

UNITED GLOBAL PORTFOLIOS

United Global Bond Fund (S\$)
United Singapore Bond Fund
United Sure Balanced Income Fund

P r o s p e c t u s

UNITED GLOBAL PORTFOLIOS

DIRECTORY

Managers

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

Registered Address:
80 Raffles Place, UOB Plaza
Singapore 048624

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

Trustee

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

Registered Address:
21 Collyer Quay
#14-01 HSBC Building
Singapore 049320

Auditors

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

Solicitors to the Managers

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

Solicitors to the Trustee

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

IMPORTANT INFORMATION

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

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

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and may only be used in connection with the offering of Units, as contemplated herein. This Prospectus may be supplemented or replaced from time to time to reflect material changes.

Potential investors should seek independent professional advice to ascertain (a) the possible tax consequences, (b) the legal requirements, (c) any foreign exchange restrictions or exchange control requirements which they may encounter under the laws of the countries of their citizenship, residence or domicile or (d) any restrictions or requirements under the Central Provident Fund (“**CPF**”) (Investment Schemes) Regulations and the terms and conditions in respect of the CPF Investment Scheme issued by the CPF Board thereunder (as the same may be amended, modified or supplemented from time to time), which may be relevant to the subscription, holding or disposal of Units and should inform themselves of and observe all such laws and regulations in any relevant jurisdiction that may be applicable to them. No representation is made as to the tax status of any of the Sub-Funds.

Investment in each Sub-Fund requires consideration of the usual risks involved in investing and participating in collective investment schemes and the risks of investing in that Sub-Fund. Details of the risks involved are set out in paragraph 10 of this Prospectus. Investors should consider these risks carefully before making an investment decision. Investors should note that their investments can be volatile and there can be no assurance that any of the Sub-Funds 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 relevant Sub-Fund. An investment should only be made by those persons who can sustain losses in their investments. Investors should satisfy themselves of the suitability to them of an investment in the relevant Sub-Fund based on their personal circumstances.

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

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

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

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

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UNITED GLOBAL PORTFOLIOS

PROSPECTUS

The sub-funds of the United Global Portfolios (the “Fund”) offered in this Prospectus are constituted in Singapore and are authorised schemes under the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”). A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “Authority”). This Prospectus has been prepared in accordance with the requirements of the SFA. The Authority assumes no responsibility for the contents of this Prospectus. The registration of this Prospectus by the Authority does not imply that the SFA or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the sub-funds of the Fund. The meanings of terms not defined in this Prospectus can be found in the deed of trust (as may be amended) constituting the Fund.

1. BASIC INFORMATION

1.1 United Global Portfolios

The Fund is a Singapore authorised umbrella fund currently offering 3 sub-funds. An umbrella fund is a collection of sub-funds under a single umbrella trust fund structure, in this case the United Global Portfolios, with each sub-fund having a separate investment objective and focus. Currently, the Managers are offering for subscription units in the 3 sub-funds referred to in paragraph 6 below (together the “**Sub-Funds**” and each, a “**Sub-Fund**”).

In the future, the Managers may add new sub-funds with different investment objectives to the umbrella fund. The main aim of such a structure is to reduce operational costs and provide facilities like inter sub-fund switching and other advantages.

1.2 Date of registration and expiry date of Prospectus

The date of registration of this Prospectus with the Authority is 9 July 2010. This Prospectus is valid for 12 months after the date of registration (i.e. up to and including 8 July 2011) and will expire on 9 July 2011.

1.3 Trust Deed and Supplemental Deeds

- (a) The deed of trust relating to the interests being offered for subscription or purchase (the “**Principal Deed**”) is dated 24 September 1998 and the parties to the Deed are UOB Asset Management Ltd (the “**Managers**”) and HSBC Trustee (Singapore) Limited (the “**Retired Trustee**”). The Retired Trustee retired as the trustee of the Fund and HSBC Institutional Trust Services (Singapore) Limited was appointed as the new trustee of the Fund (the “**Trustee**”) pursuant to the Supplemental Deed of Appointment and Retirement of Trustee dated 15 December 2004.

- (b) The Principal Deed has been amended by the following deeds:

Supplemental deed	Date
Amendment Deed	22 March 1999
First Supplemental Deed	18 March 2002
Amending and Restating Deed	21 March 2003
Second Amending and Restating Deed	1 July 2003
Third Amending and Restating Deed	19 March 2004
Supplemental Deed of Appointment and Retirement of Trustee	15 December 2004
Fourth Amending and Restating Deed	21 March 2005
Fifth Amending and Restating Deed	14 October 2005
Sixth Amending and Restating Deed	31 July 2006
Seventh Amending and Restating Deed	29 June 2007
Eighth Amending and Restating Deed	30 July 2007
Ninth Amending and Restating Deed	25 July 2008
Tenth Amending and Restating Deed	29 May 2009
Eleventh Amending and Restating Deed	16 July 2009
Twelfth Amending and Restating Deed	9 July 2010

- (c) The Principal Deed as amended by the foregoing shall hereinafter be referred to as the “**Deed**”.
- (d) The terms and conditions of the Deed shall be binding on each unitholder (collectively the “**Holders**” and each a “**Holder**”) and persons claiming through such Holder as if such person had been a party to the Deed and as if the Deed contained covenants on such Holder and on such persons claiming through such Holder to observe and be bound by the provisions of the Deed and an authorisation by each Holder and on such persons claiming through such Holder to do all such acts and things as the Deed may require the Managers and/or the Trustee to do.
- (e) Copies of the Principal Deed, the supplemental deeds and the amending and restating deeds are made available for inspection free of charge, at all times during usual business hours at the operating office of the Managers at 80 Raffles Place, 6th Storey, UOB Plaza 2, Singapore 048624 and will be supplied by the Managers to any person upon request at a charge of S\$25 per copy of the document (or such

other amount as the Trustee and the Managers may from time to time agree in writing).

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

Investors should read the Deed for full details.

1.4 Accounts and reports

A copy of the latest annual and semi-annual accounts, the auditor's reports on the annual accounts and the annual and semi-annual reports 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**

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

UOBAM is a wholly-owned subsidiary of UOB Group. Established in 1986, UOBAM has been managing collective investment schemes and discretionary funds in Singapore for 24 years and as of 31 May 2010, manages about S\$14.8 billion in clients' assets. UOBAM also has investment operations in Malaysia and Thailand.

UOBAM offers global investment management expertise to institutions, corporations and individuals, through customised portfolio management services and unit trusts. As at 31 May 2010, UOBAM manages 50 unit trusts in Singapore, with total assets of about S\$3.01 billion under management. UOBAM is one of the largest unit trust managers in Singapore in terms of assets under management.

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

In addition, UOBAM is committed to achieving consistently good performance. Since 1996, UOBAM has won 110 awards for investments in local, regional and global markets,

and across global sectors such as Banking and Finance, Technology, Healthcare, as well as Gold and Mining.

As at 31 May 2010, UOBAM has a staff strength of over 200 including 46 investment professionals in Singapore.

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

3. THE TRUSTEE AND THE CUSTODIAN

The Trustee of the Fund is HSBC Institutional Trust Services (Singapore) Limited whose registered address is at 21 Collyer Quay, #14-01 HSBC Building, Singapore 049320. The custodian of the Fund is State Street Bank and Trust Company whose registered address is at 225 Franklin Street, Boston, MA 02110, USA and/or such other custodians as may be appointed from time to time in respect of the Fund or any of its assets (collectively, the “**Custodian**”).

4. THE REGISTER OF HOLDERS

The registrar of the Fund is the Trustee. The register of Holders (the “**Register**”) for the Fund is kept at 60 Alexandra Terrace #10-12/13, The Comtech, Singapore 118502. A copy of the Register will also be kept at 156 Cecil Street #08-03 Far Eastern Bank Building, Singapore 069544. Both the Register and the copy of the Register are accessible to the public during normal business hours (subject to such reasonable restrictions as the registrar or the Managers (as the case may be) may impose). Under the Deed, the Trustee may appoint any other party (including, without limitation, the Managers) to keep and maintain the relevant Register.

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

5. THE AUDITORS

The auditors of the accounts relating to the interests under the Deed are PricewaterhouseCoopers LLP whose office is 8 Cross Street, #17-00, PWC Building, Singapore 048424 (the “**Auditors**”).

