

UNITED GLOBAL CAPITAL FUND

P r o s p e c t u s

UNITED GLOBAL CAPITAL FUND

DIRECTORY

Managers

UOB Asset Management Ltd
(Company Registration Number: 198600120Z)
Registered Address: 80, Raffles Place, UOB Plaza, Singapore 048624
Operating Address: 80, Raffles Place, 6th Storey, UOB Plaza 2, Singapore 048624

Directors of the Managers

Terence Ong Sea Eng
Yeo Eng Cheong
Thio Boon Kiat

Trustee

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

Auditors

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

Solicitors to the Managers

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

Solicitors to the Trustee

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

Custodian

State Street Bank and Trust Company
Registered Address: 225, Franklin Street, Boston, MA 02110, USA

UNITED GLOBAL CAPITAL FUND

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UNITED GLOBAL CAPITAL FUND

Important Information

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

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

No application has been made for the Units to be listed on any stock exchange. There is no ready market for the Units. Investors may subscribe for or realise their Units in accordance with and subject to the provisions of the Deed.

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

Investment in the Fund requires consideration of the usual risks involved in investing and participating in collective investment schemes and the risks of investing in the Fund. Investors should also carefully consider the risks of investing in the Fund which are summarised in paragraph 10 of this Prospectus. Investors should note that their investments can be volatile and there can be no assurance that the Fund will be able to attain its objectives. The prices of Units as well as the income from them may go up as well as down to reflect changes in the value of the Fund. An investment should only be made by those persons who can sustain losses on their investments. Investors should also satisfy themselves of the suitability to them of an investment in the Fund based on their personal circumstances.

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

All enquiries in relation to the Fund should be directed to the Managers or any authorised agent or distributor of the Managers.

UNITED GLOBAL CAPITAL FUND

The United Global Capital Fund (the “Fund”) offered in this Prospectus is an authorised scheme under the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”). A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “Authority”). 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 Fund. The meanings of terms not defined in this Prospectus can be found in the deed of trust (as amended) constituting the Fund.

1. BASIC INFORMATION

1.1 United Global Capital Fund

The Fund is an open-ended standalone unit trust constituted in Singapore.

1.2 Date of Registration and Expiry Date of Prospectus

The date of registration of this Prospectus with the Authority is 22 November 2011. This Prospectus shall be valid for 12 months after the date of registration (i.e., up to and including 21 November 2012) and shall expire on 22 November 2012.

1.3 Trust Deed and Supplemental Deeds

1.3.1 The deed of trust relating to the interests being offered for subscription or purchase (the “**Principal Deed**”) is dated 31 January 1996 and the parties to the Principal Deed are UOB Asset Management Ltd, as the managers of the Fund (the “**Managers**”), and HSBC Institutional Trust Services (Singapore) Limited as the trustee of the Fund (the “**Trustee**”).

1.3.2 The Principal Deed has been amended by the following supplemental deeds and amending and restating deeds entered into between the Managers and the Trustee:

Supplemental Deed / Amending and Restating Deed	Dated
First Supplemental Deed	30 April 1998
Second Supplemental Deed	30 October 1998
Third Supplemental Deed	28 April 1999
Fourth Supplemental Deed	27 December 1999
Fifth Supplemental Deed	21 December 2001
Amending and Restating Deed	24 January 2003
Second Amending and Restating Deed	1 July 2003
Third Amending and Restating Deed	30 December 2003
Fourth Amending and Restating Deed	1 September 2004
Fifth Amending and Restating Deed	23 December 2005
Sixth Amending and Restating Deed	14 December 2006
Seventh Amending and Restating Deed	29 June 2007
Eighth Amending and Restating Deed	11 December 2008
Ninth Amending and Restating Deed	29 May 2009
Tenth Amending and Restating Deed	3 December 2009
Eleventh Amending and Restating Deed	26 November 2010
Twelfth Amending and Restating Deed	13 September 2011

The Principal Deed as amended by the First Supplemental Deed, the Second Supplemental Deed, the Third Supplemental Deed, the Fourth Supplemental Deed, the Fifth Supplemental Deed, the Amending and Restating Deed, the Second Amending and Restating Deed, the Third Amending and Restating Deed, the Fourth Amending and Restating Deed, the Fifth Amending and Restating Deed, the Sixth Amending and Restating Deed, the Seventh Amending and Restating Deed, the Eighth Amending and Restating Deed, the Ninth Amending and Restating Deed, the Tenth Amending and Restating Deed, the Eleventh Amending and Restating Deed and the Twelfth Amending and Restating Deed shall hereinafter be referred to as the “**Deed**”.

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

1.3.4 A copy of the Principal Deed, the supplemental deeds and the amending and restating deeds shall be made available for inspection free of charge, at all reasonable times during normal business hours (subject to such reasonable restrictions as the Managers may impose) 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.

1.4 Accounts and reports

A copy of the latest annual and semi-annual reports, the auditor’s reports on the annual accounts and the annual and semi-annual accounts relating to the Fund may be obtained from the Managers upon request, at 80, Raffles Place, 6th Storey, UOB Plaza 2, Singapore 048624.

2. The Managers

The Managers are UOB Asset Management Ltd (“**UOBAM**”), 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 25 years and as of 30 September 2011 manages about S\$17.23 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 30 September 2011, UOBAM manages 52 unit trusts in Singapore, with total assets of about S\$2.93 billion under management. UOBAM is one of the largest unit trust managers in Singapore in terms of assets under management.

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

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

As at 30 September 2011, UOBAM and its subsidiaries in the region have a staff strength of over 210 including 52 investment professionals in Singapore.

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

3. The Trustee and the Custodian

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

4. The Register of Holders

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

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

5. The Auditors

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

6. Fund Structure

The Fund is an open-ended standalone unit trust constituted in Singapore.

7. Investment Objective, Focus and Approach

7.1 Investment Objective / Product Suitability

The investment objective of the Fund is to achieve long-term capital appreciation by investing, primarily, in securities issued by banks, finance companies, insurers and other corporations which carry on the business of financial services or which derive their revenues from subsidiaries carrying on the business of banking and/or financial services.

Product Suitability

The Fund is suitable for investors who:

- seek long-term capital appreciation;
- are looking for exposure to the financial services industry; and
- are comfortable with the volatility and risk of a global equity fund which invests in this industry.

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

7.2 Investment Focus and Approach

The Fund invests in a wide range of sub-sectors within the finance sector. These broad sub-sectors include: traditional lenders (commercial & retail banks); specialised financial service providers; and insurers. The Fund seeks to identify the most attractive companies from the various sub-sectors, with a focus on companies which deliver above average growth, consistently strong underlying profitability as well as trade at reasonable valuations.

The Managers will search for the best ideas from the investment universe. A major portion of the Fund will be invested in stocks listed in the U.S.A., Europe and Asia.

The Managers will look at more than 250 companies globally. These companies fall into one of the three categories of opportunities:

Traditional Lenders (Commercial and Retail Banks)

This sector tends to be amongst the most tightly regulated and most transparent due to the adoption of broadly consistent standards used in the assessment of capital adequacy and financial strength (mandated under the Basle Accord). Regulators tend to err in favour of maintaining well capitalised and profitable institutions given the critical role that this group of institutions play as depositories for personal savings. This bias towards maintaining a healthy and profitable sector, coupled with gradual de-regulation in terms of market entry has led to a continued trend towards consolidation and has acted as a catalyst to drive continued operating improvements and has kept management focused on delivering adequate returns to shareholders.

a. Retail Banks (Regional Banks)

This sub-sector includes a wide range of institutions in terms of size and scope of operation ranging from thrifts, community banks and regional banks at one end of the spectrum to super regional banks at the other end of the spectrum. What tends to set this group of institutions apart from other financial service providers is the relationship aspect of the credit process – a know-your-customer approach. Several characteristics make this group of companies attractive to investors: (1) best of class behaviour due to the high level of focus on core activities, and (2) this segment tends to be the most active in terms of consolidation (both as targets, but also as consolidators) due to a more limited degree of complexity in their businesses. Examples include: M&T Bank, BB&T Corp, Bank of Ireland, Banco Popular, Hang Seng Bank, United Overseas Bank and Siam Commercial Bank.

b. Super Regional Banks (Wholesale Banks)

This segment of banks tends to mainly comprise consolidators. They are somewhat similar to the regional banks described above with the principal exceptions that they tend to operate across a range of markets, offer a wider range of products and tend to have a more centralised decision making framework. They tend to have a more systematised approach or high tech (rather than high touch) approach to the business, and are more active in wholesale lending and fee product areas.

