

# PROSPECTUS

United Asia Pacific Infrastructure Fund

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## UNITED ASIA PACIFIC INFRASTRUCTURE FUND

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## DIRECTORY

### Managers

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

Registered address:  
80 Raffles Place  
UOB Plaza  
Singapore 048624

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

### Trustee

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

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

### Auditors

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

### Solicitors to the Managers

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

### Solicitors to the Trustee

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

# UNITED ASIA PACIFIC INFRASTRUCTURE FUND

## IMPORTANT INFORMATION

UOB Asset Management Ltd (the “**Managers**”) accept full responsibility for the accuracy of the information contained in this Prospectus of the United Asia Pacific Infrastructure Fund (the “**Fund**”) and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no facts the omission of which would make any statement herein misleading. Unless otherwise stated or the context otherwise requires, all undefined terms in this Prospectus have the same meanings as ascribed to them in the deed of trust dated 31 August 2006 (as may be amended) relating to the Fund (the “**Deed**”).

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

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and may only be used in connection with the offering of units in the Fund (“**Units**”). This Prospectus may be supplemented or replaced from time to time to reflect material changes. No representation is made as to the tax status of the Fund.

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 and which may be relevant to the subscription, holding or disposal of Units and should inform themselves of and observe all such laws and regulations of any relevant jurisdiction that may be applicable to them.

Investors should carefully consider the usual risks involved in investing and participating in collective investment schemes and the risks of investing in the Fund before making an investment decision. Details of the risks involved are set out in [paragraph 8](#) of this Prospectus. Investors should note that their investments can be volatile and that there can be no assurance that the Fund will be able to attain its objective. The prices of Units as well as the income from them may go up as well as down to reflect changes in the value of the Fund. An investment should only be made by those persons who can sustain losses on their investments. Investors should satisfy themselves of the suitability to them of an investment in the Fund based on their personal circumstances.

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

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

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

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

# UNITED ASIA PACIFIC INFRASTRUCTURE FUND

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# UNITED ASIA PACIFIC INFRASTRUCTURE FUND

## PROSPECTUS

*The United Asia Pacific Infrastructure Fund is an authorised scheme under the Securities and Futures Act (Chapter 289) (the “SEA”). A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the SEA, or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the United Asia Pacific Infrastructure Fund.*

### 1. BASIC INFORMATION

#### 1.1 Name of the collective investment scheme

This Prospectus is in relation to a stand-alone Singapore constituted non-specialised collective investment scheme known as United Asia Pacific Infrastructure Fund (the “**Fund**”). The Managers are presently offering for subscription units in the Fund (“**Units**”) for such period as the Managers may decide from time to time.

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

The date of registration of this Prospectus with the Authority is 21 August 2009. This Prospectus shall be valid for 12 months after the date of registration (i.e., up to and including 20 August 2010) and shall expire on 21 August 2010.

#### 1.3 The Deed and Supplemental Deeds

- (a) The Fund is constituted as a unit trust by way of a deed of trust dated 31 August 2006 (the “**Principal Deed**”) between UOB Asset Management Ltd (the “**Managers**”) and RBC Dexia Trust Services Singapore Limited (the “**Trustee**”). The Principal Deed has been amended by the following:

<b>Supplemental Deed</b>	<b>Date</b>
First Amendment Deed	29 June 2007
Second Amendment Deed	29 August 2007
Third Amendment Deed	27 August 2008
Fourth Amendment Deed	29 May 2009
Fifth Amendment Deed	21 August 2009

The Principal Deed as amended by the First Amendment Deed, the Second Amendment Deed, the Third Amendment Deed, the Fourth Amendment Deed and the Fifth Amendment Deed shall hereinafter be referred to as the “**Deed**”.

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

- (c) Investors should note that this Prospectus is to a large extent a summary of the Deed and that not all the provisions of the Deed are reflected or summarised in this Prospectus. *Investors should read the Deed for further details.*
- (d) Copies of the Deed are available for inspection at the operating office of the Managers at 80 Raffles Place, 6th Storey, UOB Plaza 2, Singapore 048624 during normal business hours (subject to such reasonable restrictions as the Managers may impose) and shall be supplied by the Managers to any person on application at a charge not exceeding S\$25 per copy of the document (or such other amount as the Trustee and the Managers may from time to time agree).

#### 1.4 Accounts and reports

Copies of the latest annual and semi-annual reports, semi-annual accounts and audited annual accounts as well as the Auditors' report on the annual accounts relating to the Fund may be obtained during normal business hours from the Managers at their operating office at 80 Raffles Place, 6th Storey, UOB Plaza 2, Singapore 048624, upon request.

## 2. **THE MANAGERS**

### 2.1 The Managers

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

UOBAM is a wholly-owned subsidiary of UOB Group. Established in 1986, UOBAM has been managing collective investment schemes and discretionary funds in Singapore for 23 years and as of 30 June 2009, manages about S\$10.12 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 June 2009, UOBAM manages 44 unit trusts in Singapore, with total assets of about S\$2.40 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 103 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 June 2009, UOBAM has a staff strength of over 200 including 41 investment professionals in Singapore.

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

### 3. THE TRUSTEE AND THE CUSTODIAN

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

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 such other custodians as may be appointed from time to time in respect of the Fund or any of its assets (collectively, the “**Custodian**”).

### 4. OTHER PARTIES

#### 4.1 The Registrar

The registrar of the Fund is the Trustee. The Trustee has appointed the Managers, as the Trustee’s agent, to carry out and administer the Trustee’s duties in relation to the register of Holders (the “**Register**”), and the Managers have in turn appointed HSBC Securities Services (Transfer Agency) Pte Limited as their sub-registrar to maintain the Register, which will be kept at its office at 60 Alexandra Terrace, #10-12/13 The Comtech Singapore 118502 and which is accessible to the public during normal business hours (subject to such reasonable restrictions as the sub-registrar may impose). A copy of the Register will also be kept at 156 Cecil Street #08-03 Far Eastern Bank Building, Singapore 069544.

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 holding, unless the Holder proves to the satisfaction of the Managers and the Trustee that the Register is incorrect.

#### 4.2 The Auditors

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

## 5. STRUCTURE OF THE FUND

### 5.1 Fund structure

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

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

## 6. INVESTMENT OBJECTIVE, FOCUS AND APPROACH

### 6.1 Investment objective and policies

The investment objective of the Fund is to achieve medium to long term capital growth by investing in securities (equities or equity-related securities) issued by companies which carry on infrastructure-related businesses in the Asia-Pacific region.

“Infrastructure” generally refers to physical structures and/or networks which are used to provide essential services to a country, economy or society. Such structures and networks are necessary for a country, economy or society to be efficient and productive.

Infrastructure-related sectors include, but are not limited to, the following:

- (i) transportation (for example, roads, railways, ports and shipping);
- (ii) utilities (for example, power, gas, sewage, water and telecommunications);
- (iii) capital goods (for example, machinery and equipment manufacturing);
- (iv) materials (for example, cement and steel);
- (v) engineering and construction;
- (vi) property development; and
- (vii) energy (for example, oil and coal).