6. FUND STRUCTURE

The Fund is a Singapore authorised open-ended umbrella unit trust which currently comprises the following 3 Sub-Funds:

<u>Sub-Fund</u>	<u>Currency Denomination</u>
United Global Bond Fund (S\$) (“ UGBF ”)	Singapore Dollars
United Singapore Bond Fund (“ USBF ”)	Singapore Dollars
United Sure Balanced Income Fund (“ USBIF ”)	Singapore Dollars

7. INVESTMENT OBJECTIVE, FOCUS AND APPROACH

7.1 UGBF

The investment objective of the UGBF is to maximise returns over the longer term by investing mainly in sovereign bonds rated ‘A’ by Standard & Poor’s or ‘A2’ by Moody’s (or its equivalent rating) and above. There is no target industry or sector.

The investment process is principally driven by the Managers’ assessment on the fundamental factors which they consider to be important to the direction of both interest rates and exchange rates. The process involves a top down approach supplemented by bottom up analysis to arrive at the final asset allocation. Non-sovereign debt exposures could be included to enhance yield when appropriate.

7.2 USBF

The investment objective of the USBF is to maximise returns over the longer term by investing mainly in SGD-denominated bonds and/or foreign currency-denominated bonds (including, without limitation, zero coupon bonds, callable bonds, equity-linked bonds and convertible bonds) and fixed income/debt securities of all maturities issued in Singapore by the government, statutory bodies, public and private entities, SGD-denominated and/or foreign currency-denominated money market instruments, bond funds (including funds managed by the Managers) and/or time deposits, in accordance with the CPF Investment Guidelines. There is no target industry or sector.

The investment process is principally driven by the Managers’ assessment on the fundamental factors which they consider to be important to the direction of interest rates. The process involves a top down approach supplemented by bottom up analysis to arrive at the final asset allocation.

7.3 USBIF

(a) Investment objective, focus and approach

The investment objective of USBIF is to provide investors with regular distributions and long-term growth through investments in global equities, global fixed income and money market instruments.

The Managers intend to achieve the investment objective of USBIF primarily

by investing all or substantially all of the assets of the USBIF into other collective investment schemes. The assets of the USBIF will initially be invested in two Singapore-authorized open-ended collective investment schemes which are also managed by the Managers, namely, the United International Bond Fund and the United Sure Fund (formerly known as UOB Optimix Sure Fund) (a sub-fund under the umbrella fund known as the United Choice Portfolios (formerly known as UOB Optimix Fund)) (collectively, the “**Underlying Funds**” and each an “**Underlying Fund**”).

USBIF will initially be invested in approximately equal proportions in the Underlying Funds. For the purposes of tactical asset allocation, the Managers may deviate from this by a 20% margin for the United Sure Fund, which represents the equity asset allocation. Due to technical and practical reasons in managing the applications and realisations for this Sub-Fund, the weights for United International Bond Fund and cash taken together will form the residual asset allocation.

The Managers reserve the right, with a view to achieving the same investment objective and subject to obtaining the necessary regulatory prior approvals (where necessary), to invest the assets of the USBIF into other collective investment schemes in such proportions as the Managers deem fit.

Investment approach of the Underlying Funds:

(i) United International Bond Fund (“**UIBF**”)

The investment strategy is to manage the UIBF as an absolute return target fund. The Managers will use their flexibility to diversify into various pre-assessed asset classes. Within each asset class, the market specialists can optimise the portfolio returns by seeking the best investments on a risk-adjusted basis subject to investment guidelines and constraints. Currently, the Managers are focusing on five fixed income asset classes, namely, G7 sovereigns, G7 high grade corporates, Asian sovereigns and corporates, emerging markets and Singapore fixed income. The Managers will continue to develop their expertise in more asset classes which can offer further diversification benefits to the UIBF.

The Managers’ investment approach is research intensive, driven by fundamentals and valuation considerations.

(ii) United Sure Fund (“**USF**”)

Companies in which the USF invests are selected based on a number of criteria including: above average dividend yield, good management, sound fundamentals, consistent, profitability and earnings growth prospects. This combination should ensure the regular payment of dividends as well as the potential for capital appreciation. Due to the emphasis on dividend and quality, the USF is likely to possess below - average exposure in low yielding countries and low yielding sectors. Hence, absolute volatility and downside risk should be relatively lower for the USF.

However, there may be less room for price performance in an environment when investors are oriented towards growth investing strategies. This is mainly due to the fact that the USF tends to avoid sectors like technology due to its lower yield characteristics. Consequently, the USF may not track the global equities index as closely as more “mainstream” global benchmark equities products. The lower correlation with “mainstream” global funds and lower volatility of the product offers diversification advantages. The Managers adopt a bottom-up approach, leveraging on their established Global Research capability to optimise the portfolio to best meet its stated objectives. On this basis, the portfolio of the USF comprises mostly “value” stocks which have high dividend yield and price performance potential. The Managers will realise the investments of the USF when, in the Managers’ opinion, a fair value is reached or when better investment alternatives present themselves.

The Underlying Funds are available for subscription in Singapore and investors have the option of investing into the Underlying Funds directly. Investors should seek their own independent advice and carefully consider which fund will be more suitable for them having regard to their specific investment objectives, financial situation and particular needs.

(b) Distribution policy

The Managers intend to make regular annual distributions (currently 4.0% of the Net Asset Value per Unit of the USBIF) payable over 12 separate distributions on the last Business Day of every calendar month or such other date as the Managers may from time to time determine (each a “**Distribution Date**”).

The 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 made to Holders within 30 Business Days from the relevant Distribution Date. For clarity, where a Distribution Date falls on a Dealing Day, 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.

Please see paragraph 21.3 below for further details on distribution.

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 USBIF. 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 USBIF may be made out of the income and/or out of the capital of the USBIF.

Where distributions are to be made out of the capital of the USBIF, Holders will be notified accordingly of the proportion of the distribution which is made out of the capital of the USBIF.

Investors should also note that the declaration and/or paying of dividends (whether out of capital or otherwise) may have the effect of lowering the Net Asset Value of the USBIF.

7.4 Authorised Investments

The Authorised Investments of each Sub-Fund are any of the following investments:

- (a) any Quoted Investment;
- (b) any Unquoted Investment;
- (c) for purposes of hedging and efficient portfolio management only, any derivative including but not limited to any swap, futures contract, forward contract, option, index futures, foreign exchange transaction and forward rate transaction (including but not limited to currency options) or any combination or variation of these derivatives; and
- (d) any other investments not covered by sub-paragraphs (a) to (c) of this paragraph but approved by the Trustee (such approval to be confirmed in writing),

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

“**Investment**” is defined in the Deed to mean any share, stock, warrant, option or other stock purchase right, interest-bearing instrument, bond, discount bond, note, discount note, exchange fund note, debenture, debenture stock, banker’s acceptance, debt security, loan, loan convertible into security, loan stock, warrant, options, certificates of deposit, currency deposits, commercial paper, promissory note, unit or sub-unit in any unit trust scheme, participation in a mutual fund, other interests in collective investment schemes, share or other interest in a real estate investment trust company, share or unit or sub-unit or participation or other interest in any hedge fund, treasury bill, fixed or floating rate debt instrument, futures, forward, swap, floor, collar, index and forward currency exchange contract or any other security (as defined in the SFA) (all of the foregoing denominated in any currency) or any other money market instrument or any other derivative which may be selected by the Managers for the purpose of investment of the Deposited Property or which may for the time being form part thereof.

“**Deposited Property**” is defined in the Deed to mean all the assets, including Cash (as defined in the Deed), for the time being held or deemed to be held upon the trusts of the Deed (or if the context so requires, the part thereof attributable to a Sub-Fund), excluding any amount for the time being standing to the credit of the Distribution Accounts (as defined in the Deed) (or as the case may be, the Distribution Account of the relevant Sub-Fund).

“**OTC Market**” is defined in the Deed to mean any over-the-counter market or over-the-telephone market in any country in any part of the world, and in relation to any particular Authorised Investment shall be deemed to include any responsible firm, corporation or association in any country in any part of the world dealing in the Authorised Investment which the Managers may from time to time elect.