Performance across this group of banks has been more mixed. Although it has improved in recent years as key players have started to see the benefits of scale in key businesses, and as capital has been re-deployed from lower growth, lower return segments to higher growth and return opportunities. However, not all strategies adopted have proven successful, with benefits from consolidation frequently over-estimated, or post transaction execution falling short of target. Historically, this group of institutions has been most apt to venture “out of market”, taking on exposures which in retrospect proved to be inadequately priced given the underlying level of risk. Due to the higher concentration of wholesale lending among this group of banks, they tend to be more sensitive to the credit cycle. Examples include: US Bancorp, Wells Fargo, Sun Trust, BNP, Societe Generale, Unicredito, Santander, BBVA, Commerzbank, Standard Chartered Bank and DBS Group.

c. Money Center Banks (Global Banks)

This segment of banks tends to be somewhat similar to the super regional banks, with the notable exceptions that they tend to provide a wider range of financial services and have an even broader focus in terms of markets (typically global). A higher share of their revenues typically come from fee activities (investment banking, trust services, custodial banking and cash management), and market sensitive revenue streams (trading, direct investment).

Because this group of institutions generally has had a more senior role in the wholesale lending value chain, they have displayed a more systematic approach to pricing and managing credit risk (often due to negative experiences in their past). Customer demand for holistic solutions (especially corporate customers) fits in well with the strategic positioning as they typically have both the product solutions and geographic reach to cater to their needs. Fortune 500 companies typically comprise a key client group for these institutions. Examples of companies include: Citigroup, JPMorgan Chase, Bank of America, UBS, HSBC, Barclays Bank and Deutsche Bank.

Specialised Financial Service Providers

In tandem with the trend towards consolidation and the creation of fully integrated product models or “one-stop shop solutions” for customers, there has been a trend towards specialisation. This has been driven by both out-sourcing and in-sourcing trends as companies seek to achieve best-of-class unit cost positioning and deliver products which internally prove difficult to manufacture. This trend is most pronounced in the U.S.A., the market where the bulk of service innovations have tended to originate. The key reason for the high level of specialisation seen in the U.S.A. is largely due to the large size of the market and the fierce level of competition.

The key attraction of this segment of service providers is that they typically enjoy best-of-class unit cost positioning in the specific segments they tend to operate in. Because they are viewed as service providers and not competitors, they typically achieve scale advantages, which further lift already substantial entry barriers. This group of service providers is generally characterised as a high growth, high return segment. However, due to the more limited diversification across products, there are certain elements of cyclicalities that impact these companies from time to time.

a. Trust & Processing Banks (Custodial Banks)

This segment of specialised companies continues to see high growth and high return prospects as they gain market share from less specialised service providers and as they continue to expand service offerings to cater to customer needs. A key attraction of this segment is the high and rising barriers to entry due to the need for substantial investment in systems, training of personnel, product innovation and high level of integration with the client segment. While this group of companies generally trades at a premium to the broader sector, it does have some degree of market sensitivity. The premium appears to be justified by the lower risk profile, higher growth rates and more sustainable returns. Examples include: Bank of New York Mellon Corp., Northern Trust and State Street Bank.

b. Payment Processing Services

Today this segment mainly comprises providers of retail payment services including payment clearing services and merchant acquisition services, and card issuance. Payment services has been a high growth segment within financial services as the medium of exchange continues to shift towards non-cash solutions including credit card, debit card and a number e-payment solutions. The growth prospects of this segment are excellent given the structural shift in payment behaviour. However, the industry does face potential challenges related to the setting of interchange fees that could adversely impact revenues and profitability. The composition of listed alternatives in this segment is heavily skewed to the network solution providers and merchant acquirers. The majority of the issuers have been taken over by more diversified financial institutions. Examples of companies active in this segment include: Visa Inc., Mastercard, Global Payments, American Express, and Wirecard AG.

c. Asset Managers

This segment has also been an area of high growth and profitability. Like the Broker Dealer segment it is impacted by market performance. However, as the business model is typically not capital intensive, and as risk is generally not embedded in the balance sheet it has proven to be more resilient in terms of profit levels and profitability. Performance across the industry has varied driven by asset mix, client mix and performance. The more recent downturn in the market performance will continue to weigh on the sectors short-to-medium term growth prospects and will likely result in challenges for some of the more marginal players. However, this is viewed as an opportunity for well run boutique franchises as well as focused scale players to increase market share to mitigate the slower growth rate. Examples of companies include: Blackrock, Franklin Resources, Alliance Bernstein, T. Rowe Price, Legg Mason, Schroders and Aberdeen.

d. Securities Firms, Broker Dealers & Investment Banks

This segment had been a key beneficiary of de-regulation and financial innovation. Up until 2007 the sector maintained stellar levels of profitability supported, however, by a build up of risk and leverage. This all came to an end with the demise of the sub-prime mortgage and structured finance markets to the point that not only has profitability been adversely impacted, but significant questions over solvency emerged. There have been several high profile casualties from the crisis, and a change in how both regulators and counterparties look at risk. The above changes will keep profitability under pressure for the foreseeable future and prompt a focus back towards more agency driven business models, and/or towards universal banking models as is more common in Europe,

albeit excluding the leverage levels. Examples of companies include: Morgan Stanley, Goldman Sachs, UBS, Credit Suisse, Deutsche Bank, Lazard and KBW.

Insurers

This sector is generally perceived as being rather sleepy, but at the same time fairly challenging for investors. Several reasons can explain this: (1) incidences of significant catastrophic losses experienced by property & casualty Insurers, (2) increased prevalence of guaranteed investment contracts by life companies, and (3) a willingness by companies to take on more exposure to market risk to compensate for competition in order to achieve return objectives. Additionally a lack of consistent standards to determine reserve levels and solvency requirements makes comparison of companies problematic, particularly when assessed on a cross-border basis (standards are determined locally). For life insurers, further obscuring matters is the use of different accounting practices (for example differing accounting treatment of policy acquisition costs).

a. Property & Casualty Insurers

This sub-sector includes companies focused on both commercial lines as well as personal lines underwriting. Post Katrina, the market has started to look more carefully at concentration risk and claims paying ability. We expect to see significant shifts in market share, and retention patterns that will impact both primary underwriters and reinsurers. While pricing is temporarily firm, the influx of new sources of capital as hedge funds enter the market suggests that it may only be a matter of time before price competition intensifies. Examples of companies include: Allstate, Progressive, Chubb, Aviva, Prudential, Allianz and AXA.

b. Life & Health Insurers

This sub-sector includes companies focused mainly on the provision of life & health insurance as well as the provision of long term savings plans through fixed and variable annuities. This business is typically a spread business where companies benefit from the time gap between when premiums are received and claims are paid. Given the long-tailed nature of the liabilities, life companies tend to hold a higher proportion of their investments in equities and other higher risk investments. As such they are directly impacted by changes in the market value of their investment portfolios. Compounding this, much of the longer term savings business written is based on return assumptions at the date of origination of the contracts. Declines in interest rates and market return can adversely affect the profitability of this business. Examples include: Metlife, The Hartford, Aflac, Sun Life, Aegon, Prudential, ING and Swiss Life.

c. Re-Insurers

This group of companies provide both property & casualty re-insurance as well as life & health re-insurance to primary insurers. They are generally exposed to the same trends experienced in the primary market, with the exception that they carry different layers of risk than the primary insurers. They effectively serve as a means of risk distribution for the primary insurers. During times where capital is scarce in terms of primary insurance, they function as additional providers of capital by taking on risk from primary insurers. Examples include: Munich RE, Swiss RE, Everest RE, Renaissance RE and XL Capital.