In addition to the above, the Managers may also invest the Deposited Property in the following investment vehicles:

- (a) business trusts;

- (b) energy trusts;
- (c) index-linked securities;
- (d) collective investment schemes authorised or recognised by the Authority pursuant to sections 286 and 287 of the SFA respectively; and
- (e) collective investment schemes that invest all or substantially all of their deposited property in infrastructure-related sectors or in securities issued by companies in such sectors,

provided that investments in each entity under (a), (b) and (c) shall not exceed 10% of the Deposited Property, investments in each collective investment scheme described in (d) shall not exceed 10% of the Deposited Property and investments in the collective investment schemes described in (e) shall not in total exceed 10% of the Deposited Property.

As the Fund is an absolute return fund, in the event the Managers find that there are no suitable investment opportunities for the Fund at any time, the Fund may temporarily invest in debt securities and/or deposits held as cash.

## 6.2 Investment focus and approach

The countries and securities invested in all the Managers' funds go through a rigorous research exercise before they are included in the respective portfolios. The combination of both bottom-up and top-down investment approaches ultimately drives the process. The Managers believe long-term investment performance can be achieved by employing a rigorous research process that enables the Managers to identify undervalued companies that generate superior returns.

### Bottom-up approach

As mentioned above, fundamental evaluation and valuation analysis (bottom-up) forms an integral part of the Managers' research effort. Key elements of this include:

#### *Fundamental Evaluation*

This includes the evaluation of company management, products and services, competitive positioning, operating outlook, earnings prospects, risk factors and corporate governance standards.

#### *Valuation Analysis*

This includes some form of discounted cash flow valuation approach, comparative multiples (Price Earnings Ratio, Price Book Value, Price Cash Flow Ratio and dividend yield), and a wide range of profitability measures (operating margin, Return on Equity, Return on Capital Invested vs Cost of Capital).

In addition, company visits, meetings with management and participation in conference calls are important to the Managers' research efforts. In the stock screening process, the Managers actively screen a reasonable number of equity securities from a larger universe.

#### Top-down approach

The top-down assessment of the markets and asset allocation involves a detailed quarterly review of market conditions and risk-adjusted expectations across asset classes and regions in order to establish internal targeted allocations for the various portfolios.

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

While the main focus will be on medium to 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 and development capability
- Financial strength
- High barriers to entry for competitors
- Astute management
- Shareholder-focused and wealth-creation track record

### 6.3 Authorised Investments

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

- (a) any Quoted Investment which is selected by the Managers for the purpose of investment of the Deposited Property;
- (b) any Investment in respect of which an application for listing or permission to deal has been made to a Recognised Market and the subscription for or purchase of which is either conditional upon such listing or permission to deal being granted within a specified period not exceeding 12 weeks (or such other period as may be agreed between the Managers and the Trustee) or in respect of which the Managers are satisfied that the subscriptions or other transactions will be cancelled if the application is refused;
- (c) any Unquoted Investment which is selected by the Managers for the purpose of investment of the Deposited Property;

- (d) any Investment which is a unit, share or participation in an investment scheme, including but not limited to a collective investment scheme, unit trust, mutual fund, business trust or energy trust;
- (e) the currency of any country or any contract for the spot purchase or sale of any such currency or any forward contract of such currency;
- (f) any Investment denominated in any currency;
- (g) any Investment which is a future, option, forward, swap, collar, floor or other derivative; and
- (h) any Investment which is not covered by sub-paragraphs (a) to (g) above selected by the Managers and approved by the Trustee (such approval to be confirmed in writing).

The Investments described in sub-paragraphs (e) and (g) above shall be used solely for the purposes of hedging existing positions in a portfolio or efficient portfolio management.

The investment guidelines and borrowing limits for non-specialised funds under the Code on Collective Investment Schemes issued by the Authority (the “**Code**”, as the same may be modified, amended, supplemented, re-enacted or re-constituted from time to time), shall apply to the Fund.

#### 6.4 Risk management procedures of the Managers on the use of financial derivatives

- (a) The Managers may use financial derivative instruments for the purposes of hedging existing positions in a portfolio or efficient portfolio management.
- (b) The Managers will ensure that the exposure of the Fund to financial derivative instruments will not at any time exceed 100% of the net asset value of the Deposited Property. Such exposure will be calculated by converting the derivative positions into equivalent positions in the underlying assets embedded in those derivatives.
- (c) Description of risk management and compliance procedures and controls adopted by the Managers:
  - (i) The Managers will implement various procedures and controls to manage the risk of the assets of the Fund. The decision to invest in any particular security or instrument on behalf of the Fund will reflect the Managers’ judgment of the benefit of such transactions to the Fund and will be consistent with the Fund’s investment objective in terms of risk and return.
  - (ii) *Execution of trades.* Prior to each trade, the Managers will ensure that the intended trade will comply with the stated investment objective, focus, approach and restrictions (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 of unexpectedly large realisations of Units, there may be a possibility that the assets of the Fund may be forced to be liquidated at below their fair and expected value, especially in illiquid public exchanges or over-the-counter markets. The Managers will ensure that a sufficient portion of the Fund will be in liquid assets such as cash and cash-equivalents to meet expected realisations, net of new subscriptions.
  - (iv) *Counterparty exposure.* The Fund may have credit exposure to counterparties by virtue of positions in financial instruments (including derivatives) held by the Fund. To the extent that a counterparty defaults on its obligations and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its assets and in its income stream and incur extra costs associated with the exercise of its financial rights. The Managers will restrict their dealings with counterparties to entities that have a minimum long-term issuer credit rating of above BB+ by Standard and Poor's, an individual rating of above C by Fitch Inc or a financial strength rating of above C by Moody's Investors Service or an equivalent rating from any other reputable rating agency. If any approved counterparty fails this criterion subsequently, the Managers will take steps to unwind the Fund's position with that counterparty as soon as practicable.
  - (v) *Volatility.* To the extent that the Fund has exposure to financial derivative instruments that allow a larger amount of exposure to a security for no or a smaller initial payment than the case when the investment is made directly into the underlying security, the value of the Fund's assets will have a higher degree of volatility. The Fund may use derivatives for hedging purposes for reducing the overall volatility of the value of its assets. At the same time, the Managers will ensure that the total exposure of the Fund to derivative positions will not exceed the net asset value of the Fund, as stated in sub-paragraph (b) above.
  - (vi) *Valuation.* The Fund may have exposure to over-the-counter derivatives that are difficult to value accurately, particularly if there are complex positions involved. The Managers will ensure that independent means of verifying the value of such instruments are available, and will conduct such verification on a regular basis, which is expected to be at least once a month.
- (d) The Managers will ensure that the risk management and compliance procedures and controls adopted are adequate and that it has 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

### 7.1 Fees and charges table:

<b>Fees payable by a Holder</b>	
Subscription Fee	Currently 5%; maximum 5%.
Realisation Fee	Currently 0%; maximum 2%.
Switching Fee <sup>1</sup>	Currently 1%; maximum 1%.
<b>Fees payable by the Fund to the Managers, the Trustee and other parties</b>	
Management Fee	Currently 1.5% per annum; maximum 2% per annum.
Trustee Fee	Currently below 0.05% per annum; maximum 0.1% per annum (subject always to a minimum of S\$10,000 per annum).
Registrar fee	The higher of S\$15,000 per annum or 0.125% per annum, subject always to a maximum of S\$25,000 per annum.
Performance Fee <sup>2</sup>	25% of the amount by which the net asset value (referred to as "NAV" in this paragraph 7) of the Fund exceeds the Benchmark Value <sup>3</sup>
Valuation and accounting fees	0.125% per annum.
Audit fee <sup>4</sup> (payable to the Auditors), custodian fee <sup>5</sup> (payable to the Custodian) and other fees and charges <sup>6</sup>	Subject to agreement with the relevant parties, each of the fees or charges may exceed 0.1% per annum, depending on the proportion that each fee or charge bears to the NAV of the Fund.