“**Quoted Investment**” is defined in the Deed to mean any Investment which is listed, quoted or dealt with on any Recognised Stock Exchange or OTC Market.

“**Recognised Stock Exchange**” is defined in the Deed to mean any stock exchange, futures exchange and organised securities exchange on which securities are regularly invested in any country in any part of the world, and in relation to any particular Authorised Investment shall be deemed to include any responsible firm, corporation or association in any part of the world dealing in the Authorised Investment which the Managers may from time to time elect.

“**Unquoted Investment**” is defined in the Deed to mean any Investment which is not listed, quoted or dealt with on any Recognised Stock Exchange or OTC Market.

7.5 Risk management procedures of the Managers

- (a) The Managers may use financial derivative instruments for the purposes of hedging existing positions in a portfolio or efficient portfolio management.
- (b) The Managers will ensure that the exposure of each Sub-Fund to financial derivative instruments will not at any time exceed 100% of the Net Asset Value of the Deposited Property of the relevant Sub-Fund. 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 each Sub-Fund. The decision to invest in any particular security or instrument on behalf of a Sub-Fund will reflect the Managers’ judgment of the benefit of such transactions to the relevant Sub-Fund and will be consistent with the relevant Sub-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 relevant Sub-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 relevant Sub-Fund. In the event of any non-compliance, the Managers' middle office department is empowered to instruct the relevant officers to rectify the same. Any non-compliance will be reported to higher management and monitored for rectification.
- (iii) *Liquidity.* In the event of unexpectedly large realisations of Units in a Sub-Fund, there may be a possibility that the assets of a Sub-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 each Sub-Fund will be in liquid assets such as cash and cash-equivalents to meet expected realisations, net of new subscriptions.
- (iv) *Counterparty exposure.* A Sub-Fund may have credit exposure to counterparties by virtue of positions in financial instruments (including derivatives) held by the relevant Sub-Fund. To the extent that a counterparty defaults on its obligations and the relevant Sub-Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its assets and in its income stream and incur extra costs associated with the exercise of its financial rights. The Managers will restrict their dealings with counterparties to entities that have a minimum long-term issuer credit rating of above BB+ by Standard and Poor's, an individual rating of above C by Fitch Inc. or a financial strength rating of above C by Moody's Investors Service. If any approved counterparty fails this criterion subsequently, the Managers will take steps to unwind the relevant Sub-Fund's position with that counterparty as soon as practicable.
- (v) *Volatility.* To the extent that a Sub-Fund has exposure to financial derivative instruments that allow a larger amount of exposure to a security for no or a smaller initial payment than the case when the investment is made directly into the underlying security, the value of the relevant Sub-Fund's assets will have a higher degree of volatility. A Sub-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 a Sub-Fund to derivative positions will not exceed the Net Asset Value of the relevant Sub-Fund, as stated in paragraph (b) above.
- (vi) *Valuation.* A Sub-Fund may have exposure to over-the-counter derivatives that are difficult to value accurately, particularly if there are complex positions involved. The Managers will ensure that independent means of verifying the value of such instruments are available, and will conduct such verification on a regular basis, which is expected to be at least once a month.

- (d) The Managers will ensure that the risk management and compliance procedures and controls adopted are adequate and that they have the necessary expertise to control and manage the risks relating to the use of financial derivative instruments. The Managers may modify the risk management and compliance procedures and controls as they deem fit and in the interests of each Sub-Fund.

8. INCLUSION UNDER THE CPF INVESTMENT SCHEME

Only the USBF is currently included under the CPFIS–Ordinary Account and CPFIS–Special Account for investment by CPF members using CPF monies. It has been classified by the CPF Board under the risk classification of “**Low to Medium Risk – Broadly Diversified**”.

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

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

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

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

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

9. FEES AND CHARGES

All fees and charges that are payable out of the Sub-Funds and payable by the Holder are outlined in the following tables:

Payable by Holder	
Subscription Fee ⁽¹⁾	<p>For Units purchased with cash and SRS monies (UGBF and USBF): Currently 2%; Maximum 5%.</p> <p>For Units purchased with cash and SRS monies (USBIF): Currently 5%; Maximum 5%.</p> <p>For Units purchased with CPF monies (USBF only): Currently 2%; Maximum 3%.</p>
Realisation Charge	Currently 0%; Maximum 2%.
Switching (conversion) fee ⁽²⁾	Currently 1%; Maximum 2%.

Payable by the Sub-Fund to the Managers, the Trustee and other parties	
Management Fee	<p><u>UGBF and USBF</u> Currently 0.5% p.a.; Maximum 2% p.a.</p> <p><u>USBIF</u> Currently 1.25% p.a.; Maximum 2% p.a.</p>
Trustee fee ⁽³⁾	For each Sub-Fund, currently not more than 0.05% (subject to a minimum of S\$5,000); maximum 0.085% p.a.
Registrar fee (payable to the Trustee or its agents)	S\$15,000 p.a. for each Sub-Fund.
Accounting and valuation fee (payable to the Managers)	<p><u>USBF and USBIF</u> 0.125% p.a.</p> <p><u>UGBF</u> Maximum 0.125% p.a.</p>
Distribution Fee (payable to the Managers)	Maximum 0.5% p.a. of the Net Asset Value of each Sub-Fund.
Audit fee (payable to the Auditors) ⁽⁴⁾ , custodian fee (payable to the Custodian) ⁽⁵⁾ and other fees and charges ⁽⁶⁾	Subject to agreement with the relevant parties, each fee or charge may exceed 0.1% ⁽⁷⁾ p.a., depending on the proportion that each fee or charge bears to the Net Asset Value of the relevant Sub-Fund.

Fees charged by the Underlying Funds and payable by the USBIF⁽⁸⁾		
	USF	UIBF
Subscription fee	Currently 5% (Maximum 5%), Currently waived for subscriptions by USBIF	2% (Maximum 3%), Currently waived for subscriptions by USBIF
Realisation fee	Currently 0% (Maximum 2%), Currently waived for subscriptions by USBIF	0% (Maximum 1%), Currently waived for subscriptions by USBIF
Management fee	Currently 1.5% p.a. (Maximum 1.75%) Currently rebated to USBIF	0.5% p.a. (Maximum 1.5%) Currently rebated to USBIF
Trustee fee, custodian fee, valuation fee, registrar fee and other fees and charges	Up to 0.9% p.a. ⁽⁹⁾	Up to 0.4% p.a. ⁽¹⁰⁾

- (1) The Managers may at any time differentiate between applicants as to the amount of Subscription Fee (within the limits permitted by the Deed), payable upon the issue of Units or allow investors discount on such basis and to such extent as they may think fit or to waive such fee.
- (2) In the case of a switch of Units in a Sub-Fund to units of any other fund managed by the Managers (“**New Fund**”), the switching fee referred to relates to the 1% subscription fee imposed by the Managers for investment into the New Fund. Such 1% switching fee would, in the case of a New Fund which normally imposes a subscription fee of more than 1%, effectively translate to a discount of the subscription fee of the New Fund.
- (3) The annual trustee fee for each Sub-Fund is subject always to a minimum of S\$10,000 or such other lower sum as may be agreed in writing from time to time between the Trustee and the Managers.
- (4) The audit fee payable is subject to agreement with the Auditors in respect of each Sub-Fund for the relevant financial year.
- (5) The custodian fee payable to the Custodian is subject to agreement with the Custodian and will depend on the number of transactions carried out and the place at which such transactions are effected in relation to the Sub-Fund. Under the Deed, the custodian fee is subject to a maximum of 0.3% p.a. and a maximum of S\$300 per transaction.
- (6) Other fees and charges include goods and services tax, printing costs, professional fees and other out-of-pocket expenses.

