

UNITED ASIA PACIFIC INFRASTRUCTURE FUND

P r o s p e c t u s

UNITED ASIA PACIFIC INFRASTRUCTURE FUND

Directory

Managers

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

Registered address:
80 Raffles Place
UOB Plaza
Singapore 048624

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

Trustee

HSBC Institutional Trust Services (Singapore) Limited
(Company Registration No. 194900022R)

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

Auditors

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

Solicitors to the Managers

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

Solicitors to the Trustee

Drew & Napier LLC
10 Collyer Quay
#10-01 Ocean Financial Centre
Singapore 049315

UNITED ASIA PACIFIC INFRASTRUCTURE FUND

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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 30 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.

Investment in the Fund require consideration of the usual risks involved in investing and participating in collective investment schemes and the risks of investing in the Fund. Investors should consider these risks carefully 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.

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 in any relevant jurisdiction that may be applicable to them. No representation is made as to the tax status of the Fund.

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 authorised agent or distributor 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 authorised agent or distributor.

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 “SFA”). A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the SFA, or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the United Asia Pacific Infrastructure Fund.

Please note that the Code on Collective Investment Schemes issued by the Authority (as may be amended from time to time, the “Code”) will be amended with effect from 1 October 2011 and the Fund will, by the operation of law, be subject to the revised Code.

1. BASIC INFORMATION

1.1 Name of the collective investment scheme

This Prospectus is in relation to a stand-alone Singapore constituted 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 12 August 2011. This Prospectus is valid for 12 months after the date of registration (i.e., up to and including 11 August 2012) and shall expire on 12 August 2012.

1.3 The deed and supplemental deeds

- (a) The Fund is constituted as a unit trust by way of a deed of trust dated 30 August 2006 (the “Principal Deed”) between UOB Asset Management Ltd (the “Managers”) and RBC Dexia Trust Services Singapore Limited. The Principal Deed has been amended by the following:

Supplemental Deed	Date
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
Supplemental Deed of Appointment and Retirement of Trustee	26 January 2011
Sixth Amendment Deed	12 August 2011

The Principal Deed as amended by the foregoing supplemental deeds 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 free of charge 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**

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

UOBAM is a wholly-owned subsidiary of UOB Group. Established in 1986, UOBAM has been managing collective investment schemes and discretionary funds in Singapore for 25 years and as of 30 June 2011, manages about S\$16.56 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 2011, UOBAM manages 52 unit trusts in Singapore, with total assets of about S\$3.36 billion under management. UOBAM is one of the largest unit trust managers in Singapore in terms of assets under management.

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

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

As at 30 June 2011, UOBAM has a staff strength of over 210 including about 52 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 (the “**Trustee**”) is HSBC Institutional Trust Services (Singapore) Limited whose registered address is at 21 Collyer Quay, #14-01, HSBC Building, Singapore 049320. HSBC Institutional Trust Services (Singapore) Limited was appointed as the trustee of the Fund with effect from 1 March 2011 following the retirement of the previous trustee, RBC Dexia Trust Services Singapore Limited.

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

The Register is conclusive evidence of the number of Units held by each Holder and the entries in the Register shall prevail in the event of any discrepancy between the entries in the Register and the details appearing on any statement of 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 accounts relating to the Fund are PricewaterhouseCoopers LLP (the “**Auditors**”) whose registered address 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 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 and automotive manufacturing);
- (iv) materials (for example, cement and steel);
- (v) engineering and construction;
- (vi) property development;
- (vii) social infrastructure (for example, education, tourism and healthcare);
- (viii) mining;
- (ix) technology (for example high-tech manufacturing); and
- (x) 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.

Investors should note that the Fund intends to use or invest in financial derivatives. Further information is set out in paragraph 6.5 of this Prospectus.

6.4 Investments restrictions

The Fund is subject to the investment guidelines and borrowing limits under the Code. The latest version of the Code may be found at the Authority's website: www.mas.gov.sg. ***Please note that the Code will be amended with effect from 1 October 2011 and the Fund will, by the operation of law, be subject to the revised Code.*** Investors should note that the Authority may, from time to time, update or amend the Code.

6.5 Risk management procedures of the Managers on the use of financial derivatives

- (a) The Managers may use or invest in financial derivative instruments ("**FDIs**") for the purposes of hedging existing positions in a portfolio, efficient portfolio management, or a combination of both objectives.
- (b) The Managers will ensure that the global exposure of the Fund to FDIs or embedded FDIs will not at any time exceed 100% of the net asset value of the Deposited Property. The Managers will apply a commitment approach to determine the Fund's global exposure to FDIs by converting the positions in the FDIs into equivalent positions in the underlying assets of those FDIs and will calculate such exposure in accordance with the methods described in the Code.
- (c) Description of risk management and compliance procedures and controls adopted by the Managers:
 - (i) The Managers will implement various procedures and controls to manage the risk of the assets of the Fund. The decision to invest in any particular security or instrument on behalf of the Fund will reflect the Managers' judgment of the benefit of such transactions to the Fund and will be consistent with the Fund's investment objective in terms of risk and return.
 - (ii) *Execution of trades.* Prior to each trade, the Managers will ensure that the intended trade will comply with the stated investment objective, focus, approach and restrictions (if any) of the Fund, and that best execution and fair allocation of trades are done. The Managers' middle office department will conduct periodic checks to ensure compliance with the investment objective, focus, approach and restrictions (if any) of the Fund. In the event of any non-compliance, the Managers' middle office department is empowered to instruct the relevant officers to rectify the same. Any non-compliance will be reported to higher management and monitored for rectification.
 - (iii) *Liquidity.* In the event of unexpectedly large realisations of Units, 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. Subject to the provisions of the Code, the Managers will restrict their dealings with counterparties to entities that (I) 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; (II) (in the case of over-the-counter FDIs) are subject to prudential supervision by a financial authority in its home jurisdiction. 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 FDIs 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 global exposure of the Fund to FDIs and embedded FDIs 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 fair value of such instruments are available, and will conduct such verification at an appropriate frequency.
- (d) The Managers will ensure that the risk management and compliance procedures and controls adopted by them are adequate and have been implemented, and that it has the necessary expertise to control and manage the risks relating to the use of FDIs. The Managers may modify the risk management and compliance procedures and controls as they deem fit and in the interests of the Fund, but subject always to the requirements under the Code.
- (e) The Fund may net its over-the-counter financial derivative positions with a counterparty through a bilateral agreement with the counterparty, provided that such netting arrangements satisfy the relevant conditions described in the Code, and with effect from 1 October 2011, the Managers will (if applicable) obtain, or has obtained, the legal opinions as stipulated in the Code.