<sup>1</sup> In the case of a switching of Units in the Fund to units of any other fund managed by the Managers ("New Fund"), the switching fee referred to relates to the 1% subscription fee imposed by the Managers for investment into the New Fund. Such 1% switching fee would, in the case of a New Fund which normally imposes a subscription fee of more than 1%, effectively translate into a discount of the subscription fee of the New Fund.

<sup>2</sup> The Managers are entitled to receive out of the Deposited Property, a performance fee not exceeding 25% of the amount by which the NAV per Unit (excluding any performance fee accrual) exceeds the Benchmark Value (as defined below) per Unit on each day during the relevant Accounting Period multiplied by all Units in issue.

The Performance Fee (if any) shall be calculated and shall accrue on a daily basis during each Accounting Period, with such accrual being reversed to reflect a reduction in performance until such time as the NAV per Unit in issue is equal to or less than the Benchmark Value per Unit.

The Performance Fee (if any) accrued as at the end of each Accounting Period shall be paid to the Managers as soon as practicable (and within 30 days) following the end of an Accounting Period out of the Deposited Property.

An example of the calculation of the Performance Fee is provided in paragraph 7.2 below.

- <sup>3</sup> The “**Benchmark Value**” shall be calculated on a daily basis and the initial Benchmark Value shall be the amount equivalent to a 6% per annum increase over the initial issue price of S\$1.00 (the “**Initial Issue Price**”) of the Units.

The Benchmark Value will be reset on 1 January each year (starting from 1 January 2007). The new Benchmark Value will be the higher of either:

- (a) a 6% per annum increase in Benchmark Value from the previous year; or
- (b) a 6% per annum increase in the Fund’s NAV per Unit on 31 December of the previous year.

- <sup>4</sup> The audit fee is subject to agreement with the Auditors for the relevant financial year.

- <sup>5</sup> 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.

- <sup>6</sup> Other fees and charges include printing costs, professional fees, goods and services tax (“**GST**”) and other out-of-pocket expenses. The Fund may also invest in business trusts, energy trusts, index-linked securities and other collective investment schemes from time to time and fees payable by investors in such investments may include, without limitation, subscription fees, management fees and performance fees, which would be borne indirectly by the Fund.

## 7.2 Example of calculation of the Performance Fee

For simplification the prices are listed on yearly intervals, and the NAV per Unit and dates described are purely for illustration purposes.

1<sup>st</sup> Accounting Period (1 January – 31 December 2001):

As at 1 January 2001	Initial NAV per Unit = \$0.95  Benchmark Value for the 1 <sup>st</sup> Accounting Period = a 6% per annum increase over the Initial Issue Price = \$1.00 x (1.06) = \$1.06 (accrued daily)
As at 31 December 2001	NAV per Unit rises to \$1.20  Accrued Performance Fee = (\$1.20 - \$1.06) x 25% = \$0.0350 per Unit

2<sup>nd</sup> Accounting Period (1 January – 31 December 2002):

As at 1 January 2002	New Benchmark Value = Higher of a 6% per annum increase in the Benchmark Value from the previous year (\$1.06 x (1.06) = \$1.12) or a 6% per annum increase in the NAV per Unit on 31 December 2001 (\$1.20 x (1.06) = \$1.27)  The Benchmark Value for the 2 <sup>nd</sup> Accounting Period = \$1.20 x (1.06) = \$1.27 (accrued daily)
As at 31 December 2002	NAV per Unit falls to \$1.05  Benchmark Value used for computation of the Performance Fee = \$1.27  There is no accrued performance fee as the NAV per Unit has underperformed the Benchmark Value.

3<sup>rd</sup> Accounting Period (1 January – 31 December 2003):

As at 1 January 2003	New Benchmark Value = Higher of a 6% per annum increase in the Benchmark Value from the previous year (\$1.27 x (1.06) = \$1.35) or a 6% per annum increase in the NAV per Unit on 31 December 2002 (\$1.05 x (1.06) = \$1.11)  The Benchmark Value for the 3 <sup>rd</sup> Accounting Period = \$1.27 x (1.06) = \$1.35 (accrued daily)
As at 31 December 2003	NAV per Unit rises to \$1.42  Benchmark Value used for computation of the Performance Fee = \$1.35  Accrued Performance Fee = (\$1.42 - \$1.35) x 25% = \$0.0175 per Unit

- 7.3 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.
- 7.4 The Subscription Fee and Realisation Fee will be retained by the Managers for their own benefit, and will not form part of the Deposited Property. Any commission, remuneration or other sum payable to agents in respect of the issue or sale of any Units will not be added to the price of such Units but shall be paid by the Managers.
- 7.5 The Managers may at any time differentiate between applicants as to the amount of the Subscription Fee, Realisation Fee and other charges (if any), payable upon the issue or realisation of Units or allow to investors discounts on such basis and to such extent as they may think fit (such discounts to be borne by the Managers and not by the Fund) or to waive such charges.

## 8. RISKS

### 8.1 General risks

- (a) There is no guarantee that the investment objective of the Fund will be achieved. Investors should consider and satisfy themselves as to the risks of investing in the Fund. Generally, some of the risk factors that should be considered by investors are market risks, interest rate risks, foreign exchange risks, political risks, repatriation risks, liquidity risks and derivatives risks.
- (b) Investment in the Fund is meant to produce returns over the long-term and investors should not expect to obtain short-term gains from such investment.
- (c) Investors should be aware that the value of Units and the income accruing from the Units may fall or rise and investors may not get back their original investment.

### 8.2 Specific risks

(a) Market risk

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

(b) Foreign exchange risk

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

Such considerations include but are not limited to the outlook on the relevant currency, the costs of hedging and the market liquidity of the relevant currency.

(c) Political risk

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

(d) Derivatives risk

As the Fund may be investing in derivatives for efficient portfolio management or hedging, it will be subject to risks associated with such investments. These derivatives include foreign exchange forward contracts and equity index future contracts. Investments in derivatives may require the deposit of initial margin and additional deposit of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, the Fund's investments may be liquidated at a loss. Therefore, it is essential that such investments in derivatives are monitored closely. The Managers have the necessary controls for investments in derivatives and have in place systems to monitor the derivative positions for the Fund. Please refer to paragraph 6.4 above for more information.

(e) Liquidity risk

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

(f) Small and medium capitalisation companies risk

The Fund may invest in small and medium capitalisation companies which 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.

(g) Single country, sector and regional risk

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

(h) Non-diversification

As investments by the Fund are concentrated within a specific economic sector and geographical region, it is therefore subject to greater risks and market volatility than investments in a broader range of securities covering various economic sectors and geographical regions.