Investment Opportunities in Financial Services

The financial services sector offers sufficient breadth that lends itself well as an investment opportunity across a wide range of economic/business conditions. The strategic importance of the financial services sector (the banking sector in particular) to the smooth function of the broader economy cannot be overstated. The financial services sector serves is regulated and this serves as an additional check above and beyond that of the markets. Regulators are now highly sensitive to both the adequacy of solvency and liquidity levels among financial service providers, and they appear to prefer that returns remain consistently above the respective cost of capital in each sub-sector in order to pre-empt any potential problems.

Potential for High Returns

The leading companies across a wide range of sub-sectors have demonstrated a consistent ability to deliver returns that are substantially above their peer group and in excess of their cost of capital. More recently, due to the cyclical deterioration in the credit environment and reduction in volumes, even the best managed institutions have experienced a squeeze in profitability. There are still good opportunities across a range of sub-sector to identify companies which deliver substantially positive Shareholder Value Added (“SVA”) across a range of

operating conditions. Several examples of high SVA companies include: US Bancorp, HSBC, BBVA, Northern Trust, State Street Bank, T. Rowe Price, Global Payments, Visa, Mastercard, HDFC Bank, Banco Itau.

High Growth Opportunities

Two key trends create significant opportunities for above average growth rates among financial service providers:

- (1) rising income levels lead to increased financial intensity, and
- (2) increased outsourcing and product development (evolution).

Increased financial intensity is most noticeable in consumer banking. As wage levels increase, so does consumer credit penetration (or consumer credit as a percentage of gross domestic product). This suggests that institutions in developing regions will see above average growth opportunities in consumer financial services.

Increased specialisation has tended to open up new markets for the best of the breed service providers. This has enabled them to grow in two ways (1) by expanding their product sweep to drive additional revenues from their customer base, and (2) by extending their services into new markets and taking share from traditional service providers.

The trust and processing banks have been able to achieve relatively high growth rates as they have benefited from outsourcing trends and market share gains. This outsourcing opportunity has arisen due to the evolution of products (solutions), which has enabled them to extend the value chain of services on offer to the customer. In addition, they have gained market share as sub-scale competitors are forced to exit the business. This is particularly evident in Europe, where several global banks which lacked comparative advantage in product segments like global custody, have sold portions of their portfolios or entered into alliance with market leaders.

Several examples of high growth companies include: Northern Trust, State Street Bank, HDFC, Banco Itau, Visa, Mastercard.

Predictions, Projections or Forecasts Not Indicative of Performance

Investors should note that the predictions, projections or forecasts above are not necessarily indicative of the future or likely performance of the Fund.

7.3 Authorised Investments

The Authorised Investments of the Fund include the following Investments:

- (a) any securities issued by banks, finance companies and other corporations or entities which carry on business of financial services;
- (b) any securities issued by corporations or any other entities which derive their revenues from subsidiaries carrying on business of banking and/or financial services; or
- (c) where the Fund is a CPFIS Included Fund, any Investment for the time being approved by the relevant competent authority in Singapore for investment by members of CPF under the CPF Investment Scheme (“CPFIS”) or for investment by the Fund to enable the Fund to qualify as an approved unit trust for investment by members of CPF under the CPFIS.

“**Investment**” means any share, stock, bond, note, debenture, debenture stock, loan, loan stock, warrant, options, certificates of deposit, commercial paper, promissory note, treasury bill, fixed and floating rate instrument, unit or sub-unit in a unit trust scheme, participation in a mutual fund or similar scheme or other securities (as defined in the SFA) or any money market instrument, index futures, or any other securities which may be selected by the Managers for the purpose of investment of the Assets of the Fund¹ or which may for the time being form part thereof.

Investors should note that the Fund intends to use or invest in financial derivatives. Further information is set out in paragraph 10.2.7 of this Prospectus.

¹ “**Assets of the Fund**” means all the assets (including cash and earnings on cash deposits) for the time being held or deemed to be held upon the trusts of the Deed excluding any amount for the time being standing to the credit of the Distribution Account (as defined in the Deed).

8. CPFIS Included Scheme

The Fund is a unit trust included by the CPF Board (“**CPFIS Included Fund**”) under the CPFIS. It has been classified by the CPF Board under the risk classification of “Higher Risk - Narrowly Focused - Sector - Others”. However, the Managers have ceased to accept any applications for subscriptions and/or switching and/or RSP (as defined in paragraph 12) subscriptions into the Fund using CPF monies. Accordingly, all references and provisions in this Prospectus relating to the use of CPF monies for subscriptions of Units and/or switching and/or RSP subscriptions (where applicable), including, without limitation, under paragraphs 9.1 (in the row entitled “Subscription Fee”), 11.1, 11.5 and 12, are currently inapplicable and have no effect until such time as the Managers decide to accept applications for subscriptions and/or switching and/or RSP subscriptions into the Fund using CPF monies again.

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 saving 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%, adjusted quarterly. The interest rate to be credited to the Retirement Account (“**RA**”) will be the weighted average interest of the entire portfolio of Special Government Securities (SSGS) which the RA savings are invested in, and adjusted yearly in January. The SSGS earn a fixed coupon equal to the 12-month average yield of the 10YSGS plus 1% at the point of issuance. For 2011, the minimum interest rate for the SMA and the RA will be 4.0% per annum. After 31 December 2011, the 2.5% per annum minimum interest rate, as prescribed by the Central Provident Fund Act (Chapter 36) of Singapore, will apply to the SMA and RA.

In addition, the CPF Board pays an extra interest rate of 1% per annum on the first \$60,000 of a CPF member’s combined balances, including up to \$20,000 in the CPF Ordinary Account. In addition, the first \$20,000 in the CPF Ordinary Account and the first \$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

9.1 Charges and Fees Payable by Holder

Subscription Fee#:	For Cash Units and Supplementary Retirement Scheme Units: Currently 5%. Maximum 5%. For CPF Units: Currently 3%. Maximum 3%.
Realisation charge#:	Nil
Switching fee*:	Currently 1%.

9.2 Fees Payable by the Fund to the Managers, the Trustee and other parties

Annual management fee:	Currently 1.50% p.a. Maximum 1.50% p.a..
Annual trustee fee:	Currently not more than 0.05% p.a. (presently subject to a minimum of S\$5,000 p.a.); maximum 0.25% p.a. **
Annual registrar and transfer agent services fee:	S\$15,000 p.a.
Annual valuation and accounting services fee:	Currently, 0.125% p.a. subject to a maximum of 0.125% p.a.
Audit fee*** (payable to the Auditors), custodian fee**** (payable to the Custodian) and other fees and charges*****	Subject to agreement with the relevant parties each fee or charge may exceed 0.1% p.a., depending on the proportion each fee or charge bears to the net asset value of the Fund.

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

* In the case of a switch of Units in the Fund to units of any other fund managed by the Managers (referred to as “**New Units**” and “**New Fund**” respectively), 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.

** The annual trustee fee for the Fund is subject always to a minimum sum of S\$15,000 or such other smaller sum as may be agreed in writing from time to time between the Trustee and the Managers.

*** The audit fee payable is subject to agreement with the Auditors for each financial year. Based on the audited accounts of the Fund for the financial year ended 30 June 2011, the audit fee did not exceed 0.1% in that financial year.

**** The custodian fee payable is subject to agreement with the Custodian and will depend on the number of transactions carried out and the place at which such transactions are effected in relation to the Fund. Based on the audited accounts of the Fund for the financial year ended 30 June 2011, the custodian fee amounted to 0.10% based on the average net asset value of the Fund for that financial year.

***** Other fees and charges include goods and services tax, printing costs, legal & professional fees and other out-of-pocket expenses. Based on the audited accounts of the Fund for the financial year ended 30 June 2011, the aggregate of the other fees and charges amounted to 0.13% based on the average net asset value of the Fund for that financial year.

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

10. Risks

10.1 General risks

Investors should consider and satisfy themselves as to the risks of investing in the Fund. Generally, some of the risk factors that should be considered by investors are market risks, interest rate risks, credit risks of issuers, foreign exchange risks, political risk, liquidity risks, repatriation risks and derivatives risks.

An investment in the Fund is meant to produce returns over the long-term. Investors should not expect to obtain short-term gains from such investment.

Investors should be aware that the price of Units, and the income accruing from the Units, may fall or rise and that investors may not get back their original investment.