7. FEES AND CHARGES

7.1 Fees and charges table:

Fees payable by a Holder	
Subscription Fee	Currently 5%; maximum 5%.
Realisation Fee	Currently 0%; maximum 2%.
Switching Fee ¹	Currently 1%; maximum 1%.
Fees payable by the Fund to the Managers, the Trustee and other parties	
Management Fee	Currently 1.5% per annum; maximum 2% per annum.
Trustee Fee	Currently not more than 0.05% per annum (subject always to a minimum of S\$5,000 per annum); maximum 0.1% per annum.
Registrar and transfer agent 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 ²	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 ³ .
Valuation and accounting fees	0.125% per annum.
Audit fee ⁴ (payable to the Auditors), custodian fee ⁵ (payable to the Custodian) and other fees and charges ⁶	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.

¹ 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.

² 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.

An “**Accounting Period**” refers to the period ending on and including an Accounting Date (which means, subject to the terms of the Deed, 31 December of each year) and commencing (in the case of the first Accounting Period) from the end of the initial offer period of the Fund or (in the case of subsequent Accounting Periods) from the end of the preceding Accounting Period (as the case may be).

³ The applicable “**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.

⁴ The audit fee payable is subject to agreement with the Auditors for the relevant financial year. Based on the audited accounts and the average NAV of the Fund for the financial year ended 31 December 2010, the audit fee did not amount to or exceed 0.1% in the financial year.

⁵ The custodian fee payable is subject to agreement with the Custodian and will depend on the number of transactions carried out and the place at which such transactions are effected in relation to the Fund. Based on the audited accounts and the average NAV of the Fund for the financial year ended 31 December 2010, the custodian fee did not amount to or exceed 0.1% in that financial year.

⁶ 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. Based on the audited accounts and the average NAV of the Fund for the financial year ended 31 December 2010, the aggregate of such fees and charges did not amount to or exceed 0.1% in that financial year.

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.

1st Accounting Period (1 January 2001 – 31 December 2001):

As at 1 January 2001	Initial NAV per Unit = \$1.00 Benchmark Value for the 1 st 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

2nd Accounting Period (1 January 2002 – 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 ($\$1.06 \times (1.06) = \1.12) or a 6% per annum increase in the NAV per Unit on 31 December 2001 ($\$1.20 \times (1.06) = \1.27) The Benchmark Value for the 2 nd Accounting Period = $\$1.20 \times (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.

3rd Accounting Period (1 January 2003 – 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 ($\$1.27 \times (1.06) = \1.35) or a 6% per annum increase in the NAV per Unit on 31 December 2002 ($\$1.05 \times (1.06) = \1.11) The Benchmark Value for the 3 rd Accounting Period = $\$1.27 \times (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 = $(\$1.42 - \$1.35) \times 25\% = \$0.0175$ 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 or borne by 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. All or part of the Subscription Fee may also be paid to or retained by authorised agents or distributors. Any other commission, remuneration or sum payable to authorised agents or distributors in respect of the marketing of Units will be paid by the Managers. Investors should also note that

the authorised agents and distributors through whom the investors subscribe for Units may (depending on the specific nature of services provided) impose other fees and charges that are not disclosed in this Prospectus, and investors should check with their authorised agents or distributors on such fees and charges, if any.

- 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, derivatives risks, emerging markets risks and exceptional market conditions risks. Furthermore, some of the markets or exchanges on which the Fund may invest in may prove to be illiquid or highly volatile from time to time and this may affect the price at which the Fund may liquidate its positions to meet realisation requests.
- (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.

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

(b) Foreign exchange / currency 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 6.5](#) above for more information.

(e) Emerging market 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.

(j) Risk of using rating agencies and other third parties

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

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

(k) Actions of institutional investors

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

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 authorised agents or distributors or through automated teller machines ("ATMs") (as and when ATM applications are made available by the Managers or their authorised agents or distributors, if applicable) or through the Managers' website at uobam.com.sg or any other website designated by the Managers or any other sales channel, if applicable. The acceptance or non-acceptance of applications for Units shall be at the absolute discretion of the Managers acting in consultation with the Trustee.