(i) Exceptional market conditions risk

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

*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 AND ISSUE OF UNITS

### 9.1 Subscription procedure

Applications for Units may be made to the Managers by submitting the application form attached to this Prospectus or through any agents or distributors appointed by the Managers from time to time or through automated teller machines (“ATMs”) (as and when ATM applications are made available by the Managers or their agents or distributors, if applicable) or through the Managers' website at [uobam.com.sg](http://uobam.com.sg) or any other website designated by the Managers or any other sales channel, if applicable. Applications should be accompanied by such documents as may be required, with the subscription monies in full, failing which the Managers reserve the right to reject the application. Applicants may make payment for Units by telegraphic transfer. Applicants should contact the Managers for details regarding payment by telegraphic transfer. All bank charges incurred in respect of a telegraphic transfer will be borne by the applicant.

Investors have a choice of paying for Units with cash or Supplementary Retirement Scheme (“SRS”) monies.

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

Currently, the Managers accept payment in both Singapore Dollars and US Dollars. The Issue Price will be calculated and quoted in Singapore Dollars and in its equivalent in US Dollars. Investors who paid for their Units in Singapore Dollars will have their Units issued at the relevant Issue Price quoted in Singapore Dollars, and investors who paid for their subscriptions in US Dollars will have their Units issued at the relevant Issue Price in US Dollars. The Managers may also accept payment in any other currency from time to time at their sole discretion.

As the Fund is denominated in Singapore Dollars, investors should note that any subscription monies paid in US Dollars will be converted to Singapore Dollars at the applicable Rate of Exchange prior to such subscription monies being invested in the Fund, and the costs of such currency exchange, if any, will be borne by the investor.

Units will generally only be issued when subscription monies have been received by the Trustee on a cleared funds basis, although the Managers may at their discretion issue Units before the Trustee receives full payment in cleared funds.

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

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

The minimum initial subscription amount for the Fund is S\$1,000 or its equivalent in US Dollars or such other currencies at the applicable Rate of Exchange, as the Managers may decide. The minimum subsequent subscription amount is S\$500 or its equivalent in US Dollars or such other currencies at the applicable Rate of Exchange, as the Managers may decide or such other minimum initial subscription amounts or minimum subsequent subscription amounts as the Managers may from time to time in their sole discretion determine upon giving prior notice to the Trustee.

## 9.3 Issue Price

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

Units shall be issued on each Dealing Day (as defined below) at an Issue Price that is ascertained by the Managers by calculating the net asset value as at the Valuation Point in relation to the Dealing Day on which such issue occurs of the proportion of the Deposited Property represented by 1 Unit and truncating the resultant amount to 3 decimal places (or such other method of adjustment or number of decimal places as determined by the Managers with the approval of the Trustee). The Managers may, if so required, charge a Subscription Fee which is deducted from the total amount paid by the investor for the

subscription of Units (the “**Gross Investment Amount**”), and the resultant amount (the “**Net Investment Amount**”) will be applied towards the subscription of Units. The Subscription Fee shall be retained by the Managers for their own benefit and the amount of the adjustment shall be retained by the Fund. The Managers’ policy in relation to the valuation of the assets of the Fund is set out in paragraph 21.3 of this Prospectus.

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

No certificates for Units will be issued.

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

#### 9.4 Dealing Deadline

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

The dealing deadline is 3 p.m. Singapore time on any Dealing Day (“**Dealing Deadline**”). Applications received and accepted by the Managers or any other agent or distributor by the Dealing Deadline will be transacted on that day at that Dealing Day’s Issue Price. Applications received and accepted by the Managers or any other agent or distributor after the Dealing Deadline or on a day which is not a Dealing Day will be transacted on the next Dealing Day. The Managers 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 with both Singapore Dollars and US Dollars and will quote the Issue Price in Singapore Dollars and its equivalent in US Dollars at the applicable Rate of Exchange. In future, the Managers may accept the purchase of Units in any other foreign currency and will quote the Issue Price in such currency at the applicable Rate of Exchange. Acceptance of subscriptions in currencies other than Singapore Dollars is at the discretion of the Managers and subject to such additional terms as they may impose from time to time.

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

“**Dealing Day**”, in connection with the issuance, cancellation 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 Market on which investments of the Fund having in aggregate values amounting to at least 50% of the value of the assets of the Fund (as at the relevant Valuation Point) are quoted, listed, or

dealt in is not open for normal trading, the Managers may determine that that day shall not be a Dealing Day.

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

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

#### 9.5 Numerical example of the computation of Units allotted

The number of Units an investor will receive with a Gross Investment Amount of S\$1,000.00, based on a notional issue price of S\$1.000\*, will be calculated as follows:

S\$1,000.00	-	S\$50.00	=	S\$950.00
Gross Investment Amount		Subscription Fee (5%)		Net Investment Amount
S\$950.00	÷	S\$1.000	=	950.00
Net Investment Amount		Issue Price		Number of Units allotted

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

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

#### 9.6 Confirmation of purchase

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

### 10. **REGULAR SAVINGS PLAN**

Holders may participate in a regular savings plan (“**RSP**”) for the Fund. A Holder must have a minimum holding of 1,000 Units or the number of Units which would have been purchased for S\$1,000 or its equivalent in US Dollars or such other currency as the Managers may decide based on the Issue Price prevailing on the date of application to join the RSP (or such other number of Units as the Managers may from time to time determine).

A Holder may opt to invest a minimum sum of S\$100 on a fixed day per month or S\$500 on a fixed day per quarter through Interbank GIRO payment (or such other amounts or in such other currencies as the Managers may determine) (the “**RSP sum**”).

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

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

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

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

## 11. REALISATION OF UNITS

### 11.1 Realisation procedure

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

### 11.2 Minimum holding amount and minimum realisation amount

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

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

Presently, no Holder may realise less than 100 Units in each request or realise part of his holding if this would result in a holding of less than the Minimum Holding.

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

Realisations of Units may be suspended in the situations described in [paragraph 15](#).

### 11.3 Dealing Deadline and pricing basis

Requests for realisation of Units received and accepted by the Managers or any of their authorised agents or distributors by the Dealing Deadline (i.e. 3 p.m. Singapore time on any Dealing Day) will be transacted on that day at that Dealing Day's Realisation Price. Requests received and accepted by the Managers after the Dealing Deadline or on a day not being a Dealing Day will be transacted on the next Dealing Day at that Dealing Day's Realisation Price.

Units are realised on a forward pricing basis. Therefore, the Realisation Price cannot be ascertained at the time of request. The Realisation Price per Unit is ascertained by the Managers by calculating the net asset value as at the Valuation Point in relation to the Dealing Day on which the realisation request is received and accepted of the proportion of the Deposited Property then represented by one Unit and truncating the resultant amount to 3 decimal places (or such other method of adjustment or other number of decimal places as determined by the Managers with the approval of the Trustee). The Managers may, if applicable, charge a Realisation Fee which is deducted from the total amount payable to the investor in respect of the realisation of Units (the "**Gross Realisation Proceeds**"), and the resultant amount (the "**Net Realisation Proceeds**") will be paid to the investor. The Realisation Fee shall be retained by the Managers for their own benefit and the amount of the adjustment aforesaid shall be retained by the Fund.

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 permit the realisation of Units in both Singapore Dollars and US Dollars and will quote the Realisation Price in Singapore Dollars and its equivalent in US Dollars at the applicable Rate of Exchange. In future, the Managers may permit the realisation of Units in any other foreign currency and will in such event, quote the Realisation Price in such currency at the applicable Rate of Exchange.