10.2 Specific risks

10.2.1 Market Risk in the Global Markets

The Investments by the Fund are subject to market risks and there can be no assurance that the Fund's investment objectives will be realised. Prices of securities invested by the Fund may increase or decrease in response to changes in economic conditions, interest rates and the market's perception of securities which in turn may cause the price of Units to rise or fall.

10.2.2 Risk of Investments in Warrants and Options

The risks of investing in warrants and options depend on the terms attached to them and on the volatility of the stock markets on which they are traded. As the viability of exercising warrants and options depends on the market price of the securities to which they relate, it may be the case that the Managers may from time to time consider it not viable to exercise certain warrants and/or options held by it on behalf of the Fund within the prescribed period, in which case any costs incurred in obtaining them may be irrecoverable. There is also the risk that the market price of the relevant security will not exceed the exercise price attached to the warrant or option at any time during the exercise period or at the time at which the warrant or option is exercised and this may result in an immediate loss to the Fund. Further, if the company or other institution issuing the securities to which the warrants are attached goes into liquidation before such warrants are exercised, the bearer(s) of the warrants may rank as unsecured creditors or behind unsecured creditors of that company or other institution. The Managers however, have the requisite expertise, experience and quantitative tools to manage and contain such investment risks. The Managers will invest only in warrants and options of securities with strong fundamentals. The maximum exposure at any time is limited to the premium paid for such warrants and options, and the Managers will not at any time invest in any instrument which may subject the Fund to unlimited liability.

10.2.3 Foreign Exchange Risk

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

10.2.4 Political Risk

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

10.2.5 Credit or Default Risk

The Fund's investments in debt securities are subject to credit or default risks.

10.2.6 Liquidity Risk

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

10.2.7 Derivatives Risk

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

Risk management procedures of the Managers

- (a) The Managers may use financial derivative instruments for the purposes of hedging existing positions in a portfolio or efficient portfolio management. Where such instruments are financial derivatives on commodities, such transactions shall be settled in cash at all times.
- (b) The Managers will ensure that the global exposure of the Fund to financial derivative instruments or embedded financial derivative instruments will not exceed 100% of the net asset value of the Fund at all times. Such exposure will be calculated using the commitment approach as described in, and in accordance with the provisions of, the Code. The Fund may net its over-the-counter financial derivative positions with a counterparty through bilateral contracts for novation or other bilateral agreements with the counterparty, provided that such netting arrangements satisfy the relevant conditions described in the Code, and the Managers will obtain, or have obtained (as applicable), the legal opinions as stipulated in the Code.
- (c) Description of risk management and compliance procedures and controls adopted by the Managers:
 - (i) The Managers will implement various procedures and controls to manage the risk of the assets of the Fund. The decision to invest in any particular security or instrument on behalf of the Fund will reflect the Managers' judgment of the benefit of such transactions to the Fund and will be consistent with the Fund's investment objectives in terms of risk and return.
 - (ii) *Execution of Trades.* Prior to each trade, the Managers will ensure that the intended trade will comply with the stated investment objective, focus, approach and restrictions of the Fund, and that best execution and fair allocation of trades are done. The Managers' Middle Office department will conduct periodic checks to ensure compliance with the investment objective, focus, approach and restrictions (if any) of the Fund. In the event of any non-compliance, Middle Office is empowered to instruct the relevant officers to rectify the same. Any non-compliance will be reported to higher management and monitored for rectification.
 - (iii) *Liquidity.* In the event there are unexpectedly large redemptions of Units, there may be a possibility that the assets of the Fund may be forced to be liquidated at below their fair and expected value, especially in illiquid public exchanges or over-the-counter markets. The Managers will ensure that a sufficient portion of the Fund will be in liquid assets such as cash and cash-equivalents to meet expected redemptions, net of new subscriptions.
 - (iv) *Counterparty exposure.* The Fund may have credit exposure to counterparties by virtue of positions in financial instruments (including financial derivative instruments) held by the Fund. To the extent that a counterparty defaults on its obligations and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its assets, its income stream and incur extra costs associated with the

exercise of its financial rights. Subject to the provisions of the Code, the Managers will restrict their dealings with counterparties that have a minimum long-term issuer credit rating of above BB+ by Standard and Poor's, an individual rating of above C by Fitch Inc or a financial strength rating of above C by Moody's Investors Service. If any approved counterparty fails this criterion subsequently, the Managers will take steps to unwind the Fund's position with that counterparty as soon as practicable.

- (v) *Volatility.* To the extent that the Fund has exposure to financial derivative instruments that allow a larger amount of exposure to a security for no or a smaller initial payment than the case when the investment is made directly into the underlying security, the value of the Fund's assets will have a higher degree of volatility. The Fund may use financial derivative instruments for hedging purposes for reducing the overall volatility of the value of its assets. At the same time, the Managers will ensure that the total exposure of the Fund to derivative positions will not exceed the net asset value of the Fund, as stated in paragraph (b) above.
- (vi) *Valuation.* The Fund may have exposure to over-the-counter financial derivative instruments that are difficult to value accurately, particularly if there are complex positions involved. The Managers will ensure that independent means of verifying the fair value of such instruments are available, and will conduct such verification at an appropriate frequency.
- (d) The Managers will ensure that the risk management and compliance procedures and controls adopted are adequate and have been or will be implemented and that they have the necessary expertise to control and manage the risks relating to the use of financial derivative instruments. The Managers may modify the risk management and compliance procedures and controls as they deem fit and in the interests of the Fund.

10.2.8 Financial Services Sector Risk

In comparison to the overall stock market, the value of shares of financial institutions can be more adversely impacted by changing interest rate levels and/or deteriorating economic and credit conditions. In addition, as financial institutions are subject to greater regulation than other industries, the sector is exposed to greater regulatory risks that could adversely impact the investment performance of the Fund.

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

11. Subscription of Units

11.1 Subscription procedure

Application for Units may be made on the application form attached to this Prospectus or through any authorised agent or distributor of the Managers from time to time or through an automated teller machine ("ATM") (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 through any other sales channel, if applicable. Applications should be accompanied by such documents as may be required, with the subscription monies in full.

Investors may make payment for Units by telegraphic transfer. Investors should contact the Managers for details regarding payment by telegraphic transfer.

Investors have a choice of paying for Units with cash, Supplementary Retirement Scheme ("SRS") monies or CPF monies.

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

Investors wishing to use their CPF monies to purchase Units shall indicate so on the application form. 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.

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 receiving 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 for such information and/or documents as are necessary to verify the identity of an investor.

11.2 Minimum Initial Subscription Amount and Minimum Subsequent Subscription Amount

The minimum initial subscription amount is S\$1,000 (or in the case where payment is made in US dollars, US\$1,000) or its equivalent in such other currency as the Managers may decide at the applicable rate of exchange and the minimum subsequent subscription amount is S\$500 (or in the case where payment is made in US dollars, US\$500) or its equivalent in such other currency as the Managers may decide at the applicable rate of exchange.

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

11.3 Dealing deadline and pricing basis

Units are issued on a forward pricing basis. Therefore, the issue price cannot be determined at the time of application. The issue price is based on the value of the Fund as at the Valuation Point². For applications received and accepted by the Managers or any authorised agent or distributor of the Managers by 3 p.m. (Singapore time) on any Dealing Day (the “**Dealing Deadline**”), Units will be issued at the issue price for that Dealing Day. For applications received and accepted by the Managers or any authorised agent or distributor of 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 for the next Dealing Day.

The Managers shall be entitled to accept subscription monies in currencies other than in Singapore dollars, and to convert such subscription monies into Singapore dollars at the applicable rate of exchange determined by the Managers. Any costs incurred in and risks associated with effecting such currency exchange will be borne by the investor. Currently, the Managers accept the purchase of Units in both Singapore dollars and US dollars and will quote the issue price in Singapore dollars and its equivalent in US dollars at the applicable rate of exchange. In future, the Managers may permit the purchase of Units at the issue price in any other foreign currency and will quote the issue price in such foreign currency at the applicable rate of exchange.

