

PROSPECTUS

United SSE 50 China ETF



UETF

 **UOB** Asset Management

UNITED SSE 50 CHINA ETF
a sub-fund of UETF

*a Singapore unit trust authorised under
Section 286 of the Securities and Futures Act, Chapter 289 of Singapore*

PROSPECTUS

(Lodged with the Monetary Authority of Singapore on 26 September 2018)

MANAGERS

UOB Asset Management Ltd

This Prospectus dated 26 September 2018 is a replacement prospectus lodged pursuant to section 298 of the Securities and Futures Act, Chapter 289 of Singapore and replaces the previous prospectus for the United SSE 50 China ETF registered by the Monetary Authority of Singapore on 29 June 2018.

An application was made to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 26 June 2009 for permission to list and deal in and for quotation of the units of the UNITED SSE 50 CHINA ETF (the “**Sub-Fund**”), a sub-fund of the **UETF** (the “**Fund**”) which units may be issued from time to time. Such permission has been granted by the SGX-ST and the units have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Prospectus or reports referred to in this Prospectus. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Fund, the Sub-Fund or its units or of the Managers.

Directory

Managers

UOB Asset Management Ltd
(Company Registration Number: 198600120Z)
Registered office:
80, Raffles Place, UOB Plaza, Singapore 048624
Operating office:
80, Raffles Place, 3rd Storey, UOB Plaza 2, Singapore 048624

Directors of the Managers

Lee Wai Fai
Thio Boon Kiat
Eric Tham Kah Jin
Peh Kian Heng

Trustee

State Street Trust (SG) Limited
(Company Registration Number: 201315491W)
168 Robinson Road, #33-01, Capital Tower, Singapore 068912

Custodian / Administrator / Registrar

State Street Bank and Trust Company, acting through its Singapore Branch
168 Robinson Road, #33-01, Capital Tower, Singapore 068912

Auditors

PricewaterhouseCoopers LLP
7 Straits View, Marina One, East Tower, Level 12, Singapore 018936

Solicitors to the Managers

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

Solicitors to the Trustee

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

DEFINITIONS

Unless the context otherwise requires, terms defined in the Deed have the same meaning when used in this Prospectus and the following expressions have the following meanings, subject to the definitions in the Deed.

A-Shares	Shares or interests issued by PRC companies and listed on either the Shanghai Stock Exchange or the Shenzhen Stock Exchange.
Accounting Date	30 June in each year (commencing with 30 June 2010) or (in the case of the final Accounting Period) the date on which the moneys required for the distribution in respect of that period shall have been transferred to the Distribution Account, provided that the Managers may, with the prior consent of the Trustee, change the Accounting Date to any other date upon giving not less than 30 days' notice to the Holders.
Accounting Period	The period ending on and including an Accounting Date and commencing (in the case of the first Accounting Period) from the date of the Deed or (in the case of subsequent Accounting Periods) from the end of the preceding Accounting Period.
Application	A Creation Application and/or a Redemption Application, as the context may require.
Application Unit	Such number of Units as specified in paragraph 10.1.3(i) of this Prospectus for the Sub-Fund or such number of Units as may from time to time be determined by the Managers, approved by the Trustee and notified to Participating Dealers and Designated Market Makers.
Approved Valuer	A person for the time being approved by the Trustee as qualified to value any particular Investment constituting part of the Deposited Property and appointed by the Managers for such purpose.
Associate	As defined in the SGX-ST Listing Manual and is currently set out as, in the case of a company: <ul style="list-style-type: none">(i) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: -<ul style="list-style-type: none">(a) his immediate family;(b) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and(c) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;(ii) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
Authority	Monetary Authority of Singapore.
BNP	BNP Paribas Issuance B.V. (formerly known as "BNP Paribas Arbitrage Issuance B.V."), a private company with limited liability established under the laws of the Netherlands.
BNP Paribas	BNP Paribas S.A..
BNP SNC	BNP Paribas Arbitrage SNC, a "société en nom collectif" established under the laws of France.
Business Day	(In relation to the Sub-Fund) any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and on which the SGX-ST and the Shanghai Stock Exchange are open for trading or any other day as the Managers and the Trustee may agree in writing.
CDP	The Central Depository (Pte) Limited (Company Registration No.: 198003912M).

China or PRC	The People's Republic of China but, for the purposes of this Prospectus for geographical reference excludes Taiwan, Macau and Hong Kong.
CNY	Chinese Yuan, the lawful currency for the time being and from time to time of the PRC.
Code	The Code on Collective Investment Schemes issued by the Authority pursuant to the SFA and as the same may be modified, amended, re-enacted or reconstituted from time to time.
Connected Persons	As defined in the SGX-ST Listing Manual and is currently set out as, in relation to a company, means a director, chief executive officer or substantial shareholder or controlling shareholder of the company or any of its subsidiaries or an associate of any of them.
Creation Application	An application by a Participating Dealer or a Designated Market Maker for the creation and issue of Units in an Application Unit size (or whole number multiples thereof) subject to a minimum of (prior to 8 November 2018) 500,000 Units and (with effect from 8 November 2018) 100,000 Units, or such other minimum number of Units as the Managers may determine from time to time with the approval of the Trustee, in accordance with the procedures for creation of Units set out in the Operating Guidelines and the terms of the Deed.
CSRC	The China Securities Regulatory Commission of the People's Republic of China.
custodian	Includes any person or persons for the time being appointed as a custodian of the Sub-Fund or any of its assets.
Dealing Day	In connection with the issuance and realisation of Units of the Sub-Fund, every Business Day or such other day or days at such intervals as the Managers may from time to time determine with the approval of the Trustee Provided That reasonable notice of any such determination shall be given by the Managers to all the Holders at such time and in such manner as the Trustee may approve. If on any day which would otherwise be a Dealing Day in relation to the Units of the Sub-Fund, the Recognised Exchange on which Investments or other property comprised in, and having in aggregate values amounting to at least 50 per cent of the Deposited Property of the Sub-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.
Dealing Deadline	In respect of Creation Applications and Redemption Applications, currently 10.00 a.m. Singapore time on a Dealing Day (or such other time on or prior to such Dealing Day as we may from time to time determine with the approval of the Trustee).
Deed	See paragraph 1.3 of this Prospectus.
Deposited Property	All the assets (cash and other property) for the time being held or deemed to be held upon the trust of the Deed (or if the context so requires, the part thereof attributable to the Sub-Fund), excluding any amount for the time being standing to the credit of the Distribution Account (or as the case may be, the Distribution Account of the Sub-Fund).
Designated Market Maker	Any market maker for the Sub-Fund registered by the SGX-ST as a designated market maker for the Sub-Fund who has entered into a designated market maker agreement in relation to the Sub-Fund in form and substance acceptable to the Managers and the Trustee.
Distribution Account	The distribution account established for the Fund (or as the case may be, the Sub-Fund) as provided in the Deed.

Duties and Charges	In relation to any particular transaction or dealing for the Sub-Fund, all stamp and other duties, taxes, government charges, brokerage, bank charges, transfer fees, registration fees, transaction levies and other duties and charges whether in connection with the constitution of the Deposited Property of the Sub-Fund or the increase or decrease of the Deposited Property of the Sub-Fund or the creation, issue, transfer, cancellation or redemption of Units of the Sub-Fund or the sale or purchase or acquisition or disposal of Authorised Investments or otherwise which may have become or may be payable in respect of, and whether prior to, upon or after the occasion of, such transaction or dealing and including, in relation to an issue of Units or redemption of Units of the Sub-Fund, a charge (if any) of such amount or at such rate as is determined by the Managers to be made for the purpose of compensating or reimbursing the Sub-Fund for the difference between (a) the prices used when valuing the Authorised Investments for the purpose of such issue or redemption of Units and (b) (in the case of an issue of Units) the prices which would be used when acquiring the same Authorised Investments if they were acquired by the Sub-Fund with the amount of cash received by the Sub-Fund upon such issue of Units and (in the case of a redemption of Units) the prices which would be used when selling the same Authorised Investments if they were sold by the Sub-Fund in order to realise the amount of cash required to be paid out of the Sub-Fund upon such redemption of Units, but does not include commissions payable to agents on sales and repurchases of Units of the Sub-Fund.
ETF	Exchange traded fund.
FATCA	The U.S. Foreign Account Tax Compliance Act, as amended from time to time.
FDIs or derivatives	Financial derivative instruments.
Fund	UETF.
GST	Goods and services tax.
Holder	The registered holder for the time being of a Unit including persons so registered as joint holders, except that where the registered holder is the CDP, the term “ Holder ” shall, in relation to Units registered in the name of the CDP, mean, where the context requires, the depositor whose Securities Account with the CDP is credited with Units and provided that for the purposes of convening a meeting of Holders, such Holder shall mean a depositor having credited into his Securities Account as shown in the records of the CDP as at a time not earlier than 48 hours prior to the time of a meeting of Holders supplied by the CDP to the Managers.
IGA	Intergovernmental agreement.
Index Provider	China Securities Index Co., Ltd. or any other person responsible for managing and compiling the SSE 50 and who has the right to grant the license to use the SSE 50.
Investment	Any share, stock, bond, note, participatory note, debenture, debenture stock, loan, loan stock, certificates of deposit, commercial paper, promissory note, treasury bill, fixed or floating rate instrument, unit or sub-unit in any unit trust scheme, participation in a mutual fund, warrant, option, or other stock purchase right, futures, or any other security (as defined in the SFA) (all of the foregoing denominated in any currency) or any money market instrument or any other derivative which may be selected by the Managers for the purpose of investment of the Deposited Property or which may for the time being form part thereof.
Issue Price	The price at which Units may be issued, determined in accordance with the Deed.
Listing Rules	The listing rules for the time being applicable to the listing of the Sub-Fund as an investment fund on the SGX-ST.
Managers	UOB Asset Management Ltd or any other person for the time being duly appointed as managers of the Fund. References to “we”, “us” or “our” shall be construed accordingly to mean UOB Asset Management Ltd or any other person for the time being duly appointed as managers of the Fund.

Managers' website	The website at ' uobam.com.sg ' or at such other website address that may be designated by the Managers.
NAV	The net asset value of the Deposited Property or the proportion thereof represented by one Unit (as the case may be) calculated in accordance with that set out in the definition of " Value " below.
Operating Guidelines	The guidelines for the creation and redemption of Units set out in Schedules 1 and 2 to the relevant Participation Agreement as may be amended from time to time in accordance with the provisions of the relevant Participation Agreement. Unless otherwise specified, references to the Operating Guidelines shall be to the Operating Guidelines for the Sub-Fund applicable at the time of the relevant Application.
OTC Market	Any over-the-counter market or over-the-telephone market in any country in any part of the world and in relation to any particular Authorised Investment shall be deemed to include any responsible firm, corporation or association in any country in any part of the world dealing in the Authorised Investment which the Managers may from time to time elect.
PRC	People's Republic of China.
P-Notes	Participatory notes.
Participating Dealer	Any dealer who has entered into a Participation Agreement in relation to the Sub-Fund in form and substance acceptable to the Managers and the Trustee.
Participation Agreement	An agreement entered into between the Trustee, the Managers and a Participating Dealer or a Designated Market Maker (as the case may be) setting out, (amongst other things), the arrangements in respect of the issue, redemption and cancellation of Units.
QFII	Qualified Foreign Institutional Investor.
Recognised Exchange	The SGX-ST or any stock exchange, futures exchange and organised securities exchange on which securities are regularly invested in any country in any part of the world and in relation to any particular Authorised Investment shall be deemed to include any responsible firm, corporation or association in any country in any part of the world dealing in the Authorised Investment which the Managers may from time to time elect or any OTC Market.
Redemption Application	An application by a Participating Dealer or a Designated Market Maker for the redemption of Units in an Application Unit size (or whole number multiples thereof) subject to a minimum of (prior to 8 November 2018) 500,000 Units and (with effect from 8 November 2018) 100,000 Units, or such other minimum number of Units as the Managers may determine from time to time with the approval of the Trustee, in accordance with the procedures for redemption of Units set out in the Operating Guidelines and the terms of the Deed.
Redemption Value	The price at which each Unit is redeemed, calculated in accordance with the Deed, as set out in paragraph 11.1.3(ii) of this Prospectus.
Register	The register of Holders in relation to the Sub-Fund referred to in paragraph 4.
Registered Prospectus	The prospectus relating to the Sub-Fund that was registered by the Authority on 29 June 2018.
SAFE	The State Administration of Foreign Exchange of the People's Republic of China.
Securities Account	A securities account maintained by a depositor with CDP.
SFA	The Securities and Futures Act, Chapter 289 of Singapore, as the same may be modified, amended, restated, supplemented, revised, replaced, re-enacted or reconstituted from time to time.

Settlement Day	(In relation to cash and/or in-kind settlement of a Creation Application) the Business Day which is two (2) Business Days after the relevant Dealing Day and (in relation to cash and/or in-kind settlement of a Redemption Application) the Business Day which is three (3) Business Days after the relevant Dealing Day (or such later Business Day(s) as is permitted in relation to such Dealing Day pursuant to the Operating Guidelines) or such other number of Business Days after the relevant Dealing Day as the Managers and the Trustee may from time to time agree and notify to the Participating Dealers and the Designated Market Makers, either generally or for a particular case provided that, in relation to a Redemption Application, such day shall be no later than such date as may be prescribed under the Code for payment of redemption proceeds to investors of the type of schemes similar to the Sub-Fund (or no later than such other date as may be allowed by the Authority).
SGX-ST	Singapore Exchange Securities Trading Limited.
Singapore dollar or S\$ or Dollar	The lawful currency for the time being and from time to time of Singapore.
SSE 50	SSE 50 Index.
SSE 50 Securities	Any securities which are for the time being constituent securities of the SSE 50.
Stock Connects	The Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.
Stockbroker	A member of the SGX-ST or any other Recognised Exchange.
Sub-Fund	United SSE 50 China ETF.
Transaction Fee	The fee charged to each Participating Dealer for the benefit of the Trustee on each Dealing Day on each Application made by the relevant Participating Dealer the maximum level of which shall be determined by the Managers and the Trustee from time to time and set out in this Prospectus.
Trustee	State Street Trust (SG) Limited or any other person for the time being duly appointed as trustee of the Fund.
U.S.	United States of America.
Unauthorised US Person	(i) A US person within the meaning of Rule 902 of the United States Securities Act of 1933, as amended, (ii) a US resident within the meaning of the United States Investment Company Act of 1940, as amended, (iii) any person that would not qualify as a Non-United States person within the meaning of United States Commodity Futures Trading Commission Rule 4.7(a)(1)(iv), (iv) a U.S. Person (as defined in the Regulation S promulgated under the Securities Act of 1933 of the United States of America, as amended (the “ U.S. Securities Act ”), in reliance on Regulation S promulgated under the U.S. Securities Act, or (v) United States persons (as defined in Section 7701(a)(3) of the U.S. Internal Revenue Code, as amended.
United States dollar or USD or US\$	The lawful currency for the time being and from time to time of United States of America.
Units	Units of the Sub-Fund.
Valuation Point	The close of business of the last market relevant to the Sub-Fund on the relevant Dealing Day on which the NAV of the Deposited Property is to be determined or such other time as the Managers may with the prior approval of the Trustee determine and the Managers shall inform the Holders of such change if required by the Trustee.
Value	In relation to an Authorised Investment, the value of such Authorised Investment as determined in accordance with the Deed (as reproduced in paragraph 21.5).

IMPORTANT INFORMATION

The collective investment scheme offered in this Prospectus is constituted in Singapore and is an authorised scheme under the SFA. A copy of the Registered Prospectus has been lodged with and registered by the Authority and a copy of this Prospectus has been lodged with the Authority. The Authority assumes no responsibility for the contents of this Prospectus. Registration of the Registered Prospectus by the Authority and lodgment of this Prospectus with the Authority does not imply that the SFA or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the Sub-Fund.

We have taken all reasonable care to ensure that the information in this Prospectus is, to the best of our knowledge and belief, accurate and does not omit anything which would make any statement in this Prospectus misleading. Where information in this Prospectus has been extracted from published or otherwise publicly available sources or obtained from a named source, our and our Directors' sole responsibility have been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Prospectus in its proper form and context.

You should refer to the Deed in conjunction with this Prospectus. Copies of the Deed are available for inspection at our operating office during usual business hours (subject to such reasonable restrictions as we may impose). If you are in any doubt about the contents of this Prospectus or the Deed, you should seek independent professional advice.

An application was made to the SGX-ST on 26 June 2009 for permission to deal in and for quotation of the Units which may be issued from time to time. Such permission has been granted by the SGX-ST and the Units have been admitted to the Official List of the SGX-ST. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Fund, the Sub-Fund, the Units or of the Managers and the SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Prospectus. Units deposited with CDP will be traded on the SGX-ST at market prices throughout the trading day. Market prices for Units may, however, be different from their NAV (as calculated in accordance with the Deed). Any listing and quotation of Units on the SGX-ST does not guarantee a liquid market for the Units.