If a Holder is resident outside Singapore, the Managers 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 prior to the receipt of the subscription monies in respect of such Units, the Managers may refuse to realise such Units until the Dealing Day following that upon which the subscription monies in respect of such Units have been received by the Trustee.

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

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

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

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

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

\*\* There is currently no Realisation Fee payable.

The Net Realisation Proceeds shall normally be paid by cheque or credited to the Holder's relevant account as applicable within 6 Business Days (or such other period as may be permitted by the Authority) from the date of receipt and acceptance of the realisation form by the Managers or their authorised agent or distributor, unless the realisation of Units has been suspended in accordance with the events set out in [paragraph 15](#) of this Prospectus.

## 12. 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 or for a different class of Units (if established) upon such terms and conditions as the Managers may from time to time determine in accordance with the provisions of the Deed.

## 13. CANCELLATION OF SUBSCRIPTION FOR UNITS

13.1 Subject to the provisions of the Deed and to the terms and conditions for cancellation of subscription in the cancellation form to be provided together with the application

form for Units, every Holder shall have the right by notice in writing delivered to the Managers or their authorised agents or distributors to cancel his subscription for Units within 7 calendar days (or such longer period as may be agreed between the Managers and the Trustee or such other period as may be prescribed by the Authority) from the date of his initial subscription provided that where the last day of the time period falls on a Sunday or public holiday in Singapore, the time period shall be extended to the next calendar day, not being a Sunday or public holiday in Singapore (the “**Cancellation Period**”).

- 13.2 A Holder may choose to realise his Units under paragraph 11 of this Prospectus instead of cancelling his subscription for Units but should note that he will not be able to enjoy the benefits of a cancellation under this paragraph 13 if he chooses to realise his Units (i.e. there will be no refund of the Subscription Fee and the prevailing Realisation Fee, if any, may be imposed) and the Net Realisation Proceeds may be lower than the cancellation proceeds if the appreciation in the value of the Units is less than the aggregate of the Subscription Fee and the prevailing Realisation Fee, if any, as may be imposed.

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

## 14. OBTAINING PRICES OF UNITS

The indicative Issue Price and Realisation Price will be published in The Straits Times, The Business Times, Lianhe Zaobao, Today, Teletext and such other foreign publication as the Managers may decide upon and can also be obtained from the Managers’ website at [uobam.com.sg](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 prices quoted will generally be published 2 Business Days after the relevant Dealing Day in Singapore Dollars and US Dollars. Investors should note that the frequency of the publication of the prices is dependent on the publication policies of the publisher concerned.

Save for publications of the Managers, the Managers do not accept responsibility for any errors on the part of the publisher concerned in the prices published in the newspaper or such other publication or for any non-publication or late publication of prices by such publisher, and will incur no liability in respect of any action taken or loss suffered by investors upon such publication by such publisher.

## 15. SUSPENSION OF DEALINGS

- 15.1 The Managers or the Trustee may, with the prior written approval of the other, suspend the issue, realisation and valuation of Units in relation to the Fund during:
- (a) any period when the Recognised Market on which any Authorised Investments of the Deposited Property for the time being are listed or dealt in is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;

- (b) the existence of any state of affairs which, in the opinion of the Managers and the Trustee, might seriously prejudice the interests of the Holders as a whole or of the Deposited Property;
- (c) any breakdown in the means of communication normally employed in determining the price of any of such Authorised Investments or the current price on that Recognised Market or when for any reason the prices of any of such Authorised Investments or the amount of any liability of the Trustee and/or the Managers for the account of the Fund cannot be promptly and accurately ascertained (including any period when the fair value of a material portion of the Authorised Investments cannot be determined);
- (d) any period when remittance of money which will or may be involved in the realisation of such Authorised Investments or in the payment for such Authorised Investments for the time being constituting the Deposited Property cannot, in the opinion of the Managers and the Trustee, be carried out at normal rates of exchange;
- (e) any period, whereby subject to the approval of the Trustee, dealing of Units has to be suspended to effect the subdivision or consolidation of Units;
- (f) any period when the dealing of Units is suspended pursuant to any order or direction issued by the Authority;
- (g) any 48-hour period (or such longer period as may be agreed between the Managers and the Trustee) prior to the date of any meeting of Holders (or any adjourned meeting thereof); or
- (h) any period when the business operations of the Managers or the Trustee in relation to the operation of the Fund are substantially interrupted or closed as a result of arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

15.2 Such suspension shall take effect forthwith upon the declaration in writing thereof to the Trustee by the Managers (or, as the case may be, to the Managers by the Trustee) and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other condition under which such suspension is authorised under paragraph 15.1 above shall exist upon the declaration in writing thereof by the Managers (or, as the case may be, the Trustee). Any payment for any Units realised before the commencement of any such suspension but for which payment has not been made before the commencement thereof may, if the Managers and the Trustee so agree, be deferred until immediately after the end of such suspension. The Managers may temporarily suspend the realisation of Units for such reasonable period as may be necessary to effect an orderly realisation of Units in accordance with Clause 16.8 of the Deed.

## 16. PERFORMANCE OF THE FUND

### 16.1 Past Performance of the Fund and its benchmark

The performance of the Fund and its benchmark as at 30 June 2009 is set out in the table below:

	1 Year	Since Inception
The Fund (NAV-NAV) <sup>1</sup>	-13.67%	-6.87%
The Fund (NAV-NAV) <sup>2</sup>	-17.99%	-8.50%
Benchmark: Absolute return of 6% per annum	5.99%	6.00%

Source: Lipper, Bloomberg

Inception date: 17 October 2006.

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

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

### 16.2 Expense ratio

The expense ratio for the Fund for the financial year ending 31 December 2008 is 2.00% (including the Performance Fee) and 2.00% (excluding the Performance Fee). The expense ratio for the Fund has been calculated in accordance with the guidelines on disclosure of expense ratios issued by the Investment Management Association of Singapore and based on figures in the latest audited accounts of the Fund (dated 31 December 2008).

The following expenses (where applicable) are excluded from the calculation of the above expense ratio:

- (a) brokerage and other transaction costs associated with the purchase and sales of investments (such as registrar charges and remittance fees);
- (b) foreign exchange gains and losses of the Fund, whether realised or unrealised;
- (c) front-end loads or back-end loads and other costs arising from the purchase or sale of a foreign unit trust or mutual fund;

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<sup>1</sup> Calculated in S\$ on a NAV-to-NAV basis as at 30 June 2009, 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>2</sup> Calculated in S\$ on a NAV-to-NAV basis as at 30 June 2009, 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.

- (d) tax deducted at source or arising from income received, including withholding tax;
- (e) interest expense; and
- (f) dividends and other distributions paid to Holders.

### 16.3 Turnover ratio

The turnover ratio for the Fund for the financial year ending 31 December 2008 is 76.57% and has been calculated based on the lesser of purchases or sales of underlying investments of the Fund expressed as a percentage of daily average net asset value.

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

The Managers may from time to time receive and/or enter into soft-dollar commissions/arrangements in respect of the Fund. The Managers will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions/arrangements shall include specific advice as to the advisability of dealing in, or as to the value of any investments, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis and custodial service in relation to the investments managed for clients.

Soft-dollar commissions/arrangements shall not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payment.