- (7) Based on the Net Asset Value of each Sub-Fund as at 31 May 2010, the Managers anticipate that the following fees and charges for the current financial year (on the assumption that such fees and charges would be similar to that incurred in the previous financial year) would exceed 0.1% of the Net Asset Value of the relevant Sub-Fund:

Sub-Fund	Type of fees
UGBF	Audit fee and custodian fee
USBIF	Legal and professional fees and printing and stationery costs

- (8) Apart from the Underlying Funds, the USBIF may also invest in other collective investment schemes from time to time. The Managers expect that the fees and charges incurred by the USBIF in respect of any investment into such other collective investment schemes will be similar to those indicated in respect of the USBIF's current investment into the Underlying Funds. Potential investors should note however that the actual fees and charges incurred may be higher or lower than those indicated. As with the Underlying Funds, where the other collective investment schemes invested into are funds managed by the Managers, the subscription fee and the realisation fee will be waived and the management fee will be rebated back to the USBIF.
- (9) The Managers anticipate that the fees for the current financial year would be similar to that incurred in the previous financial year and potential investors should note that the actual fees incurred may be higher or lower than those indicated. The annual trustee fee for the USF is subject always to a maximum of 0.1% and a cap of S\$45,000.
- (10) The Managers anticipate that the fees for the current financial year would be similar to that incurred in the previous financial year and potential investors should note that the actual fees incurred may be higher or lower than those indicated. The annual trustee fee for the UIBF is subject always to a minimum of S\$20,000 or such other lower sum as may be agreed in writing from time to time between the Trustee and the Managers. In this connection, the Managers and the Trustee have presently agreed to a minimum annual trustee fee of S\$5,000.

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

10. RISKS

10.1 General risks

- (a) Investors should consider and satisfy themselves as to the risks of investing in the Sub-Funds. Generally, some of the risk factors that should be considered by investors are market risks, interest rate risks, foreign exchange risks, political risks, liquidity risks and derivatives risks.

- (b) Investment in the Sub-Funds is meant to produce returns over the long-term and investors should not expect to obtain short-term gains from such investment.
- (c) Investors should be aware that the price of Units and the income accruing from the Units may fall or rise. Investors may not get back their original investment.
- (d) There is no guarantee that the investment objectives of the Sub-Funds will be achieved.

10.2. Specific risks

(a) *Market risk*

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

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

(b) *Foreign exchange / currency risk*

Where investments of the Sub-Funds are denominated in currencies other than the currency in which the Sub-Funds are denominated, fluctuations of the exchange rates of other foreign currencies against the Singapore Dollar may affect the value of the Units. In the management of the Sub-Funds, the Managers adopt an active currency management approach. However, the foreign currency exposure of any Sub-Fund may not be fully hedged depending on circumstances of each case. Such considerations include but are not limited to the outlook on the relevant currency, the costs of hedging and the market liquidity of the relevant currency.

(c) *Fixed income securities risk*

The Sub-Funds may invest in fixed income securities and may be subject to the risks that are typical of such instruments, such as interest rate risk and default risk (see below).

(d) *Political risk*

Investments in each Sub-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.

(e) *Derivatives risk*

As the Sub-Funds may be investing in derivatives for efficient portfolio management or hedging, it will be subject to risks associated with such investments. These derivatives include foreign exchange forward contracts and equity index futures contracts. 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 relevant Sub-Fund's investments may be liquidated at a loss. Therefore, it is essential that such investments in derivatives are monitored closely. The Managers have the necessary controls for investments in derivatives and have in place systems to monitor the derivative positions of the Sub-Funds. Please refer to paragraph 7.5 above for more information.

(f) *Liquidity risk*

Investments by the Sub-Funds in some Asian and/or emerging markets often involve a greater degree of risk due to the nature of such markets which do not have fully developed services such as custodian and settlement services often taken for granted in more developed markets. There may be greater degree of volatility in such markets because of speculative elements, significantly lower retail participation and lack of liquidity, which are inherent characteristics of these Asian and/or emerging markets.

(g) *Small and medium capitalisation companies risk*

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

(h) *Default/credit risks*

Investments in debt 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 especially if the issuer is highly leveraged. Such issuer's ability to meet its debt obligations may also be adversely affected by specific corporate developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. Also, an economic downturn or an increase in interest rates may increase the potential for default by the issuers of these securities.

(i) *Interest rate risks*

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

(j) *Structured products risk*

The Sub-Funds may, directly or indirectly, invest in structured products that provide exposure, synthetically or otherwise, to underlying assets and the risk/return profile is determined by the cash flows derived from such assets. Structured products generally involve multiple components (for example, derivatives and debt instruments) and are therefore exposed to the risks associated with such components. The price of such an investment could also be contingent on, or highly sensitive to, changes in the underlying components of the structure product. Some structured products may employ leverage which can cause the price of such products to be more volatile than if they had not employed leverage.

(k) *Counterparty risks*

The Sub-Funds will be exposed to credit risk on the counterparties with which it trades particularly in relation to options, futures, contracts and other derivative financial instruments that are not traded on a recognised market. Such instruments are not afforded the same protections as may apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house. The Sub-Funds will be subject to the possibility of the insolvency, bankruptcy or default of a counterparty with which the Sub-Funds trade, which could result in substantial losses to the Sub-Funds.

(l) *Real estate risks*

As the USBF may invest in real estate investment trust companies, this may entail a higher risk as real estate investments are subject to risks which are specific to the investment sector or type of property in which the real estate companies operate or are involved in.

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

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

(n) *Exceptional market conditions*

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 Sub-Funds 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 Sub-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 a Sub-Fund to dispose of assets at reduced prices, thereby adversely affecting that Sub-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 Sub-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 Sub-Fund's counterparties' financial conditions could be weakened, thereby increasing that Sub-Fund's credit risk.

(o) *Risk of using rating agencies and other third parties*

Credit ratings of instruments invested into by a Sub-Fund represent the rating agencies' opinion regarding the credit quality of the instrument or the institution and are not a guarantee of quality. Rating agencies' rating methodology relies on historical data, which may not be predictive of future trends and the agencies may also fail to make timely changes in credit ratings in response to subsequent change of circumstances.

The Managers are entitled to rely, without independent investigation, upon pricing information and valuations furnished to a Sub-Fund by third parties, including pricing services and independent brokers/dealers. Their accuracy depends on these parties' methodology, due diligence and timely response to changing conditions. The Managers cannot be held responsible for any failures by such parties in their valuations.

(p) *Risk of institutional investors*

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

Potential investors should also be aware that investments of the Underlying Funds may also be subject to the risks highlighted above.

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

11. SUBSCRIPTION OF UNITS

11.1 Subscription procedure

Application 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 authorised 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 sales channels, if applicable. The acceptance of non-acceptance of applications for Units shall be at the absolute discretion of the Managers acting in consultation with the Trustee and in the best interests of the relevant Sub-Fund.

Applications should be accompanied by such documents as may be required, with subscription monies in full, failing which the Managers reserve the rights to reject the relevant application. Applicants may make payment for Units by telegraphic transfer and should contact the Managers for details regarding such form of payment. All bank charges incurred in respect of a telegraphic transfer will be borne by the applicant.

Investors have a choice of either paying for Units with cash or (in respect of certain Sub-Funds) Supplementary Retirement Scheme (“**SRS**”) monies. Investors should note that SRS monies can be used to pay for Units of the UGBF and USBF only.

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 the SRS operator bank to withdraw from the investor’s SRS account the subscription monies in respect of the Units applied for.

Investors will also have the choice of paying for Units in the USBF with CPF monies from either their CPF- Ordinary Account or CPF-Special Account. Investors wishing to use their CPF monies to purchase Units shall indicate so on the application form. Further, the application form contains the investor’s instructions to the investor’s CPF agent bank to withdraw from his CPF investment account the purchase monies in respect of the Units applied for. Investors using CPF monies to invest may not be registered as joint Holders.

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.

11.2 Minimum initial subscription and minimum subsequent subscription amount

The minimum initial subscription and minimum subsequent subscription amounts for the Sub-Funds are as follows:

Sub-Fund	Minimum Initial Subscription Amount	Minimum Subsequent Subscription Amount
UGBF	S\$1,000*	S\$500*
USBF	S\$1,000*	S\$500*
USBIF	S\$1,000*	S\$500*

* or its equivalent in US Dollars (if applicable) or such other currency as the Managers may decide. The Managers reserve the right to revise the minimum initial subscription amount and the minimum subsequent subscription amount.