You should note that the Sub-Fund is not like a conventional unit trust offered to the retail public in Singapore in that the issue and redemption of Units with us may only be made by Designated Market Makers or through Participating Dealers. Participating Dealers must apply to us for the creation and redemption of Units in an Application Unit size or whole number multiples thereof, subject to a minimum. If you submit a subscription or redemption application for less than the current minimum (whether directly or through your stockbroker) to a Participating Dealer, your application will be rejected by that Participating Dealer. The current Application Unit size is 100,000 Units and the current minimum is (prior to 8 November 2018) 500,000 and (with effect from 8 November 2018) 100,000 Units per Creation or Redemption Application or such other minimum number of Units as we may determine from time to time with the approval of the Trustee. Accordingly, if you do not intend to subscribe for at least (prior to 8 November 2018) 500,000 and (with effect from 8 November 2018) 100,000 Units or if you do not hold at least (prior to 8 November 2018) 500,000 and (with effect from 8 November 2018) 100,000 Units, you will only be able to buy or sell your Units on the SGX-ST. This would differ from conventional unit trusts where units can be purchased and realised by investors directly from the managers and in comparatively smaller amounts than the current minimum of (prior to 8 November 2018) 500,000 and (with effect from 8 November 2018) 100,000 Units.

You should seek professional advice to ascertain (a) the possible tax consequences, (b) the applicable legal requirements and (c) any foreign exchange restrictions or exchange control requirements which you may encounter under the laws of the country of your citizenship, residence or domicile, which may be relevant to your subscription, holding or disposal of Units. We make no representation as to the tax status of the Sub-Fund. You should keep yourself informed of, and observe, all such laws and regulations of any relevant jurisdiction that may be applicable to you.

Before investing, you should consider the usual risks of investing and participating in collective investment schemes and the risks of investing in the Sub-Fund which are summarised in this Prospectus. Your investments can be volatile and there is no assurance that the Sub-Fund will be able to attain its objectives. The price of Units as well as income from them may go up as well as down to reflect changes in the value of the Sub-Fund. You should only invest if you can sustain losses on your investment. You should satisfy yourself that investing in the Sub-Fund is suitable based on your personal circumstances.

The Sub-Fund is not in any way endorsed, sold, sponsored or promoted by the Shanghai Stock Exchange or China Securities Index Co., Ltd.. The Shanghai Stock Exchange and China Securities Index Co., Ltd. make no warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the SSE 50, and/or the figure at which the said index stands at any particular time on any particular day or otherwise. The SSE 50 is calculated by China Securities Index Co., Ltd., and on behalf of Shanghai Stock Exchange which will adopt all necessary measures

to ensure the accuracy of the SSE 50. However, the Shanghai Stock Exchange and China Securities Index Co., Ltd. shall not be liable (whether in negligence or otherwise) to any person for any error in the SSE 50 and shall not be under any obligation to advise any person of any error therein. The SSE 50 is owned by the Shanghai Stock Exchange.

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

Units are offered on the basis of the information contained in this Prospectus and the documents referred to in this Prospectus. No person is authorised to give any information or make any representations concerning the Sub-Fund other than as contained in this Prospectus. Any investment made on the basis of information or representations not contained in or inconsistent with the information or representations in this Prospectus will be solely at your risk. This Prospectus may be updated from time to time to reflect material changes and you should check if you have the latest updated Prospectus or if any supplement is available.

Units are capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

We may apply for the Units to be marketed in other jurisdictions.

Prohibition against U.S. investors

Units are being offered and sold outside the United States to persons that are not:

- (i) U.S. Persons (as defined in Regulation S promulgated under the Securities Act of 1933 of the U.S., as amended (the “U.S. Securities Act”)) in reliance on Regulation S promulgated under the U.S. Securities Act; or
- (ii) “United States persons” (as defined in Section 7701(a)(30) of the U.S. Internal Revenue Code, as amended, and referred to herein as “U.S. Taxpayers”). Currently, the term “U.S. Taxpayer” includes: a U.S. citizen or resident alien of the “United States” (as defined for U.S. federal income tax purposes); any entity treated as a partnership or corporation for U.S. tax purposes that is created or organised in, or under the laws of, the United States or any state thereof (including the District of Columbia); any other partnership that may be treated as a U.S. Taxpayer under future U.S. Treasury Department regulations; any estate, the income of which is subject to U.S. income taxation regardless of source; and any trust over whose administration a court within the United States has primary supervision and all substantial decisions of which are under the control of one or more U.S. fiduciaries. Persons who have lost their U.S. citizenship and who live outside the United States may nonetheless, in some circumstances, be treated as U.S. Taxpayers. Persons who are aliens as to the United States but who have spent 183 days or more in the United States in any of the last two years should check with their tax advisors as to whether they may be considered residents of the United States.

Units are not and may not be offered, made available, sold to or for the account of any U.S. Persons or U.S. Taxpayers. You may be required to declare that you are not a U.S. Taxpayer and that you are neither acquiring Units on behalf of U.S. Taxpayers nor acquiring Units with the intent to sell or transfer them to U.S. Taxpayers.

Foreign Account Tax Compliance Act and the Common Reporting Standard (“CRS”)

FATCA

FATCA was enacted in 2010 by the U.S. Congress as part of the U.S. Hiring Incentives to Restore Employment (HIRE) Act to target non-compliance with tax laws by U.S. Taxpayers using overseas accounts. Under FATCA, financial institutions outside of the U.S. are required to regularly submit information on financial accounts held by U.S. Taxpayers to the U.S. tax authorities. Failure to comply with FATCA may, amongst other things, subject the Sub-Fund to U.S. withholding tax on certain types of payments made to the Sub-Fund. Accordingly, it is intended that the Sub-Fund complies with FATCA.

For the purpose of complying with FATCA, we, the Trustee, and/or other service providers of the Sub-Fund may be required to report and disclose information on certain investors in the Sub-Fund to the U.S. tax authorities and/or such Singapore authority as may be required under Singapore laws and regulations to be implemented as part of any IGA

entered into between the U.S. and Singapore¹ in connection with FATCA and/or withhold certain payments to such investors.

CRS

CRS, endorsed by the Organisation for Economic Co-operation and Development and the Global Forum for Transparency and Exchange of Information for Tax Purposes, is an internationally agreed standard for the automatic exchange of information on financial accounts between jurisdictions with the objective of detecting and deterring tax evasion through the use of offshore bank accounts.

In Singapore, the Income Tax (International Tax Compliance Agreements) (Common Reporting Standard) Regulations 2016 require financial institutions such as us to conduct due diligence (including the collection, review and retention of financial account information) and report financial account information relating to specified persons from jurisdictions with which Singapore has a “competent authority agreement” (“CAA”) to the IRAS. Such information may subsequently be exchanged with Singapore’s CAA partners. Singapore may enter into further IGAs, or the relevant authorities may enact further legislation or impose further requirements, which will form part of the CRS.

You are required to:

- (a) provide such information, documents and assistance in connection with the above as we and/or the Trustee may require from time to time; and
- (b) notify us or any of our authorised agents or distributors in writing immediately if you are or become a U.S. Taxpayer, or are holding Units for the account of or benefit of a U.S. Taxpayer.

You are also deemed to have consented to us, the Trustee and/or other service providers of the Sub-Fund carrying out our/their obligations in reporting and disclosing information on you and your investments to the relevant authorities as described above.

We may compulsorily realise all or any of your Units in any of the circumstances set out under paragraph 15 of this Prospectus.

You may direct your enquiries in relation to the Fund or the Sub-Fund to us or our authorised agents or distributors.

¹ Pursuant to the IGA entered into between Singapore and the U.S. on 9 December 2014, Singapore-based financial institutions (such as us) will report information on financial accounts held by U.S. Taxpayers to the Inland Revenue Authority of Singapore (“IRAS”), which will in turn provide the information to the U.S. tax authorities.

IMPORTANT INFORMATION

The table below sets out key features of the Sub-Fund. You should refer to the main body of this Prospectus for full details on the Sub-Fund.

The investment strategy of the Sub-Fund will change from a synthetic replication strategy to a full replication strategy with effect from 8 November 2018 (the “Effective Date”).

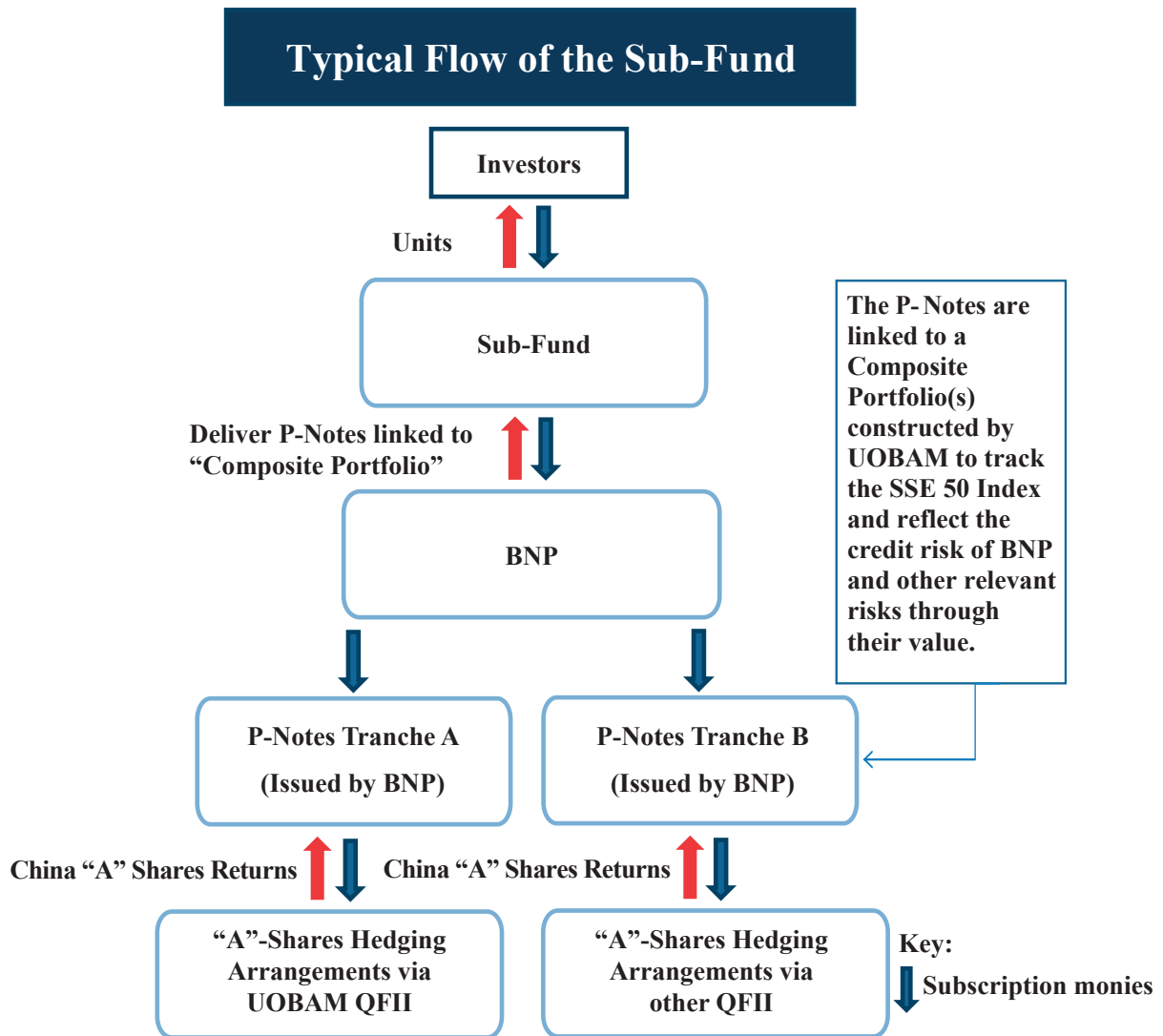
In order to implement the new investment strategy, the Sub-Fund’s investment in the BNPP-Notes will be redeemed from 25 October 2018 in the lead up to the Effective Date. During this period, the Sub-Fund will hold a significantly higher than usual level of cash and cash equivalents. Investments in line with the new investment strategy will be made on and from the Effective Date. Therefore it is likely that there will be an adverse impact on the Sub-Fund’s tracking error against the SSE 50 during this transition period. The Sub-Fund may, from 1 November 2018, invest in derivatives such as stock futures contracts during this transition period to minimise the tracking error.

Prior to 8 November 2018:

Key Features of the Sub-Fund
<p>Who are you investing with?</p> <p>Us, as the managers of the Sub-Fund.</p>
<p>What are you investing in?</p> <p>Units in the Sub-Fund. The Sub-Fund aims to provide investment results that, before fees, costs and expenses (including any taxes and withholding taxes), closely correspond to the performance of the SSE 50.</p> <p>The SSE 50 is an index consisting of 50 constituent stocks which are the 50 largest stocks of good liquidity listed on the Shanghai Stock Exchange.</p> <p>Exchange traded funds may seek to track the performance of an index by either investing directly into the securities comprised in that index or by indirect means. Due to restrictions on foreign ownership of A-Shares i.e. shares in Chinese companies issued in PRC under Chinese law and listed on the Shanghai or Shenzhen stock exchanges (A-Shares may not be directly invested into by a non-PRC person unless the person is a Qualified Foreign Institutional Investor or “QFII” or is under another scheme which allows the person to invest directly into A-Shares), the Sub-Fund does not invest directly into A-Shares. Instead of investing directly into A-Shares, the Sub-Fund invests into a type of market access product known as P-Notes.</p> <p>The value of a P-Note will be linked to that of a composite portfolio comprising a notional underlying basket of A-Shares which is designed to track as closely as possible, before fees, costs and expenses (including any taxes and withholding taxes), the performance of the SSE 50.</p> <p>The Sub-Fund invests into P-Notes issued by BNP and guaranteed by BNP Paribas².</p> <p>Each P-Note issued by BNP is linked to a composite portfolio comprising a notional underlying basket of A-Shares, designed to track as closely as possible, before fees, costs and expenses (including any taxes and withholding taxes), the performance of the SSE50. Exposure to the A-Shares is provided via relevant A-Shares hedging arrangements entered into by BNP Paribas in respect of the A-Shares.</p> <p>The Sub-Fund is currently invested into 2 tranches of P-Notes (Tranches A and B) issued by BNP. The Tranche A P-Notes are linked to a notional underlying basket of A-Shares held by us under our QFII quota provided via hedging arrangements. The Tranche B P-Notes are linked to a notional underlying basket of A-Shares held by other QFIIs under their QFII quota provided via hedging arrangements.</p>

² Enforcement of such guarantee for the Sub-Fund is restricted. Please refer to paragraph 21.2.23(xv) for further details.

The current investment strategy of the Sub-Fund (with BNP as the only P-Notes issuer to the Sub-Fund) is illustrated in the diagram below:



Are we, the Trustee and relevant counterparties in Singapore and governed by Singapore law? Is the Sub-Fund constituted in Singapore and governed by Singapore law?

The Sub-Fund is established under a Singapore-domiciled umbrella fund and is authorised under section 286 of the SFA.

We and the Trustee (State Street Trust (SG) Limited) are incorporated in Singapore. We hold a capital markets services licence under the SFA while the Trustee is an approved trustee under the SFA. We and the Trustee are both entities governed by Singapore law.

BNP is a private company with limited liability established under the laws of the Netherlands and is governed by Dutch laws.

Is your investment in the Sub-Fund secured by assets in Singapore?

No. However, please refer to the question below for details of the securities to be given to the Trustee as trustee for the Sub-Fund.

Is any aspect of the investments of the Sub-Fund that has a material impact on you governed by foreign law?

Yes.

The P-Notes issued by BNP are issued under BNP's Warrant and Certificate Programme (as revised and amended from time to time) governed by English laws. The enforceability of the P-Notes will be dependent on, amongst other considerations, their validity under English law.

BNP will post collateral to reduce the Sub-Fund's exposure to BNP to not more than 10% of the Sub-Fund's NAV. Such collateral will be placed into a trust or custodian account maintained in Hong Kong.

To mitigate (amongst other things) the impact of winding-up or liquidation of BNP on the Sub-Fund, BNP will charge and assign the collateral posted by BNP to the Trustee as trustee for the Sub-Fund under a security deed. The enforceability of such security against BNP may be governed by, amongst other things, Dutch law (the law of the jurisdiction in which BNP is established) and Hong Kong law (as the trust or custodial account is maintained in Hong Kong and as the governing law of the security deed). The NAV of the Sub-Fund will be adversely affected to the extent that such security is not effectively enforced.

What are the key risks of an investment in the Sub-Fund?