The Managers may not accept or enter into soft-dollar commissions/arrangements unless: (a) such soft-dollar commissions/arrangements would reasonably assist the Managers in the management of the Fund; (b) the Managers shall ensure at all times that transactions are executed on the best available terms taking into account the relevant market at the time for transactions of the kind and size concerned; and (c) no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements. The Managers do not, and are not entitled to, retain cash rebates for their own account in respect of rebates earned when transacting in securities for account of the Fund.

## 18. **CONFLICTS OF INTEREST**

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

- (a) All investment ideas are shared equally among fund managers.

- (b) The Managers subscribe to the Code of Ethics and the Standards of Professional Conduct as prescribed by the CFA Institute in U.S.A. CFA Institute is the primary professional organisation for security analysts, investment managers and others who are involved in the investment decision-making process. All Certified Financial Analyst charter holders of CFA Institute and candidates who are in pursuit of the charter, including those from Singapore, are expected to comply with CFA Institute standards. The Code of Ethics and the Standards of Professional Conduct are in place to ensure high ethical and professional standards of the investment professionals as well as fair treatment to the investing public.
- (c) 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.
- (d) Most importantly, the Managers' usual fair and unbiased practice is to allocate investment between various funds which place the same orders simultaneously on a pro rata basis. However, should any potential conflicts of interest arise from a situation of competing orders for the same securities, the Managers will adopt an average pricing policy whereby orders that are partially fulfilled on a particular day will be allotted proportionately among the funds based on their respective initial order size and such quantity allotted will be at the average price of such investments on that particular day.

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

## 19. REPORTS

The financial year-end of the Fund is 31 December. The annual report, Auditors' report on annual accounts and annual accounts in relation to the Fund shall be prepared and sent to Holders within 3 months of the financial year-end to which the report and accounts relate (or such other period as may be permitted by the Authority). The semi-annual report and semi-annual accounts in relation to the Fund shall be prepared and sent within 2 months of the financial half-year end to which the report and accounts relate (or such other period as may be permitted by the Authority).

## 20. QUERIES AND COMPLAINTS

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

24-hour Hotline No : 1800 22 22 228  
Fax No : 6532 3868  
Email : [uobam@uobgroup.com](mailto:uobam@uobgroup.com)

## 21. OTHER MATERIAL INFORMATION

### 21.1 Market timing

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

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

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

### 21.2 Distributions

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

Investors should note that the making of distributions is at the absolute discretion of the Managers and that distributions are not guaranteed. If distributions are made, such distributions are not in any way a forecast, indication or projection of the future or likely performance of the Fund. The making of any distribution shall not be taken to imply that further distributions will be made. The Managers reserve the right to vary the frequency and/or amount of distributions and the discretion to determine whether distributions will be paid out or reinvested. Investors should also note that the declaration and/or paying of dividends (whether out of capital or otherwise) may have the effect of lowering the net asset value of the Fund.

### 21.3 Valuation

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

- (a) a Quoted Investment, shall be calculated, as the case may be, by reference to the official closing price, the last known transacted price or the last transacted price (or, with the prior approval of the Trustee, the last bid price) as at the last official close on such Recognised Market (or at such other time as the Managers may from time to time after consultation with the Trustee determine); where such Quoted Investment is listed, dealt or traded in more than one Recognised Market, the Managers (or such person as the Managers shall appoint for the purpose) may in their absolute discretion select any one of such Recognised Market for the foregoing purposes and, if there 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 prices quoted by responsible firms, corporations or associations on a Recognised Market at the time of calculation (or at such other time as the Managers may from time to time after consultation with the Trustee determine);
- (b) an Unquoted Investment, shall be calculated by reference to, where applicable: (i) the initial value thereof being the amount expended in the acquisition thereof; (ii) the price of the relevant Investment as quoted by a person, firm or institution making a market in that Investment, if any (and if there shall be more than one such market maker, then such market maker as the Managers may designate); (iii) the sale prices of recent public or private transactions in the same or similar Investments; or (iv) valuations of comparable companies or discounted cash flow analysis, as may be determined to represent the fair value of such Authorised Investment. In the valuation of such Investment, the Managers may take into account relevant factors including, without limitation, significant recent events affecting the issuer such as pending mergers and acquisitions and restrictions as to saleability or transferability;
- (c) cash, deposits and similar assets shall be valued (by a person approved by the Trustee as qualified to value such cash, deposits and similar assets) at their face value (together with accrued interest) unless, in the opinion of the Managers (after consultation with the Trustee), any adjustment should be made to reflect the value thereof;
- (d) a unit or share in a unit trust scheme or mutual fund or collective investment scheme shall be valued at the latest published or available net asset value per unit or share, or if no net asset value per unit or share is published or available, then at their latest available realisation price; and
- (e) an Investment other than as described above, shall be valued (by a person approved by the Trustee as qualified to value such an Investment) in such manner and at such time as the Managers after consultation with the Trustee shall from time to time determine.

Provided that, if the quotations referred to in sub-paragraphs (a) to (e) above are not available, or if the value of the Authorised Investment determined in the manner described in sub-paragraphs (a) to (e) above, in the opinion of the Managers, is not representative of the value of such Authorised Investment, then the value shall be such value as the Managers may with due care and in good faith consider in the circumstance to be fair and is approved by the Trustee and the Managers shall notify the Holders of such change if required by the Trustee. For the purposes of this proviso, the “**fair value**” shall be determined by the Managers in consultation with an approved stockbroker or an approved valuer and with the approval of the Trustee in accordance with the Code.

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

- (a) Neither the Trustee nor the Managers nor any company controlled by them or either of them nor any person, firm or corporation (hereinafter referred to as a “**delegate**”) entitled to exercise any investment powers or discretions under the Deed pursuant to a delegation by the Managers shall as principal sell, or deal in the sale of, Authorised Investments to the Trustee for account of the Fund or vest Authorised Investments in the Trustee against the issue of Units or purchase Authorised Investments from the Trustee acting for the account of the Fund except as provided under sub-paragraphs (i), (ii) and (iii) below and each shall (without incurring any liability for failure to do so) use its best endeavours to procure that no such sale or dealing or vesting or purchase except as provided under sub-paragraphs (i), (ii) and (iii) below shall be made by (1) any person, firm or corporation holding or beneficially entitled to 10% or more of the share capital of the Trustee or the Managers or any delegate, (2) or by any corporation controlled by any such person, firm or corporation, (3) or by any director of the Trustee or of the Managers, or of any delegate (being a corporation) or of any such corporation, (4) or by any partner of any such firm. Each such person or body (other than the Trustee and the Managers) referred to in this paragraph shall be known in this paragraph as a “**connected person**”. Nothing shall prevent:
- (i) any sale for account of the Fund of any Authorised Investment to, or any purchase for account of the Fund of any Authorised Investment from, the Trustee or Managers or any delegate of any other unit trust scheme for account of such scheme, notwithstanding that the Trustee and/or the Managers and/or delegate and/or any connected person may be, or be interested in, the Trustee or the Managers or delegate of, or any person, firm or corporation to whom any investment powers or discretions may have been delegated under such a scheme provided that:
- (I) the value of the Authorised Investment in question is certified in writing for the purpose of the transaction by a stockbroker or an approved valuer; and
- (II) the Trustee shall be of the opinion that the terms of such transaction shall not be such as are likely to result in any prejudice to Holders;

