

# UNITED GOLD & GENERAL FUND

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

# **UNITED GOLD & GENERAL FUND**

## **Directory**

### **Managers**

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

Registered Address:  
80, Raffles Place, UOB Plaza,  
Singapore 048624

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

### **Directors of the Managers**

Terence Ong Sea Eng  
Yeo Eng Cheong  
Thio Boon Kiat

### **Trustee/Custodian**

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

### **Auditors**

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

### **Solicitors to the Managers**

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

### **Solicitors to the Trustee**

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

# UNITED GOLD & GENERAL FUND

## IMPORTANT INFORMATION

The managers of United Gold & General 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) constituting and 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.

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 consequently only redeem 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 and (c) any foreign exchange restrictions or exchange control requirements which they may encounter under the laws of the countries of their citizenship, residence or domicile, 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. Investors should also carefully consider the risks of investing in the Fund which are summarised in paragraph 8 of this Prospectus. Investors should note that their investments can be volatile and there can be no assurance that the Fund will be able to attain its 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 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, UOB Asset Management Ltd, or any authorised agents or distributors of the Managers.

# UNITED GOLD & GENERAL FUND

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# UNITED GOLD & GENERAL FUND

*The UNITED GOLD & GENERAL 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 “MAS”). This Prospectus has been prepared in accordance with the requirements of the SFA. The MAS assumes no responsibility for the contents of this Prospectus. The registration of this Prospectus by the MAS does not imply that the SFA or any other legal or regulatory requirements have been complied with. The MAS 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 Gold & General 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 MAS is 2 August 2011. This Prospectus shall be valid for 12 months after the date of registration (i.e., up to and including 1 August 2012) and shall expire on 2 August 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 1 June 1995 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:

<b>Supplemental Deed / Amending and Restating Deed</b>	<b>Date</b>
First Supplemental Deed	2 May 1996
Second Supplemental Deed	7 December 1998
Amending and Restating Deed	8 November 2002
Second Amending and Restating Deed	1 July 2003
Third Amending and Restating Deed	11 November 2003
Fourth Amending and Restating Deed	4 November 2004
Fifth Amending and Restating Deed	9 November 2005
Sixth Amending and Restating Deed	29 August 2006
Seventh Amending and Restating Deed	29 June 2007
Eighth Amending and Restating Deed	4 January 2008
Ninth Amending and Restating Deed	29 May 2009
Tenth Amending and Restating Deed	11 August 2009
Eleventh Amending and Restating Deed	10 August 2010
Twelfth Amending and Restating Deed	2 August 2011

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

**1.3.4** A copy of the Deed is available for inspection free of charge at the operating office of the Managers at 80, Raffles Place, 6th Storey, UOB Plaza 2, Singapore 048624 at all reasonable times during usual business hours (subject to such reasonable restrictions as the Managers may impose) and will be supplied by the Managers to any person upon application at a charge of S\$25 per copy of the document (or such other amount as the Trustee and the Managers may from time to time agree).

#### **1.4 Accounts and reports**

A copy of the latest annual and semi-annual accounts, the auditors’ reports on the annual accounts and the annual and semi-annual reports 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 of the Fund are UOB Asset Management Ltd (referred to as “**UOBAM**” in this paragraph), whose registered office is at 80, Raffles Place, UOB Plaza, Singapore 048624.

UOBAM is a wholly-owned subsidiary of UOB Group. Established in 1986, UOBAM has been managing collective investment schemes and discretionary funds in Singapore for 25 years and as of 31 May 2011 manages about S\$16.50 billion in clients’ assets. UOBAM also has investment operations in Malaysia and Thailand.

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

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

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

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

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

### **3. The Trustee and the Custodian**

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

#### **3.1 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). 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.

### **4. The Auditors**

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

### **5. Fund Structure**

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

### **6. Investment Objective, Focus and Approach**

#### **6.1 Investment Objective / Product Suitability**

The Fund aims to achieve returns on investment mainly in securities of corporations (whether or not listed on any stock exchange, and in any part of the world) whose business (in any part of the world) is or is substantially in the mining or extraction of gold, silver or precious metals (e.g. platinum, palladium, rhodium etc.), bulk commodities (e.g. coal, iron ore, steel etc), base metals of all kinds (e.g. copper, aluminium, nickel, zinc, lead, tin etc.), and other commodities (e.g. industrial minerals, titanium dioxide, borates etc.) and it includes the mining or extraction of oil, gas, coal, alternative energy or other commodities or other minerals, and other Authorised Investments as set out in Clause 1 of the Deed and as described in paragraph 20.7 of this Prospectus.

#### **Product Suitability**

The Fund is suitable for investors who:

- seek returns on their investments;
- are looking for exposure to the commodities 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.**

#### **6.2 Investment Focus**

The majority of the companies in which the Fund will invest in will be those that are competitive, well managed and offer attractive growth prospects over a multi-year investment horizon.