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

11.3 Dealing Deadline and pricing basis

- (a) Units are issued on a forward pricing basis. Therefore, the issue price of Units cannot be calculated at the time of application. For applications received and accepted by the Managers or any agent or distributor appointed by the Managers by 3 p.m. (Singapore time) on any Dealing Day (the “**Dealing Deadline**”), Units will be issued on that Dealing Day. For applications received and accepted by the Managers or any agent or distributor appointed by the Managers after the Dealing Deadline on any Dealing Day or on a day not being a Dealing Day, Units will be issued at the issue price on the next Dealing Day.
- (b) 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 of UGBF and USBF in Singapore Dollars and USBIF in both Singapore Dollars and US Dollars. The Managers will quote the issue price in Singapore Dollars and (if applicable) its equivalent in US Dollars at the applicable rate of exchange. In future, the Managers may accept the purchase of Units in any or all of the Sub-Funds 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.
- (c) The issue price per Unit of a Sub-Fund shall be ascertained by calculating the Net Asset Value as at the Valuation Point in relation to such Dealing Day on which such issue occurs of the proportion of the Deposited Property of such Sub-Fund represented by one Unit of such Sub-Fund; truncated 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**”) of the relevant Sub-Fund, and the resultant amount (the “**Net Investment Amount**”) will be applied towards the subscription of Units of the relevant Sub-Fund. The Subscription Fee will be retained by the Managers for their own benefit and the amount of the rounding adjustment will be retained by the relevant Sub-Fund.

“**Business Day**” means any 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 issuance, cancellation, switching and realisation of Units of a particular Sub-Fund, means every Business Day or such other Business Day or Business Day at such intervals as the Managers may from time to time determine provided that reasonable notice of any such determination shall be given by the Managers to all Holders at such time and in such manner as the Trustee may approve.

“**Subscription Fee**” means a fee upon the issue of a Unit of any Sub-Fund of such amount as shall from time to time be fixed by the Managers generally or in relation to any specific or class of transaction provided that it shall not exceed 5% of the Gross Investment Amount. The current Subscription Fee applicable to each Sub-Fund is set out in paragraph 9 above.

“**Valuation Point**” means 7 a.m. Singapore time on the day following the relevant Dealing Day on which the Net Asset Value of a Sub-Fund is to be determined pursuant to the provisions of the Deed or such other time as the Managers may with the approval of the Trustee determine and the Managers shall notify the Holders of such change if required by the Trustee.

11.4 Numerical example of the computation of Units allotted

- (a) For UGBF and USBF

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\$20.00	=	S\$980.00
Gross Investment Amount		Subscription Fee (2%)		Net Investment Amount
S\$980.00	÷	S\$1.000	=	980.00
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 relevant Sub-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).

(b) For USBIF

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 relevant Sub-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).

11.5 Confirmation of purchase

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

11.6 Cancellation of subscription of Units

Subject to provisions under the Deed and to the terms and conditions for cancellation of subscription in the cancellation form to be provided together with the application form for Units, every Holder 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 from the date of his initial subscription provided that where the last day of the time period falls on a Sunday or public holiday in Singapore, the time period shall be extended to the next calendar day, not being a Sunday or public holiday in Singapore.

A Holder may choose to realise his Units under paragraph 13 of this Prospectus instead of cancelling his subscription for Units but shall note that he will not be able to enjoy the benefits of a cancellation under this paragraph 11.6 if he chooses to realise his Units (i.e. there will be no refund of the Subscription Fee and the prevailing Realisation Charge, if any, as may be imposed) and the 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 Charge.

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

12. REGULAR SAVINGS PLAN

The Managers may in their discretion implement a scheme for regular investment in Units on the following basis. 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 such other number of Units as may be determined by the Managers from time to time) before embarking on a regular savings plan (“**RSP**”). The Holder may opt to invest a minimum sum of S\$100 (or such other amount as may be determined by the Managers) on a fixed day per month or S\$500 (or such other amount as may be determined by the Managers from time to time) on a fixed day per quarter through GIRO payment.

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

For RSP using CPF monies, Holders must complete a CPF Standing Instruction Form and submit it together with the application form.

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

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

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

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

An investor may terminate his participation without penalty upon giving 30 days' written notice to the Managers. The Managers reserve the rights to terminate or suspend the RSP at any time in their absolute discretion by giving at least 30 days' notice to the affected Holders.

13. REALISATION OF UNITS

13.1 Realisation procedure

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 authorised 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.

13.2 Minimum holding and minimum realisation amount

Holders may realise their units in any Sub-Fund in full or partially. Partial realisation of Units in any Sub-Fund must be for at least 100 Units, subject to the Holder maintaining a holding of at least 500 Units or the number of Units which were or would have been purchased for S\$500 or (if applicable) its equivalent in US Dollars or such other currency as the Managers may decide at the prevailing issue price at the time of the Holder's initial subscription or purchase of Units or such other number of units or amount as may from time to time be determined by the Managers either generally or in any particular case or cases upon giving prior notice to the Trustee truncated but not rounded off to the nearest 2 decimal places.

13.3 Dealing Deadline and pricing basis

- (a) Units are realised on a forward pricing basis. Therefore, the Realisation Price cannot be calculated at the time of request. For requests received and accepted by the Managers or any agent or distributor appointed by the Managers by the Dealing Deadline on any Dealing Day, Units will be realised at that Dealing Day's Realisation Price calculated in accordance with sub-paragraph (c) below. For requests received and accepted by the Managers after the Dealing Deadline on any Dealing Day or on a day not being a Dealing Day, Units will be realised at the next Dealing Day's Realisation Price.
- (b) 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 investor. Currently, the Managers accept the purchase of Units of UGBF and USBF in Singapore Dollars and USBIF in both Singapore Dollars and US Dollars. The Managers will quote the Realisation Price in Singapore Dollars and (if applicable) its equivalent in US Dollars at the applicable rate of exchange. In future, the Managers may permit the realisation of Units in any or all of the Sub-Funds in any other foreign currency and will in such event, quote the Realisation Price in such currency at the applicable rate of exchange.

- (c) The Realisation Price per Unit of a Sub-Fund shall be the price per Unit ascertained by the Managers by calculating the Net Asset Value as at the Valuation Point in relation to the Dealing Day on which the realisation request is received and accepted of the proportion of the Deposited Property of such Sub-Fund then represented by one Unit, truncated 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 Charge which is deducted from the total amount payable to the investor in respect of the realisation of Units (the “**Gross Realisation Proceeds**”) of the relevant Sub-Fund, and the resultant amount (the “**Net Realisation Proceeds**”) will be paid to the investor. The Realisation Charge will be retained by the Managers for their own benefit and the amount of the adjustment aforesaid will be retained by the relevant Sub-Fund.
- (d) If a Holder is resident outside Singapore, the Managers will be entitled to deduct from the total amount which would otherwise be payable to the Holder on realisation an amount equal to the excess of the expenses actually incurred over the amount of expenses which would have been incurred if the Holder had been resident in Singapore.
- (e) For the avoidance of doubt, should a realisation request for any Units be received and accepted by the Managers prior to the receipt of the subscription monies in respect of such Units, the Managers may refuse to realise such Units until the Dealing Day following that upon which the subscription monies in respect of such Units have been received by the Trustee.
- (f) Bank charges (if any) incurred in respect of a telegraphic transfer of realisation proceeds to a Holder’s bank account will be borne by the Holder.

13.4 Numerical example of the computation of Net Realisation Proceeds

The Net Realisation Proceeds payable to an investor on the realisation of 1,000 Units of a Sub-Fund, 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 Charge (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 relevant Sub-Fund.

** There is currently no Realisation Charge payable.

13.5 Payment of realisation proceeds

Realisation proceeds will normally be paid by cheque or credited to the Holder's relevant CPF account or SRS account, as applicable, in Singapore within 4 Business Days (in the case of UGBF and USBF) or within 6 Business Days (in the case of USBIF) (or such other period as may be allowed by the Authority) from the Dealing Day on which the realisation form is received and accepted by the Managers or their duly authorised agent or distributor, unless the realisation of Units has been suspended in accordance with paragraph 16 below.