“**Dealing Day**” in connection with the issuance, cancellation, valuation and realisation of Units means every Business Day or such other day or days at such intervals as the Managers may from time to time determine with the prior consultation of the Trustee Provided That reasonable notice of any such determination shall be given by the Managers to all Holders at such time and in such manner as the Trustee may approve. Provided That if on any day which would otherwise be a Dealing Day the Recognised Stock Exchange³ or OTC Market⁴ on which investments of the Fund having in aggregate values amounting to at least 50 per cent of the Value (as defined in paragraph 21.7 of this Prospectus) of the Assets of the Fund (as at the relevant Valuation Point) are quoted, listed or dealt in is not open for normal trading, the Managers may determine that that day shall not be a Dealing Day.

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

² “**Valuation Point**” means the close of business of the last relevant market in relation to the relevant Dealing Day on which the Value of the Assets of the Fund is to be determined or such other time as the Managers may with the prior approval of the Trustee determine and the Trustee shall determine if the Holders should be informed of such change. The Managers shall notify the Holders of such change if required by the Trustee.

³ “**Recognised Stock Exchange**” means 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 country in any part of the world dealing in the Authorised Investment which the Managers may from time to time elect.

⁴ “**OTC Market**” means 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.

The issue price per Unit shall be ascertained by dividing the Value (as described in paragraph 21.7) of the Assets of the Fund at the Valuation Point in relation to the Dealing Day on which such issue occurs by the number of Units then in issue and deemed to be in issue, truncated to three decimal places (or such other method of rounding or number of decimal places as determined by the Managers with the approval of the Trustee). The Managers may, if so required, charge a Subscription Fee which is deducted from the total amount paid by the investor for the subscription of Units (the “**Gross Investment Amount**”), and the resultant amount (the “**Net Investment Amount**”) will be applied towards the subscription of Units. The Subscription Fee shall be retained by the Managers for their own benefit and the amount of the rounding adjustment shall be retained by the Fund.

The Trustee shall be under no obligation to check the calculation of the amount payable in connection with any issue of Units pursuant to this paragraph but shall be entitled at any time to require the Managers to justify the same. The Managers may, subject to the prior approval of the Trustee, change the method of determining the issue price as provided under Clause 9.2(b) of the Deed and the Trustee shall determine if the Holders should be informed of such changes.

11.4 Numerical example of how Units are allotted

The following is an example of the number of Units an investor will acquire based on a Gross Investment Amount of S\$1,000.00, a notional issue price of S\$1.000 and a Subscription Fee of 5%:

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		Notional issue price		Number of Units allotted

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

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

11.5 Confirmation of purchase

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

11.6 Cancellation of initial subscription by Holders

Holders shall, subject to Clause 10A of the Deed and to the cancellation terms and conditions attached to the application form, have the right to cancel their purchase of Units within 7 calendar days from the date of subscription or purchase of Units (or such longer period as may be agreed between the Managers and the Trustee or such other period as may be prescribed by the Authority) by providing notice in writing to the Managers or their authorised agents or distributors. Full details of the provisions relating to the cancellation of Units may be found in the terms and conditions for cancellation of Units attached to the application form for the subscription of Units. However the Holder will have to take the risk of any price changes in the net asset value of the Fund since his subscription and pay any bank charges, administrative or other fee imposed by the distributor.

12. Regular Savings Plan

The Managers may in their discretion implement a scheme for monthly or quarterly 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 in the case where the purchase is made in US dollars, US\$1,000) or such other number of Units as may be determined by the Managers before embarking on a regular savings plan (“**RSP**”). The Holder may opt to invest a minimum sum of S\$100 (or in the case where payment is made in US dollars, US\$100) or such other amount as may be determined by the Managers on a fixed day per month or S\$500

(or in the case where payment is made in US dollars, US\$500) or such other amount as may be determined by the Managers 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 SRS monies, Holders must submit the application form.

For RSP using CPF monies, Holders must complete a CPF Standing Instruction Form and submit it together with 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 (i) each month (in the case of monthly RSP subscriptions) or (ii) the last month of each calendar quarter (in the case of quarterly RSP subscriptions). The investment will be made on the same day after payment has been debited for cash, SRS monies or CPF monies (as the case may be) with the allotment of Units made normally within 2 Business Days thereafter.

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

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

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

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 on realisation forms which may be obtained from any authorised agent or distributor of the Managers from time to time, or through an ATM (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 sales channel, if applicable.

13.2 Minimum holding and minimum realisation amount

Holders may realise their Units in full or partially. Partial realisation of Units must be for at least 100 Units, subject to the Holder maintaining a minimum holding of at least 1,000 Units or the number of Units which were or would have been purchased for S\$1,000 (or in the case where payment is made in US dollars, US\$1,000) or its equivalent in such other currency as the Managers may decide (rounded down to two decimal places) 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 written notice to the Trustee).

13.3 Dealing deadline and pricing basis

Units are realised on a forward pricing basis. Therefore, the realisation price cannot be calculated at the time of request. Investors may realise their Units on any Dealing Day. Units in respect of realisation forms received and accepted by the Managers or any authorised agent or distributor of the Managers by the Dealing Deadline on any Dealing Day shall be realised at the realisation price for that Dealing Day. For requests received and accepted by the Managers or any authorised agent or distributor of 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 realisation price for the next Dealing Day.

The Managers may, upon request by a Holder, effect payment of the realisation monies in currencies other than Singapore dollars, at the applicable rate of exchange determined by the Managers. Any costs incurred in and risks associated with effecting such currency exchange will be borne by the Holder. Currently, the Managers effect payment of realisation monies in both Singapore dollars and US dollars and will quote the realisation price

in Singapore dollars and its equivalent in US dollars at the applicable rate of exchange. In future, the Managers may permit the realisation of Units at the realisation price in any other foreign currency and will quote the realisation price in such foreign currency at the applicable rate of exchange.

The realisation price per Unit shall be the price per Unit ascertained by the Managers by calculating the Value of the Assets of the Fund at the Valuation Point in relation to the Dealing Day on which the realisation request is received by the number of Units then in issue and deemed to be in issue, truncated to three decimal places (or such other method of rounding or number of decimal places as determined by the Managers with the approval of the Trustee). The amount of the adjustment aforesaid shall be retained by the Fund. The Managers may, subject to the prior approval of the Trustee, change the method of determining the realisation price as provided in Clause 11.3 of the Deed and the Trustee shall determine if the Holders should be informed of such change.

If a Holder is resident outside Singapore, the Managers shall be entitled to deduct from the total amount which would otherwise be payable on the purchase from the Holder an amount equal to the excess of the expenses actually incurred over the amount of expenses which would have been incurred if the Holder had been resident in Singapore.

For the avoidance of doubt, should a realisation request for any Units be received by the Managers or any authorised agent or distributor of the Managers prior to the receipt of the subscription monies in respect of such Units, the Managers may refuse to realise such Units until the Business Day following that upon which the subscription monies in respect of such Units have been duly received by the Trustee.

13.4 Numerical example of calculation of realisation proceeds

The net realisation proceeds payable to an investor on the realisation of 1,000 Units, and on a notional realisation price of S\$0.950, will be calculated as follows:\

1,000 Units	x	S\$0.950	=	S\$950.00
Your realisation request		Notional realisation price		Gross realisation proceeds
S\$950.00	-	S\$0.00	=	S\$950.00
Gross realisation proceeds		Realisation charge (0%)		Net realisation proceeds

The above example is for illustrative purposes only and is purely hypothetical and is not a forecast or indication of any expectation of performance of the Fund.

13.5 Payment of realisation proceeds

Realisation proceeds shall normally be paid by cheque or credited to the Holder's CPF or SRS account, as applicable, within 6 Business Days (or such number of days as may be allowed by the Authority) in Singapore from the Dealing Day on which the realisation form is received and accepted by the Managers or their duly authorised agents or distributors unless the realisation of Units has been suspended in accordance with paragraph 16 of this Prospectus.

14. Switching of Units

The Managers may on the application of (i) a Holder who purchased Units in the Fund with CPF monies effect the switching of such Units for units which may be subscribed for or purchased with CPF monies in any other Group Fund⁵ or (ii) a Holder who purchased Units in the Fund with cash effect the switching of such Units for units which may be subscribed for or purchased with cash in any other Group Fund, upon such terms and conditions as the Managers may from time to time determine in accordance with the provisions of the relevant trust deeds.