Applications should be accompanied by such documents as may be required, with the subscription monies in full, failing which the Managers reserve the right to reject the relevant application. Applicants may make payments for Units by telegraphic transfer and should contact the Managers for details regarding such payments. 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 relevant 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 Minimum initial subscription and minimum subsequent subscription amounts

The minimum initial subscription amount for the Fund is S\$1,000 (or in the case where payment is made in US Dollars, US\$1,000) or its equivalent in such other currencies at the applicable rate of exchange as determined by the Managers. The minimum subsequent subscription amount is S\$500 (or in the case where payment is made in US Dollars, US\$500) or its equivalent in such other currencies at the applicable rate of exchange as determined by the Managers, 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.

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

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 authorised 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 authorised 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 as determined by the Managers. 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 as determined by the Managers. 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 as determined by the Managers. 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 gazetted public holiday) on which commercial banks are open for business in Singapore, or any other day as the Managers and the Trustee may agree in writing.

“**Dealing Day**”, in connection with the issuance, cancellation, valuation and realisation of Units, means every Business Day or such other day or days at such intervals as the Managers may from time to time determine with the prior consultation of the Trustee and 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; and 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 the close of business of the last relevant market in relation to the relevant Dealing Day on which the net asset value of the Fund is to be determined pursuant to the provisions of the Deed or such other time as the Managers may determine with the 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 in the case where the purchase is made in US Dollars, US\$1,000) or its equivalent in such other currencies 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 determine from time to time).

A Holder may opt to invest a minimum sum of S\$100 (or in the case where payment is made in US Dollars, US\$100) on a fixed day per month or S\$500 (or in the case where payment is made in US Dollars, US\$500) on a fixed day per quarter through Interbank GIRO payment (or such other amounts or in such other currencies as the Managers may determine from time to time) (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), or (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 the relevant 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 authorised agent or distributor, or through ATMs (as and when ATM realisations are made available by the Managers or their authorised agents or distributors, if applicable), or through the Managers' website at uobam.com.sg or any other website designated by the Managers, or any other channels, if applicable.

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 in the case where the purchase was made in US Dollars, US\$1,000) or its equivalent in such other currency as the Managers may decide 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 realised at that Dealing Day's Realisation Price. Requests received and accepted by the Managers or any of their authorised agent or distributor after the Dealing Deadline on any Dealing Day or on a day not being a Dealing Day will be treated as having been received on the next Dealing Day.

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 in Singapore dollars to a foreign currency at the applicable rate of exchange as determined by the Managers. 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 as determined by the Managers. 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 as determined by the Managers.

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 and accepted by the Managers prior to the receipt of the subscription monies in respect of such Units, the Managers may refuse to realise such Units until the Dealing Day following that upon which the subscription monies in respect of such Units have been received by the Trustee.

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

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

**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

12.1 The Managers may allow a Holder to switch his Units in the Fund to units in any other Group Fund (as defined below), or for a different class of Units of the Fund (if established), upon such terms and conditions as the Managers may from time to time determine in accordance with the provisions of the Deed.

12.2 "**Group Fund**" means a collective investment scheme the managers of which (a) are the Managers or a corporation under their control or under common control with them or at least 50% of the share capital of which is held by a corporation which is a shareholder of the Managers and (b) which has approved the terms of any switch which may be made under the provisions of the Deed.

12.3 Applications for switching of Units of the Fund or Class of Units of the Fund (the "**original Class**") into units of another Group Fund or Units of another Class within the Fund (the "**new Fund**" or the "**new Class**", as the case may be) may be made via switching forms which may be obtained from any authorised agent or distributor of the Managers.

12.4 Save as hereafter provided, the switching of Units of the Fund or original Class shall be made on the day which is both a Dealing Day in relation to Units of the Fund or original Class (as the case may be) and a Dealing Day in

relation to units of the new Fund or Units of the new Class (as the case may be) (“**Common Dealing Day**”) on which the switching form is received by the Managers by 3 p.m. (Singapore time) on such Common Dealing Day. For a switching form received on a day which is not a Common Dealing Day or received after 3 p.m. (Singapore time) on a Common Dealing Day, such switching form shall be treated as having been received before 3 p.m. (Singapore time) on the next Common Dealing Day.

- 12.5 Switching of the Units of an original Class shall be effected by the cancellation of such Units and by the issue of Units of the new Class, such cancellation and issue taking place on the relevant Common Dealing Day, and the number of Units of the new Class to be issued on switching shall be determined by the Managers in accordance with the provisions of the Deed.
- 12.6 Switching of the Units of the Fund into units of a new Fund shall be effected by the Holder surrendering his Units to the Managers who shall thereupon pay to the managers of the new Fund concerned a sum representing the value of the switched Units calculated in accordance with the provisions of the Deed less the Switching Fee (if any) for each Unit in consideration of the issue to that Holder of units in the new Fund to the same value as the aforesaid sum representing switched Units.
- 12.7 Switching shall be subject to the Holder maintaining the applicable minimum holding of the Fund or original Class (as the case may be) and the new Fund or new Class (as the case may be) or such other number of Units or amount as the Managers may from time to time determine upon giving prior notice to the Trustee either generally or in any specific or class of transactions.
- 12.8 No Units shall be switched during any period where the realisation of Units is limited (as described in paragraph 11.2 above), or suspended in accordance with paragraph 15 below.
- 12.9 Holders should note that:
- (a) Units purchased with cash may only be switched to units of a new Fund or Units of a new Class (as the case may be) which may be purchased with cash;
 - (b) Units purchased with CPF monies may only be switched to units of a new Fund or Units of a new Class (as the case may be) which may be purchased with CPF monies; and
 - (c) Units purchased with SRS monies may only be switched for units of a new Fund or Units of a new Class (as the case may be) which may be subscribed or purchased with SRS monies.