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

- Focus on industry sectors that exhibit higher growth on a global scale (not just because the local industry may be less mature than elsewhere)
- Local or regional leadership already in place and with ambitions to expand, not just to maintain that position
- High quality professional management at both senior and mid-level
- Products or services with a high added-value competitive edge (such as technology), and the ability and desire to invest to develop that advantage
- Focus on maximizing value for shareholders, using techniques such as EVA (“**Economic Value Added**”) and corporate risk management

These are likely to be leading industry leaders or globally competitive companies, which are found amongst mining predominant countries like Australia, North & South Americas, South Africa etc.

### 6.3 Investment Approach

The approach is to invest in industries which exhibit positive macro fundamentals and similarly companies which possess robust micro qualities.

While the main focus will be on long term growth, the Fund will only invest in companies where valuation levels can be justified.

Positive macro and micro drivers are defined in terms of:

- Operating in industry with rational producers, disciplined industry supply
- Rising secular demand for its end product
- Scalability of business, exploitation of economies of scale
- Valuable business franchise
- Efficient distribution capability
- Research & development capability
- Financial strength
- High barriers to entry of competitors
- Astute management
- Shareholder focused and wealth-creation track record

*Investors should note that the net asset value of the Fund is likely to have a high volatility due to its investment policies or portfolio management techniques.*

### 6.4 Risk management procedures of the Managers

**6.4.1** The Managers may use financial derivative instruments for the purposes of hedging existing positions in a portfolio or efficient portfolio management. With effect from 1 October 2011, where such instruments are financial derivatives on commodities, such transactions shall be settled in cash at all times.

**6.4.2** Prior to 1 October 2011, the Managers will ensure that the exposure of the Fund to financial derivative instruments will not at any time exceed 100% of the net asset value of the Fund. Such exposure will be calculated by converting the derivative positions into equivalent positions in the underlying assets embedded in those derivatives. With effect from 1 October 2011, the Managers will ensure that the global exposure of the Fund to financial derivative instruments or embedded financial derivative instruments will not exceed 100% of the net asset value of the Fund at all times. Such exposure will be calculated using the

commitment approach as described in, and in accordance with the provisions of, the Code on Collective Investment Schemes issued by the MAS, as amended from time to time (the Code as amended from time to time hereinafter referred to as the “Code”).

#### 6.4.3 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 (if any) of the Fund, and that best execution and fair allocation of trades are done. The Managers’ Middle Office department will conduct periodic checks to ensure compliance with the investment objective, focus, approach and restrictions (if any) of the Fund. In the event of any non-compliance, 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 to those 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 6.4.2 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.

#### 6.4.4 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.

## 7. Fees and Charges

Fees payable by a Holder	
Subscription fee:	Currently 4%. Maximum 4%.
Realisation charge:	Currently nil.
Switching fee <sup>1</sup> :	Currently 1%.

Fees payable by the Fund to the Managers, the Trustee and other parties	
Annual Management Fee:	Currently 1.5% p.a. Maximum 1.5% p.a.
Annual registrar and transfer agent fee:	0.125% p.a., subject always to a minimum of S\$2,500 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. <sup>2</sup>
Audit fee <sup>3</sup> , custodian fee <sup>4</sup> and other fees and charges <sup>5</sup>	Subject to agreement with the relevant parties. Each fee or charge may exceed 0.1% p.a., depending on the proportion that each fee or charge bears to the net asset value of the Fund.

### Notes:

1. In the case of a switch of Units to units of any other fund managed by the Managers (referred to as the “**New Fund**”), the switching fee referred to relates to the 1% subscription fee imposed by the Managers for investment into the New Fund. Such 1% switching fee would, in the case of a New Fund which normally imposes a subscription fee of more than 1%, effectively translate into a discount of the subscription fee of the New Fund.
2. The annual Trustee Fee is subject always to a minimum of S\$15,000 p.a. or such other lower sum as may be agreed from time to time between the Trustee and the Managers.
3. 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 2010, the audit fee did not exceed 0.1% in that financial year.
4. The custodian fee payable is subject to agreement with the Custodian and will depend on the number of transactions carried out and the place at which such transactions are effected in relation to the Fund. Based on the audited accounts of the Fund for the financial year ended 30 June 2010, the custodian fee did not exceed 0.1% in that financial year.
5. Other fees and charges include goods and services tax, printing costs, professional fees and other out-of-pocket expenses. Based on the audited accounts of the Fund for the financial year ended 30 June 2010, the aggregate of the other fees and charges amounted to 0.13% based on the average net asset value of the Fund for that financial year.

**As required by the Code, all marketing, promotional and advertising expenses in relation to the Fund will be borne by the Managers and not charged to the Deposited Property<sup>1</sup> 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 Deposited Property 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.