⁵ "Group Fund" means a unit trust scheme the manager of which:

- (a) is the Managers or a company under their control or under common control with them or at least 50 per cent of the share capital of which is held by a company which is a shareholder of the Managers; and
- (b) shall approve the terms of any switching which may be made under Clause 9.9 of the Deed.

Any partial switch shall be subject to the Holder maintaining a minimum holding of 1,000 Units or the number of Units which were or would have been purchased for S\$1,000 (or in the case where the purchase was made in US dollars, US\$1,000) or its equivalent in such other currency as the Managers may decide (rounded down to two decimal places) 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 written notice to the Trustee.

In addition, the following provisions shall apply in regard to the switching of Units:-

- (A) The right of switching is exercisable by the Holder giving to the Managers a notice (in this paragraph 14 called an "**Switching Notice**") in such form as the Managers may from time to time require.
- (B) Subject as hereinafter provided, the switching of the Units specified in the Switching Notice shall be made on the Common Switching Dealing Day (as defined below) on which the Switching Notice is received by the Managers or any authorised agent or distributor of the Managers up to the Dealing Deadline on such Common Switching Dealing Day and, for this purpose, a "**Common Switching Dealing Day**" is a day which is both a Dealing Day in relation to Units and a dealing day in relation to units of the Group Fund. If a Switching Notice is received after the Dealing Deadline on a Common Switching Dealing Day or on a day which is not a Common Switching Dealing Day, such Switching Notice shall be treated as having been received before the Dealing Deadline on the next Common Switching Dealing Day.
- (C) No Units shall be switched during any period when the right of Holders to require the realisation of Units is suspended pursuant to Clause 11.5 of the Deed or on any Common Switching Dealing Day on which the number of Units that can be realised by any Holder is limited pursuant to Clause 11.6 of the Deed.
- (D) A Holder shall not without the consent of the Managers be entitled to withdraw an Switching Notice duly made in accordance with this paragraph 14.
- (E) Any such switching shall be effected subject to the requirements set out in Clauses 9 and 11 of the Deed.
- (F) For the purpose of any such switching each Unit to be surrendered shall be valued at the realisation price per unit as calculated in accordance with Clause 11.3 of the Deed and each Unit to be issued shall be valued at the issue price per Unit calculated in accordance with Clause 9 of the Deed.
- (G) A switching for the purpose of this paragraph 14 of Units for units of a Group Fund shall be effected by the Holder surrendering his Units to the Managers who shall, subject to compliance with the CPFIS Regulations⁶ in respect of Units purchased with CPF monies, pay to the manager of the Group Fund concerned a sum representing the value of the surrendered Units calculated as aforesaid in consideration of the issue to that Holder of units in that Group Fund to the same value as the aforesaid sum representing surrendered Units (after deducting any subscription fee payable for the units of the Group Fund).
- (H) The Trustee shall have no responsibility or liability to ensure that the provisions of the trust deed constituting the Group Fund relating to issue, realisation or switching of units are complied with.

15. Obtaining Prices of Units

The indicative issue and realisation prices of Units will be published in The Straits Times, The Business Times, Lianhe Zaobao and such other local or 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 issue and realisation prices quoted will generally be published 2 Business Days after the relevant Dealing Day in Singapore dollars and in US dollars as well.

⁶ "CPFIS Regulations" means the Central Provident Fund (Investment Schemes) Regulations and the terms and conditions for fund management companies included under the CPFIS from time to time issued by the CPF Board or other relevant competent authority thereunder, as the same may be modified, amended, supplemented, re-enacted or reconstituted from time to time.

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.

16. Suspension of Dealing

16.1 Subject to the provisions of the Code, the Managers may at any time, with the approval of the Trustee, suspend the issue, realisation, cancellation and valuation of Units during:

- (i) any period any stock exchange on which any Investments forming part of the Assets of the Fund for the time being are listed or dealt in is closed (otherwise than for ordinary holidays) or during which dealings are restricted or suspended;
- (ii) the existence of any state of affairs which, in the opinion of the Managers, constitutes an emergency as a result of which disposal of Investments would not be reasonably practicable or might seriously prejudice the interest of the Holders as a whole and of the Fund;
- (iii) any breakdown in the means of communication normally employed in determining the Value of any Investment or when for any reason whatsoever the Value of any Investment cannot, in the opinion of the Managers, be promptly and accurately ascertained (including any period when the fair value of a material portion of the Authorised Investments cannot be determined);
- (iv) any period when remittance of money which will or may be involved in the realisation of Investments or payment for Investments cannot, in the opinion of the Managers, be reasonably carried out;
- (v) 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 adjournment thereof);
- (vi) any period where dealing of Units is suspended pursuant to any order or direction of the Authority;
- (vii) 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;
- (viii) any period when realisation of Units is suspended pursuant to Clauses 11.5 and 11.7 of the Deed; or
- (ix) such circumstance as may be required under the provisions of the Code.

16.2 Such suspension shall take effect forthwith upon the declaration in writing thereof to the Trustee by the Managers and subject to the provisions of the Code, shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other condition under which suspension is authorised under paragraph 16.1 shall exist upon the declaration in writing thereof by the Managers.

17. Performance of the Fund

17.1 Past performance of the Fund and benchmark as of 31 August 2011

	One Year	Three Year	Five Year	Ten Year	Since Inception ⁷
Fund ⁸	-8.71%	-12.89%	-11.83%	-2.06%	2.45%
Fund ^{^9}	-13.28%	-14.36%	-12.73%	-2.56%	2.10%
Benchmark ¹⁰	-10.94%	-14.73%	-15.53%	-4.55%	0.98%

Source: Lipper, a Thomson Reuters Company

^ Taking into account the Subscription Fee

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

17.2 Expense ratio

The expense ratio for the year as of 30 June 2011 is 1.94%¹¹.

17.3 Turnover ratio

The turnover ratio for the Fund for the period from 1 July 2010 to 30 June 2011 is 13.92%¹².

18. Soft Dollar Commissions/Arrangements

The Managers may from time to time receive or enter into soft-dollar commissions or arrangements in the management of the Fund. The soft-dollar commissions or arrangements which the Managers may receive 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 and 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 conduct of research or analysis and custodian services 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.

⁷ Inception date is 12 July 1996. Note that the benchmark inception date is 31 December 1998.

⁸ Performance is calculated in S\$, on a NAV-NAV basis as at 31 August 2011, with all dividends and distributions reinvested (net of reinvestment charges). Figures for the last one year show the percentage change, while figures exceeding one year show the average annual compounded return.

⁹ Performance is calculated in S\$ on a NAV-NAV basis as at 31 August 2011, taking into account the Subscription Fee, with all dividends and distributions reinvested (net of reinvestment charges). Figures for the last one year show the percentage change, while figures exceeding one year show the average annual compounded return.

¹⁰ Benchmark: MSCI World Financials Index.

¹¹ The expense ratio is calculated in accordance with the requirements in the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios (the "IMAS Guidelines") and based on figures in the Fund's latest audited accounts. The following expenses (where applicable) as may be set out in the IMAS Guidelines (as may be updated from time to time), are excluded from the calculation of the expense ratio:

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

¹² The turnover ratio is calculated based on the lesser of purchases or sales of underlying investments of the Fund expressed as a percentage of daily average net asset value, i.e., average daily net asset value over the same period used for calculating the expense ratio.

The Managers may not accept or enter into soft-dollar commissions or arrangements unless such soft-dollar commissions or arrangements shall reasonably assist them in their management of the Fund, provided that the Managers shall ensure at all times that best execution is carried out for the transactions and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions or arrangements.

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

19. Conflicts of Interest

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

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

The Managers and the Trustee shall conduct all transactions with or for the Fund on an arm's length basis.

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

20. Reports

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 or made available 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 or made available 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

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

21.2 Information on investments

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

21.3 Distribution of income and capital

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, and if the Managers deem fit, such part or all of the net capital gain realised on the sale of investments in respect of the amount available for distribution for each relevant period at such time and in accordance with such method of calculations as the Trustee and Managers may agree having regard to the provisions of the Deed.