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 and Realisation Prices will be published in The Straits Times, The Business Times, Lianhe Zaobao and such other publication as the Managers may decide upon and can also be obtained from the

Managers' website at uobam.com.sg or any other website designated by the Managers if applicable or by calling the Managers' 24-hour hotline at telephone number 1800 22 22 228. The actual prices quoted will generally be published 2 Business Days after the relevant Dealing Day in Singapore Dollars and in US Dollars as well. Investors should note that the frequency of the publication of the prices is dependent on the publication policies of the publisher concerned.

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

15. SUSPENSION OF DEALINGS

15.1 Subject to the provisions of the Code, 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 moneys which will or may be involved in the realisation of such Authorised Investments or in the payment for such Authorised Investments for the time being constituting the Deposited Property cannot, in the opinion of the Managers and the Trustee, be carried out at normal rates of exchange;
- (e) any period, whereby subject to the approval of the Trustee, dealing of Units has to be suspended to effect the subdivision or consolidation of Units;
- (f) any period when the dealing of Units is suspended pursuant to any order or direction of the Authority;
- (g) any 48-hour period (or such longer period as may be agreed between the Managers and the Trustee) prior to the date of any meeting of Holders (or any adjourned meeting thereof);
- (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, revolutions, civil unrest, riots, strikes or acts of God; or
- (i) in exceptional circumstances, where the Managers have determined that such suspension is in the best interest of the Holders.

15.2 Subject to the provisions of the Code, 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 as soon as practicable when 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), and in any event, within such period as may be prescribed by the Code. The period of suspension may be extended in accordance with the Code. 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.

15.3 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

Past performance, benchmark, expense ratio and turnover ratio of the Fund

Inception date: 17 October 2006	1 year (%)	3 years (%)	5 years (%)	10 years (%)	Since inception (%)	Expense ratio (%) ⁽³⁾		Turnover ratio (%) ⁽⁶⁾
(NAV-NAV) ⁽¹⁾	15.22	2.01	N.A.	N.A.	0.30	1.87 ⁽⁴⁾	N.A. ⁽⁵⁾	75.70
(NAV-NAV [^]) ⁽²⁾	9.46	0.28	N.A.	N.A.	-0.71			
Benchmark: Absolute return of 6% per annum	6.00	6.00	N.A.	N.A.	6.00			

Notes:

Source: Lipper, a Thomson Reuters Company

[^] Taking into account the Subscription Fee.

- (1) Calculated in S\$ on a NAV-to-NAV basis as at 30 June 2011, with all dividends and distributions reinvested (net of reinvestment charges). Figures for one year show the percentage change, while figures for more than one year show the average annual compounded return.
- (2) Calculated in S\$ on a NAV-to-NAV basis as at 30 June 2011, taking into account the Subscription Fee, with all dividends and distributions reinvested (net of reinvestment charges). Figures for one year show the percentage change, while figures for more than one year show the average annual compounded return.
- (3) The expense ratio is calculated in accordance with the requirements in the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios (the "IMAS Guidelines") and based on the latest audited accounts of the Fund for the financial year ended 31 December 2010. The following expenses (where applicable) as set out in the IMAS Guidelines (as may be updated from time to time), are excluded from the calculation of the expense ratio:
- (a) brokerage and other transaction costs associated with the purchase and sales of investments (such as registrar charges and remittance fees);
 - (b) interest expense;
 - (c) foreign exchange gains and losses of the Fund, whether realised or unrealised;
 - (d) front-end loads, back-end loads and other costs arising from the purchase or sale of a foreign unit trust or mutual fund;
 - (e) tax deducted at source or arising from income received, including withholding tax; and
 - (f) dividends and other distributions paid to Holders.
- (4) Expense ratio calculated excluding performances fees.
- (5) Expense ratio calculated including performances fees. No performance fees were received in respect of the Fund during the financial year ended 31 December 2010.
- (6) The turnover ratio for the financial year ended 31 December 2010 is calculated based on the lesser of purchases or sales of the Fund's underlying investments expressed as a percentage of the daily average net asset value of the Fund.

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

17. SOFT DOLLAR COMMISSIONS/ARRANGEMENTS

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

Soft-dollar commissions/arrangements 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 them in the management of the Fund; (b) the Managers shall ensure at all times that best execution is carried out for the transactions; 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 or commission rebates for their own account in respect of rebates earned when transacting in securities for account of the Fund.

18. CONFLICTS OF INTEREST

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

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

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

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

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 sent or made available to Holders (by post or by such electronic means as may be permitted under the Code) 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 sent or made available to Holders (by post or by such electronic means as may be permitted under the Code) 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).

If the accounts and reports under the sub-paragraph above are sent or made available to Holders by electronic means, the Trustee will also make available or cause to be made available, hardcopies of the accounts and reports to any Holder who requests for them within 2 weeks of such request (or such other period as may be permitted by the Authority). Holders may also at any time choose to receive hardcopies of all future accounts and reports at no cost to them, by notifying the relevant authorised agent or distributor in writing.

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

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.