Risk of over-concentration – Exposure of the Sub-Fund is concentrated in a particular market (i.e. A-Shares comprising the SSE 50). In addition, as the Sub-Fund has only one P-Notes issuer (being BNP), the Sub-Fund may be subject to over-concentration risks of having a single counterparty and be exposed to a higher level of risk than portfolios diversifying their holdings across different issuers.

Counterparty Risks – Save as described in the question above, as the P-Notes will be unsecured obligations of the P-Notes issuer, the Sub-Fund will be exposed to the credit risk of the P-Notes issuer.

Market Risk/Volatility of Underlying Securities – Market volatility, lack of a liquid trading market and settlement difficulties in the A-Share markets may result in significant fluctuations in the price of A-Shares which may in turn adversely affect the price of the P-Notes and the NAV of the Sub-Fund.

Possible Limited duration of the Sub-Fund – The P-Notes are of limited duration (the P-Notes issued by BNP which are currently held by the Sub-Fund are scheduled to mature on 8 November 2018) and the duration of the Sub-Fund may depend on, amongst other things, the ability of the Sub-Fund to continue investing in P-Notes after the term of the P-Notes currently held by the Sub-Fund. In addition, the P-Notes may be redeemed early upon the occurrence of certain events under the terms and conditions of the P-Notes (for instance, an insolvency filing against the issuer of any of the securities comprising the composite portfolio – please refer to Appendix 4 for further details on the risks and considerations associated with the P-Notes issued by BNP). If the Sub-Fund is terminated as a result, the final redemption amount of the P-Notes will be determined based on the Singapore dollar equivalent of the fair market value of the underlying basket of A-Shares and taking into account accrued but unpaid dividends (after deduction of applicable costs, expenses, charges, taxes and duties) subject to the relevant adjustments and deductions in accordance with the terms and conditions of the P-Notes. The Sub-Fund may suffer a substantial loss on its investment in the P-Notes in such an event. You should therefore note that you may not get back your original investments in the Sub-Fund. You can contact us (please refer to paragraph 24 for our contact details) to obtain information on the terms and conditions of the P-Notes.

Risks relating to the QFII investment quota – The investment quota of a QFII may be restricted, suspended or halted. Where insufficient investment quota is available, the supply of P-Notes will be affected and may result in the Sub-Fund being unable to create further units (because it is unable to purchase more P-Notes) and/or cause the Units to trade at a premium to their NAV.

Foreign exchange risks – The Sub-Fund is denominated and traded in SGD, its P-Notes are denominated in SGD and the A-Shares are denominated in CNY. The NAV of the Units will therefore fluctuate with changes in the market value of the Sub-Fund's investments and changes in the exchange rate between the (i) SGD and USD; (ii) USD and CNY; and (iii) CNY and SGD. You may lose money if the CNY or USD were to depreciate against the SGD even if the market value of the relevant A-Shares actually goes up.

Tracking error risk – Tracking errors occur when funds are unable to track exactly the performance of their underlying indices. Due to its investment structure, the Sub-Fund may experience greater tracking error than typical exchange traded index funds.

Trading risks – The market prices of Units on the SGX-ST may trade above or below the NAV of Units and there is a risk that you may not be able to buy or sell Units on the SGX-ST at a price close to the NAV of the Units.

Liquidity risks – In order to redeem your Units in the primary market, you must approach a Participating Dealer (whether directly or through your stockbroker) to assist you with your application to us. The current minimum amount for redemptions with us is 500,000 Units. If you do not hold at least 500,000 Units, you may only be able to realise the value of your Units by selling your Units on the SGX-ST. You should note that the listing of Units on the SGX-ST does not guarantee a liquid market for the Units and you may not be able to find a buyer on the SGX-ST when you wish to sell your Units. While we intend to appoint at least one market maker to assist in creating liquidity for investors, liquidity is not guaranteed and the trading of Units on the SGX-ST may be suspended in various situations.

With effect from 8 November 2018:

Key Features of the Sub-Fund
<p>Who are you investing with?</p> <p>Us, as the managers of the Sub-Fund.</p>
<p>What are you investing in?</p> <p>Units in the Sub-Fund. The Sub-Fund aims to provide investment results that, before fees, costs and expenses (including any taxes and withholding taxes), closely correspond to the performance of the SSE 50.</p> <p>The SSE 50 is an index consisting of 50 constituent stocks which are the 50 largest stocks of good liquidity listed on the Shanghai Stock Exchange.</p> <p>We currently adopt a full replication strategy in respect of the Sub-Fund whereby all, or substantially all, of the Sub-Fund's assets are invested in SSE 50 Securities in substantially the same weightings as reflected in the SSE 50.</p> <p>The Sub-Fund may make direct investments into A-Shares through the Stock Connects and/or through such other schemes which allow direct investments into A-Shares.</p> <p>We may in our absolute discretion also invest the Sub-Fund's assets in non-SSE 50 Securities in order to achieve the Sub-Fund's investment objective.</p>
<p>Are we, the Trustee and relevant counterparties in Singapore and governed by Singapore law? Is the Sub-Fund constituted in Singapore and governed by Singapore law?</p> <p>The Sub-Fund is established under a Singapore-domiciled umbrella fund and is authorised under section 286 of the SFA.</p> <p>We and the Trustee (State Street Trust (SG) Limited) are incorporated in Singapore. We hold a capital markets services licence under the SFA while the Trustee is an approved trustee under the SFA. We and the Trustee are both entities governed by Singapore law.</p>
<p>Is your investment in the Sub-Fund secured by assets in Singapore?</p> <p>No.</p>
<p>Is any aspect of the investments of the Sub-Fund that has a material impact on you governed by foreign law?</p> <p>The Sub-Fund may make direct investments into A-Shares through the Stock Connects and/or through such other schemes which allow direct investments into A-Shares.</p> <p>The Stock Connects are subject to the laws and regulations issued from time to time by the regulators / stock exchanges in the PRC and Hong Kong and other schemes which allow direct investments into A-Shares may be subject to foreign laws, including laws and regulations issued from time to time by the regulators in the PRC.</p>

What are the key risks of an investment in the Sub-Fund?

Equity market risk – The Sub-Fund’s investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

Risk of over-concentration – Exposure of the Sub-Fund is concentrated in a particular market (i.e. A-Shares comprising the SSE 50).

PRC market risk/volatility of A-Shares – Generally, investments in or linked to emerging markets, such as the market for A-Shares, may involve increased risk such as the likelihood of a high degree of market volatility, lack of a liquid trading market, currency risks/control, political and economic uncertainties, legal, regulatory and taxation risks, custody risks and settlement risks in the A-Share markets. The A-Share markets may be more volatile and unstable (e.g. due to suspension of particular stocks or government intervention) than those in the more developed markets. All these may result in significant fluctuations in the price of A-Shares which may in turn adversely affect the NAV of the Sub-Fund.

Risks associated with the Stock Connects - The Sub-Fund may invest via the Stock Connects. The relevant rules and regulations on the Stock Connects are subject to change which may have potential retrospective effect. The Stock Connects are subject to quota limitations. Where a suspension in the trading through the programme is effected, the Sub-Fund’s ability to invest in A-Shares or access the PRC market through the programme will be adversely affected.

Foreign exchange risks – The Sub-Fund is denominated and traded in SGD and the A-Shares are denominated in CNY. The NAV of the Units will therefore fluctuate with changes in the market value of the Sub-Fund’s investments and changes in the exchange rate between the (i) SGD and USD; (ii) USD and CNY; and (iii) CNY and SGD. You may lose money if the CNY or USD were to depreciate against the SGD even if the market value of the relevant A-Shares actually goes up.

Tracking error risk – Tracking errors occur when funds are unable to track exactly the performance of their underlying indices. Due to its investment structure, the Sub-Fund may experience greater tracking error than typical exchange traded index funds.

Trading risks – The market prices of Units on the SGX-ST may trade above or below the NAV of Units and there is a risk that you may not be able to buy or sell Units on the SGX-ST at a price close to the NAV of the Units.

Liquidity risks – In order to redeem your Units in the primary market, you must approach a Participating Dealer (whether directly or through your stockbroker) to assist you with your application to us. The current minimum amount for redemptions with us is 100,000 Units. If you do not hold at least 100,000 Units, you may only be able to realise the value of your Units by selling your Units on the SGX-ST. You should note that the listing of Units on the SGX-ST does not guarantee a liquid market for the Units and you may not be able to find a buyer on the SGX-ST when you wish to sell your Units. While we intend to appoint at least one market maker to assist in creating liquidity for investors, liquidity is not guaranteed and the trading of Units on the SGX-ST may be suspended in various situations.

TABLE OF CONTENTS

Contents	Page
Directory	i
IMPORTANT INFORMATION	vii
1. Basic Information	1
2. Management	1
3. The Trustee and Custodian	3
4. The Registrar and Administrator	4
5. Other Parties	4
6. Structure of the Sub-Fund	6
7. Investment Considerations	6
8. Fees, Charges and Expenses	13
9. Risk Factors	18
10. Subscription of Units.....	29
11. Redemption of Units.....	36
12. Obtaining Prices of Units	41
13. Suspension of Issue, Realisation and Valuation of Units.....	41
14. Exchange Clearance and Settlement	43
15. Restrictions on Holders and Compulsory Realisations	44
16. Transfer of Units.....	45
17. Performance of the Sub-Fund	45
18. Soft Dollar Commissions/Arrangements and Brokerage Transactions	46
19. Conflicts of Interest	47
20. Reports.....	49
21. Other Material Information	50
22. Taxation	62
23. Inspection of Documents	63
24. Queries and Complaints	63
Appendix 1.....	64
Appendix 2.....	68
Appendix 3	70
Appendix 4.....	75

UNITED SSE 50 CHINA ETF

1. Basic Information

1.1 UNITED SSE 50 CHINA ETF

The Fund is an open-ended umbrella fund constituted in Singapore on 8 October 2009. As at the date of this Prospectus, the Sub-Fund is the only sub-fund established under the Fund and the Fund is presently offering Units in the Sub-Fund. The Sub-Fund was listed on the SGX-ST in Singapore dollars on 26 November 2009 as an exchange-traded fund. The SGX counter name of the Sub-Fund is “UETF SSE50China100” and the SGX stock code of the Sub-Fund is JK8.

1.2 Date of Prospectus and Expiry Date of Prospectus

This Prospectus is a replacement prospectus lodged with the Authority on 26 September 2018. This Prospectus replaces the Registered Prospectus. This Prospectus is valid up to 28 June 2019 and will expire on 29 June 2019.

1.3 Trust Deed and Supplemental Deeds

1.3.1 The Fund was constituted by way of a deed of trust dated 8 October 2009 which has since been amended by the following deeds:

First Amending and Restating Deed	17 November 2009
Second Amending and Restating Deed	23 November 2009
Third Amending and Restating Deed	7 October 2011
Fourth Amending and Restating Deed	30 March 2012
First Supplemental Deed	9 November 2012
Fifth Amending and Restating Deed	29 May 2014
Sixth Amending and Restating Deed	23 April 2015
Supplemental Deed of Appointment and Retirement of Trustee	24 February 2017
Third Supplemental Deed	3 April 2017
Seventh Amending and Restating Deed	26 September 2018

The deed of trust dated 8 October 2009 as amended by the above deeds shall be referred to as the “**Deed**”.

1.3.2 The terms and conditions of the Deed are binding on each Holder and persons claiming through such Holder as if each of them had been a party to the Deed.

1.3.3 You may inspect copies of the Deed free of charge at our operating office during usual business hours (subject to such reasonable restrictions as we may impose) and may request for a copy at a charge of S\$25 per copy (or such other amount as we and the Trustee may from time to time agree in writing), such charge being payable to us.

1.4 Accounts and reports

You may obtain a copy of the latest annual and semi-annual accounts, the auditors’ report on the annual accounts and the annual and semi-annual reports of the Fund at our operating office during normal business hours (subject to such reasonable restrictions as we may impose).

2. Management

The Managers are UOB Asset Management Ltd (“**UOBAM**”). The Managers will remain as the managers of the Fund until they retire or are removed or replaced in accordance with the provisions of the Deed.

2.1 The Managers

UOBAM is a wholly-owned subsidiary of United Overseas Bank Limited (“UOB”). Established in 1986, UOBAM has a paid-up share capital of S\$63 million as at 6 June 2018 and has been managing collective investment schemes and discretionary funds in Singapore for over 30 years. UOBAM is licensed and regulated by the Authority. UOBAM has an extensive presence in Asia with regional business and investment offices in Malaysia, Thailand, Brunei, Taiwan and Japan. UOBAM has two joint ventures: Ping An UOB Fund Management Company Ltd and UOB-SM Asset Management Pte. Ltd. In addition, it also has a strategic alliance with UTI International (Singapore) Private Limited.

Through its network of offices, UOBAM offers global investment management expertise to institutions, corporations and individuals, through customised portfolio management services and unit trusts. As at 31 July 2018, UOBAM manages 56 unit trusts in Singapore. UOBAM is one of the largest unit trust managers in Singapore in terms of assets under management.

UOBAM’s investments team conducts independent and rigorous fundamental research within a proven investment process and framework. In equities, UOBAM’s team has acquired specialist skills in investment in global markets and major global sectors. It combines a disciplined research effort that aims to identify and invest in high performing businesses at the right price, with a systematic model portfolio construction process, to diversify sources of alpha to achieve more consistent performance over time. In fixed income, UOBAM’s coverage spans a wide spectrum comprising G10 government bonds, developed market corporate bonds, Asia sovereigns and corporates, emerging market bonds and Singapore fixed income. In addition to independent research to uncover relative value opportunities, UOBAM adopts diversified investment strategies combined with active risk management to generate sustainable total return for its portfolios.

Since 1996, UOBAM has won a total of 180 awards in Singapore. These awards recognise UOBAM’s investment performance across different markets and sectors.

As at 31 July 2018, UOBAM and its subsidiaries in the region have a staff strength of over 400 including about 42 investment professionals in Singapore.

We maintain professional indemnity insurance coverage which complies with the requirements under applicable laws, regulations and guidelines, or as directed by the Authority.

We may delegate certain or all of our duties. Currently, we have delegated certain administration and valuation functions and certain transfer agency functions in respect of the Fund, to the administrator, whose details are set out in paragraph 4 below.

Our past performance is not necessarily indicative of our future performance.

You should refer to Appendix 1 of this Prospectus for a list of other collective investment schemes that we currently manage.

2.2 Directors of the Managers

Lee Wai Fai, Chairman and Director

Mr Lee (c/o 80 Raffles Place, UOB Plaza, Singapore 048624) joined UOB in 1989 and is presently Group Chief Financial Officer with UOB. Mr Lee has previously held senior positions in the UOB group, including being head of international branches and regional banking subsidiaries, Deputy Chief Executive Officer of UOB Radanasin Bank Public Company Limited, Head of Finance as well as Head of Policy and Planning of UOB.

Mr Lee holds a Bachelor of Accountancy (Honours) degree from the National University of Singapore and a Master of Business Administration degree in Banking and Finance from the Nanyang Business School, Nanyang Technological University, and has more than 25 years of experience in the banking sector.

Thio Boon Kiat, Director and Chief Executive Officer

Mr Thio (c/o 80 Raffles Place, UOB Plaza, Singapore 048624) is a Chartered Financial Analyst charter holder and graduated with a Bachelor of Business Administration (First Class Honours) degree from the National University of Singapore. In 2004, he attended the Investment Management Program at Harvard Business School. In 2006, he also attended the Mastering Alternative Investments programme at Insead University.

Mr Thio has over 20 years of investment management experience. He joined UOBAM in 1994 from the Government of Singapore Investment Corporation (GIC), as a portfolio manager managing Singapore, and subsequently Asia Pacific and Global Equity portfolios. Over the years, he also headed the International Equities and Global Technology teams. In 2004, Mr Thio was appointed as Chief Investment Officer of UOBAM, a position he held until 2011 when he was promoted to his current appointment of Chief Executive Officer.

Mr Thio was recognised as “CEO of the Year in Asia” for two consecutive years by Asia Asset Management in its “Best of the Best Regional Awards 2015” and “Best of the Best Regional Awards 2014” for his outstanding contributions to UOBAM. He was also conferred the “IBF Fellow” title by the Institute of Banking and Finance in 2015.

Eric Tham Kah Jin, Director

Mr Tham (c/o 80 Raffles Place, UOB Plaza, Singapore 048624) joined UOB in 2004 and heads Group Commercial Banking which oversees the medium enterprise business. He is responsible for driving UOB group’s expansion in the medium enterprise business in Singapore as well as Malaysia, Thailand, Indonesia, China, Hong Kong, Myanmar, Taiwan and Vietnam.

Mr Tham holds a Master of Business Administration degree in Accounting from Nanyang Technological University. He was conferred the title “Distinguished Financial Industry Certified Practitioner” by The Institute of Banking & Finance of Singapore in 2010 and recognised as a Fellow Chartered Accountant of Singapore by the Institute of Singapore Chartered Accountants (ISCA) in 2015. Mr Tham has more than 30 years of experience in the financial sector.