<sup>1</sup> “**Deposited Property**” means all cash, assets and other property for the time being held or deemed to be held upon the trusts of this Deed, but excluding any amount for the time being standing to the credit of the Distribution Account.

## **8. Risks**

### **8.1 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 risks, repatriation risks, liquidity 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.

### **8.2 Specific risks**

#### **8.2.1 Market Risk**

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

#### **8.2.2 Foreign Exchange Risk**

The Fund is denominated in Singapore dollars. Where investments are made by the Fund in the form of foreign currency denominations, fluctuations 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.

#### **8.2.3 Political Risk**

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

#### **8.2.4 Derivatives Risk**

As the Fund may (subject to the Code) 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, spot contracts (which shall, for the avoidance of doubt, exclude spot commodities) 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. Please refer to paragraph 6.4 above for more information.

#### **8.2.5 Liquidity Risk**

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

## 8.2.6 Small Capitalisation Companies Risk

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

## 8.2.7 Single Sector Risk

Investments in single sector funds may present greater opportunities and potential for capital appreciation, but may be subject to higher risks as they may be less diversified than a global portfolio.

*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.*

## 9. Subscription of Units

### 9.1 Subscription procedure

Application for Units may be made on the application form attached to this Prospectus, or through any authorised agents or distributors of the Managers from time to time, or through automated teller machines (“ATMs”) (as and when ATM applications are made available by the Managers or their authorised agents or distributors, if applicable), or through the Managers’ website at [uobam.com.sg](http://uobam.com.sg) or any other website designated by the Managers or through any other sales 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 either paying for Units with cash or Supplementary Retirement Scheme (“SRS”) monies.

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

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.

### 9.2 Minimum initial subscription amount and minimum subsequent subscription amount

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

Investors should also note that 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.

### 9.3 Dealing deadline and pricing basis

Units are issued on a forward pricing basis. Therefore, the issue price cannot be calculated at the time of application. For applications received and accepted by the Managers or any authorised agents or distributors of the Managers by 3 p.m. (Singapore time) on any Dealing Day or such other time of day as the Managers may determine with the prior consultation of the Trustee (the “**Dealing Deadline**”), Units will be issued at the issue price for that Dealing Day.

The Managers shall be entitled to convert the issue price to a foreign currency at the applicable rate of exchange. The cost of the currency exchange, if any, will be borne by the investor. Currently, the Managers accept the purchase of Units in both Singapore dollars and US dollars and will quote the issue price in Singapore dollars and its equivalent in US dollars at the applicable rate of exchange. In future, the Managers may accept the purchase of Units in any other foreign currency and will quote the issue price in such currency at the applicable rate of exchange.

For applications received and accepted by the Managers or any authorised agents or distributors of the Managers after the Dealing Deadline or on a day not being a Dealing Day, Units will be issued at the next Dealing Day’s price.

“**Dealing Day**” in connection with the issuance, cancellation and realisation of Units, means every Business Day or such other Business Day or Business Days at such intervals as the Managers may from time to time determine with the prior consultation of the Trustee Provided That reasonable notice of any such determination shall be given by the Managers to all Holders at such time and in such manner as the Trustee may approve. If on any day which would otherwise be a Dealing Day the Stock Exchange<sup>2</sup>, Recognised Exchange<sup>3</sup> or OTC Market<sup>4</sup> on which investments of the Fund having in aggregate values amounting to at least 50 per cent of the value of the Deposited Property (as at the relevant Valuation Point<sup>5</sup>) 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.

The issue price per Unit shall be ascertained by calculating the value (as described in paragraph 20.8) as at the Valuation Point in respect of the Dealing Day on which such issue occurs of the proportion of the Deposited Property represented by one Unit, and truncating the resultant total to three decimal places (or such other method of rounding or number of decimal places as may be determined by the Managers with the approval of the Trustee). The Managers may, if so required, charge a subscription fee which is deducted from the total amount paid by the investor for the subscription of Units (the “**Gross Investment Amount**”), and the resultant amount (the “**Net Investment Amount**”) will be applied towards the subscription of Units. The subscription fee shall be retained by the Managers for their own benefit and the amount of the adjustment shall be retained by the Fund.

The Managers may, subject to the prior approval of the Trustee, change the method of determining the issue price as provided above, and the Trustee shall determine if the Holders should be informed of such changes.

### 9.4 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 4%:

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<sup>2</sup> “**Stock Exchange**” means the Singapore Exchange Securities Trading Limited.

<sup>3</sup> “**Recognised Exchange**” means any duly licensed stock exchange, futures exchange or commodities exchange of sufficient repute as may be approved by the Managers.

<sup>4</sup> “**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.

<sup>5</sup> “**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 Deposited Property 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.

S\$1,000.00	-	S\$40.00	=	S\$960.00
Gross Investment Amount		Subscription fee (4%)		Net Investment Amount
S\$960.00	÷	S\$1.000	=	960.00
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).