Currently, the Managers do not intend to make regular distributions in respect of Units 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 may 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), as may be determined by the Managers to represent the fair value of such Authorised Investment; or (iii) the sale prices of recent public or private transactions in the same or similar Investments, valuations of comparable companies or discounted cash flow analysis, as may be determined to represent the fair value of such Authorised Investment. In the valuation of such Investment, the Managers may take into account relevant factors including, without limitation, significant recent events affecting the issuer such as pending mergers and acquisitions and restrictions as to saleability or transferability;
- (c) cash, deposits and similar assets shall be valued (by a person approved by the Trustee as qualified to value such cash, deposits and similar assets) at their face value (together with accrued interest) unless, in the opinion of the Managers (after consultation with the Trustee), any adjustment should be made to reflect the value thereof;
- (d) a unit or share in a unit trust 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. Where the fair value of a material portion of the Deposited Property cannot be determined, the Managers shall, subject to the provisions of the Code, suspend valuation and dealing in the Units.

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 collective investment scheme for account of such scheme, notwithstanding that the Trustee and/or the Managers and/or any delegate and/or any connected person may be, or be interested in, the Trustee or the Managers or delegate of, or any person, firm or corporation to whom any investment powers or discretions may have been delegated under such a scheme provided that:
- (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 delegate or any connected person may be provided with research, statistical or other essential investment services for which the Managers or any delegate or any connected person make or makes no direct payment but instead endeavour or endeavours to place business with such brokers) which they or it may receive in relation to any transaction effected for the account of the Fund provided that the amount of such commissions, terms and other benefits is not in excess of rates or terms commonly receivable by fund managers in like transactions and that they or it shall do so on the best terms reasonably obtainable having regard to the interests of the Fund and provided further that any such commissions, terms or other benefits shall exclude cash rebates and shall be so received in circumstances that do not raise any financial burden for the Fund. Such commissions, terms and other benefits received by the Managers shall be disclosed to Holders in the half-yearly reports referred to in Clause 26.1 of the Deed if required by the relevant authorities.

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

- (b) In no event shall a Holder have or acquire any rights against the 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 (sent by mail, facsimile, electronic means or otherwise) affecting the title to or transmission of Units or be in any way liable for any forged or unauthorised signature on or any seal affixed to such endorsement, 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 each other or with the Managers, 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 Trustee or any Associate thereof shall not be liable to account either to the Fund or 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 of transaction with the Trustee (when acting other than in its capacity as trustee of the Fund), 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 either to the Fund or 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 of 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.
- (x) Any of the Trustee, the Managers and/or their respective Associates may take any action which the Trustee, the Managers and/or the relevant Associate(s) (as the case may be), in its sole and absolute discretion, considers appropriate so as to comply with any law, regulation, request of a public or regulatory authority or any group policy of the Trustee or the Managers which relate to the prevention of fraud, money laundering, terrorism or other criminal activities or the provision of financial and other services to any persons or entities which may be subject to sanctions.

21.5 Custody of Deposited Property

- (a) The Trustee shall be responsible for the safe custody of the Deposited Property. Any Authorised Investments forming part of the Deposited Property shall, whether in registered or bearer form, be paid or transferred to the order of the Trustee forthwith on receipt by the Managers and be dealt with as the Trustee may think proper for the purpose of providing for the safe custody thereof. The Trustee may act as custodian itself or may appoint such persons (including any Associate of the Trustee) as custodian or joint custodian (with the Trustee if acting as custodian or with any other custodian appointed by the Trustee) of the whole or any part of the Deposited Property and (where the Trustee is custodian) may appoint or (where the Trustee appoints a custodian) may empower such custodian or joint custodian (as the case may be) to appoint, with prior consent in writing from the Trustee, sub-custodians. The fees and expenses of any such custodian, joint custodian or sub-custodian shall be paid out of the relevant Deposited Property.
- (b) The Trustee may at any time procure that:
 - (i) the Trustee;
 - (ii) any officer of the Trustee jointly with the Trustee;
 - (iii) any nominee appointed by the Trustee;
 - (iv) any such nominee and the Trustee;
 - (v) any custodian, joint custodian or sub-custodian appointed pursuant to paragraph 21.5(a) above;
 - (vi) any company operating a depository or recognised clearing system in respect of the Authorised Investments involved; or
 - (vii) any broker, financial institution or other person (or in each case, its nominee) with whom the same is deposited in order to satisfy any requirement to deposit margin or security,

takes delivery of and retains and/or be registered as proprietor of any Authorised Investments 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 (each, a “Depository”), except where (I) the Trustee is responsible for procuring the Depository and the Trustee has failed to exercise reasonable skill and care in the procurement of such Depository in respect of the Authorised Investments involved, or (II) 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 (I) 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 (II) 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 Termination of the Fund

- (a) The Fund is of indeterminate duration and may be terminated as provided in this paragraph 21.6.
- (b) Either the Managers or the Trustee may in their absolute discretion terminate the Fund by not less than one month’s notice to the other given so as to expire at the end of the Accounting Period current at the end of the 5th year after the date of the Deed or any year thereafter.
- (c) Notwithstanding paragraph 21.6(b), the Fund may be terminated by the Trustee if:
 - (i) any law is passed or any direction is given or any authorisation granted to the Fund is revoked by the relevant authority which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Fund; or
 - (ii) within the period of 2 months after the date on which the Trustee gave notice in writing to the Managers that it wishes to retire pursuant to Clause 38.2 of the Deed, a new trustee has not been appointed in accordance with that Clause; or
 - (iii) new managers have not been appointed in accordance with Clause 37.3 of the Deed within the period of 3 months after the date on which the Trustee gave notice in writing to the Managers pursuant to Clause 37.1 of the Deed; or
 - (iv) new managers have not been appointed in accordance with Clause 37.3 of the Deed within the period of 3 months after the date on which the Managers retire pursuant to Clause 37.5 of the Deed; or
 - (v) if the Authority revokes or withdraws the authorisation of the Fund under Section 288 of the SFA.

