent or other person as aforesaid or of the Managers. Any such advice or information may be obtained or sent by electronic mail, letter or facsimile and the Trustee shall not be liable for acting on any advice or information purported to be conveyed by any such electronic mail, letter or facsimile although the same contains some error or is not authentic.
- (i) Except if and so far as the Deed otherwise expressly provides, 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 proven fraud or 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.

- (j) Nothing contained in the Deed shall prevent the Trustee or an Associate thereof from contracting or entering into any financial, banking or any other type of transaction with the Managers or any Holder or any company or body any of whose shares or other securities form part of the Deposited Property or from being interested in any such contract or transaction. The Trustee or any Associate thereof shall not be liable to account either to the Managers or to the Holders or any of them for any profits or benefits made or derived from or in connection with any such transaction provided that any such transaction shall be on an arm's length basis.
- (k) 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 Deposited Property 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.
- (l) Subject as expressly 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 to have recourse to the Deposited Property or any part thereof but this shall be without prejudice to the obligation of the Managers to reimburse the Trustee out of the Deposited Property in respect of all such matters as fall within Clause 27.11 of the Deed.
- (m) Before making any distribution or other payment in respect of any Unit or the Management Fee or the Trustee Fee, the Trustee may make such deductions as by the law of Singapore or by the law of any other 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 or for which it might be made liable in respect of such distribution 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 of Singapore or elsewhere 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.
- (n) The Trustee shall not be responsible for verifying or checking any valuation of the Deposited Property or any part thereof or any calculation of the prices at which Units are to be issued or realised, except as herein expressly provided, but shall be entitled at any time to require the Managers to justify the same.

- (o) The Trustee (or the Managers or other agents with the approval of the Trustee) shall (subject as provided in the Deed) be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of 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 6 years from the date of cancellation or lapse thereof and all notifications of change of address after the expiration of 6 years from the date of the recording thereof and all forms of proxy in respect of any meeting of Holders 6 years 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 certificate so destroyed shall be deemed to have been a valid certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed shall be deemed to have been a valid and effective document in accordance with the recorded particulars thereof.

Provided always that:

- (i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (ii) nothing in this paragraph 21.4(o) 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 (i) above are not fulfilled; and
- (iii) references to the destruction of any document in this paragraph 21.4(o) include references to the disposal thereof in any manner.
- (p) In the absence of fraud or negligence or breach of the Deed by the Managers, they 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 under the Deed.
- (q) The Managers shall not be under any liability except for fraud or wilful default or such liability as may be assumed by them under the Deed nor shall the Managers (save as otherwise appears in the Deed) be liable for any act or omission of the Trustee.
- (r) Nothing contained in the Deed shall prevent the Managers or any Associate thereof from contracting or entering into any financial, banking or any other type transaction with the Trustee (when acting other than in its capacity as trustee of the Fund) or any Holder or any company or body any of whose shares or other securities form part of the Deposited Property or from being interested in any such contract or transaction. The Managers or any Associate thereof shall not be

liable to account to the Trustee or to the Holders or any of them for any profits or benefits made or derived from or in connection with any such transaction provided that any such transaction shall be on an arm's length basis.

- (s) 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. Whenever pursuant to any provision of the Deed any certificate, notice, instruction or other communication is to be given by the Trustee to the Managers, the Managers may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Trustee by any one person whose signature the Managers are for the time being authorised by the Trustee to accept and may act on verbal, written, electronic mail and facsimile instructions given by authorised officers of the Trustee specified in writing by the Trustee to the Managers.
- (t) The Managers may act upon any advice or information obtained from the Trustee or any bankers, accountants, brokers, lawyers, agents or other persons acting as agents or advisers of the Trustee or the Managers and the Managers shall not be liable for anything done or omitted or suffered in reliance upon such advice or information provided the Managers have acted in good faith. The Managers shall not be responsible for any misconduct, mistake, oversight, error of judgment, forgetfulness or want of prudence on the part of any such banker, accountant, broker, lawyer, agent or other person as aforesaid or of the Trustee. Any such advice or information may be obtained or sent by electronic mail, letter or facsimile and the Managers shall not be liable for acting on any advice or information purported to be conveyed by any such electronic mail, letter or facsimile although the same contains some error or is not authentic.
- (u) Neither the Managers nor the Trustee shall incur any 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 or reorganisation or other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.
- (v) Neither the Managers nor the Trustee shall incur any liability to the Holders for doing or (as the case may be) failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order or judgment of any court of competent jurisdiction, 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 either 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 Managers nor the Trustee shall be under any liability therefor or thereby.
- (w) Any indemnity expressly given to the Managers or the Trustee in the Deed is in addition to and without prejudice to any indemnity allowed by law provided that

no provision in the Deed shall in any case where the Trustee or the Managers have failed to show the degree of care and diligence required of them as trustee and manager, exempt them or indemnify them against any liability for breach of trust.

## 21.5 Custody of Deposited Property

- (a) The Trustee shall be responsible for the safe custody of the Deposited Property. Any Authorised Investments forming part of the Deposited Property shall, whether in registered or bearer form, be paid or transferred 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 act as custodian itself or may appoint such persons (including any Associate of the Trustee) as custodian or joint custodian (with the Trustee if acting as custodian or with any other custodian appointed by the Trustee) of the whole or any part of the Deposited Property and (where the Trustee is custodian) may appoint or (where the Trustee appoints a custodian) may empower such custodian or joint custodian (as the case may be) to appoint, with prior consent in writing from the Trustee, sub-custodians. The fees and expenses of any such custodian, joint custodian or sub-custodian shall be paid out of the relevant Deposited Property.
- (b) The Trustee may at any time procure that:
- (i) the Trustee;
  - (ii) any officer of the Trustee jointly with the Trustee;
  - (iii) any nominee appointed by the Trustee;
  - (iv) any such nominee and the Trustee;
  - (v) any custodian, joint custodian or sub-custodian appointed pursuant to paragraph 21.5(a) above;
  - (vi) any company operating a depository or recognised clearing system in respect of the Authorised Investments involved; or
  - (vii) any broker, financial institution or other person (or in each case, its nominee) with whom the same is deposited in order to satisfy any requirement to deposit margin or security,
- takes delivery of and retains and/or is registered as proprietor of any Authorised Investment in registered form held upon the trusts of the Deed.
- (c) Notwithstanding anything contained in the Deed:
- (i) the Trustee shall not incur any liability in respect of or be responsible for losses incurred through the insolvency of or any act or omission of any depository or clearing system with which Authorised Investments may

be deposited or any broker, financial institution or other person (or in each case its nominee) with whom Authorised Investments are deposited in order to satisfy any margin requirement, except where the Trustee has failed to exercise reasonable skill and care in the selection, appointment and monitoring of such depository, clearing system or person (having regard to the market in which the relevant depository, clearing system or person is located) or the Trustee is in wilful default;

- (ii) the Trustee shall not incur any liability in respect of or be responsible for losses incurred through the insolvency of or any act or omission of any nominee, custodian, joint custodian or sub-custodian appointed by the Trustee except where the Trustee has failed to exercise reasonable skill and care in the selection, appointment and monitoring of such appointee (having regard to the market in which the relevant appointee is located) or the Trustee is in wilful default; and
- (iii) the Trustee shall not incur any liability in respect of or be responsible for losses through the insolvency of or any act or omission of any sub-custodian not appointed by it, except where the Trustee has failed to exercise reasonable skill and care in the procurement of such sub-custodian.

#### 21.6 Information on investments

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

# 发售计划说明书

大华增进收益基金

# 大华 增进收益 基金