14. SWITCHING OF UNITS

- 14.1 The Managers will be entitled to allow a Holder to switch his Units in any Sub-Fund to units of another Sub-Fund, or to units in other collective investment schemes managed by the Managers, or for a different class of Units of the Sub-Funds (if established), upon such terms and conditions as the Managers may from time to time determine in accordance with the provisions of the Deed. Switching shall be subject to the Holder maintaining a minimum holding of 500 Units or the number of Units which were or would have been purchased for S\$500 or (if applicable) its equivalent in US Dollars or such other currency as the Managers may decide at the prevailing issue price at the time of the Holder's initial subscription or purchase of Units or such other number of Units or amount as may from time to time be determined by the Managers either generally or in any particular case or cases upon giving written notice to the Trustee and as permitted by the relevant authorities.
- 14.2 Applications for switching of Units of any Sub-Fund (the "**original Sub-Fund**") into Units of another Sub-Fund (the "**new Sub-Fund**") may be made via switching forms which may be obtained from any Singapore branches of the UOB Group or Invest Shops, or any agent or distributor of the Managers.
- 14.3 Save as hereafter provided, the switching of Units of any Sub-Fund shall be made on the day which is both a Dealing Day in relation to Units of the original Sub-Fund and a Dealing Day in relation to Units of the new Sub-Fund ("**Common Dealing Day**") on which the switching form is received by the Managers by 3 p.m. (Singapore time) on such Common Dealing Day. For a switching form received on a day which is not a Common Dealing Day or received after 3 p.m. (Singapore time) on a Common Dealing Day, such switching form shall be treated as having been received before 3 p.m. (Singapore time) on the next Common Dealing Day.
- 14.4 Switching of the Units of the original Sub-Fund shall be effected by the cancellation of such Units and by the issue of Units of the new Sub-Fund, such cancellation and issue taking place on the relevant Common Dealing Day, and the number of Units of the new Sub-Fund to be issued on switching shall be determined by the Managers in accordance with the provisions of the Deed.
- 14.5 No Units shall be switched during any period where the realisation of Units is limited or suspended in accordance with paragraph 16 of this Prospectus.

- 14.6 Subject to the provisions of the Deed, the Managers may on the application of a Holder effect the exchange of Units of any Sub-Fund for units of any other Group Trust.

“**Group Trust**” means a unit trust scheme the manager of which:

- (a) is the Managers or a corporation under their control or under common control with them or at least 50% of the share capital of which is held by a corporation which is a shareholder of the Managers; and
- (b) approves the terms of any exchange which may be made pursuant to the Deed.

15. 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 uobam.com.sg or any other website designated by the Managers if applicable or by calling the Managers’ 24-hour hotline at telephone number 1800 22 22 228. The actual prices quoted will generally be published 2 Business Days after the relevant Dealing Day in Singapore Dollars and (except for the UGBF and USBF) 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 any 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 by such publisher.

16. SUSPENSION OF DEALING

- 16.1 The Managers may, with the prior written approval of the Trustee, suspend the issue and realisation of Units during:

- (a) any period when the Recognised Stock Exchange or the OTC Market on which any Authorised Investments forming part of the Deposited Property, whether of any particular Sub-Fund or of the Fund, for the time being are listed or dealt in is closed (otherwise than for ordinary holidays) or during which dealings are restricted or suspended;
- (b) the existence of any state of affairs which, in the opinion of the Managers might seriously prejudice the interests of the Holders (whether of any particular Sub-Fund or of the Fund as a whole) or of the Deposited Property (whether of any particular Sub-Fund or of the Fund);
- (c) any breakdown in the means of communication normally employed in determining the price of any of such Authorised Investments or the current price thereof on that Recognised Stock Exchange or that OTC Market or when for any reason the prices of any of such Authorised Investments cannot be promptly and accurately

ascertained (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 cannot, in the opinion of the Managers, be carried out at normal rates of exchange;
- (e) in respect of any Sub-Fund for which a meeting of Holders is proposed to be convened, any 48 hour period (or such longer period as the Managers and the Trustee may agree) prior to the date of any meeting of Holders (or any adjourned meeting thereof);
- (f) any period when dealing of Units is suspended pursuant to any order or direction of the Authority; or
- (g) 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, strikes or acts of God.

16.2 Such suspension shall take effect forthwith upon the declaration in writing thereof to the Trustee by the Managers (or, as the case may be, to the Managers by the Trustee) and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other conditions under which suspension is authorised under this paragraph 16 shall exist upon the declaration in writing thereof by the Managers (or, as the case may be, by the Trustee).

17. PERFORMANCE OF THE SUB-FUNDS

17.1 The past performance of each Sub-Fund and its benchmark as of 31 May 2010 are set out below:

UGBF

	1 year	3 years	5 years	10 years	Since inception
UGBF (NAV-NAV) ¹	-1.57%	2.12%	-0.75%	2.70%	1.77%
UGBF (NAV-NAV) ²	-3.54%	1.43%	-1.17%	2.46%	1.56%
Benchmark: Citigroup G7 Government Bond USD (formerly known as Sal G7 Government Bond USD)	-0.35%	4.63%	1.21%	3.98%	3.69%

Source: Lipper, a Thomas Reuters company.

Inception date: 9 November 1998.

¹Taking into account the Subscription Fee.

USBF

	1 year	3 years	5 years	Since inception
USBF (NAV-NAV) ¹	10.38%	3.41%	2.80%	2.65%
USBF (NAV-NAV) ²	8.17%	2.72%	2.39%	2.28%
Benchmark: Singapore Government Bond Index All UOB	2.54%	4.02%	3.44%	3.35%

Source: Lipper, a Thomas Reuters company.

Inception date: 26 November 2004.

[^]Taking into account the Subscription Fee.

USBIF

	1 year	3 years	Since inception
USBIF (NAV-NAV) ¹	4.70%	-7.00%	-1.76%
USBIF (NAV-NAV) ²	-0.76%	-8.76%	-3.08%
Benchmark: Composite Benchmark consisting of (i) 50% MSCI AC World Free Index and (ii) 50% 1 month Singapore Interbank Bid Rate (SIBID).	5.75%	-5.48%	-0.97%

Source: Lipper, a Thomas Reuters company.

Inception date: 28 November 2005.

[^]Taking into account the Subscription Fee.

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

¹ Calculated in S\$ on a NAV-to-NAV basis as at 31 May 2010, with all dividends and distributions reinvested (net of reinvestment charges). Figures for one year show the percentage change, while figures for more than one year show the average annual compounded return.

² Calculated in S\$ on a NAV-to-NAV basis as at 31 May 2010, taking into account the Subscription Fee, with all dividends and distributions reinvested (net of reinvestment charges). Figures for one year show the percentage change, while figures for more than one year show the average annual compounded return.

17.2 Expense ratios

The expense ratio of each Sub-Fund, 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 the latest audited accounts from 1 July 2008 to 30 June 2009 is as follows:

<u>Sub-Fund</u>	<u>Expense ratio</u>
UGBF	1.75%
USBF	0.79%
USBIF	0.89%

The following expenses as set out in the IMAS Guidelines (as may be updated from time to time), are (where applicable) excluded from the calculation of the expense ratio in respect of the relevant Fund:

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

17.3 Turnover ratios

- (a) The turnover ratio of each Sub-Fund for the period from 1 July 2008 to 30 June 2009, calculated based on the lesser of purchases or sales expressed as a percentage over the daily average Net Asset Value of each Sub-Fund, is as follows:

<u>Sub-Fund</u>	<u>Turnover ratio</u>
UGBF	111.68%
USBF	65.35%
USBIF	27.73%

- (b) The turnover ratio of each Underlying Fund for the period from 1 January 2009 to 31 December 2009 (in respect of the UIBF) and for the period from 1 July 2008 to 30 June 2009 (in respect of the USF), calculated based on the lesser of purchases or sales expressed as a percentage over the daily average Net Asset Value of each Underlying Fund, is as follows:

<u>Underlying Fund</u>	<u>Turnover ratio</u>
UIBF	62.08%
USF	55.23%

18. SOFT DOLLAR COMMISSIONS/ARRANGEMENTS

The Managers may from time to time receive or enter into soft-dollar commissions or arrangements in respect of the management of the relevant Sub-Fund. The soft-dollar commissions or 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 custodian service in relation to the investments managed for clients. Soft-dollar commissions received shall not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payment.