The decision of the Trustee in any of the events specified in this paragraph 21.6(c) shall be final and binding upon the Managers and the Holders but the Trustee shall be under no liability on account of any failure to terminate the Fund pursuant to this paragraph 21.6(c) or otherwise.

- (d) Notwithstanding paragraph 21.6(b), the Fund may be terminated by the Managers:
 - (i) on any date if on such date the aggregate of the Value of the Deposited Property is less than S\$5,000,000; or
 - (ii) if the Trustee is no longer an approved trustee pursuant to Clause 38.3 of the Deed and a new trustee of the Fund has not been appointed in accordance with the terms of the Deed; or
 - (iii) if any law is passed or any direction is given or any authorisation granted to the Fund is revoked by the relevant authority which renders it illegal or in the opinion of the Managers impracticable or inadvisable to continue the Fund; or

- (iv) if the Authority revokes or withdraws the authorisation of the Fund under Section 288 of the SFA; or
- (v) if in the opinion of the Managers it becomes impracticable or inadvisable to continue the Fund in the interest of Holders.

The decision of the Managers in any of the events specified in this paragraph 21.6(d) shall be final and binding upon the Trustee and the Holders but the Managers shall be under no liability on account of any failure to terminate the Fund pursuant to this paragraph 21.6(d) or otherwise.

- (e) The party terminating the Fund shall give notice thereof to the Holders in the manner herein provided and by such notice fix the date at which such termination is to take effect which date shall not be less than one month or such other period as may be determined by the Managers with the Trustee's approval after the service of such notice.
- (f) Without prejudice to Clause 40.6 of the Deed the Fund may at any time be terminated by the Holders by Extraordinary Resolution and such termination shall take effect on the date on which the Extraordinary Resolution is passed or on such later date (if any) as the Extraordinary Resolution may provide.
- (g) The Managers shall give written notice of the termination of the Fund to the Authority at least 7 days before termination of the Fund (or such other number of days as may be permitted by the Authority).
- (h) Provided the Holders of Units of the Fund or Class have been circulated with the particulars of a scheme of reconstruction or amalgamation to be entered into with the managers and the trustee of some other unit trust scheme or open-ended investment company and an Extraordinary Resolution of such Holders of Units of the Fund or Class has been duly passed authorising and directing the Managers and the Trustee to enter into the said scheme, then the said scheme shall take effect upon the passing of such Extraordinary Resolution or upon such later date as the scheme may provide, whereupon (i) the Deed shall, to the extent inconsistent with the scheme, be amended by the terms of the scheme, and (ii) the terms of such scheme shall be binding upon all the Holders of Units of the Fund or Class who shall be bound to give effect thereto accordingly and the Managers and the Trustee shall do all such acts and things as may be necessary for the implementation thereof.
- (i) Upon the Fund being terminated the Trustee shall proceed as follows:
 - (i) Upon the Fund being terminated the Trustee shall, subject to such orders (if any) as may be made by any court of competent jurisdiction pursuant to the SFA, sell all Investments then comprising the Deposited Property and repay any borrowing effected pursuant to Clause 20 of the Deed for the time being outstanding (together with any interest accrued thereon but remaining unpaid) and such sales shall be carried out and completed in such manner and within such period after the termination of the Fund as the Trustee thinks advisable.
 - (ii) The Trustee shall from time to time and at such time or times as it shall deem convenient and in its absolute discretion distribute to the Holders in proportion to their respective interests in the Deposited Property all net cash proceeds derived from redemption of the Deposited Property and any other cash forming part thereof and available for the purposes of such distribution Provided That the Trustee shall not be bound (except in the case of the final distribution) to distribute any of the monies for the time being in its hands the amount of which is insufficient to pay in respect of each undivided share in the Deposited Property of the Fund, S\$1, or if the Managers and the Trustee are of the opinion that the cost of making such distribution is higher than the amount to be distributed and Provided Also That the Trustee shall be entitled to retain out of any monies in its hands as part of the Deposited Property full provision for all costs, charges, expenses, claims and demands incurred, made or apprehended by the Trustee in connection with or arising out of the termination of the Fund and out of the monies so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands. Every such distribution to a Holder shall be made only upon delivery to the Trustee of such form of request for payment and receipt (if any) as the Trustee shall in its absolute discretion require.

- (iii) Any net cash proceeds derived from the redemption of the Deposited Property or other cash made available for distribution pursuant to paragraph 21.6(i)(ii) but not claimed by the Holder entitled thereto within 12 months of being so made available may be paid by the Trustee into Court (subject to the right of the Trustee to deduct therefrom any expenses it may incur in complying with this provision).

21.7 Information on Investments

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

UNITED ASIA PACIFIC INFRASTRUCTURE FUND

(Constituted in Singapore pursuant to the Trust Deed dated 30 August 2006, as amended)

FIRST SUPPLEMENTARY PROSPECTUS DATED 7 SEPTEMBER 2011

A copy of this First Supplementary Prospectus has been lodged with the Monetary Authority of Singapore who assumes no responsibility for the contents.

This First Supplementary Prospectus is lodged pursuant to Section 298 of the Securities and Futures Act (Chapter 289 of Singapore) and is supplemental to the Prospectus registered on 12 August 2011 (the “**Prospectus**”) relating to the United Asia Pacific Infrastructure Fund (the “**Fund**”).