- (ii) the Trustee or the Managers or any delegate or any connected person from becoming the owner of Units and holding, disposing of, or otherwise dealing with, the same, with the same rights (subject as provided in paragraph 2 of the Schedule on meetings of Holders in the Deed) which they would have had if neither the Trustee nor the Managers nor any connected person were a party to, or delegate under, the Deed, provided that in so owning, holding or disposing of or otherwise dealing with Units, the Trustee and the Managers shall each maintain with respect to the Trustee or the Managers and any of their respective connected persons a register giving details of such transactions, including the prices, discounts, net prices, quantities of Units transacted and dates of and parties to such transactions, or from buying, holding or dealing in any Authorised Investments upon their respective individual accounts, notwithstanding that similar Authorised Investments may be held under the Deed as part of the Deposited Property; or
- (iii) the Managers or any delegate or any connected person from receiving commissions, terms and other benefits (through standing arrangements with brokers used for securities transactions relating to the Fund and other funds managed by the Managers by which the Managers or any connected person may be provided with research, statistical or other essential investment services for which the Managers or any connected person make or makes no direct payment but instead endeavour or endeavours to place business with such brokers) which they or it may receive in relation to any transaction effected for the account of the Fund provided that the amount of such commissions, terms and other benefits is not in excess of rates or terms commonly receivable by fund managers in like transactions and that they or it shall do so on the best terms reasonably obtainable having regard to the interests of the Fund and provided further that any such commissions, terms or other benefits shall exclude cash rebates and shall be so received in circumstances that do not raise any financial burden for the Fund. Such commissions, terms and other benefits received by the Managers shall be disclosed to Holders in the half-yearly reports referred to in Clause 26.1 of the Deed if required by the relevant authorities.

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

- (b) In no event shall a Holder have or acquire any rights against the Managers or the Trustee or either of them except as expressly conferred on the Holder by the Deed nor shall the Trustee be bound to make any payment to any Holder except out of the funds held by it for that purpose under the provisions of the Deed.
- (c) Neither the Trustee nor the Managers shall be responsible for any authenticity of any signature or of any seal affixed to any endorsement on any certificate or to any transfer or form of application, endorsement or other document affecting the title to or transmission of Units or be in any way liable for any forged or unauthorised

signature on or any seal affixed to such endorsement, transfer or other document or for acting upon or giving effect to any such forged or unauthorised signature or seal. The Trustee and the Managers respectively shall nevertheless be entitled but not bound to require that the signature of any person to any document required to be signed by him under or in connection with the Deed shall be verified to its or their reasonable satisfaction.

- (d) Nothing contained in the Deed shall be construed so as to prevent the Managers and the Trustee in conjunction or the Managers or the Trustee separately from acting as managers or trustees of funds separate and distinct from the Fund and neither of them shall in any way be liable to account to the Fund or any other person for any profit or benefit made or derived hereby or in connection therewith.
- (e) Neither the Trustee nor the Managers shall be responsible for acting upon any resolution purported to have been passed at any meeting of the Holders in respect whereof minutes shall have been made and signed even though it may be subsequently found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not binding upon all the Holders.
- (f) The Trustee and the Managers may accept as sufficient evidence of the net asset value of any Authorised Investment or the cost price or sale price thereof or of any market quotation a certificate by a stockbroker or any other person, firm or association qualified in the opinion of the Managers and Trustee to provide such a certificate.

At all times and for all purposes of the Deed the Trustee and the Managers may rely upon the established practice and rulings of any Recognised Market and any committees and officials thereof on which any dealing in any Authorised Investment or other property is from time to time effected in determining what shall constitute a good delivery and any similar matters and such practice and rulings shall be conclusive and binding upon all persons under the Deed.

- (g) The Trustee shall not be under any liability on account of anything done or suffered to be done by the Trustee in good faith in accordance with or in pursuance of any request or advice of the Managers or the delegates or distributors appointed by the Managers. Whenever pursuant to any provision of the Deed, any certificate, notice, instruction or other communication is to be given by the Managers (or the delegates or distributors appointed by the Managers) to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Managers (or the relevant delegate or distributor) by any one person whose signature the Trustee is for the time being authorised by the Managers (or as the case may be, by the relevant delegate or distributor) to accept and may act on verbal, electronic mail and facsimile instructions given by authorised officers of the Managers (or the relevant delegate or distributor) specified in writing by the Managers (or as the case may be, by the relevant delegate or distributor) to the Trustee.

- (h) The Trustee may act upon any advice of or information obtained from the Managers or any bankers, accountants, brokers, lawyers, agents or other persons acting as agents or advisers of the Trustee or the Managers and the Trustee shall not be liable for anything done or omitted or suffered in reliance upon such advice or information provided the Trustee has acted in good faith. The Trustee shall not be responsible for any misconduct, mistake, oversight, error of judgment, forgetfulness or want of prudence on the part of any such banker, accountant, broker, lawyer, agent or other person as aforesaid or of the Managers. Any such advice or information may be obtained or sent by electronic mail, letter or facsimile and the Trustee shall not be liable for acting on any advice or information purported to be conveyed by any such electronic mail, letter or facsimile although the same contains some error or is not authentic.
- (i) Except if and so far as the Deed otherwise expressly provides, the Trustee shall as regards all the trusts, powers, authorities and discretions vested in it have absolute and uncontrolled discretion as to the exercise thereof whether in relation to the manner or as to the mode of and time for the exercise thereof and in the absence of proven fraud or negligence the Trustee shall not be in any way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise thereof.
- (j) Nothing contained in the Deed shall prevent the Trustee or an Associate thereof from contracting or entering into any financial, banking or any other type of transaction with the Managers or any Holder or any company or body any of whose shares or other securities form part of the Deposited Property or from being interested in any such contract or transaction. The Trustee or any Associate thereof shall not be liable to account either to the Managers or to the Holders or any of them for any profits or benefits made or derived from or in connection with any such transaction provided that any such transaction shall be on an arm's length basis.
- (k) The Trustee shall not be under any obligation to institute, acknowledge service of, appear in, prosecute or defend any action, suit, proceedings or claim in respect of the provisions of the Deed or in respect of the Deposited Property or any part thereof or any corporate or shareholders' action which in its opinion would or might involve it in expense or liability, unless the Managers shall so request in writing, and shall so often as required by the Trustee furnish it with an indemnity satisfactory to it against any such expense or liability.
- (l) Subject as expressly provided in the Deed, the Trustee shall be entitled for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as Trustee to have recourse to the Deposited Property or any part thereof but this shall be without prejudice to the obligation of the Managers to reimburse the Trustee on account of the Deposited Property in respect of all such matters as fall within Clause 27.11 of the Deed thereof.