## 9.5 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 five Business Days from the date of issue of Units for cash applications and within eleven Business Days from the date of issue of Units for SRS applications.

## 9.6 Cancellation of initial subscription by Holders

Subject to the provisions of the Deed and to the terms and conditions for cancellation of subscription in the cancellation form to be provided together with the application form for Units, every Holder shall have the right by notice in writing delivered to the Managers or their authorised agents or distributors to cancel his subscription for Units within seven calendar days (or such longer period as may be agreed between the Managers and the Trustee or such other period as may be prescribed by the MAS) from the date of his subscription. However the Holder will have to take the risk of any price changes in the net asset value of the Fund since his subscription and pay any bank charges, administrative or other fee imposed by the distributor.

A Holder may choose to realise his Units under paragraph 11 of this Prospectus instead of cancelling his subscription for Units but should note that he will not be able to enjoy the benefits of a cancellation under this paragraph 9.6 if he chooses to realise his Units (i.e. there will be no refund of the Subscription Fee and the prevailing realisation charge, if any, as may be imposed) and the realisation proceeds may be lower than the cancellation proceeds if the appreciation in the value of the Units is less than the Subscription Fee and the prevailing realisation charge, if any, as may be imposed.

***Investors should refer to the terms and conditions for cancellation of subscription attached to the cancellation form before purchasing Units.***

## 10. 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 a minimum sum of 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.

Payment for the RSP will be debited from the Holders' bank account or SRS 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 Business Day after payment has been debited for cash or SRS monies (as the case may be) with the allotment of Units made normally within two 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 at least 30 days' written notice to the Managers.

## **11. Realisation of Units**

### **11.1 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 agents or distributors 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](http://uobam.com.sg) or any other website designated by the Managers, or any other sales channel, if applicable.

### **11.2 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 the purchase was made in US dollars, US\$1,000) or its equivalent in such other currency as the Managers may decide at the prevailing issue price at the time of the Holder's initial subscription or purchase of Units or such other number of Units or such 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 rounded down to two decimal places.

### **11.3 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. For requests received and accepted by the Managers or any authorised agents or distributors of the Managers by the Dealing Deadline on any Dealing Day, Units will be realised at the realisation price for that Dealing Day.

The Managers shall be entitled to convert the realisation price to a foreign currency at the applicable rate of exchange. The cost of the currency exchange, if any, will be borne by the Holder. Currently, the Managers accept the realisation of Units with both Singapore dollars and US dollars and will quote the realisation price in Singapore dollars and its equivalent in US dollars at the applicable rate of exchange. In future, the Managers may permit the realisation of Units in any other foreign currency and will quote the realisation price in such currency at the applicable rate of exchange.

For requests received and accepted by the Managers or any authorised agents or distributors of the Managers after the Dealing Deadline on any Dealing Day or on a day not being a Dealing Day, Units will be realised at the realisation price for the next Dealing Day.

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

Bank charges (if any) incurred in respect of a telegraphic transfer of realisation proceeds to a Holder's bank account will be borne by the Holder.

The realisation price per Unit shall be the price per Unit ascertained by the Managers by calculating the value as at the Valuation Point in respect of the Dealing Day on which the realisation request is received of the proportion of the Deposited Property then represented by one Unit, and truncating the resultant total 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 above, and the Trustee shall determine if the Holders should be informed of such changes.

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.

#### 11.4 Numerical example of calculation of realisation proceeds

The net realisation proceeds payable to a Holder on the realisation of 1,000 Units, based on a notional realisation price of S\$0.960, will be calculated as follows:

1,000 Units	x	S\$0.960	=	S\$960.00
Your realisation request		Notional realisation price*		Gross realisation proceeds
S\$960.00	-	S\$0.00	=	S\$960.00
Gross realisation proceeds		Realisation charge (0%)		Net realisation proceeds

*The above example is for illustrative purposes and is not an indication of future or likely performance of the Fund. The value of Units and the resultant income may fluctuate and investors should read this Prospectus before investing.*

\* The actual price will fluctuate according to the then prevailing value of the Fund.

#### 11.5 Payment of realisation proceeds

Realisation proceeds shall normally be paid by cheque or credited to the Holder's SRS account, as applicable, within six Business Days (or such other period as may be allowed by the MAS) in Singapore of the Dealing Day following the receipt and acceptance of the realisation form by the Managers or their duly authorised agent or distributor unless the realisation of Units has been suspended in accordance with paragraph 14 of this Prospectus.

#### 12. Obtaining Prices of Units

The indicative issue price and realisation price of Units will be published in The Straits Times, The Business Times, Lianhe Zaobao and such other local and foreign publications as the Managers may decide upon and can also be obtained from the Managers' website at [uobam.com.sg](http://uobam.com.sg) or any other website designated by the Managers if applicable or by calling the Managers' 24 hour hotline at telephone number 1800 22 22 228. The actual issue price and realisation price quoted will generally be published two Business Days after the relevant Dealing Day in Singapore dollars and in US dollars as well.