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

This First Supplementary Prospectus sets out the amendments made to the Prospectus in relation to the method of calculating performance fee and investment policy, and other miscellaneous amendments.

The Managers have issued a notice dated 7 September 2011 to Holders of Units in the Fund regarding changes to the method of calculating the performance fee and the investment policy, which are being implemented in line with the revised Code which comes into effect on 1 October 2011. A copy of the notice may be obtained from any of the Managers’ authorised agents and distributors.

1. The following amendment will take effect from the date of this First Supplementary Prospectus:

- (a) The second paragraph appearing on page 1 under the heading “**PROSPECTUS**” and immediately above paragraph 1 is amended by deleting the words “, by the operation of law,”.
- (b) Paragraph 1.3(a) is amended by adding a new row at the bottom of the table in that paragraph as follows:

“

First Supplemental Deed	7 September 2011
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”

- (c) The following new sub-paragraph is inserted immediately before the last sub-paragraph of paragraph 2:
“Please refer to the Deed for details on the Managers’ role and responsibilities.”
- (d) The following new sub-paragraph is inserted immediately after the last sub-paragraph of paragraph 3:
“Please refer to the Deed for details on the Trustee’s and the Custodian’s respective roles and responsibilities.”
- (e) Paragraph 6.4 is amended by deleting the words “, by the operation of law,” appearing in the third sentence.
- (f) The first sub-paragraph of paragraph 15.1 is deleted and replaced with the following:
“Subject to the provisions of the Code and the Deed, the Managers or the Trustee may, with the prior written approval of the other, suspend the issue, realisation, switching and cancellation of Units during:”
- (g) Paragraph 15.1(i) is amended by deleting the first word “in”.

2. **The following amendments will take effect from 1 October 2011:**

- (a) The row entitled “**Performance Fee**” in the table in [paragraph 7.1](#) will be deleted in its entirety and replaced with the following:

“

Performance fee ²	25% of the amount by which the net asset value (“NAV”) per Unit (before performance fee) exceeds the higher of: (a) the Benchmark Value per Unit; or (b) the High Water Mark per Unit, on each day, multiplied by the number of Units in issue. No performance fee will be charged from 1 October 2011 to 6 October 2011.
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”

- (b) Footnotes 2 and 3 appearing in [paragraph 7.1](#) will be deleted in its entirety and replaced with the following:

“²

Performance fee explained

In addition to the Management Fee, 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 higher of:

- (a) the Benchmark Value (as defined below) per Unit; or

(b) the High Water Mark (as defined below) per Unit,

on each day during the relevant Accounting Period (as defined below) multiplied by the number of Units in issue. The NAV per Unit must exceed both the Benchmark Value per Unit and the High Water Mark per Unit before a performance fee is chargeable.

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 or High Water Mark per Unit. To explain this further, if the Fund’s performance exceeds the Benchmark Value per Unit and the High Water Mark per Unit on any particular day, the accrued performance fee will be deducted in computing of the NAV per Unit on that day. Correspondingly, if the Fund’s performance does not exceed the Benchmark Value per Unit and the High Water Mark per Unit on any particular day, any performance fee accrued will be reversed for that day. This is to ensure that no performance fee will be charged to a Holder realising his Units on a day when the Fund’s performance does not exceed the Benchmark Value per Unit and the High Water Mark 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 in any case within 30 days) following the end of an Accounting Period out of the Deposited Property. In respect of any realisation of Units before the end of the relevant Accounting Period, the performance fee accrued for such realised Units shall be payable to the Managers if the NAV per Unit of the Fund on such realisation date exceeds the Benchmark Value per Unit and the High Water Mark per Unit. Such performance fee will be retained by the Managers even if the final performance of the Fund for that relevant Accounting Period does not exceed the Benchmark Value per Unit and the High Water Mark per Unit.

An example of the calculation of the performance fee is provided in [paragraph 7.2](#) below.

An “**Accounting Period**” refers to the period ending on and including an Accounting Date (which means, subject to the terms of the Deed, 31 December of each year) and commencing (in the case of the first Accounting Period) from the end of the initial offer period of the Fund or (in the case of subsequent Accounting Periods) from the end of the preceding Accounting Period (as the case may be).

The applicable “**Benchmark Value**” per Unit shall be calculated on a daily basis. 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**”) per Unit. The Benchmark Value will be reset on 1st January each year. 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 NAV per Unit on 31st December of the previous year.

The “**High Water Mark**” means:

- (a) for the purposes of calculating the performance fee from 1 October 2011 to 31 December 2011, the NAV per Unit as of 30 September 2011 (the “**Initial High Water Mark**”);
- (b) for the purposes of calculating the performance fee from 1 January 2012 onwards, the higher of:
 - (i) the Initial High Water Mark; or
 - (ii) the highest NAV per Unit as at 31st December of any previous year, starting from 31 December 2011,

(regardless of whether the performance fee accrues or crystallises). For the avoidance of doubt, the High Water Mark is re-set annually as at the historical high on 31st December and not on a daily basis.

Investors should note the following in relation to the performance fee:

- (a) Performance fees payable in respect of a Holder’s Units may not correspond to the actual performance of those Units. This is because the Fund does not achieve equalisation of performance fees.