Peh Kian Heng, Director

Mr Peh (c/o 80 Raffles Place, UOB Plaza, Singapore 048624) joined the UOB group in 2008 and is presently the Head of the Corporate Investment Unit. Prior to joining UOB, he was an investment strategist at OCBC and spent the most part of his career with the Monetary Authority of Singapore, where his last appointment was Head of Financial Sector Surveillance. He graduated with MA (Distinction) from the University of Warwick and BSocSci (2nd Upper Honours) from the National University of Singapore.

A list of the directorships of the Directors of the Managers is set out in Appendix 1A of this Prospectus.

2.3 Portfolio Manager

John J. Doyle III, Chief Investment Officer, Multi Assets

Mr Doyle joined UOBAM in 2001 as a portfolio manager covering Global Financial Institutions. In January 2005, he was appointed as Head of the International Equities team and assumed responsibility for the investment team managing the firm’s Global Equity portfolios. In September 2005, he was promoted to Deputy Chief Investment Officer. While in this role, he worked closely with the firm’s Chief Investment Officer to help define and inculcate the firm’s equity investment philosophy, style and processes.

In September 2011, he was promoted to Chief Investment Officer – Equities & Multi Asset. In March 2018, Mr Doyle assumed the role of Chief Investment Officer – Multi Assets. In this role, his focus is on developing the Multi Asset team. Prior to joining UOBAM, Mr Doyle was an associate director with Salomon Smith Barney in Singapore, where he was a member of the Asian Financial Institutions equity research team. Prior to that, he worked for UBS Securities (Singapore) and MeesPierson Securities (Hong Kong) where he had similar responsibilities.

Mr Doyle graduated with a Bachelor of Arts (Economics) degree from the University of Vermont in 1988.

At UOBAM, he is the designated person responsible for the investment management of the Sub-Fund.

3. The Trustee and Custodian

The Trustee is State Street Trust (SG) Limited, a trust company approved by the Authority under Section 289(1) of the SFA to act as a trustee for collective investment schemes authorised under section 286 of the SFA and constituted as unit trusts. The Trustee is regulated in Singapore by the Authority. The Trustee does not have any material conflict of interest with its position as trustee of the Fund. See the Deed for details on the Trustee’s role and responsibilities.

The Trustee has appointed State Street Bank and Trust Company (“SSBT”), a trust company organised under the laws of the Commonwealth of Massachusetts and, in respect of such appointment, acting through its Singapore Branch, as the global master custodian of the Fund. SSBT was incorporated on 13 April 1891 in the Commonwealth of Massachusetts. As at 31 December 2016, SSBT had an issued and paid up share capital of US\$29,930,920. SSBT will remain as custodian of the Fund until its appointment is terminated in accordance with the terms of its appointment. SSBT was founded in 1792 and is a wholly owned subsidiary of State Street Corporation. It is licensed and regulated by the Federal Reserve Bank of Boston. State Street Bank and Trust Company, Singapore Branch, holds a wholesale bank licence issued by the Authority and is regulated by the Authority.

SSBT provides custodian services in over 100 markets by utilising its local market custody operations and through its network of sub-custodian banks. SSBT will appoint sub-custodians in those markets where the Sub-Fund invests where SSBT does not itself act as the local custodian. SSBT has processes for the initial selection, and ongoing monitoring of its sub-custodians, each of which is chosen based upon a range of factors including securities processing and local market expertise, and must satisfy specific operating requirements in terms of structure, communications, asset servicing and reporting capabilities. All sub-custodians appointed by SSBT must be licensed and regulated under applicable law to provide custodian and related asset administration services, and carry out relevant related or ancillary financial activities, in the relevant market jurisdiction. SSBT will typically seek to select local branches or affiliates of major global financial institutions that provide sub-custodian services in multiple markets, although unique market service requirements may result in the selection of an entity as sub-custodian that is more local in scope.

Other custodians may be appointed from time to time in respect of the Fund or any of its assets.

Please refer to paragraph 21.1 for further details of the custodial arrangement in respect of the Deposited Property of the Sub-Fund.

4. The Registrar and Administrator

State Street Bank and Trust Company, acting through its Singapore Branch, has been appointed by the Trustee as the registrar of the Fund and will be responsible for keeping the Register. Any Holder may inspect the Register at 168 Robinson Road, #33-01, Capital Tower, Singapore 068912 during usual business hours (subject to such reasonable restrictions as the registrar may impose).

The Register is conclusive evidence of the number of Units held by each Holder. If there is any discrepancy between the entries in the Register and the details appearing on any statement of holdings, the entries in the Register will prevail unless the Holder proves, to the Trustee’s and our satisfaction that the Register is incorrect.

For so long as the Units are listed, quoted and traded on the SGX-ST, we shall appoint CDP as the unit depository for the Sub-Fund. All Units issued and available for trading will be represented by entries in the Register in the name of, and deposited with, CDP as the registered Holder of such Units. We or the registrar shall issue to CDP not less than five (5) Business Days after the issue of Units a confirmation note confirming the date of issue and the number of Units so issued, and if applicable, also stating that the Units are issued under a moratorium and the expiry of such moratorium.

The administrator of the Fund is State Street Bank and Trust Company, acting through its Singapore Branch, which has been appointed by us to provide (i) certain administration and valuation services (including accounting and net asset value calculation) pursuant to the terms of an Administrative Services Agreement, and (ii) certain transfer agency services pursuant to the terms of a Transfer Agency and Services Agreement, each entered into between the administrator of the Fund and us. State Street Bank and Trust Company, acting through its Singapore branch will remain as the administrator of the Fund until its appointment is terminated in accordance with the terms of its appointment.

5. Other Parties

5.1 Auditors

The auditors of the Fund are PricewaterhouseCoopers LLP.

5.2 Market Maker

A market maker is an entity registered by the SGX-ST as a designated market maker to act as such by making a market for the Units in the secondary market on the SGX-ST. A market maker's obligations include quoting bid prices to potential sellers and offer prices to potential buyers when there is a wide spread between the prevailing bid prices and offer prices for Units on the SGX-ST. Market makers accordingly aim to facilitate the efficient trading of Units by providing liquidity in the secondary market when it is required in accordance with the market making requirements of the SGX-ST. Subject to applicable regulatory requirements, for so long as the Sub-Fund is listed on the SGX-ST, we will ensure that at least one market maker is appointed at all times for the Sub-Fund to facilitate efficient trading in the secondary market and provide for an adequately liquid market.

As at the date of this Prospectus, the market maker for the Sub-Fund is BNP SNC. With effect from 8 November 2018, the market maker for the Sub-Fund will be Phillip Securities Pte Ltd. Any change to the market maker will be announced on the SGXNET and on our website. In addition, an announcement will be released via the SGXNET as soon as practicable if the market maker is unable to fulfill its duties of providing an adequately liquid market for the Sub-Fund.

5.3 Participating Dealers

The role of a Participating Dealer is to facilitate the issue, realisation and cancellation of Units in the Sub-Fund from time to time. We intend that other than Designated Market Makers, the Participating Dealers will be the only persons allowed to subscribe for and realise Units directly with us. Therefore any subscription or realisation of Units by Holders must be made through a Participating Dealer (whether directly or through stockbrokers), unless we allow otherwise.

You may obtain a list of current Participating Dealers from our website at uobam.com.sg.

5.4 Index Provider

The Index Provider is China Securities Index Co., Ltd.. The China Securities Index Co., Ltd. is a joint venture company between the Shenzhen Stock Exchange and the Shanghai Stock Exchange. The China Securities Index Co. has been appointed by the Shanghai Stock Exchange to manage the SSE 50. We are not related to the China Securities Index Co., Ltd. and it is independent of us. The China Securities Index Co., Ltd. has granted to us, by way of license and subject to the terms of an index license agreement between us, the non-exclusive right to use the SSE 50 in connection with the operation, marketing and promotion of the Sub-Fund.

SSE 50

The SSE 50 comprises the 50 largest stocks of good liquidity listed on the Shanghai Stock Exchange and was formally launched on 2 January 2004. It is a free-float market capitalisation weighted index. The SSE 50 is denominated in Chinese Yuan (CNY) and published real time every 6 seconds until the end of each trading day. The SSE 50 operates under clearly defined rules published by the Index Provider and is a tradable index with liquidity.

Index Construction

Securities eligible for inclusion in the SSE 50 include equity securities issued by companies incorporated in China, and listed on the Shanghai Stock Exchange in the form of A-Shares and are denominated in CNY. The stocks are ranked by two indicators (a) total market capitalisation and (b) trading value. Stocks are selected and weighted as described in Appendix 3.

You should refer to Appendix 2 for a list of all of the constituent stocks in the SSE 50 as at 11 May 2018. You should refer to Appendix 3 for more information on the SSE 50, including details on obtaining published figures for the value of the SSE 50.

Calculation Times

The SSE 50 opens at 9.30 a.m. (Singapore time) and closes at 3.00 p.m. (Singapore time) each day on which the Shanghai Stock Exchange is open. After each day's centralised competitive pricing, the resulting opening prices, or the closed price of previous trading day for non trading stocks, are used to calculate the opening prices for the SSE 50. The SSE 50 is recalculated every 2 seconds and is published real time every 6 seconds until the end of

the trading day. The SSE 50 is published as end of day values in CNY. The composition of the SSE 50 is reviewed once every six months in June and December each year.

The Shanghai Stock Exchange is open from Monday to Friday each week. The morning session is 9.15 a.m. (Singapore time) to 9.25 a.m. (Singapore time) being the time for centralised competitive pricing and 9.30 a.m. (Singapore time) to 11.30 a.m. (Singapore time) being the time for consecutive bidding. The afternoon session is 1.00 p.m. (Singapore time) to 3.00 p.m. (Singapore time) being the time for consecutive bidding. The markets are closed on Saturdays and Sundays and other holidays announced by each exchange respectively. You may obtain further information concerning the Shanghai Stock Exchange by visiting <http://www.sse.com.cn>.

The table below sets out the various commencement and closing times of the SGX-ST, the Shanghai Stock Exchange and the SSE 50:

	Trading of Units of the Sub-Fund on the SGX-ST	Operating times of the SSE 50	Shanghai Stock Exchange
Opening Time	9:00 a.m. (Singapore time)	9:30 a.m. (Singapore time)	9:30 a.m. (Singapore time)
Closing Time	5:00 p.m. (Singapore time)	3:00 p.m. (Singapore time)	3:00 p.m. (Singapore time)

6. Structure of the Sub-Fund

The Sub-Fund offered in this Prospectus is a Singapore-dollar denominated open-ended unit trust established under the umbrella structure of the Fund which is constituted in Singapore.

7. Investment Considerations

7.1 Investment Objective

The investment objective of the Sub-Fund is to provide investment results that, before fees, costs and expenses (including any taxes and withholding taxes), closely correspond to the performance of the SSE 50.

You should note that there is no guarantee that the Sub-Fund's investment objective will be achieved.

7.2 Investment Focus and Approach

The investment strategy of the Sub-Fund will change from a synthetic replication strategy to a full replication strategy with effect from 8 November 2018 (the "Effective Date").

In order to implement the new investment strategy, the Sub-Fund's investment in the BNP P-Notes will be redeemed from 25 October 2018 in the lead up to the Effective Date. During this period, the Sub-Fund will hold a significantly higher than usual level of cash and cash equivalents. Investments in line with the new investment strategy will be made on and from the Effective Date. Therefore it is likely that there will be an adverse impact on the Sub-Fund's tracking error against the SSE 50 during this transition period. The Sub-Fund may, from 1 November 2018, invest in derivatives such as stock futures contracts during this transition period to minimise the tracking error.

Prior to 8 November 2018:

We currently adopt a synthetic replication strategy in respect of the Sub-Fund where index performance is replicated through the use of derivatives.

Currently, the underlying securities to which the SSE 50 relates may not be directly invested by a non People's Republic of China ("PRC" or "China" or "Chinese", as the context may require) person, such as the Sub-Fund, unless the person is a QFII approved by the China Securities Regulatory Commission or is under another scheme which allows the person to invest directly into A-Shares.

Therefore, in order to meet the investment objective, the Sub-Fund invests in a type of market access product

known as P-Notes to be issued by suitably rated P-Notes issuer(s). Each P-Note is linked to a composite portfolio comprising of a notional underlying basket of the A-Shares designed to track as closely as possible, before fees, costs and expenses (including any taxes and withholding taxes), the performance of the SSE 50.

The Sub-Fund does not currently intend to invest in options, warrants, commodities, futures contracts and precious metals. You should note however that the Sub-Fund uses and invests in derivatives. You should refer to paragraph 9.2.4 of this Prospectus for further information.

7.2.1 Description of a Composite Portfolio

We construct a composite portfolio such that the performance of the composite portfolio will closely correspond, before fees, costs and expenses (including any taxes and withholding taxes), to the performance of the underlying basket of A-Shares held by the relevant QFII(s) as well as the SSE 50.

If we are of the view that constructing a composite portfolio in the manner described above to replicate the SSE 50 is not the most efficient means to track the SSE 50, having regard to amongst other things the number of securities constituting the SSE 50, the liquidity of such securities, any restrictions on the ownership of securities, high transaction expenses and other trading costs, and tax and other regulatory restrictions, we may decide to construct the composite portfolio in such a manner that, in the aggregate, the fundamental investment characteristics of the composite portfolio are consistent with those of the SSE 50.

Over time, we may alter (or “rebalance”) a composite portfolio to reflect changes (if any) in or to be more in line with the performance and characteristics of the SSE 50. We will review a composite portfolio regularly and will adjust it, when necessary, to conform to changes in the composition of the SSE 50.

7.2.2 Description of the P-Notes

In summary, the P-Notes are FDIs the value of which is derived from the prices or values of the underlying securities to which the P-Notes are linked (in this case the underlying securities are the constituent securities comprising the composite portfolio, being the notional underlying basket of A-Shares constructed by us).

Typically, the value of the P-Notes will correspond with the value of the composite portfolio to which the P-Notes are linked, such that the value of the P-Notes will rise and fall proportionately with that of the composite portfolio in normal market conditions. We will monitor the value of the P-Notes in this connection.

In the case of the Sub-Fund, the P-Notes issued to the Sub-Fund will provide the Sub-Fund with the economic performance which is approximately equivalent to holding the constituent securities comprising the composite portfolio. The P-Notes represent the obligations of the P-Notes issuer and do not provide any legal, beneficial or equitable entitlement or interest in the constituent securities comprising the composite portfolio to which the P-Notes are linked or the SSE 50 itself.

Essentially, for so long as the P-Notes issuer(s) honour their obligations under the P-Notes held by the Sub-Fund, (unless the P-Notes are limited recourse obligations, in which case, depending on the performance of the rights or assets recourse is limited to) the commercial terms of the P-Notes should deliver substantially the same economic performance to the Sub-Fund as holding the constituent securities comprising the composite portfolio, before deduction of fees, costs and expenses charged by the relevant P-Notes issuer as well as the withholding taxes as described in paragraph 8.2.

The duration of the P-Notes is for such period as may be agreed between us and the respective P-Notes issuers. Upon maturity or early redemption of the P-Notes, the P-Notes may only be redeemed in cash and the amount payable by the P-Notes issuer at redemption will be determined in accordance with the terms and conditions of the P-Notes³.

Typically, the valuation of the P-Notes will be made by the party appointed by the relevant P-Notes issuer. Currently, the party who will value the P-Notes issued by BNP is BNP SNC.

³ You can contact us (please refer to paragraph 24 for our contact details) to obtain information on the terms and conditions of the P-Notes.

7.2.3 P-Notes Issuer and collateral arrangements

The P-Notes issuer is BNP which has a long-term credit rating of A by Standard and Poor's as at 4 June 2018. The Sub-Fund will therefore be exposed to the concentration risk of having a single counterparty (please refer to paragraph 9.2.3 for more details). However, we intend to diversify the number of and the relative exposure of the Sub-Fund to various suitably rated P-Notes issuers in future when it is economically viable for the Sub-Fund to do so.

The P-Notes issued by BNP and guaranteed by BNP Paribas⁴ are issued under BNP's Warrant and Certificate Programme (as revised and amended from time to time) (the "**Programme**") governed by English laws. The enforceability of the P-Notes will therefore be dependent on, amongst other considerations, their validity under English law.

The P-Notes issued by BNP which are currently held by the Sub-Fund are linked to a composite portfolio comprising a notional underlying basket of A-Shares, designed to track as closely as possible, before fees, costs and expenses (including any taxes and withholding taxes), the performance of the SSE50.

The Sub-Fund is currently invested into 2 tranches of P-Notes (Tranches A and B). The Tranche A P-Notes are linked to a notional underlying basket of A-Shares held by us under our QFII quota provided via hedging arrangements. The Tranche B P-Notes are linked to a notional underlying basket of A-Shares held by other QFIIs under their QFII quota provided via hedging arrangements.