Investors should note that the frequency of the publication of the prices is dependent on the publication policies of the publisher concerned. Save for publications of the Managers, the Managers do not accept 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.

### **13. Switching of Units**

The Managers shall be entitled to allow a Holder to switch his Units for units in other collective investment schemes managed by the Managers upon such terms and conditions as the Managers may from time to time determine in accordance with the provisions of the Deed.

### **14. Suspension of Dealings**

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

- (i) any period when the Stock Exchange or any Recognised Exchange or OTC Market on which any investment comprised in the Deposited Property is quoted is closed (otherwise than for ordinary holidays);
- (ii) any period when dealings on such exchange or market are restricted or suspended;
- (iii) any period when, in the opinion of the Managers and the Trustee, there exists any state of affairs as a result of which withdrawal of deposits held for the account of the Fund or the realisation of any material proportion of the investments for the time being comprised in the Deposited Property cannot be effected normally or without seriously prejudicing the interest of the Holders as a whole;
- (iv) any period during which there is, in the opinion of the Managers and the Trustee, any breakdown in the means of communication normally employed in determining the value of any of the investments or the amount of cash for the time being comprised in the Deposited Property or the amount of any liability of the Trustee for account of the Fund or when for any other reason the value of any such investment or the amount of any such cash or liability cannot be promptly and accurately ascertained (including any period when the fair value of a material portion of the Authorised Investments cannot be determined);
- (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 adjourned meeting thereof);
- (vi) any period when dealing of Units is suspended pursuant to any order or direction of the MAS;
- (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; or
- (viii) such circumstances as may be required under the provisions of the Code.

**14.2** The Managers may, with the approval of the Trustee, suspend the right of Holders to require the realisation of Units during any period when the issue of Units is suspended pursuant to paragraph 14.1 above and payment for any Units realised before the commencement of any such suspension but for which payment has not been made before the commencement thereof may, if the Managers and the Trustee so agree, be deferred until immediately after the end of such suspension.

## 15. Performance of the Fund

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

	One Year	Three Years (average annual compounded return)	Five Years (average annual compounded return)	Ten Years (average annual compounded return)	Since Inception <sup>6</sup> (average annual compounded return)
Fund <sup>7</sup>	10.82%	2.12%	10.39%	17.45%	5.62%
Fund <sup>8</sup>	6.38%	0.74%	9.49%	16.97%	5.35%
Benchmark	8.79%	4.02%	6.89%	15.09%	7.24%

Source: Lipper, a Thomson Reuters Company. The benchmark of the Fund since 1 July 2001 is 70% FT Gold Mines Index & 30% HSBC Global Mining Index. The benchmark of the Fund at its inception was FT Gold Mines Index and was changed from (i) FT Gold Mines Index to 75% MSCI Gold Mines Index & 25% MSCI Metals Non-Ferrous Index with effect from 1 February 1997 as the Fund may, where appropriate, invest in non-gold investments in light of the then prevailing declining market for gold prices, and from (ii) 75% MSCI Gold Mines Index & 25% MSCI Metals Non-Ferrous Index to the present 70% FT Gold Mines Index and 30% HSBC Global Mining Index with effect from 1 July 2001 due to the discontinuance of the two indices by MSCI.

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

### 15.2 Expense ratio

The expense ratio for the Fund for the year as of 30 June 2010 is 1.82%<sup>9</sup>.

### 15.3 Turnover ratio

The turnover ratio for the Fund for the year as of 30 June 2010 is 81.65%<sup>10</sup>.

## 16. 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, 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, the conduct of research or analysis, and custodian service in relation to the investments managed for the 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.

<sup>6</sup> Inception date 28 July 1995

<sup>7</sup> Calculated in S\$ on a NAV-to-NAV basis as at 31 May 2011 with all dividends and distributions reinvested (net of reinvestment charges). Figures for one year show the percentage change, while figures for more than one year show the average annual compounded return.

<sup>8</sup> Calculated in S\$ on a NAV-to-NAV basis as at 31 May 2011 taking into account the subscription fee, with all dividends and distributions reinvested (net of reinvestment charges). Figures for one year show the percentage change, while figures for more than one year show the average annual compounded return.

<sup>9</sup> The expense ratio is calculated in accordance with the requirements in the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios (the "IMAS Guidelines") and based on figures in the Fund's latest audited accounts. The following expenses (where applicable) set out in the IMAS Guidelines (as may be updated from time to time), are excluded from the calculation of the expense ratio:

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

<sup>10</sup> The turnover ratio is calculated based on the lesser of purchases or sales of underlying investments of the Fund expressed as a percentage of daily average net asset value, 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 (prior to 1 October 2011) the transactions are executed on the best available terms taking into account the relevant market at the time for transactions of the kind and size concerned and (with effect from 1 October 2011) best execution is carried out for the transactions and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions or arrangements.