The Managers may not accept or enter into soft-dollar commissions or arrangements unless: (a) such soft-dollar commissions or arrangements shall reasonably assist them in the management of the relevant Sub-Fund; (b) the Managers shall ensure at all times that transactions are executed on the best available terms taking into account the relevant market at the time for transactions of the kind and size concerned; and (c) no unnecessary trades are entered into in order to qualify for such soft-dollar commissions or arrangements.

The Managers do not, and are not entitled to, retain cash rebates for their own account in respect of rebates earned when transacting in securities for account of any Sub-Fund.

19. CONFLICTS OF INTEREST

19.1 The Managers are of the view that there is no conflict of interest in managing their other funds and the Sub-Funds 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 Chartered Financial Analyst Institute (“**CFA Institute**”) in U.S.A. CFA Institute is the primary professional organisation for security analysts, investment managers and others who are involved in the investment decision-making process. All Certified Financial Analyst charter holders

of CFA Institute and candidates, who are in pursuit of the charter, including those from Singapore, are expected to comply with CFA Institute standards. The Code of Ethics and the Standards of Professional Conduct are in place to ensure high ethical and professional standards of the investment professionals as well as fair treatment to the investing public.

- (d) In addition, despite the possible overlap in the scope of investments, none of the Sub-Funds are identical to any of the funds and investment decisions are made according to the individual risk-return characteristic of the relevant Sub-Fund.
- (e) Most importantly, the Managers' usual fair and unbiased practise 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.

19.2 The Managers and the Trustee will conduct all transactions with or for the Fund or any Sub-Fund on an arm's length basis.

Associates of the Trustee may be engaged to provide banking, brokerage or financial services to any Sub-Fund or the Fund. Such services, where provided, will be on an arm's length basis.

20. REPORTS

20.1 Financial year-end and distribution of reports and accounts

The financial year-end for the Fund is 30 June. The annual report, annual accounts and the auditor's report on the annual accounts will be prepared and sent to Holders within 3 months of the financial year-end (or such other period as may be permitted by the Authority). The semi-annual report and semi-annual accounts will be prepared and sent to Holders within 2 months of the financial half-year end, i.e., 31 December (or such other period as may be permitted by the Authority).

21. OTHER MATERIAL INFORMATION

21.1 Market timing

Each Sub-Fund is designed and managed to support medium to long-term investments. In this regard, the Managers take a serious view of, and strongly discourage the practice of market timing (that is, investors conducting short-term buying or selling of Units to gain from inefficiencies in pricing) as such practices may cause an overall detriment to the long-term interests of other investors.

In addition, short-term trading in Units increases the total transaction costs of the relevant Sub-Fund, such as trading commission and other costs which are absorbed by all other investors. Moreover, the widespread practice of market timing may cause large movements of cash in the relevant Sub-Fund, which may disrupt the investment strategies to the detriment of long-term investors.

For the reasons set out above, the Managers strongly discourage the practice of market timing and may implement internal measures to monitor and control such practice. If any internal measure to restrict the practice of market timing amounts to a significant change to the Fund or any Sub-Fund (as provided in the Code), the Managers will inform the relevant Holders of such internal measure not later than one month before its implementation. The Managers intend to review their policy on market timing from time to time in a continuous effort to protect the long-term interests of investors in each Sub-Fund.

21.2 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.

21.3 Distribution of income and capital

The following is a summary of the provisions in the Deed relating to distributions to the Holders:

- (a) 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 Income of any Sub-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 such Sub-Fund in respect of the amount available for distribution referred to in Clause 11.8 of the Deed for each 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. Without prejudice to the foregoing, the Managers shall also have the discretion to distribute the capital of the USBIF and may by notice in writing direct the Trustee to distribute such part or all of such capital making up all or part of the amount available for distribution referred to in Clause 11.8 of the Deed for each 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.
- (b) In the event the Managers decide that no distribution of any Income, any net capital gain and/or any capital (as the case may be) of any Sub-Fund is to be made in respect of any Distribution Period, the Managers shall by notice in writing so notify the Trustee and direct the Trustee that the Income, net capital gains and capital (as the case may be) of any Sub-Fund in respect of the amount available for

distribution be accumulated and capitalised. It is the policy of the Managers that no distribution will likely be made save as otherwise expressly provided by the Managers in respect of any Sub-Fund.

- (c) In the event the Managers shall decide pursuant to Clause 11.1 of the Deed that a distribution is to be made in relation to any Sub-Fund in respect of any Distribution Period, the Trustee shall distribute among the Holders of Units in that Sub-Fund rateably in accordance with the number of Units held or deemed to be held by them respectively on the last day of the Distribution Period or on such other date as the Managers may decide from time to time, the amount available for distribution in respect of the Distribution Period.
- (d) In determining the amount for distribution under Clause 11.1 of the Deed, the Managers may in their discretion decide that no fraction of or any fraction of one cent per Unit is to be distributed in connection with any such distribution.

In the event of a distribution being made, an appropriate amount shall be transferred out of the Income Account relating to that Sub-Fund and paid to the Distribution Account relating to that Sub-Fund, and if the Managers deem fit, out of the Trading Gains Account or Capital Account (as the case may be) relating to that Sub-Fund, and paid into a special account relating to that Sub-Fund to effect such distribution.

21.4 Exemptions from liability

- (a) The Trustee and the Managers shall incur no liability in respect of any action taken or thing suffered by them in reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganisation or other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.
- (b) The Trustee and the Managers shall incur no liability to the Holders for doing or (as the case may be) failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order or judgment of any court, or by reason of any request, announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (whether legally or otherwise) either they or any of them shall be directed or requested to do or perform or to forbear from doing or performing. If for any reason it becomes impossible or impracticable to carry out any of the provisions of the Deed neither the Trustee nor the Managers shall be under any liability therefor or thereby.
- (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) Any indemnity expressly given to the Trustee or the Managers in the Deed is in addition to and without prejudice to any indemnity allowed by law; Provided nevertheless that any provision of the Deed shall be void insofar as it would have the effect of exempting the Trustee or the Managers from or indemnifying them against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of duty or trust of which they may be guilty in relation to their duties where they fail to show the degrees of diligence and care required of them having regard to the provisions of the Deed.
- (e) 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 or the delegates or distributors appointed by the Managers. Whenever pursuant to any provision of the Deed, any certificate, notice, instruction or other communication is to be given by the Managers (or the delegates or distributors appointed by the Managers) to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Managers (or the relevant delegate or distributor) by any one person whose signature the Trustee is for the time being authorised by the Managers (or as the case may be, by the relevant delegate or distributor) to accept and may act on verbal, written, electronic mail and facsimile instructions given by authorised officers of the Managers (or the relevant delegate or distributor) specified in writing by the Managers (or as the case may be, by the relevant delegate or distributor) to the Trustee.
- (f) The Managers shall not be under any liability on account of anything done or suffered to be done by the Managers in good faith in accordance with or in pursuance of any request or advice of the Trustee or the Trustee's delegates. Whenever pursuant to any provision of the Deed any certificate, notice, instruction or other communication is to be given by the Trustee (or its delegates) to the Managers, the Managers may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Trustee (or the relevant delegate) by any one person whose signature the Managers are for the time being authorised by the Trustee (or as the case may be, by the relevant delegate) to accept and may act on verbal, written, electronic mail and facsimile instructions given by authorised officers of the Trustee (or the relevant delegate) specified in writing by the Trustee (or as the case may be, by the relevant delegate) to the Managers.
- (g) Nothing herein contained shall be construed so as to prevent the Managers and the Trustee in conjunction or the Managers or the Trustees separately from acting as managers or trustees or trusts 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 conjunction therewith.