The Sub-Fund may in the future invest in other tranches of P-Notes issued by BNP which are linked to a notional underlying basket of A-Shares held via the QFII quota accorded to another QFII or QFIIs provided via relevant A-Shares hedging arrangements entered into by BNP Paribas.

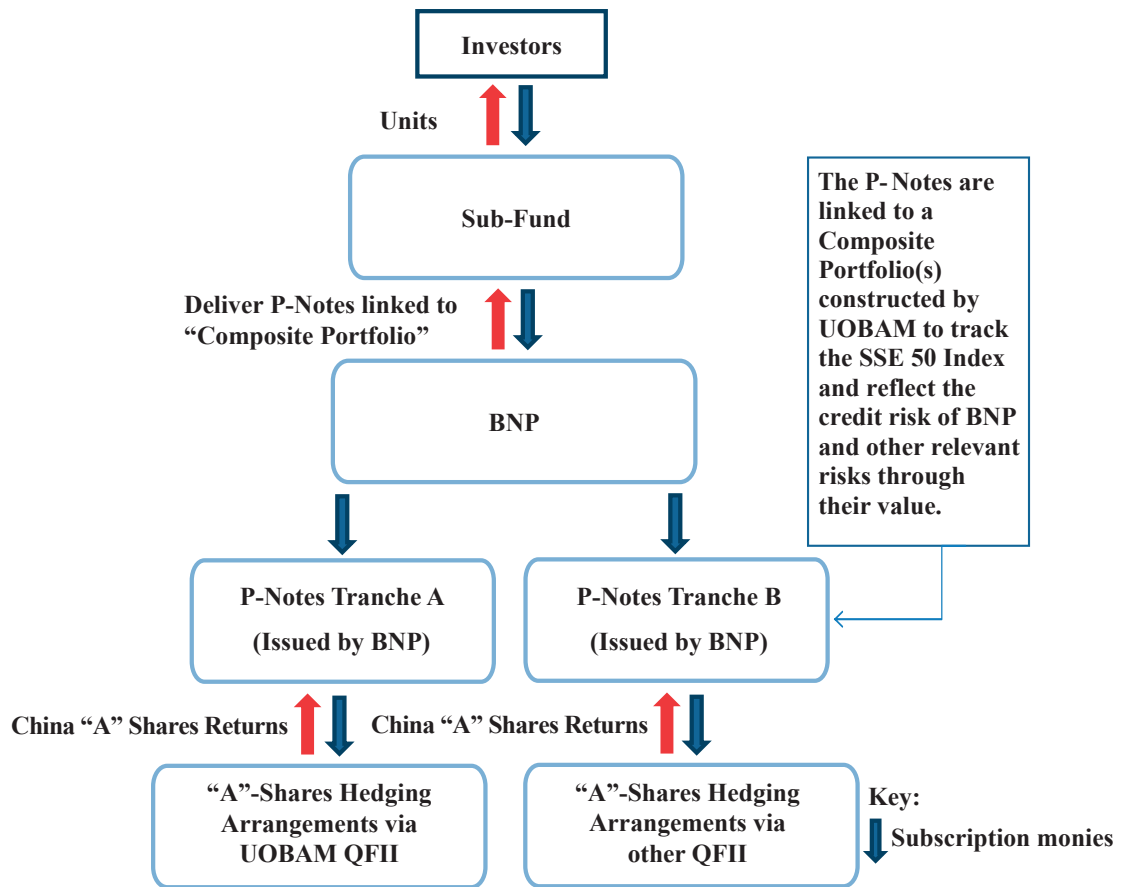
Hedging arrangements entered into by BNP Paribas in respect of A-Shares held via our QFII quota may include swap agreements (including total return swaps) and such other arrangements as may be determined by BNP Paribas. Hedging arrangements entered into by BNP Paribas in respect of A-Shares held via the QFII quota accorded to other QFIIs will be conducted at the full discretion of BNP Paribas and we will not be aware of, or involved in, such hedging arrangements.

The P-Notes issued by BNP which are currently held by the Sub-Fund are scheduled to mature on 8 November 2018. We currently intend that the term of the P-Notes issued by BNP will be renewed for such period as we may agree with BNP and/or that we will source for new P-Notes issuer(s) for the Sub-Fund in order for the Sub-Fund to continue investing in P-Notes after the current term of the P-Notes issued by BNP, subject to amongst other things, market conditions, limits imposed on QFIIs in relation to the holding of A-Shares and any material changes to PRC laws and regulations relating to investment in PRC securities.

For the purpose of illustration, please see below a diagram showing the current investment strategy of the Sub-Fund with BNP as the only P-Notes issuer to the Sub-Fund:

⁴ Enforcement of such guarantee for the Sub-Fund is restricted. Please refer to paragraph 21.2.23(xv) for further details.

Typical Flow of the Sub-Fund



In addition, to mitigate (amongst other things) the impact of winding-up or liquidation of BNP (as the only P-Notes issuer to the Sub-Fund currently) on the Sub-Fund, BNP will post collateral in order to reduce the Sub-Fund's exposure to BNP to not more than 10% of the NAV of the Sub-Fund.

The collateral posted shall consist of instruments as allowed under the applicable provisions of the Code which are currently either money market instruments or bonds which are issued by, or have the benefit of a guarantee from, a government, government agency or supranational, that has a long-term rating of AAA by Fitch, Aaa by Moody's or AAA by Standard and Poor's (including sub-categories or gradations therein) or cash. It is currently intended that BNP will post mainly European government bonds as collateral. You may obtain from the fund factsheet for the Sub-Fund posted on our website at uobam.com.sg information on collateral tendered to the Sub-Fund (updated on a monthly basis or as may be required or allowed by the relevant authorities).

The value of the collateral will be determined on each Singapore business day by BNP and will be topped up by BNP on an ongoing basis, as and when required (by the close of the next Hong Kong business day), to ensure that the counterparty exposure to BNP (net of the collateral) is not more than 10% of the NAV of the Sub-Fund. We and BNP will actively monitor the marked-to-market values of the collateral.

The collateral, security over which can be fully enforced by the Trustee at any time upon the occurrence of an Enforcement Event (as defined in the security deed) which is continuing, will be placed in a trust or custodial account in Hong Kong charged and assigned by BNP to the Trustee as trustee for the Sub-Fund under the security deed. The enforceability of such security against BNP may be governed by, amongst others, Dutch law (the law of the jurisdiction in which BNP is established) and Hong Kong law (as the trust or custodial account is maintained in Hong Kong and as the governing law of the security deed). You should also note the conditions upon which the Trustee may act to enforce such security as described in paragraph 21.2.23 below.

In respect of the Sub-Fund's investment into P-Notes, we intend to diversify the number of, and the relative exposure of the Sub-Fund to, various other suitably rated P-Notes issuers. However, you should note that the evaluation process that we will have to conduct on such potential P-Notes issuers will mean that it may take time before new suitably rated P-Notes issuers are identified and signed on. If this diversification does not occur, the Sub-Fund will remain subject to over-concentration risks as further described in paragraph 9.2.3 below.

7.2.4 Future Changes

If possible and practicable for the Sub-Fund to hold the underlying A-Shares comprised in the SSE 50 directly, through a segregated sub-account or in some other manner without restriction, we may, with the agreement of all relevant parties to the Sub-Fund (including each Participating Dealer and the Trustee), take such steps as would enable the Sub-Fund to hold or have an equitable interest directly in the A-Shares constituting the SSE 50 and / or other investments as may be permitted under the Code instead of, or in addition to, the P-Notes. Where we, the other relevant parties to the Sub-Fund and, where necessary, the relevant authorities consider such conversion feasible, we will notify the Holders and announce on the SGXNET and take such necessary action as required in accordance with the Deed.

With effect from 8 November 2018:

We currently adopt a full replication strategy in respect of the Sub-Fund whereby all, or substantially all, of the Sub-Fund's assets are invested in SSE 50 Securities in substantially the same weightings as reflected in the SSE 50.

The Sub-Fund may make direct investments into A-Shares through the Stock Connects and/or through such other schemes which allow direct investments into A-Shares.

We may in our absolute discretion also invest the Sub-Fund's assets in non-SSE 50 Securities in order to achieve the Sub-Fund's investment objective.

At any time, the Sub-Fund's investments will consist of as many of the SSE 50 Securities as is practicable. We will review the investment portfolio of the Sub-Fund regularly. We will adjust or rebalance the investment portfolio, when necessary, to reflect changes in the composition of, or to the weightings of securities in, the SSE 50 or to be more in line with the performance and characteristics of the SSE 50. This is done with a view to minimising the Sub-Fund's tracking error (i.e. the difference between the performance of the Sub-Fund's investment portfolio and that of the SSE 50). Such adjustment or rebalancing may be in the form of investments in non-SSE 50 Securities.

In addition, given that securities may be and are added to or removed from the SSE 50 from time to time, we may sell SSE 50 Securities or purchase securities that are not yet represented in the SSE 50 in anticipation of their removal from or addition to the SSE 50.

Various circumstances may make it impossible or impractical for the Sub-Fund to purchase each SSE 50 Security in the same weighting of such security as reflected in the SSE 50 and the Sub-Fund may not own certain SSE 50 Securities at any particular time.

In those circumstances, we may employ a combination of one or more investment techniques in seeking to closely track the SSE 50 as may be permitted under the Code or as may be permitted by the Authority. This may encompass the investment in non-SSE 50 Securities or the use of derivatives such as stock futures contracts. In those circumstances, if an optimisation and/or sampling approach is used where certain investments of the Sub-Fund are non-SSE 50 Securities, we may only use such approaches if the resultant fund characteristics closely match or correspond to the characteristics of the SSE 50 (unless otherwise permitted under the Code or by the Authority).

The Sub-Fund does not currently intend to invest in warrants, commodities and precious metals. You should note however that the Sub-Fund may use and invest in derivatives. You should refer to paragraph 7.5, 7.6, 7.7 and 9.2.4 of this Prospectus for further information.

7.3 Distribution Policy

We currently intend to reinvest any income of the Sub-Fund into the Sub-Fund and do not intend to pay out any income of the Sub-Fund to Holders.

If we determine at our discretion, to make any income distributions, distributions will only be paid to the extent

that they are covered by income received from underlying investments and by the share of profits of associated companies which are received by the Sub-Fund and are available for distribution pursuant to the Deed.

On a distribution, the Trustee, in accordance with our instructions, will allocate the amounts available for distribution between Holders and will pay such amounts to Holders. Amounts to be distributed in respect of each Unit shall be rounded down to the nearest S\$0.01 per Unit. Subject to the Deed, the Trustee shall cause distributions payable to a Holder which remains unclaimed by the Holder for more than six (6) years to be paid into court after deducting all fees, costs and expenses incurred in relation to such payment from the sum thereof provided that if the said sum is insufficient to meet all such fees, costs and expenses, the Trustee shall be entitled to have recourse to the Deposited Property.

7.4 Product Suitability

Prior to 8 November 2018:

The Sub-Fund is suitable for investors who:

- seek investment results that, before fees, costs and expenses (including any taxes and withholding taxes), closely correspond to the performance of the SSE 50; and
- are comfortable with the volatility and risk of a fund where index performance is replicated through the use of financial derivatives.

With effect from 8 November 2018:

The Sub-Fund is suitable for investors who:

- seek investment results that, before fees, costs and expenses (including any taxes and withholding taxes), closely correspond to the performance of the SSE 50; and
- are comfortable with the volatility and risk of a fund which seeks to track the SSE 50 using a full replication strategy.

You should consult your financial adviser if in doubt whether the Sub-Fund is suitable for you.

7.5 Authorised Investments

The authorised investments of the Sub-Fund (“**Authorised Investments**”) are any of the following Investments:

- (i) any Quoted Investment;
- (ii) any Unquoted Investment; and
- (iii) any other Investment not covered by paragraphs (i) and (ii) of this definition but approved by the Trustee in writing (such approval not to be unreasonably withheld).

Please refer to the Deed for the full meaning of the terms Quoted Investment, Unquoted Investment and Investment.

The Sub-Fund may use or invest in FDIs. Further information is set out in paragraph 7.7 of this Prospectus.

7.6 Investment and borrowing restrictions

The investment and borrowing guidelines issued by the Authority under Appendices 1 and 5 of the Code, which guidelines may be amended from time to time, shall apply to the Sub-Fund save to the extent waived or exempted by the Authority from time to time.

We currently do not intend to engage in any borrowings, although the Sub-Fund’s borrowing powers may, if so required and subject to the Deed and the Code, be exercised to meet redemptions.

We currently do not intend to carry out securities lending or repurchase transactions in respect of the Sub-Fund, but may in future do so in accordance with the applicable provisions of the Code.

7.7 Our risk management procedures relating to the use of FDIs

- (a) **Prior to 8 November 2018:** To achieve its investment objective, the Sub-Fund will use or invest in P-Notes which are FDIs. The P-Notes essentially provide the Sub-Fund with the performance of the composite portfolio(s). The Sub-Fund may therefore use or invest in FDIs for purposes of optimising returns. The Sub-Fund may also use or invest in FDIs for the purposes of hedging existing positions in a portfolio or efficient portfolio management or a combination of both purposes.

With effect from 8 November 2018: The Sub-Fund may use or invest in FDIs for purposes of optimising returns. The Sub-Fund may also use or invest in FDIs for the purposes of hedging existing positions in a portfolio, for efficient portfolio management or a combination of both purposes.

- (b) We will ensure that the global exposure of the Sub-Fund to FDIs or embedded FDIs will not exceed 100% of the NAV of the Sub-Fund at all times. Such exposure will be calculated using the commitment approach as described in, and in accordance with the provisions of, the Code.
- (c) Below is a description of risk management and compliance procedures and controls adopted by us:-
- (i) We will implement various procedures and controls to manage the risk of the assets of the Sub-Fund. Our decision to invest in any particular security or instrument on behalf of the Sub-Fund will be based on our judgment of the benefit of such transactions to the Sub-Fund and will be consistent with the Sub-Fund's investment objective in terms of risk and return.
- (ii) *Execution of Trades.* Prior to each trade, we will ensure that the intended trade will comply with the stated investment objective, focus, approach and restrictions of the Sub-Fund, and that best execution and fair allocation of trades are done. Our Middle Office department will conduct periodic checks to ensure compliance with the investment objective, focus, approach and restrictions (if any) of the Sub-Fund. If there is any non-compliance, our 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.* If there are any unexpectedly large redemptions of Units, it is possible that the assets of the Sub-Fund may be forced to be liquidated at below their fair and expected value, especially in illiquid public exchanges or over-the-counter markets. With effect from 8 November 2018, we will ensure that a sufficient portion of the Fund will be in liquid assets such as cash and cash-equivalents to meet expected redemptions, net of new subscriptions. Such liquid assets may have an adverse impact on the Sub-Fund's performance and tracking error against the SSE 50.
- (iv) *Counterparty Exposure.* The Sub-Fund may have credit exposure to counterparties by virtue of positions in financial instruments (including FDIs) held by the Sub-Fund. To the extent that a counterparty defaults on its obligations and the Sub-Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its assets, its income stream and incur extra costs associated with the exercise of its financial rights.

In respect of the P-Notes issuers, we intend to adhere from the outset to a minimum long-term rating of A by Fitch Inc, A by Moody's Investors Service or A by Standard and Poor's (including such sub-categories or gradations therein) (or such other minimum rating requirement as may be prescribed under the Code).

If there is a rating downgrade of a P-Notes issuer below the applicable minimum long-term rating prescribed under the Code, we will take suitable action to comply with the Code.

In addition, we will endeavour to procure BNP (as the P-Notes issuer of the Sub-Fund prior to 8 November 2018) to inform us if BNP suffers a rating downgrade so that we may take appropriate steps to inform the Authority and the SGX-ST as well as Holders as soon as practicable by, amongst other things, posting an announcement on the SGXNET and/or on our website at uobam.com.sg.

Subject to the provisions of the Code, we will restrict our dealings with other counterparties to entities that have a minimum long-term issuer credit rating of above BB+ by Standard and Poor's, an individual rating of above C or viability ratings of above bbb by Fitch Inc., a baseline credit assessment of above a3 by Moody's Investors Service, or an equivalent rating from any other

reputable rating agency. If any approved counterparty fails this criterion subsequently, we will take steps to unwind the Sub-Fund's position with that counterparty as soon as practicable.