- (m) Before making any distribution or other payment in respect of any Unit or in respect of the Management Fee relating to the Fund or the Trustee Fee, the Trustee may make such deductions as by the law of Singapore or by the law of any other country in which such payment or distribution is made the Trustee is required or entitled to make in respect of any Income or other taxes, charges or assessments whatsoever and the Trustee may also deduct the amount of any stamp duties or other governmental taxes or charges payable by it or for which it might be made liable in respect of such distribution or any documents signed by it in connection therewith. The Trustee shall not be liable to account to any Holder or otherwise for any payment made or suffered by the Trustee in good faith to any duly empowered fiscal authority of Singapore or elsewhere for taxes or other charges in any way arising out of or relating to any transaction of whatsoever nature under the Deed notwithstanding that any such payments ought not to be or need not have been made or suffered.
- (n) The Trustee shall not be responsible for verifying or checking any valuation of the Deposited Property or any part thereof or any calculation of the prices at which Units are to be issued or realised, except as herein expressly provided, but shall be entitled at any time to require the Managers to justify the same.
- (o) The Trustee (or the Managers or other agents with the approval of the Trustee) shall (subject as provided in the Deed) be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of 6 years from the date of registration thereof and all distribution mandates which have been cancelled or lapsed at any time after the expiration of 6 years from the date of cancellation or lapse thereof and all notifications of change of address after the expiration of 6 years from the date of the recording thereof and all forms of proxy in respect of any meeting of Holders 6 years from the date of the meeting at which the same are used and all registers, statements and other records and documents relating to the Fund at any time after the expiration of 6 years from the termination of the Fund. Neither the Trustee nor the Managers nor their agents shall be under any liability whatsoever in consequence thereof and unless the contrary be proved every instrument of transfer so destroyed shall be deemed to have been a valid and effective instrument duly and properly registered and every certificate so destroyed shall be deemed to have been a valid certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed shall be deemed to have been a valid and effective document in accordance with the recorded particulars thereof.

Provided always that:

- (i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (ii) nothing in this paragraph (o) shall be construed as imposing upon the Trustee or the Managers or other agents any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of sub-paragraph (i) above are not fulfilled; and

- (iii) references to the destruction of any document in this paragraph (o) include references to the disposal thereof in any manner.
- (p) In the absence of fraud or negligence by the Managers they shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done by them in good faith under the Deed.
- (q) The Managers shall not be under any liability except for fraud or wilful default or such liability as may be assumed by them under the Deed nor shall the Managers (save as otherwise appears in the Deed) be liable for any act or omission of the Trustee.
- (r) The Managers shall not be under any liability on account of anything done or suffered to be done by the Managers in good faith in accordance with or in pursuance of any request or advice of the Trustee or the Trustee's delegates. Whenever pursuant to any provision of the Deed, any certificate, notice, instruction or other communication is to be given by the Trustee (or its delegates) to the Managers, the Managers may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Trustee (or the relevant delegate) by any one person whose signature the Managers are for the time being authorised by the Trustee (or as the case may be, by the relevant delegate) to accept and may act on verbal, electronic mail and facsimile instructions given by authorised officers of the Trustee (or the relevant delegate) specified in writing by the Trustee (or as the case may be, by the relevant delegate) to the Managers.
- (s) The Managers may act upon any advice of or information obtained from the Trustee or any bankers, accountants, brokers, lawyers, agents or other persons acting as agents or advisers of the Trustee or the Managers and the Managers shall not be liable for anything done or omitted or suffered in reliance upon such advice or information provided the Managers have acted in good faith. The Managers shall not be responsible for any misconduct, mistake, oversight, error of judgment, forgetfulness or want of prudence on the part of any such banker, accountant, broker, lawyer, agent or other person as aforesaid or of the Trustee. Any such advice or information may be obtained or sent by letter, electronic mail or facsimile and the Managers 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.
- (t) Nothing contained in the Deed shall prevent the Managers or any Associate thereof from contracting or entering into any financial, banking or any other type transaction with the Trustee (when acting other than in its capacity as trustee of the Fund) or any Holder or any company or body any of whose shares or other securities form part of the Deposited Property or from being interested in any such contract or transaction. The Managers or any Associate thereof shall not be liable to account to the Trustee or to the Holders or any of them for any profits or benefits made or derived from or in connection with any such transaction provided that any such transaction shall be on an arm's length basis.

- (u) Neither the Managers nor the Trustee shall incur any liability in respect of any action taken or thing suffered by them in reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan or reorganisation or other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.
- (v) Neither the Managers nor the Trustee shall incur any liability to the Holders for doing or (as the case may be) failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order or judgment of any court of competent jurisdiction, or by reason of any request, announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (whether legally or otherwise) either they or either of them shall be directed or requested to do or perform or to forbear from doing or performing. If for any reason it becomes impossible or impracticable to carry out any of the provisions of the Deed neither the Managers nor the Trustee shall be under any liability therefor or thereby.
- (w) Any indemnity expressly given to the Managers or the Trustee in the Deed is in addition to and without prejudice to any indemnity allowed by law provided that no provision in the Deed shall in any case where the Trustee or the Managers have failed to show the degree of care and diligence required of them as trustee and manager, exempt them or indemnify them against any liability for breach of trust.

#### 21.5 Custody of Deposited Property

- (a) The Trustee shall be responsible for the safe custody of the Deposited Property. Any Authorised Investments forming part of the Deposited Property shall, whether in registered or bearer form, be paid or transferred to the order of the Trustee forthwith on receipt by the Managers and be dealt with as the Trustee may think proper for the purpose of providing for the safe custody thereof. The Trustee may act as custodian itself or may appoint such persons (including any Associate of the Trustee) as custodian or joint custodian (with the Trustee if acting as custodian or with any other custodian appointed by the Trustee) of the whole or any part of the Deposited Property and (where the Trustee is custodian) may appoint or (where the Trustee appoints a custodian) may empower such custodian or joint custodian (as the case may be) to appoint, with prior consent in writing from the Trustee, sub-custodians. The fees and expenses of any such custodian, joint custodian or sub-custodian shall be paid out of the relevant Deposited Property.
- (b) The Trustee may at any time procure that:
  - (i) the Trustee;
  - (ii) any officer of the Trustee jointly with the Trustee;
  - (iii) any nominee appointed by the Trustee;

- (iv) any such nominee and the Trustee;
- (v) any custodian, joint custodian or sub-custodian appointed pursuant to paragraph 21.4(a) above;
- (vi) any company operating a depository or recognised clearing system in respect of the Authorised Investments involved; or
- (vii) any broker, financial institution or other person (or in each case, its nominee) with whom the same is deposited in order to satisfy any requirement to deposit margin or security,

take delivery of and retain and/or be registered as proprietor of any Authorised Investment in registered form held upon the trusts of the Deed.

- (c) Notwithstanding anything contained in the Deed:
  - (i) the Trustee shall not incur any liability in respect of or be responsible for losses incurred through the insolvency of or any act or omission of any depository or clearing system with which Authorised Investments may be deposited or any broker, financial institution or other person (or in each case its nominee) with whom Authorised Investments are deposited in order to satisfy any margin requirement except where the Trustee has failed to exercise reasonable skill and care in the selection, appointment and monitoring of such depository, clearing system or person (having regard to the market in which the relevant depository, clearing system or person is located) or the Trustee is in wilful default;
  - (ii) the Trustee shall not incur any liability in respect of or be responsible for losses incurred through the insolvency of or any act or omission of any nominee, custodian, joint custodian or sub-custodian appointed by the Trustee except where the Trustee has failed to exercise reasonable skill and care in the selection, appointment and monitoring of such appointee (having regard to the market in which the relevant appointee is located) or the Trustee is in wilful default; and
  - (iii) the Trustee shall not incur any liability in respect of or be responsible for losses through the insolvency of or any act or omission of any sub-custodian not appointed by it, except where the Trustee has failed to exercise reasonable skill and care in the procurement of such sub-custodian.

## 21.6 Information on Investments

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

# 发售计划说明书

大华亚太基础建设基金



大 华 亚 太  
基 础 建 设 基 金