The performance fee is based on the Fund’s performance in each Accounting Period and is not cumulative. This means that the Managers may be paid the performance fee for any single Accounting Period (e.g. 1 January 2012 to 31 December 2012) when in fact the cumulative performance of the Fund from, for example, its inception on 17 October 2006 to 31 December 2012 does not exceed the Benchmark Value per Unit (up to 30 September 2011) or both the Benchmark Value per Unit and the High Water Mark per Unit (from 1 October 2011).

Similarly, the performance fee is not determined on the Fund’s performance from the point of subscription for Units. A performance fee will be charged if the Fund’s performance from (e.g.) 1 January 2012 to 31 December 2012 exceeds the Benchmark Value per Unit and the High Water Mark per Unit, even if from the time of subscription of Units (e.g. 30 June 2012), the NAV per Unit of the Fund from 30 June 2012 to 31 December 2012 does not exceed the Benchmark Value per Unit and the High Water Mark per Unit. However, because of the daily accrual of performance fees, the amount of performance fees paid on the Holder’s Units on 31 December 2012 will not include the performance fees accrued for the Fund’s performance from 1 January 2012 to 29 June 2012.

It may also be possible for a Holder to incur performance fees on his Units even though the return on his Units during his holding period is negative. For example, if the Holder realises his Units at a lower NAV per Unit than when he subscribed for such Units and the NAV per Unit exceeded both the Benchmark Value per Unit and the High Water Mark per Unit on the date of realisation, performance fees would have accrued and be charged in respect of such Units upon realisation.

- (b) A Holder who realised his Units on a day prior to the end of an Accounting Period will not be refunded the performance fee accrued (if any) on the realisation of his Units. Such accrued performance fee will be retained by the Managers.
 - (c) The maximum performance fees that may be incurred by a Holder’s Units during an Accounting Period will be 25% of the NAV of those Units.”
- (c) Footnotes 4, 5 and 6 appearing in paragraph 7.1 will be renumbered to 3, 4 and 5 respectively.

(d) Paragraph 7.2 will be deleted in its entirety and replaced with the following:

“7.2 Example of calculation of performance fee

For simplicity, prices are listed on yearly intervals for 3 Accounting Periods over 3 hypothetical years ('01 to '03), and the NAV per Unit, High Water Mark (“HWM”) and dates used are purely for illustration purposes, and are not in any way a forecast or projection of the Fund’s performance.

1st Accounting Period (1 January '01 – 31 December '01):

As at 1 January '01	<p>Initial NAV per Unit = S\$1.00</p> <p>Benchmark Value for the 1st Accounting Period = a 6% per annum increase over the initial issue price = S\$1.00 x (1.06) = S\$1.06 (accrued daily)</p> <p>Initial HWM = S\$1.00</p>
As at 31 December '01	<p>NAV per Unit rises to S\$1.10 (before performance fee)</p> <p>Above Benchmark Value of S\$1.06? = Yes</p> <p>Above HWM of S\$1.00? = Yes</p> <p>Performance fee payable on 31 December '01 = 25% of the amount by which the NAV per Unit exceeds the higher of (a) Benchmark Value or (b) the HWM = 25% x (S\$1.10 – S\$1.06) = S\$0.01 per Unit</p>

2nd Accounting Period (1 January '02 – 31 December '02):

As at 1 January '02	<p>New Benchmark Value is the higher of</p> <ul style="list-style-type: none"> (a) a 6% per annum increase in the Benchmark Value from the previous year (S\$1.06 x (1.06) = S\$1.12); or (b) a 6% per annum increase in the NAV per Unit (after performance fee) on 31 December '01 (S\$(1.10 – 0.01) x (1.06) = S\$1.16) <p>The Benchmark Value for the 2nd Accounting Period = S\$1.16 (accrued daily)</p> <p>HWM for 2nd Accounting Period = NAV per Unit (before performance fee) as at 31 December '01 less performance fee = S\$(1.10 – 0.01) = S\$1.09</p>
As at 31 December '02	<p>NAV per Unit falls to S\$1.05 (before performance fee)</p> <p>Above Benchmark Value of S\$1.16? = No</p> <p>Above HWM of S\$1.09? = No</p> <p>No performance fee paid on 31 December '02 as the NAV per Unit did not exceed both the Benchmark Value and HWM.</p>

3rd Accounting Period (1 January '03 – 31 December '03):

As at 1 January '03	<p>New Benchmark Value is the higher of:</p> <p>(a) a 6% per annum increase in the Benchmark Value from the previous year ($S\\$1.16 \times (1.06) = S\\1.23); or</p> <p>(b) a 6% per annum increase in the NAV per Unit on 31 December '02 ($S\\$1.05 \times (1.06) = S\\1.11)</p> <p>The Benchmark Value for the 3rd Accounting Period = S\$1.23 (accrued daily)</p> <p>HWM for 3rd Accounting Period = S\$1.09</p>
As at 31 December '03	<p>NAV per Unit rises to S\$1.20 (before performance fee)</p> <p>Above Benchmark Value of S\$1.23? = No</p> <p>Above HWM of S\$1.09? = Yes</p> <p>No performance fee paid on 31 December '03 as the NAV per Unit did not exceed both the Benchmark Value and HWM.</p>

3. The following amendments will take effect from 7 October 2011:

- (a) The sub-paragraphs after paragraph 6.1(x) are deleted and replaced with the following:

“In addition to the above, the Fund may also invest in business trusts, energy trusts, index-linked securities and/or other collective investment schemes, subject to the applicable provisions of the Code.

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.

There is no guarantee that the Fund will meet its investment objective.”

大華亞太基礎建設基金

發售計劃說明書