- (v) *Volatility.* To the extent that the Sub-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 Sub-Fund's assets will have a higher degree of volatility. The Sub-Fund may use FDIs for hedging purposes for reducing the overall volatility of the value of its assets. At the same time, we will ensure that the total exposure of the Sub-Fund to derivative positions will not exceed the NAV of the Sub-Fund, as stated in paragraph (b) above.
- (vi) *Valuation.* The Sub-Fund may have exposure to over-the-counter FDIs that are difficult to value accurately, particularly if there are complex positions involved. We 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) We will ensure that the risk management and compliance procedures and controls adopted are adequate and have been or will be implemented and that we have the necessary expertise to control and manage the risks relating to the use of FDIs. We may modify the risk management and compliance procedures and controls as we deem fit and in the interests of the Sub-Fund, but subject always to the requirements under the Code.
- (e) The Sub-Fund may net its over-the-counter derivative positions with a counterparty through bilateral contracts for novation or other bilateral agreements with the counterparty, provided that such netting arrangements satisfy the relevant conditions described in the Code

8. Fees, Charges and Expenses

8.1 Fees and Charges Payable by Investors / Participating Dealers / Designated Market Makers

Fees and Charges Payable by You

The fees and charges payable by you if you deal or trade in the Units on the SGX-ST or if you subscribe or redeem Units through the Participating Dealers (either directly or through stockbrokers) are summarised as follows:

<i>If you deal or trade in the Units on the SGX-ST</i>	
Subscription/Redemption fee	Nil
Clearing fee	SGX-ST clearing fee of 0.0325% of the traded value, subject to GST ⁵
Trading fee	SGX-ST trading fee of 0.0075% of the traded value, subject to GST
Brokerage fees and charges	<i>Market rates - you will have to pay the applicable brokerage fees and charges of the relevant stockbroker.</i>

<i>If you subscribe / redeem through Participating Dealers (either directly or through stockbrokers)</i>	
Participating Dealer fee	<p>Prior to 8 November 2018:</p> <p>0.3% of the transaction value, subject to a minimum of S\$3,000*</p> <p>With effect from 8 November 2018:</p> <p>0.3% of the transaction value, subject to a minimum of S\$600*</p>
Fees and charges (including brokerage fees and charges)	<i>Market rates - you will have to pay the applicable fees and charges (including any applicable brokerage fees and charges) of the relevant Participating Dealer and/or stockbroker.</i>

*Payable by you if you submit a subscription or redemption application directly to a Participating Dealer. If you submit a subscription or redemption application through your stockbroker (who will in turn submit the subscription or redemption application to a Participating Dealer), the Participating Dealer will charge the stockbroker a Participating Dealer fee which will likely be ultimately passed to you. You should therefore contact the relevant stockbroker for the applicable terms and conditions for assisting you with your applications to us through a Participating Dealer.

⁵ Singapore's current prevailing GST rate is 7.0%

Fees and Charges Payable by Participating Dealers / Designated Market Makers

The fees and charges payable by Participating Dealers and Designated Market Makers to subscribe for or redeem Units are summarised as follows:

Prior to 8 November 2018:

<i>Creation of Units:</i>	
Transaction Fee ⁶ (applicable for each Creation Application)	S\$3,000 per Application subject to a maximum of S\$3,000*
Application Cancellation Fee ⁷ (only if applicable)	S\$3,000 per Application and subject to Cancellation Compensation ⁸ (if applicable)
Partial Delivery Request Fee ⁹ (only if applicable)	S\$3,000 per Application

<i>Redemption of Units:</i>	
Transaction Fee ⁶ (applicable for each Redemption Application)	S\$3,000 per Application and subject to a maximum of S\$3,000*
Application Cancellation Fee ⁷ (only if applicable)	S\$3,000 per Application and subject to Cancellation Compensation ⁸

With effect from 8 November 2018:

<i>Creation of Units:</i>	
Transaction Fee ¹⁰ (applicable for each Creation Application)	S\$600 per Application (in cash)* S\$2,000 per Application (in-kind)*
Application Cancellation Fee ¹¹ (only if applicable)	S\$2,000 per Application
Extension Fee ¹²	S\$2,000 per Application
Partial Delivery Request Fee ¹³ (only if applicable)	S\$2,000 per Application

<i>Redemption of Units:</i>	
Transaction Fee ¹⁰ (applicable for each Redemption Application)	S\$600 per Application (in cash)* S\$2,000 per Application (in-kind)*
Application Cancellation Fee ¹¹ (only if applicable)	S\$2,000 per Application
Extension Fee ¹²	S\$2,000 per Application

* We may also charge Participating Dealers and the Designated Market Makers a sum which we consider represents the appropriate provision for the Duties and Charges payable in respect of the Creation Application or Redemption Application (as the case may be).

⁶ A Transaction Fee (which excludes any applicable Duties and Charges and out-of-pocket expenses) is payable by the Participating Dealer to the Trustee for its own benefit.

⁷ An Application Cancellation Fee is payable by the Participating Dealer to the Trustee for its own benefit pursuant to paragraph 10.3.2(iii)(a) and paragraph 11.1.3(iv) below.

⁸ "Cancellation Compensation" is described in paragraph 10.3.2(iii)(b) below.

⁹ A Partial Delivery Request Fee is payable by the Participating Dealer to the Trustee for its own benefit, pursuant to paragraph 10.3.2(i) below. Such fee is payable by the Participating Dealer on each occasion that we grant the Participating Dealer's request for partial delivery of the P-Notes and/or partial payment of the cash amounts in respect of a Creation Application for the benefit of the Trustee.

¹⁰ A Transaction Fee (which excludes any applicable Duties and Charges and out-of-pocket expenses) is payable by the Participating Dealer to the Trustee for its own benefit.

¹¹ An Application Cancellation Fee is payable by the Participating Dealer to the Trustee for its own benefit pursuant to paragraph 10.3.2(iii)(a) and paragraph 11.1.3(iv) below.

¹² An Extension Fee is payable by the Participating Dealer to the Trustee for its own benefit, pursuant to paragraph 10.3.2(i) and paragraph 11.1.3(iv) below. Such fee is payable by the Participating Dealer on each occasion that we grant the Participating Dealer's request for extending the settlement period.

¹³ A Partial Delivery Request Fee is payable by the Participating Dealer to the Trustee for its own benefit, pursuant to paragraph 10.3.2(i) below. Such fee is payable by the Participating Dealer on each occasion that we grant the Participating Dealer's request for partial delivery of the SSE 50 Securities or Authorised Investments and/or partial payment of the cash amounts in respect of a Creation Application for the benefit of the Trustee.

If you wish to subscribe for or redeem your Units in the primary market, you should approach a Participating Dealer (either directly or through a stockbroker) to assist you with your applications to us.

Please note that the fees mentioned above which are payable by Participating Dealers in the creation of Units and redemption of Units may ultimately be charged to you.

You should also note that Participating Dealers and/or stockbrokers may charge you brokerage fees and other charges in addition to the fees mentioned above for assisting you with your applications. Depending on the specific nature of services provided, Participating Dealers and/or stockbrokers may also charge you other fees and charges that are not disclosed in this Prospectus.

You should therefore consult the relevant Participating Dealer for the applicable terms and conditions for assisting you with your applications to us or the relevant stockbroker for the applicable terms and conditions for assisting you with your applications to us through a Participating Dealer, as the case may be, including whether you will be charged any additional fees and charges.

The Participating Dealers are under no obligation to accept any instructions to create or redeem Units on behalf of any investors.

8.2 Fees and Charges Payable by the Sub-Fund

Prior to 8 November 2018:

Managers' fee ^{Note 1}	Currently 0.45% p.a. of the NAV of the Sub-Fund Maximum 1.50% p.a. of the NAV of the Sub-Fund
Trustee fee ^{Note 2}	Currently not more than 0.05% p.a. of the NAV of the Sub-Fund, subject to a minimum monthly fee of S\$3,500 (or such lower monthly fee as may be agreed between the Managers and Trustee) Maximum 0.25% p.a. of the NAV of the Sub-Fund, subject to a minimum monthly fee of S\$3,500 (or such lower monthly fee as may be agreed between the Managers and Trustee)
Valuation and accounting fee	Currently 0% p.a. of the NAV of the Sub-Fund. However, a valuation and accounting fee may be imposed in future
Maintenance and other fees ^{Note 3}	Currently 0.30% p.a. of the average net asset value of the composite portfolio
P-Notes transaction fee ^{Note 4}	Currently 0.40% per transaction
Audit fees, arrangement fee and other fees and charges ^{Note 5}	Subject to agreement with the relevant parties. Each of the fees or charges may amount to or exceed 0.1% p.a. of the NAV of the Sub-Fund, depending on the proportion that each fee or charge bears to the NAV of the Sub-Fund

With effect from 8 November 2018:

The fees and charges payable by the Sub-Fund are summarised as follows:

Managers' fee ^{Note 1}	Currently 0.45% p.a. of the NAV of the Sub-Fund Maximum 1.50% p.a. of the NAV of the Sub-Fund
Trustee fee ^{Note 2}	Currently not more than 0.05% p.a. of the NAV of the Sub-Fund, subject to a minimum monthly fee of S\$3,500 (or such lower monthly fee as may be agreed between the Managers and Trustee) Maximum 0.25% p.a. of the NAV of the Sub-Fund, subject to a minimum monthly fee of S\$3,500 (or such lower monthly fee as may be agreed between the Managers and Trustee)
Valuation and accounting fee	Currently 0% p.a. of the NAV of the Sub-Fund. However, a valuation and accounting fee may be imposed in future
Audit fees, and other fees and charges ^{Note 5}	Subject to agreement with the relevant parties. Each of the fees or charges may amount to or exceed 0.1% p.a. of the NAV of the Sub-Fund, depending on the proportion that each fee or charge bears to the NAV of the Sub-Fund

General Expenses

Any promotional expenses incurred by any marketing agents and any fees imposed by such marketing agents on their customers investing in the Sub-Fund will not be paid (either in whole or in part) out of the assets of the Sub-Fund.

All the expenses incurred in connection with the convening of meetings of Holders and all other transactional costs and operating costs (relating to the administration of the Sub-Fund) and other out-of-pocket expenses shall be paid out of the assets of the Sub-Fund in accordance with the Deed.

Notes:

1. Managers' fee

We are entitled to receive a management fee, currently at the rate of 0.45% p.a. of the NAV of the Sub-Fund.

Under the terms of the Deed, we may, on giving not less than one month's notice to the Trustee and the Holders, increase the rate of the management fee payable up to or towards the maximum rate of 1.50% p.a. of the NAV of the Sub-Fund.

The management fee is accrued daily and calculated as at each Dealing Day and payable quarterly in arrears.

2. Trustee fee

The Trustee is entitled to receive a Trustee fee of not more than 0.05% p.a. of the NAV of the Sub-Fund, subject to a minimum monthly fee of S\$3,500 (or such lower monthly fee as may be agreed between the Managers and Trustee).

The Trustee fee is accrued daily and calculated as at each Dealing Day and payable quarterly in arrears.

3. Maintenance and other fees

As QFII holders are governed by a set of strict regulations imposed by PRC regulators, expenses are incurred by QFII holders in maintaining their QFII quota (for example, resources used to monitor their QFII investments, file mandatory reports on a regular basis and to hire additional staff to ensure daily compliance with the QFII rules and regulations). Therefore, in return for the use of the QFII holders' QFII quota (which the QFII holders could otherwise use for their own purpose), the Sub-Fund will pay a maintenance fee for the purpose of covering the expenses incurred by the QFII holders in maintaining their QFII quota. This maintenance fee is currently paid in relation to the Tranche A P-Notes only. The Sub-Fund will pay a fee in relation to the Tranche B P-Notes for the purpose of covering the costs and expenses relating to any hedging activity for the P-Notes issuer to hedge its obligations under the P-Notes. Both fees currently amount to 0.30% p.a. of the average net asset value of the composite portfolio, accrued daily and calculated as at each Dealing Day and payable quarterly in arrears.

Based on the audited accounts and the average NAV of the Sub-Fund for the financial year ended 30 June 2018, the total maintenance fee is approximately 0.31%.

4. P-Notes transaction fee

The P-Notes issuer is entitled to charge a 0.40% transaction fee on the aggregate principal amount of the P-Note for each purchase and redemption of each P-Note acquired for the Sub-Fund.

In addition, you should note that the terms of the P-Notes allow for certain costs and expenses to be deducted from the redemption amount of the P-Notes.

Based on the audited accounts and the average NAV of the Sub-Fund for the financial year ended 30 June 2018, the total P-Notes transaction fee did not amount to or exceed 0.1% in that financial year.

You should refer to Appendix 4 under the heading "Costs and expenses will be deducted from the redemption value of the P-Notes" for further information.

5. (Prior to 8 November 2018) Audit fees, arrangement fee and other fees and charges

Based on the audited accounts and the average NAV of the Sub-Fund for the financial year ended 30 June 2018, the aggregate of the audit fee and the custodian fee is approximately 0.22%. The Custodian receives safekeeping fees based on the dollar value of the Sub-Fund's assets held in the relevant markets.

The Sub-Fund must pay an arrangement fee to arrange for BNP to issue the P-Notes and to arrange for BNP to enter into a security deed to provide the collateral structure and post collateral into the trust or custodial account (as described in paragraph 7.2.3). This arrangement fee could amount from 0.05% to 0.25% per quarter (equivalent to 0.20% to 1.00% per annum) of the value of the posted collateral. Based on the audited accounts and the average NAV of the Sub-Fund for the financial year ended 30 June 2018, the arrangement fee amounted to approximately 1.49%.

Other fees and charges include printing costs, professional fees, goods and services tax, administrator fee and other out-of-pocket expenses. Based on the audited accounts and the average NAV of the Sub-Fund for the financial year ended 30 June 2018, the aggregate of such fees and charges amounted to approximately 0.66%.

You should also note that under the terms of the Deed, separate registrar fees and charges may in the future be payable out of the Deposited Property of the Sub-Fund.

Withholding for potential capital gains tax

You should also note that BNP will deduct a provisional capital gains tax amount in SGD from the redemption amount on maturity or early redemption or repurchase of the P-Notes. The amount will be equal to 10% of the aggregate of any realised or unrealised gains on each security constituting the composite portfolios per transaction directly or indirectly related to the hedging of the P-Notes currently held by the Sub-Fund. BNP will withhold such amount to account for any potential capital gains tax paid or payable in the PRC in respect of gains on the securities constituting the composite portfolios. The amount will be returned to the Sub-Fund on the date falling on the fifth year after the settlement date in relation to the termination, redemption or unwinding of the relevant P-Notes to the extent such capital gains tax are not paid, payable, announced, required or determined to be payable to any PRC tax or other relevant authorities in accordance with applicable PRC laws, rules and regulations. If the amount of capital gains tax actually levied by the taxing authority of the PRC before the date falling on the fifth year after the settlement date in relation to the termination, redemption or unwinding of the relevant P-Notes is in excess of the provisional capital gains tax amount withheld, the excess amount will be paid to BNP out of the Sub-Fund's assets (and only to the extent available), and provided that the Sub-Fund is still in existence as at the date of the Trustee's receipt of BNP's request for payment of such excess amount.

You should refer to paragraph 1 of Appendix 4 under the sub-heading "Capital gains tax" for further details. You should note a similar arrangement was also applied to P-Notes which were previously held by the Sub-Fund and there may be an amount of capital gains taxes levied by the taxing authority of the PRC on realised or unrealised gains on each security constituting the composite portfolios per transaction directly or indirectly related to the hedging of such P-Notes in excess of any relevant provisional capital gains tax amount withheld to be paid out of the Sub-Fund's assets.

(With effect from 8 November 2018) Audit fees and other fees and charges

Based on the audited accounts and the average NAV of the Sub-Fund for the financial year ended 30 June 2018, the aggregate of the audit fee and the custodian fee is approximately 0.22%. The Custodian receives safekeeping fees based on the dollar value of the Sub-Fund's assets held in the relevant markets.

Other fees and charges include printing costs, professional fees, goods and services tax, administrator fee and other out-of-pocket expenses. Based on the audited accounts and the average NAV of the Sub-Fund for the financial year ended 30 June 2018, the aggregate of such fees and charges amounted to approximately 0.66%.

You should also note that under the terms of the Deed, separate registrar fees and charges may in the future be payable out of the Deposited Property of the Sub-Fund.

8.3 Cost of Establishment of the Sub-Fund

You should note that the costs of establishing the Sub-Fund (including the Trustee's one time inception fee), the costs of preparation of a Prospectus, the costs of seeking and obtaining authorisation from the Authority as well as

the SGX-ST listing and all initial legal fees and expenses and printing costs in respect of the Sub-Fund (including the legal fees and expenses incurred by us and by the Trustee) (the “**Cost of Establishment of the Sub-Fund**”) borne by the Sub-Fund was 1.05% of the NAV of the Sub-Fund (based on the audited accounts as at 30 June 2010). The Cost of Establishment of the Sub-Fund has been amortised over a period of three (3) years from the date when the initial Units are issued (i.e. up to the financial year ended 30 June 2013).