The Managers will only accept soft dollar commissions or arrangements in accordance with applicable regulatory requirements and industry standards.

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.

## **17. 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 (“**CFA Institute**”) in U.S.A.. CFA Institute is the primary professional organisation for security analysts, investment managers and others who are involved in the investment decision-making process. All Certified Financial Analyst charter holders of CFA Institute and candidates who are in pursuit of the charter, including those from Singapore, are expected to comply with CFA Institute standards. The Code of Ethics and the Standards of Professional Conduct are in place to ensure high ethical and professional standards of the investment professionals as well as fair treatment to the investing public.
- In addition, despite the possible overlap in the scope of investments, none of the funds 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 for and on behalf of 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.

## **18. 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 Auditors’ report on the annual accounts will be prepared and sent or (with effect from 1 October 2011) made available to Holders within three months of the financial year-end (or such other period as may be permitted by the MAS). The semi-annual report and semi-annual accounts will be prepared and sent or (with effect from 1 October 2011) made available to Holders within two months of the financial half-year end, i.e., 31 December (or such other period as may be permitted by the MAS).

## **19. 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 : (65) 6532 3868  
Email : uobam@uobgroup.com

## **20. Other Material Information**

### **20.1 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.

### **20.2 Information on investments**

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

### **20.3 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 (if applicable) 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 calculation as the Trustee and Managers may agree having regard to the provisions of the Deed.

### **20.4 Exemptions from liability**

**20.4.1** Neither the Managers nor the Trustee shall incur any liability in respect of any action taken or thing suffered by them in reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganisation or other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.

**20.4.2** Neither the Managers nor the Trustee shall incur any liability to the Holders for doing or (as the case may be) failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order or judgment of any court of competent jurisdiction, or by reason of any request, announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (whether legally or otherwise) either they or either of them shall be directed or requested to do or perform or to forbear from doing or performing. If for any reason it becomes impossible or impracticable to carry out any of the provisions of the Deed, neither the Trustee nor the Managers shall be under any liability therefor or thereby.

**20.4.3** Neither the Managers nor the registrar nor the Trustee shall be responsible for the authenticity of any signature or of any seal affixed to any endorsement or to any instrument of 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 any seal affixed to such endorsement, instrument of transfer or other document or for acting upon or giving effect to any such forged or unauthorised signature or seal. The Managers, the Registrar and the Trustee respectively may nevertheless 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 to their reasonable satisfaction.

**20.4.4** Neither the Managers nor the Trustee shall incur any liability for the consequences of acting upon any resolution passed or purported to have been passed at any meeting of Holders duly convened and held in accordance with the provisions contained in the Schedule of the Deed in respect whereof minutes shall have been made and signed even though it may be subsequently found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not binding on the Holders.

**20.4.5** Any indemnity expressly given to the Managers or the Trustee in the Deed is in addition to and without prejudice to any indemnity allowed by law Provided That no provision in the Deed shall in any case where the Trustee or the Managers, as the case may be has failed to show the degree of care and diligence required of a trustee or manager exempt them or indemnify them against any liability for (1) in the case of the Trustee, a breach of trust or a breach of any term of the Deed; and (2) in the case of the Managers, a breach of any term of the Deed.

**20.4.6** The Trustee shall not be liable for anything done or omitted to be done or suffered by the Trustee in good faith in accordance with or pursuant to any direction, request or advice of the Managers (or the delegates or distributors appointed by the Managers). Whenever pursuant to any provision of the Deed any certificate, notice, instruction or other communication is to be given by the Managers (or the delegates or distributors appointed by the Managers) to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Managers (or the delegates or distributors appointed by the Managers) by any person for the time being authorised by the Managers (or the delegates or distributors appointed by the Managers) whose name and signature have been previously notified to the Trustee.

## **20.5 Investment restrictions**

The investment guidelines issued by the MAS 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. The Fund may also invest in derivatives in the future. Accordingly, the Fund may at such time in the future become subject to the provisions on securities lending, repurchase transactions and derivatives as set out in the Code.

## **20.6 Holders' right to vote**

**20.6.1** A meeting of Holders duly convened and held in accordance with the provisions of the Schedule of the Deed shall be competent by Extraordinary Resolution:

- (i) to sanction any modification, alteration or addition to the provisions of the Deed which shall be agreed by the Trustee and the Managers as provided in Clause 43 of the Deed;
- (ii) to terminate the Fund as provided in Clause 39 of the Deed;
- (iii) to remove the Auditors as provided in Clause 31.2 of the Deed;
- (iv) to remove the Managers as provided in Clause 36.1.3 of the Deed;
- (v) to remove the Trustee as provided in Clause 37.1.3 of the Deed;
- (vi) to direct the Trustee to take any action (including the termination of the Fund) pursuant to Section 295 of the SFA; and

- (vii) to approve and sanction any matter tabled to them by the Managers and/or the Trustee at any extraordinary general meeting of the Fund,

and shall be competent to consent to the exercise of the rights of voting as provided in Clause 46.2 of the Deed, but shall not have any further or other powers.