21.4 Exemptions from liability

- 21.4.1** The Trustee and the Managers respectively shall incur no liability in respect of any action taken or thing suffered by them in reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganisation or other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.
- 21.4.2** The Trustee and the Managers shall incur no liability to the Holders for doing or (as the case may be) failing to do any act or thing which by reason of any provision of 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.
- 21.4.3** Neither the Trustee nor the Managers shall be responsible for the authenticity of any signature on or of any seal affixed to any endorsement or to any transfer or form of application, endorsement or other document (whether sent by mail, facsimile, electronic means or otherwise) affecting the title to or transmission of Units or be in any way liable for any forged or unauthorised signature on or a seal affixed to such endorsement, transfer or other document or for acting on or giving effect to any such forged or unauthorised signature or seal. The Trustee and the Managers respectively shall nevertheless be entitled but not bound to require that the signature of any Holder or Joint Holder to any document required to be signed by him under or in connection with the Deed shall be verified by a banker or broker or other responsible person or otherwise authenticated to its or their reasonable satisfaction.

- 21.4.4** The Trustee may act upon any advice or information obtained from the Managers or any bankers, accountants, brokers, lawyers, agents or other persons acting as agents or advisers either of the Trustee or of the Managers and the Trustee shall not be liable for anything done or omitted or suffered in good faith in reliance upon such advice or information. The Trustee shall not be responsible for any misconduct, mistake, oversight, error of judgment, forgetfulness or want of prudence on the part of any such banker, accountant, broker, lawyer, agent or other person as aforesaid or of the Managers except in regard to any matter in which the Managers are acting on behalf of the Trustee with its express authority. Any such advice or information may be obtained or sent by letter, electronic mail or facsimile and the Trustee shall not be liable for acting on any advice or information purported to be conveyed by any such letter, electronic mail or facsimile although the same shall be found to contain some error or not to be authentic.
- 21.4.5** The Trustee shall not be under any liability on account of anything done or suffered by the Trustee in good faith in accordance with or in pursuance of any request or advice of the Managers (or such distributors and delegates 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 such distributors and delegates 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 such distributors and delegates appointed by the Managers) by any one person whose signature the Trustee is for the time being authorised in writing by the Managers (or such distributors and delegates appointed by the Managers) to accept and may act on facsimile or electronically transmitted instructions given by authorised officers of the Managers (or such distributors and delegates appointed by the Managers) specified in writing by the Managers (or such distributors and delegates appointed by the Managers) to the Trustee.
- 21.4.6** Any indemnity expressly given to the Trustee and/or the Managers in the Deed is in addition to and without prejudice to any indemnity allowed by law PROVIDED NEVERTHELESS THAT nothing in any of the provisions of the Deed shall in any case in which the Trustee and/or the Managers, as the case may be, have failed to show the degree of diligence and care required by them by the provisions of the Deed exempt them from or indemnify them against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of duty or trust of which they may be guilty in relation to their duties.

21.5 Investment restrictions

The CPF Investment Guidelines issued by the CPF Board (as set out in Appendix 1 of this Prospectus), which guidelines may be amended from time to time, shall apply to the Fund.

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

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

21.6 Holders' right to vote

A meeting of Holders duly convened and held in accordance with the provisions of the Schedule to the Deed shall be competent by Extraordinary Resolution to sanction any modification, alteration or addition to the provisions of the Deed which shall be agreed by the Trustee and the Managers or to increase the percentage rate of management fee or the Trustee's remuneration or to terminate the Fund when authorised by the Deed so to do or to request the Trustee or the Managers to retire from the trusts of the Deed or to direct the Trustee to take any action (including the termination of the Fund) pursuant to section 295 of the SFA or to sanction any other matter which the Trustee and/or the Managers may consider necessary to lay before a meeting of Holders, but shall not have any further or other powers.

21.7 Value

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

- (A) a Quoted Investment, shall be calculated, as the case may be, by reference to the official closing price, the last known transacted price or the last transacted price as at the last official close on such 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 and the Managers shall inform the Holders of such change if required by the Trustee); where such Quoted Investment is listed, dealt or traded in more than one Recognised Stock Exchange or OTC Market, the Managers (or such person as the Managers shall appoint for the purpose) may in their absolute discretion select any one of such Recognised Stock Exchange or OTC Market for the foregoing purposes and, if there be no such official closing price, last known transacted price or last transacted price, the value shall be calculated by reference to the last available price(s) quoted by responsible firms, corporations or associations on a Recognised Stock Exchange or an OTC Market at the Valuation Point in respect of the Dealing Day on which the net asset value is to be determined;
- (B) an Unquoted Investment, shall be calculated by reference to where applicable (1) the initial value thereof being the amount expended in the acquisition thereof; (2) 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 particular market maker as the Managers may designate), as may be determined by the Managers to represent the fair value of such Authorised Investment; or (3) the sale prices of recent public or private transactions in the same or similar investments, valuation of comparable companies or discounted cash flow analysis, as may be determined to represent the fair value of such Authorised Investment, and in the valuation of such investment, the Managers may take into account relevant factors including without limitation significant recent events affecting the issuer such as pending mergers and acquisitions and restrictions as to saleability or transferability;
- (C) cash, deposits and similar assets shall be valued (by a person approved by the Trustee as qualified to value such cash, deposits and similar assets) at their face value (together with accrued interest) unless, in the opinion of the Managers, 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 (A), (B), (C), (D) and (E) above are not available, or if the value of the Authorised Investment determined in the manner described in (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 value and is approved by the Trustee and the Managers shall inform 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 a Stockbroker or an approved valuer and with the approval of the Trustee.

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

In calculating the Value of the Assets of the Fund or any proportion thereof:

- (i) every Unit agreed to be issued by the Managers shall be deemed to be in issue and the Assets of the Fund shall be deemed to include not only cash or other assets in the hands of the Trustee but also the value of any cash, accrued interest on bonds or interest-bearing instruments or other assets to be received in respect of Units agreed to be issued after deducting therefrom or providing thereout the Subscription Fee and (in the case of Units issued against the vesting of Authorised Investments) any moneys payable out of the Assets of the Fund pursuant to Clause 9 of the Deed;

- (ii) where Authorised Investments have been agreed to be purchased or otherwise acquired or sold but such purchase, acquisition or sale has not been completed, such Authorised Investments shall be included or excluded and the gross purchase, acquisition or net sale consideration excluded or included as the case may require as if such purchase, acquisition or sale had been duly completed;
- (iii) where in consequence of any notice or request in writing given pursuant to Clause 10, 10A or 11 of the Deed a reduction of the Fund by the cancellation of Units is to be effected but such reduction has not been completed the Units in question shall not be deemed to be in issue and any amount payable in cash and the value of any Authorised Investments to be transferred out of the Assets of the Fund after deducting therefrom or providing thereout the realisation charge (if any) in pursuance of such reduction shall be deducted from the Value of the Assets of the Fund;
- (iv) there shall be deducted on a proportionate basis any amounts not provided for above which are payable out of the Assets of the Fund, including:
 - (a) any amount of the management fee, the setting-up fee, the remuneration of the Trustee and any other expenses accrued but remaining unpaid;
 - (b) the amount of tax, if any, on capital gains (including any provision made for unrealised capital gains) accrued up to the end of the last Accounting Period (as defined in the Deed) and remaining unpaid;
 - (c) the amount in respect of tax, if any, on net capital gains realised during a current Accounting Period prior to the valuation being made as in the estimate of the Managers will become payable;
 - (d) the aggregate amount for the time being outstanding of any borrowings effected under Clause 15 of the Deed together with the amount of any interest and expenses thereon accrued pursuant to Clause 15.1(e) of the Deed and remaining unpaid; and
 - (e) all such costs, charges, fees and expenses as the Managers may have determined pursuant to the provisions of the Deed;
- (v) there shall be taken into account such sum as in the estimate of the Managers will fall to be paid or reclaimed in respect of taxation related to income up to the time of calculation of the Value of the Assets of the Fund;
- (vi) there shall be added the amount of any tax, if any, on capital gains estimated to be recoverable and not received;
- (vii) any Value (whether of an Authorised Investment, cash or a liability) otherwise than in Singapore dollars and any non-Singapore dollar borrowing shall be converted into Singapore dollars at the rate (whether official or otherwise) which the Managers shall after consulting with or in accordance with a method approved by the Trustee deem appropriate to the circumstances having regard *inter alia* to any premium or discount which may be relevant and to the costs of exchange;
- (viii) where the current price of an Authorised Investment is quoted “ex” dividend, interest or other payment but such dividend, interest or other payment has not been received the amount of such dividend, interest or other payment shall be taken into account; and
- (ix) there shall be taken into account such estimated sum approved by the Trustee as in the opinion of the Managers represents provision for any nationalisation, expropriation, sequestration or other restriction relating to the Assets of the Fund.