9. Risk Factors

9.1 General risks

You should consider and satisfy yourself as to the risks of investing in the Sub-Fund. An investment in the Sub-Fund is meant to produce returns over the long-term. You should not expect to obtain short-term gains from such investment. You should note that the price of Units, and the income accruing from the Units, may fall or rise and you may not get back your original investment. Past performance is not indicative of future performance. The NAV of the Sub-Fund will change with changes in the market value of the investments it holds. There can be no assurance that the Sub-Fund will achieve its investment objective or that you will achieve profits or avoid losses, significant or otherwise. The capital return and income of the Sub-Fund is based on the capital appreciation and income on its investments, less expenses incurred. The Sub-Fund’s return may fluctuate in response to changes in such capital appreciation or income. Furthermore, the Sub-Fund may experience volatility and decline in a manner that broadly corresponds with the underlying SSE 50.

9.2 Specific risks

The investment strategy of the Sub-Fund will change from a synthetic replication strategy to a full replication strategy with effect from 8 November 2018 and the specific risks set out below should be read in this context as being relevant to the old investment strategy and/or the new investment strategy.

9.2.1 Prior to 8 November 2018: Investment in the Sub-Fund is not the same as direct investment in the A-Shares

To track the SSE 50, the Sub-Fund will acquire, hold and dispose of P-Notes linked to the composite portfolio(s) that correspond to the performance of the SSE 50. The A-Shares, the underlying securities that comprise the SSE 50, may not be directly invested by a non PRC person, such as the Sub-Fund, unless the person is a QFII or is under another scheme which allows the person to invest directly into A-Shares. Accordingly, in order to meet its investment objective, the Sub-Fund will purchase P-Notes from, and sell P-Notes to, the P-Notes issuer(s).

The P-Notes do not provide any legal, beneficial or equitable entitlement or interest in constituent securities comprising the composite portfolio(s) to which the P-Notes are linked. You should therefore note that an investment in the Sub-Fund is not the same as owning the constituent A-Shares of the SSE 50. The Holders will not have any proprietary or beneficial interest in such A-Shares. As the P-Notes are the obligations of the relevant P-Notes issuer, rather than a direct investment in A-Shares, the Sub-Fund may suffer losses potentially equal to the full value of the P-Notes if the P-Notes issuer fails to perform its obligations under the P-Notes.

With effect from 8 November 2018: Equity market risk

The Sub-Fund’s investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

9.2.2 Counterparty risk

Prior to 8 November 2018:

The P-Notes constitute unsubordinated and unsecured contractual obligations of the issuer of the P-Notes (save as described in paragraph 9.2.3 below). The P-Notes do not provide the Sub-Fund (or us) with any legal or equitable interest of any type in the underlying A-Shares comprising the SSE 50. The value of the Sub-Fund’s assets will therefore depend on the credit risk of each of the issuer(s) of the P-Notes held by the Sub-Fund. Any insolvency filing in relation to, or other failure to perform obligations under the

P-Notes or related agreement of, any of the P-Notes issuer(s) will have an adverse impact on the NAV of the Sub-Fund. The Sub-Fund is subject to counterparty risk associated with each P-Notes issuer and may suffer losses up to the full value of the P-Notes issued by a P-Notes issuer if such P-Notes issuer fails to perform its obligations under the P-Notes. Any loss would result in a reduction in the NAV of the Sub-Fund and impair the ability of the Sub-Fund to achieve its investment objective to track the SSE 50. If a P-Notes issuer defaults, dealing in Units may be suspended and the Sub-Fund may ultimately be terminated.

9.2.3 Over-concentration risk, collateral risk and custody risk

Prior to 8 November 2018:

Over-concentration risk

As the investment objective of the Sub-Fund is to provide investment results that, before fees, costs and expenses (including any taxes and withholding taxes), closely correspond to the performance of the SSE 50, exposure of the Sub-Fund is concentrated in a particular market (i.e. A-Shares comprising the SSE 50).

In addition, as a result of having the possibility of a significant proportion of the Sub-Fund's assets being placed with a single or small number of P-Notes issuer(s), the default or insolvency of such P-Notes issuer(s) would accordingly adversely affect the ability of such P-Notes issuer(s) to meet their payment obligations to the Sub-Fund. The default in payment by such P-Notes issuer(s) in relation to the P-Notes would substantially affect the Sub-Fund's ability to meet payment obligations in relation to any return to its investors.

The Sub-Fund currently invests all or substantially all of its deposited property in the P-Notes issued by BNP. It is intended that BNP will purchase the P-Notes upon request by the Sub-Fund at prevailing market prices as determined by BNP or its affiliate, as the case may be, taking into account all relevant factors.

Collateral risk

To mitigate (amongst other things) the impact of winding-up or liquidation of BNP (as the only P-Notes issuer to the Sub-Fund currently) on the Sub-Fund, BNP will post collateral in order to reduce the Sub-Fund's exposure to BNP to not more than 10% of the NAV of the Sub-Fund. The NAV of the Sub-Fund will be adversely affected to the extent that such security is not effectively enforced.

Please see paragraph 7.2.3 above for details on the collateral arrangement in place.

You should note that there may be a risk of BNP failing to top up the collateral if there is a decline in the value of the collateral. If the Trustee acts to enforce the collateral, there may also be a risk that the value of such collateral could decline pending or in the course of such enforcement and accordingly, the Sub-Fund's exposure to BNP may be more than 10% of the NAV of the Sub-Fund.

Custody risk

You should also note that the collateral will be held by a third party custodian and/or sub-custodians. This exposes the Sub-Fund to a custody risk. This means that the Sub-Fund is exposed to the risk of loss of such collateral for instance as a result of negligence and/or fraudulent acts by such custodian and/or sub-custodians.

With effect from 8 November 2018:

Over-concentration risk

As the investment objective of the Sub-Fund is to provide investment results that, before fees, costs and expenses (including any taxes and withholding taxes), closely correspond to the performance of the SSE 50, exposure of the Sub-Fund is concentrated in the securities in a particular market (i.e. A-Shares comprising the SSE 50) and the Sub-Fund may be adversely affected by the performance of those securities and may be subject to increased price volatility and may be more susceptible to adverse economic, market, political or regulatory event affecting those securities.

9.2.4 Derivatives risk

As the Sub-Fund may (subject to the Code) use or invest in FDIs, it will be exposed to risks associated with such investments. These FDIs include but are not limited to options, futures contracts, swaps and warrants. Where such instruments are financial derivatives on commodities, such transactions shall be settled in cash at all times.

An investment in a FDI may require the deposit of initial margin and additional deposit of margin on short notice if the market moves against the investment position. If the required margin is not provided in time, the investment may be liquidated at a loss. Therefore, it is essential that such investments in FDIs are monitored closely. We have controls for investments in FDIs and have in place systems to monitor the derivative positions of the Sub-Fund. Please see paragraph 7.7 for more information on our risk management procedures on the use of FDIs.

9.2.5 Prior to 8 November 2018: No obligation for P-Notes issuer(s) or their Connected Person(s) to hedge

The P-Notes issuer(s) or their Connected Persons will generally hedge their exposure in respect of any P-Notes issuance for risk management purposes, either by purchasing the underlying A-Shares that comprise the SSE 50 or by entering into relevant hedging arrangements. However, neither the P-Notes issuer(s) nor their Connected Persons is under any obligation to perform hedging. In particular, a P-Notes issuer or its Connected Persons may take small overnight risk if for some reason it is not able to completely hedge out its residual positions. In any event, the Sub-Fund will not receive any beneficial interests that may arise from any hedging exercise performed by a P-Notes issuer or its Connected Person.

9.2.6 Prior to 8 November 2018: Possible limited duration of the Sub-Fund

The P-Notes issued by BNP which are currently held by the Sub-Fund are of limited duration and are scheduled to mature on 8 November 2018. While we currently intended that the term of the P-Notes issued by BNP will be renewed for such period as we may agree with BNP and/or that we will source for new P-Notes issuer(s) for the Sub-Fund in order for the Sub-Fund to continue investing in P-Notes after the current term of the P-Notes issued by BNP, there is no assurance that BNP will be willing to renew the term of the P-Notes or that we will be able to find new P-Notes issuer(s) or that it will be economically viable for the Sub-Fund to renew its P-Notes or acquire new P-Notes.

Accordingly, the duration of the Sub-Fund depends on, amongst other things, the ability of the Sub-Fund to continue investing in P-Notes after the term of the P-Notes currently held by it.

If the Sub-Fund is unable to continue investing in P-Notes and there is no satisfactory alternative to tracking the SSE 50 through investment in the P-Notes available, we may terminate the Sub-Fund and you may not get back your original investment.

9.2.7 Prior to 8 November 2018: Dependence on the P-Notes Issuer(s)

Our ability to manage the Sub-Fund depends upon the continuing availability of P-Notes. In certain limited circumstances, a P-Notes issuer may no longer be willing or able to issue P-Notes to the Sub-Fund or the Sub-Fund may no longer be willing or able to acquire or hold the relevant P-Notes. Such circumstances may, for example, include (i) changes to applicable laws, regulations, rules or other relevant circumstances such that it is illegal, impossible or impracticable for a P-Notes issuer to issue P-Notes to the Sub-Fund or for the Sub-Fund to acquire or hold the P-Notes, (ii) where it is no longer economically viable to issue or sell P-Notes, and (iii) where a P-Notes issuer ceases to possess a satisfactory credit rating. In the worst case scenario, the Sub-Fund may be terminated.

9.2.8 Prior to 8 November 2018: Participating Dealers may only deal in certain P-Notes

You should note that the Sub-Fund may face practical limitations that effectively limit it from delivering to a Participating Dealer in respect of a Redemption Application, P-Notes other than those that have been either issued by an affiliate of the Participating Dealer or are otherwise acceptable to the Participating Dealer. This may from time to time limit our flexibility in responding to Redemption Applications and prevent us from maintaining the Sub-Fund's credit exposure to P-Notes issuer(s) at desired levels.

9.2.9 Passive Investment

Prior to 8 November 2018: The Sub-Fund is not actively managed. Accordingly, a decline in world market segments that affect the SSE 50 may affect the Sub-Fund. Since the Sub-Fund invests in the P-Notes that passively reflect the composite portfolio(s) that we construct to closely correspond to the SSE 50, adverse changes in the financial condition or share performance of any company included in the SSE 50 may not result in the sale of the shares of such company, and such adverse changes will likely adversely affect the Sub-Fund's value and the trading price of the Units. We do not attempt to select stocks individually or to take defensive positions in declining markets. Therefore, we will have limited discretion to remove the shares of such company from the composite portfolio(s) and we may lack discretion to adapt to market changes. The performance of the P-Notes and thus that of the Sub-Fund may be adversely affected in such declining markets and a fall in the SSE 50 may result in a corresponding fall in the NAV of the Sub-Fund.

With effect from 8 November 2018: The Sub-Fund is not actively managed. Accordingly, a decline in world market segments that affect the SSE 50 may affect the Sub-Fund. Since the Sub-Fund invests all or substantially all of its assets in SSE 50 Securities in substantially the same weightings as reflected in the SSE 50, adverse changes in the financial condition or share performance of any company included in the SSE 50 may not result in the sale of the shares of such company, and such adverse changes will likely adversely affect the Sub-Fund's value and the trading price of the Units. We do not attempt to select stocks individually or to take defensive positions in declining markets. Therefore, we will have limited discretion to remove the shares of such company from the investment portfolio of the Sub-Fund and we may lack discretion to adapt to market changes. A fall in the SSE 50 may result in a corresponding fall in the NAV of the Sub-Fund.

9.2.10 Tracking Error Risk

Prior to 8 November 2018: There is no assurance that the Sub-Fund will be able to fully track the performance of the SSE 50. "Tracking error" is the difference between the performance of a fund's portfolio and that of its underlying index. The NAV of the Sub-Fund may not correlate exactly with the SSE 50 and changes in the NAV of the Sub-Fund are unlikely to replicate exactly changes in the SSE 50.

Factors such as the fees, costs and expenses of the Sub-Fund, imperfect correlation between the Sub-Fund's assets and the securities constituting the composite portfolio(s) or SSE 50, rounding of share prices, changes to the composite portfolio(s) or SSE 50, regulatory policies, investment and regulatory constraints, foreign currency valuation, unexpected financing costs in the event of severe market movements, inability to rebalance in response to changes in the SSE 50 and the existence of a cash position held by the Sub-Fund may affect our ability to achieve close correlation with the performance of the SSE 50. The Sub-Fund's returns may therefore deviate from the SSE 50 resulting in a tracking error.

Further, it is possible that the Sub-Fund may experience greater tracking error than typical exchange traded index funds. The possible causes of such tracking error include foreign ownership restrictions on the A-Shares (for example, loss of QFII status or insufficient QFII investment quota restricting the issuance of P-Notes). In addition, the tracking error of the Sub-Fund may be increased by the overall costs of maintaining the P-Notes, and such costs may include the P-Notes transaction fee, the P-Notes maintenance fee as disclosed in paragraph 8.2, any cost of credit support as well as any taxes and duties (including the deduction of a provisional capital gains tax from the redemption amount of the P-Notes as described in paragraph 8.2) and the spread and foreign exchange costs to the Sub-Fund from investing in the P-Notes. These factors may lead to tracking errors that may cause the NAV of the Sub-Fund to not correlate exactly with the SSE 50.

However, such tracking errors are not expected to be significant. As far as possible, we will seek to minimise tracking errors by minimising the cash holdings of the Sub-Fund.

With effect from 8 November 2018: There is no assurance that the Sub-Fund will be able to fully track the performance of the SSE 50. "Tracking error" is the difference between the performance of a fund's portfolio and that of its underlying index. The NAV of the Sub-Fund may not correlate exactly with the SSE 50 and changes in the NAV of the Sub-Fund are unlikely to replicate exactly changes in the SSE 50.

Factors such as the fees, costs and expenses of the Sub-Fund, imperfect correlation between the Sub-Fund's assets and the securities constituting the SSE 50, rounding of share prices, changes to the SSE 50, regulatory

policies, investment and regulatory constraints, foreign currency valuation, unexpected financing costs in the event of severe market movements, inability to rebalance in response to changes in the SSE 50 and the existence of a cash position held by the Sub-Fund may affect our ability to achieve close correlation with the performance of the SSE 50. The Sub-Fund's returns may therefore deviate from the SSE 50 resulting in a tracking error.

Further, it is possible that the Sub-Fund may experience greater tracking error than typical exchange traded index funds. The possible causes of such tracking error include foreign ownership restrictions on the A-Shares.

However, such tracking errors are not expected to be significant. As far as possible, we will seek to minimise tracking errors by minimising the cash holdings of the Sub-Fund and by adjusting or rebalancing the investment portfolio of the Sub-Fund, when necessary, to reflect changes in the composition of, or to the weightings of securities in, the SSE 50 or to be more in line with the performance and characteristics of the SSE 50 as described in paragraph 7.2.

9.2.11 Operating cost

There is no assurance that the performance of the Sub-Fund will achieve its investment objective. The level of fees and expenses payable by the Sub-Fund will fluctuate in relation to its NAV. Although the amounts of certain ordinary expenses of the Sub-Fund can be estimated, the growth rate of the Sub-Fund, and hence its NAV, cannot be anticipated.

You should also note that we and the Trustee have the discretion to increase the Managers' fee and Trustee fee up to the maximum level as provided in paragraph 8.2 above. **Prior to 8 November 2018:** We have the discretion to increase the Maintenance Fee as set out in paragraph 8.2 above from time to time in line with market conditions.

Accordingly, no assurance can be given as to the performance of the Sub-Fund or the actual level of its expenses.

9.2.12 Trading Risk

The Sub-Fund is structured as an index fund and the NAV of the Units of the Sub-Fund will fluctuate with changes in the market value of the Sub-Fund's investments and changes in the exchange rate between the:

- (i) SGD and USD;
- (ii) USD and CNY; and
- (iii) CNY and SGD.

The market prices of Units will fluctuate in accordance with changes in the NAV of the Units and supply and demand on any exchange on which the Units are listed. Although the NAV of the Units represents the fair price for buying or selling Units, as with any listed fund, the secondary market price of Units may sometimes trade above or below this NAV. We cannot predict whether Units will trade below, at or above their NAV. Therefore, there is a risk that you may not be able to buy or sell at a price close to this NAV. The deviation from the NAV is dependent on a number of factors, but will be accentuated when there is a large imbalance between market supply and demand for Units on the SGX-ST.

Given, however, that Units must be created and redeemed in Application Unit aggregations (unlike shares of many closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their NAV), we believe that ordinarily large discounts or premiums to the NAV of Units should not be sustained. In the event that we suspend creations and/or redemptions of Units of the Sub-Fund, we expect larger discounts or premiums.