## 20.7 Authorised Investments

“**Authorised Investments**” means any of the following investments:

- (a) any securities (including but not limited to shares, stocks, warrants, debentures, bonds and loans convertible into shares, depositary receipts of shares) denominated in any currency, of corporations whose business, in the opinion of the Managers, is or is substantially in the mining or extraction of gold, silver, platinum or precious metals (e.g. platinum, palladium, rhodium etc.), bulk commodities (e.g. coal, iron ore, steel etc), or base metals of all kinds (e.g. copper, aluminium, nickel, zinc, lead, tin etc.), and other commodities (e.g. industrial minerals, titanium dioxide, borates etc.) and it includes the mining or extraction of oil, gas, coal, alternative energy or other commodities or other minerals, whether or not such corporations are listed on any stock exchange;
- (b) any interest in any collective investment scheme whose investment objective is substantially similar to that of the Fund;
- (c) for the purposes of hedging or efficient portfolio management only, index futures, forward currency exchange contracts, spot contracts (which shall, for the avoidance of doubt, exclude spot commodities) or other securities, all of which shall either be listed on a Recognised Exchange or an OTC Market or where any or all of them are not so listed, the transactions shall be with financial institutions which are properly regulated and supervised; and
- (d) any equities, bonds and money market instruments which the Managers may in their absolute discretion deem suitable.

*Investors should note that the Fund intends to use or invest in financial derivatives. Further information is set out in paragraphs 6.4 and 8.2.4 of this Prospectus.*

## 20.8 Valuation

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

- (a) an investment quoted on the Stock Exchange, a Recognised Exchange or an OTC Market, 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 Stock Exchange, Recognised Exchange or OTC Market (or at such other time as the Managers may from time to time after consultation with the Trustee determine); where such investment is listed, dealt or traded in more than one such exchange or market, the Managers (or such person as the Managers shall appoint for the purpose) may in their absolute discretion select any one of such exchanges or markets 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 associates on the Stock Exchange, a Recognised 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) deposits placed with banks in or outside of Singapore and negotiable certificates of deposits and any money market instrument, shall be determined by reference to their face value and the accrued interest thereon (by a person approved by the Trustee as qualified to value such deposits placed with banks in or outside of Singapore and negotiable certificates of deposit and any money market instrument) for the relevant period;
- (c) an investment not quoted on the Stock Exchange, a Recognised Exchange or an OTC Market, 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;

- (d) a unit or share in a unit trust scheme or mutual fund or CIS 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) at their latest available realisation price; and
- (e) all other securities and assets will be valued initially at cost plus any subsequent adjustment to reflect meaningful third party transactions in the private market or at a fair value as determined by the Managers having the responsibility for the management of such security or asset, after consultation with the Trustee;

Provided That if in any case under Clause 7 of the Deed a particular investment cannot be valued as above provided or if the Managers shall consider that some other method of valuation better reflects the fair value of the relevant investment the method of valuation of the relevant investment shall be such as the Managers shall with due care and in good faith decide with the consent of the Trustee and the Managers shall notify the Holders of such change if required by the Trustee and without prejudice to the generality of the foregoing, in deciding such fair value, reference may be made to prices on any Recognised Exchange, quoted by any reputable institution or quoted in any OTC Market, and reliance may be placed on the opinion of any expert selected by the Managers and approved by the Trustee, in accordance with the Code.

The Managers shall not, subject to the provisions of the Code, incur any liability by reason of the fact that a price reasonably believed by it to be the official closing price, last known transacted price or last transacted price on the Stock Exchange, a Recognised Exchange or an OTC Market may be found not to be such nor in particular, by reason of exercising in good faith the discretion given by the proviso above notwithstanding that the facts may subsequently be shown to have been different from those assumed by the Managers.

In calculating the value of the Deposited Property or any part thereof or any investment comprised or to be comprised therein:

- (i) subject to Clause 12.5 of the Deed, every Unit agreed to be issued by the Managers before the relevant Valuation Point shall be deemed to be in issue and the Deposited Property shall be deemed to include not only property in the possession of the Trustee but also the value of any cash or other property to be received by the Trustee in respect of Units so agreed to be issued after deducting therefrom or providing thereout the Subscription Fee and (in the case of Units issued against the transfer of Authorised Investments) any amount payable pursuant to Clause 12.4 of the Deed;
- (ii) where investments have been agreed to be sold or purchased but such sale or purchase has not been completed, such investments shall be excluded or included and the net sale or gross purchase consideration included (as the case may require) as if such sale or purchase had been duly completed;
- (iii) where in consequence of any notice or request in writing given pursuant to Clauses 15, 15A or 16 of the Deed a reduction of the Fund by the cancellation of Units is to be effected but such reduction has not been completed those Units shall be deemed not to be in issue and any amount payable in cash and the value of any investment to be transferred out of the Deposited Property pursuant to such reduction shall be deducted from the value of the Deposited Property;
- (iv) there shall be deducted on a proportionate basis any amount not provided for above which is payable out of the Deposited Property including the aggregate amount for the time being outstanding of any borrowing effected pursuant to Clause 20.1 of the Deed, together with the amount of any interest and expenses thereon accrued pursuant to Clause 20.6 of the Deed, the amount of any Management Fee accrued pursuant to Clause 33 of the Deed and the amount of Trustee Fee accrued pursuant to Clause 34 of the Deed, in each case remaining unpaid;

- (v) there shall be deducted such amount of tax, if any, on Income or capital gains accrued up to the Valuation Point and remaining unpaid;
- (vi) there shall be deducted such amount as the Managers estimate will become payable or reclaimed in respect of taxation related to income or capital gains up to the Valuation Point;
- (vii) where the current price of an investment is quoted “ex” dividend or interest but such dividend or interest has not been received and is not taken into account under any other provision of Clause 7 of the Deed the amount of such dividend or interest shall be included;
- (viii) an amount equal to the expenses incurred by the Managers and the Trustee in establishing the Fund and referred to in Clause 5.3.19 of the Deed, less the amount thereof which has previously been or is then to be written off, shall be included;
- (ix) there shall be added the amount of any tax estimated to be recoverable and not yet received; and
- (x) subject to Clause 20.3 of the Deed, any value (whether of an investment or cash or liability) otherwise than in Singapore dollars and any amount to be deducted otherwise than in Singapore dollars shall be converted into Singapore dollars at the rate (whether official or otherwise) which the Managers, after consulting the Trustee or in accordance with a method approved by the Trustee, deem appropriate in all the circumstances having regard, *inter alia*, to any premium or discount which may be relevant and to the costs of exchange.

The Managers may, to the extent permitted by the MAS, and subject to the prior approval of the Trustee, change the method of valuation provided in this paragraph 20.8, and the Trustee shall determine if the Holders should be informed of such change.

## **20.9 Duration and Termination of the Fund**

The Fund, an open-ended unit trust constituted by the Deed is of indeterminate duration. However, under the provisions of the Deed, the Fund may be terminated:

**20.9.1** by either the Trustee or the Managers, in their absolute discretion not less than 3 months’ notice in writing to the other given so as to expire at the end of an accounting period. Subject as aforesaid the Fund shall continue until terminated in the manner hereinafter provided in paragraphs 20.9.2 to 20.9.4.

**20.9.2** by the Trustee by notice in writing in any of the following events:

- (i) within the period of 3 months after the Trustee has given notice to the Managers pursuant to Clause 36.1.2 of the Deed or (if the matter is referred to arbitration) within 3 months after the date of a decision that the Managers should be removed pursuant to Clause 36.4 of the Deed, a new manager for the Fund has not been appointed in accordance with Clause 36.3 of the Deed; or
- (ii) the Fund ceases for any reason to be an approved unit trust scheme under the Income Tax Act, Chapter 134 of Singapore or if any law is passed, any authorisation revoked or withdrawn or any direction given by the MAS which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Fund; or
- (iii) within the period of 3 months after the date on which the Trustee gives notice in writing to the Managers that it wishes to retire pursuant to Clause 37.2 of the Deed, a new trustee has not been appointed in accordance with Clause 37.2 of the Deed.

The termination of the Fund by the Trustee pursuant to Clause 38.1 of the Deed shall be final and binding upon the Managers and the Holders but the Trustee shall be under no liability on account of any failure to terminate the Fund pursuant to that Clause or otherwise.

**20.9.3** by the Managers by notice in writing if:

- (i) the Fund ceases for any reason to be an approved unit trust scheme under the Income Tax Act, Chapter 134 of Singapore; or
- (ii) any law is passed, any authorisation revoked or withdrawn or any direction given by the MAS which renders it illegal or in the opinion of the Managers impracticable or inadvisable to continue the Fund; or
- (iii) within the period of 3 months after the Managers have given notice to the Trustee pursuant to Clause 37.1 of the Deed, a new trustee has not been appointed in accordance with Clause 37.2 of the Deed.

**20.9.4** The party terminating the Fund in accordance with Clause 38 of the Deed shall give notice in writing of such termination to the Holders and by such notice fix the date at which such termination is to take effect which date shall be a date as may be necessary to comply with any law or provision of the Deed Provided That it shall otherwise not be less than 6 months after the giving of the said notice.

# 大华黄金及综合基金

## 发售计划说明书