Provided That the Managers may, subject to the prior approval of the Trustee, and to the extent permitted by MAS, change the method of valuation provided in this definition and the Trustee shall determine if the Holders should be informed of such change.

21.8 Duration and Termination of the Fund

The duration of the Fund is not ascertainable. However, under the provisions of the Deed, the Fund, subject to Section 295 of the SFA, may be terminated:

21.8.1 by the Trustee by notice in writing in any of the following events:

- (a) if the Managers go into liquidation (other than voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver or a judicial manager shall be appointed of the undertaking of the Managers or any part thereof;
- (b) if on the expiration of 3 months after notifying the Managers that in the Trustee's opinion a change of managers is desirable in the interests of the Holders the Trustee has not found another corporation ready to accept the office of managers of the Fund and of which the Trustee and any relevant statutory authority shall approve Provided Always That if the Managers shall be dissatisfied with the circumstances in which the Trustee's power of termination under this paragraph on any occasion is exercised the matter shall be referred to arbitration in accordance with the provisions of the Arbitration Act, Chapter 10 of Singapore, before three arbitrators, the first of whom shall be appointed by the Trustee, the second of whom shall be appointed by the Managers and the third of whom shall be appointed by the Chief Executive Officer for the time being of the Singapore Exchange Securities Trading Limited (failing which the third arbitrator shall be jointly appointed by the Managers and the Trustee) and any decision made pursuant thereto shall be binding upon the Managers, the Trustee and the Holders;
- (c) if any law shall be passed, any authorisation withdrawn or revoked or the Authority issues any direction which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Fund; or
- (d) if the Trustee is desirous of retiring and a new trustee has not been appointed in accordance with Clause 27 of the Deed within 6 months after the Managers have been notified of such desire.

21.8.2 by the Managers by notice in writing:

- (i) if any law shall be passed, any authorisation withdrawn or revoked or the Authority issues any direction which renders it illegal or in the opinion of the Managers impracticable or inadvisable to continue the Fund.
- (ii) if for a continuous period of 3 years the Value of the Assets of the Fund shall be less than S\$5,000,000.

21.8.3 The party terminating the Fund shall give notice thereof to the Holders in the manner provided in Clause 32 of the Deed and by such notice fix the date at which such termination is to take effect which date shall not be less than 3 months after the date of such notice (or such earlier date as may be necessary to comply with any law) and the Managers shall give written notice thereof to the Authority not less than seven days before such termination.

21.8.4 The Fund may at any time after the date hereof be terminated by Extraordinary Resolution of a meeting of the Holders duly convened and held in accordance with the provisions contained in the Schedule to the Deed and such termination shall take effect from the date on which the said Extraordinary Resolution is passed or such later date (if any) as the said Extraordinary Resolution may provide.

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

United Global Capital Fund

(constituted in the Republic of Singapore pursuant to a Deed of Trust dated 31 January 1996 as amended by a First Supplemental Deed dated 30 April 1998, a Second Supplemental Deed dated 30 October 1998, a Third Supplemental Deed dated 28 April 1999, a Fourth Supplemental Deed dated 27 December 1999, a Fifth Supplemental Deed dated 21 December 2001, an Amending and Restating Deed dated 24 January 2003, a Second Amending and Restating Deed dated 1 July 2003, a Third Amending and Restating Deed dated 30 December 2003, a Fourth Amending and Restating Deed dated 1 September 2004, a Fifth Amending and Restating Deed dated 23 December 2005, a Sixth Amending and Restating Deed dated 14 December 2006, a Seventh Amending and Restating Deed dated 29 June 2007, an Eighth Amending and Restating Deed dated 11 December 2008, a Ninth Amending and Restating Deed dated 29 May 2009, a Tenth Amending and Restating Deed dated 3 December 2009, an Eleventh Amending and Restating Deed dated 26 November 2010 and a Twelfth Amending and Restating Deed dated 13 September 2011)

FIRST SUPPLEMENTARY PROSPECTUS DATED 30 APRIL 2012

A copy of this First Supplementary Prospectus has been lodged with the Monetary Authority of Singapore (the “MAS”) who takes no responsibility for its contents.

This First Supplementary Prospectus is lodged with the MAS on 30 April 2012 pursuant to Section 298 of the Securities and Futures Act, Chapter 289 of Singapore and is supplemental to the prospectus relating to United Global Capital Fund (the “Fund”) registered by the MAS on 22 November 2011 (the “Prospectus”).

Terms used in this First Supplementary Prospectus will have the meaning and construction ascribed to them in the Prospectus. References to “**paragraphs**” are to the paragraphs of the Prospectus. This First Supplementary Prospectus should be read and construed in conjunction and as one document with the Prospectus.

This First Supplementary Prospectus sets out the amendments made to the Prospectus in relation to *inter alia* the change of name of the Fund with effect from 1 June 2012.

The following amendments will take effect from the date of this First Supplementary Prospectus:

- (a) All references in the Prospectus to “United Global Capital Fund” shall be deleted and replaced with “United Global Capital Fund (to be known as “United Global Financials Fund” with effect from 1 June 2012)”.
- (b) The table in Paragraph 9.2 of the Prospectus is deleted in its entirety and replaced with the following table:

Management fee:	Currently 1.50% p.a. Maximum 1.50% p.a.
Trustee fee:	Currently not more than 0.05% p.a. (presently subject to a minimum of S\$5,000 p.a.); maximum 0.25% p.a. **
Registrar and transfer agent services fee:	S\$15,000 p.a.
Valuation and accounting services fee:	Currently, 0.125% p.a. subject to a maximum of 0.125% p.a.
Audit fee*** (payable to the Auditors), custodian fee**** (payable to the Custodian) and other fees and charges*****	Subject to agreement with the relevant parties. Each of the fees and charges may amount to or exceed 0.1% p.a., depending on the proportion that it bears to the net asset value of the Fund.

- (c) The footnote marked “***” below the table in Paragraph 9.2 of the Prospectus is deleted in its entirety and replaced with the following footnote:

“*** The trustee fee for the Fund is subject always to a minimum sum of S\$15,000 p.a. or such other smaller sum as may be agreed in writing from time to time between the Trustee and the Managers.”.

(d) The footnote marked “***” below the table in Paragraph 9.2 of the Prospectus is deleted in its entirety and replaced with the following footnote:

“*** The audit fee payable is subject to agreement with the Auditors for each financial year. Based on the audited accounts of the Fund for the financial year ended 30 June 2011, the audit fee did not amount to or exceed 0.1% in that financial year.”.

(e) Paragraph 10.2.7(a) of the Prospectus is deleted in its entirety and replaced with the following paragraph:

“(a) The Fund may use or invest in financial derivative instruments for the purposes of hedging existing positions in a portfolio or for efficient portfolio management or a combination of both purposes. Where such instruments are financial derivatives on commodities, such transactions shall be settled in cash at all times.”.

(f) Paragraph 11.6 of the Prospectus is deleted in its entirety and replaced with the following paragraph:

“11.6 Cancellation of initial subscription by Holders

Holders shall, subject to Clause 10A of the Deed and to the cancellation terms and conditions attached to the application form, have the right to cancel their purchase of Units within 7 calendar days from the date of subscription or purchase of Units (or such longer period as may be agreed between the Managers and the Trustee or such other period as may be prescribed by the Authority) by providing notice in writing to the Managers or their authorised agents or distributors. Full details of the provisions relating to the cancellation of Units may be found in the terms and conditions for cancellation of Units attached to the application form for the subscription of Units. However the Holder will have to take the risk of any price changes in the net asset value of the Fund since his subscription and pay any bank charges, administrative or other fee imposed by the relevant agent or distributor.”.

大华全球资本基金

发售计划说明书