- (h) 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.
- (i) The Trustee shall be responsible for the safe custody of the Deposited Property. Any Authorised Investments forming part of the Deposited Property shall, whether in bearer or registered form, be paid or transferred to or to the order of the Trustee forthwith on receipt by the Managers and be dealt with as the Trustee may think proper for the purpose of providing for the safe custody thereof. The Trustee may from time to time upon notification in writing to the Managers appoint such person or persons as it thinks fit including itself or its Associates) as agents, nominees, custodians (where the Trustee is not acting as custodian) or (if the Trustee is acting as custodian) sub-custodians in respect of any of the Deposited Property, and the fees and expenses of such agents, nominees, custodians and sub-custodians shall be paid out of the Deposited Property. Subject to Clause 17.4 of the Deed, the Trustee shall remain liable for any act or omission or any agent, nominee, custodian or sub-custodian with whom bearer Authorised Investments or documents of title to registered Authorised Investments are deposited as if the same were the act or omission of the Trustee. The Trustee may at any time procure that the Trustee, any officer of the Trustee jointly with the Trustee, any nominee appointed by the Trustee, any such nominee and the Trustee, any custodian, joint custodian, or sub-custodian appointed, any company operating a depository or recognised clearing system in respect of the Deposited Property of any Sub-Fund or any broker, financial institution or other person with whom the sum is deposited in order to satisfy any requirement to deposit margin or security, takes delivery of and retains and/or be registered as proprietor or any Authorised Investment in registered form held upon trusts of the Deed. 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 with whom Authorised Investments are deposited in order to satisfy any margin requirement (each a “**Depository**”), except where (A) the Trustee is responsible for procuring the Depository and the Trustee has failed to exercise reasonable skill and care in the procurement of such Depository in respect of the investment involved or (B) 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 (A) 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 (B) the Trustee is in wilful default; and

- (iii) The Trustee shall not incur any liability in respect of or be responsible for losses incurred through the insolvency of or any act or omission of any sub-custodian not appointed by it, except where the Trustee has failed to exercise reasonable skill and care in the procurement of such sub-custodian.

21.5 Investment restrictions

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

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

The Managers may engage in securities lending transactions and invest in derivatives and accordingly, are subject to the provisions on securities lending and derivatives as provided for under the relevant investment guidelines and restrictions.

21.6 Holdings' right to vote

- (a) A meeting of Holders of all the Sub-Funds of the Fund duly convened and held in accordance with the provisions of the Schedule to the Deed shall be competent by Extraordinary Resolution:
 - (i) to sanction any modification, alteration or addition to the provisions of the Deed which shall be agreed by the Trustee and the Managers as provided in Clause 27 of the Deed;
 - (ii) to sanction a supplemental deed increasing the maximum permitted percentage of the Management Fee or the remuneration of the Trustee or the Distribution Fee in relation to a Sub-Fund;
 - (iii) to terminate the Trust as provided in Clause 25.6 of the Deed;
 - (iv) to remove the Auditors as provided in Clause 21.4 of the Deed;
 - (v) to remove the Trustee as provided in Clause 22.3(iv) of the Deed;
 - (vi) to remove the Managers as provided in Clause 23.1(v) of the Deed;
 - (vii) to direct the Trustee to take any action (including the termination of the Fund) pursuant to Section 295 of the Securities and Futures Act; and
 - (viii) to sanction any other matter which the Trustee and the Managers may consider necessary to lay before a meeting of Holders,

but shall not have any further or other powers.

- (b) A meeting of the Holders of a Sub-Fund duly convened and held in accordance with the provisions of the Schedule to the Deed shall be competent by Extraordinary Resolution:
- (i) to sanction any modification, alteration or addition to the provisions of the Deed which shall be agreed by the Trustee and the Managers as provided in Clause 27 of the Deed to the extent that such modification, alteration or addition affects the Holders of the relevant Sub-Fund;
 - (ii) to sanction a supplemental deed increasing the maximum permitted percentage of the Management Fee or the maximum permitted percentage or amount of the Trustee's remuneration or the maximum percentage of the Distribution Fee in relation to the relevant Sub-Fund;
 - (iii) to terminate the relevant Sub-Fund as provided in Clause 25.6 of the Deed;
 - (iv) to direct the Trustee to take any action (including the termination of the relevant Sub-Fund) pursuant to Section 295 of the SFA; and
 - (v) to sanction any other matter which the Trustee and the Managers may consider necessary to lay before a meeting of Holders,
- but shall not have any further or other powers.

21.7 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 each Sub-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 the relevant Recognised Stock Exchange or OTC 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 Stock Exchange or OTC Market, the Managers (or such person as the Managers may appoint for the purpose) may in their absolute discretion select any one of such Recognised Stock Exchange or OTC Market for the foregoing purposes and, if there 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 Stock Exchange or an OTC 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 by the Managers to represent the fair value of such Investment;
- (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 by the Managers to represent the fair value of such 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 (as defined in the Deed), 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 sub-paragraphs (a), (b), (c), (d) and (e) above are not available, or if the value of the Authorised Investment determined in the manner described in sub-paragraphs (a), (b), (c), (d) or (e) above, in the opinion of the Managers, is not representative, then the value shall be such value as the Managers may with due care and in good faith consider in the circumstances to be fair and is approved by the Trustee. 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.

21.8 Termination

Under the provisions of the Deed, subject to Section 295 of the SFA:

- (a) The Fund may be terminated either by the Trustee or the Managers in their absolute discretion by not less than 6 months’ notice in writing to the other. Either the Trustee or the Managers shall be entitled by notice in writing to make the continuation of the Fund beyond any such date conditional on the revision to its or their satisfaction at least 3 months before the relevant date of its or their remuneration under the Deed. In the event that the Fund shall fall to be terminated

or discontinued the Managers shall give notice to all Holders not less than 3 months in advance. Subject as aforesaid the Fund shall continue until terminated in the manner hereinafter provided in sub-paragraphs (b) to (e);

- (b) The Fund may be terminated by the Trustee by notice in writing:
 - (i) if the Managers shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of their assets or if a judicial manager is appointed in respect of the Managers or if any encumbrance shall take possession of any of their assets or if they shall cease business;
 - (ii) if any law shall be passed, any authorisation withdrawn or revoked or any direction issued by the Authority which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Fund;
 - (iii) if within the period of 3 months from the date of the Trustee expressing in writing to the Managers the desire to retire the Managers shall have failed to appoint a new trustee within the terms of Clause 22 of the Deed; and
 - (iv) if within the period of 3 months from the date of the Trustee removing the Managers the Trustee shall have failed to appoint new managers within the terms of Clause 23 of the Deed;
- (c) Any Sub-Fund may be terminated by the Managers in their absolute discretion by notice in writing:
 - (i) if the aggregate Net Asset Value of the Deposited Property of that Sub-Fund shall be less than S\$5,000,000 or its equivalent in any applicable foreign currency; or
 - (ii) if any law shall be passed, any authorisation withdrawn or revoked or any direction issued by the Authority which renders it illegal or in the opinion of the Managers impracticable or inadvisable to continue that Sub-Fund;
- (d) the Fund may be terminated by the Managers in their absolute discretion by notice in writing:
 - (i) on the third anniversary of the date of the Deed or on any date thereafter if on such date the aggregate net asset value of the Deposited Property of the Fund shall be less than S\$5,000,000 or its equivalent in any applicable foreign currency; or
 - (ii) if any law shall be passed, any authorisation withdrawn or revoked or any direction issued by the Authority which renders it illegal or in the opinion of the Managers impracticable or inadvisable to continue the Fund; and

- (e) the Fund or any Sub-Fund may at any time after 5 years from the date of the Deed be terminated by Extraordinary Resolution of a meeting of the Holders of that Sub-Fund or of a meeting of the Holders of all the Sub-Funds in the case of the termination of the Fund duly convened and held in accordance with the provisions contained in the Schedule to the Deed and such termination shall take effect from the date on which the said resolution is passed or such later date (if any) as the said resolution may provide.

The party terminating the Fund shall give notice thereof to the Holders fixing the date at which such termination is to take effect and such date shall not be less than 3 months after the service of such notice and the Managers shall give written notice thereof to the Authority not less than 7 days (or such other period as may be permitted by the Authority) before such termination.

The Trustee may (with the consent of the Managers) remove the Fund to the jurisdiction of a country other than Singapore, if it appears to the Trustee to be beneficial to the Fund and in the interests of the Holders to do so. The circumstances in which the Trustee may exercise its discretion hereunder are limited to the outbreak of war or grave civil unrest threatening the safe maintenance of the banking system or securities market in Singapore.

22. 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 : uobam@uobgroup.com

大華全球投資組合

大華全球債券基金（新元）
大華新加坡債券基金
大華萬全平衡收益基金

發售計劃說明書