9.2.13 Trading in Units on the SGX-ST may be suspended

You will not be able to purchase or sell Units on the SGX-ST during any period when trading in the Units is suspended by the SGX-ST. The SGX-ST may suspend the trading of Units whenever the SGX-ST determines that it is appropriate in the interests of a fair and orderly market to protect investors. The

creation and redemption of Units will also be suspended if the trading of Units on the SGX-ST is suspended. The SGX-ST imposes certain requirements for the continued listing of securities, including the Units, on the SGX-ST. There is no assurance that the Sub-Fund will continue to meet the requirements necessary to maintain the listing of Units on the SGX-ST or that the SGX-ST will not change the listing requirements. The Sub-Fund may be terminated if the Units are delisted from the SGX-ST. Dealings of Units on the SGX-ST may not necessarily be suspended if we temporarily suspend the creation and redemption of Units in accordance with the terms of the Deed. If we temporarily suspend the creation and redemption of Units, the trading price of the Units may be adversely affected and may differ from the NAV of the Sub-Fund.

9.2.14 Absence of prior active market

Although the Units have been listed for trading on the SGX-ST, there can be no assurance that an active trading market will be developed or be maintained. There is no certain basis for predicting the actual price levels at, or sizes in, which Units may trade. Further, there can be no assurance that the Units will experience trading or pricing patterns similar to those of market-traded shares which are issued by investment companies in other jurisdictions or which are based upon indices other than the SSE 50.

9.2.15 Dealing risk

If you hold Units in small numbers and you wish to sell your Units, you may not necessarily be able to find other buyers on the SGX-ST if the Units are not widely held at that point. In order to address such dealing risk, we have appointed a market maker to improve liquidity in trading of the Units.

The listing of Units on the SGX-ST does not guarantee a liquid market for the Units and there can be no assurance that a liquid secondary market on the SGX-ST will exist for the Units. We intend to assist in the creation of liquidity for investors by appointing at least one market maker to maintain a market for the Units on the SGX-ST (please refer to paragraph 5.2 above). However, there is no guarantee or assurance as to the price at which a market will be made. The market makers may realise profits or sustain losses in the amount of any differences between the prices at which they buy Units and the prices at which they sell Units. Any profit made by the market makers may be retained by them for their absolute benefit and they are not liable to account to the Sub-Fund in respect of such profits.

9.2.16 Creation and Redemption by Designated Market Makers or through Participating Dealers only

You should note that the Sub-Fund is not like a typical unit trust offered to the public in Singapore. You may not subscribe for, or redeem, Units directly with us.

Units may only be created and redeemed by Market Makers or through Participating Dealers. Participating Dealers are under no obligation to agree to do so on behalf of any investor. Accordingly, each Participating Dealer may, in its absolute discretion, refuse to accept your creation or redemption order (whether directly or through the your stockbroker) and can charge such fees as it may determine. In addition, the Participating Dealers will not be able to create or redeem Units during any period when, amongst other things, dealings on the SGX-ST are restricted or suspended, settlement or clearing of securities through the CDP is disrupted or the SSE 50 is not compiled or published. The Participating Dealers will also not be able to create or redeem Units if some other event occurs which impedes the calculation of the NAV of the Sub-Fund or disposal of the Sub-Fund's portfolio securities cannot be effected.

If you trade in smaller lots, you may generally only realise the value of your Units by selling your Units on the SGX-ST.

These features are not usually present in a typical unit trust offered to the public in Singapore, where you will generally be able to purchase and redeem units directly with the manager of the unit trust.

9.2.17 Political Risk and Foreign Security Risk

The investments in the Sub-Fund may be adversely affected by a wide variety of factors, including without limitation, political instability, 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 PRC.

An investment in Units of the Sub-Fund involves risks similar to those of investing in a broad-based portfolio of equity securities traded on exchanges in the relevant overseas securities market, including market fluctuations caused by factors such as economic and political developments, changes in interest rates and perceived trends in stock prices. The principal risk factors, which could decrease the value of investments, are listed and described below:

- less liquid and less efficient securities markets;
- greater price volatility;
- exchange rate fluctuations and exchange controls;
- less publicly available information about issuers;
- the imposition of restrictions on the expatriation of funds or other assets of the Sub-Fund;
- higher transaction and custody costs and delays and risks of loss attendant in settlement procedures;
- difficulties in enforcing contractual obligations;
- lesser levels of regulation of the securities markets;
- different accounting, disclosure and reporting requirements;
- more substantial government involvement in the economy;
- higher rates of inflation; and
- greater social, economic, and political uncertainty and the risk of nationalisation or expropriation of assets and risk of war or terrorism.

9.2.18 Foreign Exchange Risk

Prior to 8 November 2018: The Sub-Fund is denominated and traded in SGD and its investments are generally invested in the P-Notes which are denominated in SGD and the A-Shares comprising the composite portfolio(s) underlying the P-Notes are denominated in CNY. Accordingly the returns of the Sub-Fund and the ability of the Sub-Fund to track the SSE 50 are in part affected by exchange rate fluctuations as between the SGD and the CNY. The terms of the P-Notes require payment under the P-Notes to be made in SGD, meaning that the Sub-Fund is exposed to exchange rate risks in terms of fluctuations in the relative value between the SGD and the CNY.

As the Sub-Fund's NAV is determined on the basis of the SGD, you may lose money if the CNY or USD were to depreciate against the SGD, even if the market value of the relevant A-Shares actually goes up.

We currently do not intend to hedge such foreign currency exposure of the Sub-Fund.

With effect from 8 November 2018: The Sub-Fund is denominated and traded in SGD and its investments are generally invested in A-Shares which are denominated in CNY. Accordingly the returns of the Sub-Fund and the ability of the Sub-Fund to track the SSE 50 are in part affected by exchange rate fluctuations as between the SGD and the CNY.

As the Sub-Fund's NAV is determined on the basis of the SGD, you may lose money if the CNY or USD were to depreciate against the SGD, even if the market value of the relevant A-Shares actually goes up.

We currently do not intend to hedge such foreign currency exposure of the Sub-Fund.

9.2.19 Minimum creation and redemption size via the Participating Dealer

Only Participating Dealers and Market Makers may apply directly to us for the creation or redemption of Units, which must be made in an Application Unit size (currently 100,000 Units) or whole number multiples thereof subject to a minimum of (prior to 8 November 2018) 500,000 Units and (with effect from 8 November 2018) 100,000 Units per Creation or Redemption Application or such other minimum number

of Units as we may determine from time to time with the approval of the Trustee. If you wish to subscribe for or redeem Units in the primary market, you must approach a Participating Dealer (whether directly or through a stockbroker) to assist you with your applications to us.

As any subscription or redemption applications for less than the current minimum of (prior to 8 November 2018) 500,000 Units and (with effect from 8 November 2018) 100,000 Units from investors (whether directly or through their stockbrokers) to a Participating Dealer will be rejected by that Participating Dealer, if you do not hold at least (prior to 8 November 2018) 500,000 Units and (with effect from 8 November 2018) 100,000 Units, you may only be able to realise the value of your Units by selling your Units on the SGX-ST. If you do not intend to subscribe for at least (prior to 8 November 2018) 500,000 Units and (with effect from 8 November 2018) 100,000 Units, you may only be able to buy Units on the SGX-ST.

9.2.20 Minimum Fund Size

The Sub-Fund is structured as an index fund with a low total expense ratio (including the Managers' fees and the Trustee fees) compared to typical retail unit trusts. As with any fund, in order to remain viable, the size of the Sub-Fund must be sufficient to cover at least its fixed operating costs. Given the relatively low fees charged to and payable by the Sub-Fund, the minimum size of the Sub-Fund needs to be significantly larger than other typical unit trusts. As provided under paragraph 21.7(a), we may terminate the Sub-Fund if the aggregate NAV of Units outstanding in the Sub-Fund is less than S\$20 million.

9.2.21 Risk of market pricing

The market price of an ETF will be affected by supply and demand imbalance in the ETF. In the case of the Sub-Fund, since the supply and demand imbalance can only be addressed by creation of additional Units and the redemption of existing Units, the liquidity of the underlying A-Share market and (prior to 8 November 2018) the nature of the QFII regime will likely result in the Sub-Fund trading at a higher premium or discount to the NAV per Unit than may normally be the case for an ETF.

9.2.22 Prior to 8 November 2018: Risk relating to the P-Notes issued by BNP

As the Sub-Fund currently uses or invests in the P-Notes issued by BNP to achieve its investment objective, you should note that the NAV of the Sub-Fund may be adversely affected by the materialisation of any risks pertaining to the P-Notes issued by BNP. Please refer to Appendix 4 for details of the principal risks relating to the P-Notes issued by BNP, in particular, the sections "Factors that may affect the ability of BNP and BNP Paribas to fulfil its obligations under the P-Notes" and "Risks related to the structure of the P-Notes being notes linked to the Composite Portfolio".

No person other than BNP and BNP Paribas (as the guarantor of the P-Notes¹⁴) will be obliged to make payments on the P-Notes. The amount payable under the P-Notes will be calculated in accordance with the terms of the P-Notes and the Sub-Fund may lose part or the whole of its investment in the P-Notes.

9.2.23 Risk of using rating agencies and other third parties

Credit ratings of instruments invested into by the Sub-Fund represent our and/or rating agencies' opinion regarding the credit quality of the instrument or the institution and are not a guarantee of quality. Rating methodologies generally rely on historical data, which may not be predictive of future trends and adjustments to credit ratings in response to subsequent changes in circumstances may take time. When a debt security is rated, the downgrading of such debt security could decrease the value and liquidity of the security.

Where we rely on ratings issued by credit rating agencies, we have established a set of internal credit assessment standards and have put in place a credit assessment process to ensure that the Sub-Fund's investments are in line with these standards. Information on our credit assessment process will be made available to investors upon request.

We may rely, without independent investigation, upon pricing information and valuations furnished to the Sub-Fund by third parties, including pricing services and independent brokers/dealers. Their accuracy depends on these parties' methodology, due diligence and timely response to changing conditions. We will not be responsible for any failures by such parties in their valuations.

¹⁴ Enforcement of such guarantee for the Sub-Fund is restricted. Please refer to paragraph 21.2.23(xv) for further details.

Risk Factors Relating to the PRC and the QFII System Generally

9.2.24 Prior to 8 November 2018: QFII system generally

The QFII system was introduced in 2002. Although the CSRC may relax QFII eligibility requirements and make investment in A-Shares easier and more widespread in the future, this cannot be guaranteed. It is not possible to predict the future development of the QFII system and the CSRC may even impose restrictions on QFII's operations. Such restrictions may adversely affect the issuance of P-Notes and/or cause Units in the Sub-Fund to trade at a discount to its NAV on the SGX-ST.

9.2.25 Prior to 8 November 2018: PRC tax risk

Currently, 10% PRC withholding tax has been enforced on payment of dividends and interest to QFIIs from PRC listed companies.

In a circular issued by the Chinese State Administration of Taxation of the PRC, the dividend, bonus and interest income derived from the PRC by QFIIs are subject to 10% withholding tax and shall be withheld by the enterprise that distributes such dividend or bonus or pays the interest. In such event, any tax levied on and payable by the QFII in the PRC in relation to the composite portfolios will be reflected in the value of the composite portfolios and passed on to and borne by the Sub-Fund.

The PRC Government has implemented a number of tax reform policies in recent years, such as the 2008 Enterprise Income Tax Law applies to both domestic and foreign enterprises. In addition to the enterprise income tax, China levies a number of turnover taxes, such as value added tax, business tax, consumption tax and customs duties. There can be no assurance that the current tax laws and regulations will not be revised or amended in the future. Any revision or amendment in tax laws and regulations may affect the after-taxation profit of PRC companies.

9.2.26 Prior to 8 November 2018: Repatriation from the PRC

The P-Notes are issued outside the PRC and restrictions on or suspension of the ability of QFIIs in general to repatriate US dollars should not affect the operation of the Sub-Fund, although restrictions on the repatriation of US dollars might result in the Participating Dealers choosing not to create or redeem Units. Where the P-Notes issuer is also a QFII, the inability to repatriate US dollars may give rise to liquidity problems for that P-Notes issuer, which may impact the Sub-Fund if that P-Notes issuer is unable to perform its obligations under the P-Notes it has issued and are held by the Sub-Fund. However, any further restrictions on or suspension of the ability of QFIIs in general to repatriate US dollars from the PRC, insofar as they affect the P-Notes issuer(s), may cause Units in the Sub-Fund to trade at a discount to its NAV on the SGX-ST.

9.2.27 Prior to 8 November 2018: QFII investment quota

Under the QFII system, a QFII must obtain approval from SAFE to increase its investment quota. If any QFII wishes to increase its respective investment quota from time to time, such increase may take time to obtain SAFE's approval. Where insufficient investment quota is available, additional P-Notes may not be available from suitable P-Notes issuer(s) in which case, because the Sub-Fund is unable to purchase more P-Notes, further Units in the Sub-Fund cannot be created.

Although the continued operation of the Sub-Fund should not be affected, where further increases in QFII investment quota is restricted, suspended or halted, the supply of PRC A-Shares access products, such as P-Notes, will be affected and this may cause Units in the Sub-Fund to trade at a premium to its NAV.

9.2.28 Prior to 8 November 2018: QFII investment restrictions

Although we do not anticipate that QFII investment restrictions will impact the ability of the Sub-Fund to achieve its investment objective, you should note that the relevant PRC laws and regulations may limit the ability of the QFII to acquire A-Shares in certain PRC issuers from time to time or to increase its holding of certain A-Shares due to PRC regulatory restrictions in terms of investment concentration ratio, and in addition, a QFII may not be able to acquire A-Shares to either directly or indirectly provide hedging for the P-Notes. In such case, this may accordingly restrict the issuance, and therefore the purchase, of P-Notes linked to these A-Shares by the Sub-Fund.

9.2.29 PRC economic, political and social conditions as well as government policies

The economy of China, which has been in a state of transition from a planned economy to a more market oriented economy, differs from the economies of most developed countries in many respects, including the level of government involvement, its state of development, its growth rate, control of foreign exchange, and allocation of resources.

Although the majority of productive assets in China are still owned by the PRC government at various levels, in recent years, the PRC government has implemented economic reform measures emphasising the use of market forces in the development of the economy of China and a high level of management autonomy. The economy of China has experienced significant growth in the past 20 years, but growth has been uneven both geographically and among various sectors of the economy. Economic growth has also been accompanied by periods of high inflation. The PRC government has implemented various measures from time to time to control inflation and restrain the rate of economic growth and carried out economic reforms to achieve decentralisation and utilisation of market forces to develop the economy of the PRC. Any adjustment and modification of those economic policies may have an adverse impact on the securities market in the PRC as well as the underlying securities which are constituents of the (prior to 8 November 2018) composite portfolios and (with effect from 8 November 2018) SSE 50 and/or the underlying issuers of the A-Shares in the investment portfolio of the Sub-Fund. Furthermore, the PRC government may from time to time adopt corrective measures to control the growth of the PRC economy which may also have an adverse impact on the capital growth and performance of the Sub-Fund. Political changes, social instability and adverse diplomatic developments in the PRC could result in the imposition of additional government restrictions including expropriation of assets, confiscatory taxes or nationalisation of some or all of the property held by the underlying issuers of the A-Shares in the (prior to 8 November 2018) composite portfolios and (with effect from 8 November 2018) investment portfolio of the Sub-Fund and/or the SSE 50.

9.2.30 PRC government control of currency conversion and future movements in exchange rates

Prior to 8 November: Although the P-Notes are denominated in SGD, the value of the composite portfolios and that of the P-Notes will reflect the dividends and distributions received by the relevant QFII in CNY which are converted at the prevailing foreign exchange rate. **With effect from 8 November:** Although the Sub-Fund is denominated in SGD, the value of its investment portfolio will reflect the dividends and distributions received from the underlying issuers of the A-Shares in the investment portfolio of the Sub-Fund which are converted at the prevailing foreign exchange rate.

The existing PRC foreign exchange regulations have significantly reduced government foreign exchange controls for transactions under the current account, including trade and service related foreign exchange transactions and payment of dividends. However, we cannot predict whether the PRC government will continue its existing foreign exchange policy and when the PRC government will allow free conversion of the CNY to foreign currency.

Foreign exchange transactions under the capital account, including principal payments in respect of foreign currency-denominated obligations, currently continue to be subject to significant foreign exchange controls and require the approval of SAFE.

The China Foreign Exchange Trade System calculates and publishes the central rate of CNY against USD daily. We cannot predict nor give any assurance of any future stability of the CNY to USD exchange rate. Fluctuations in exchange rates may adversely affect the Sub-Fund's NAV and any declared dividends.

9.2.31 PRC laws and regulations

The PRC legal system is based on written statutes and their interpretation by the Supreme People's Court. Prior court decisions may be cited for reference but have no precedent value. Since 1979, the PRC government has been developing a comprehensive system of commercial laws, and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, corporate organisation and governance, commerce taxation and trade. Recent examples are the promulgation of the Contract Law of the PRC to unify the various economic contract laws into a single code, which went into effect on 1 October 1999, and the Securities Law of the PRC, which went into effect on 1 July 1999, and the Property Law of the PRC which came into effect on 1 October 2007. However, because these laws and regulations affecting securities markets are relatively new and evolving, and because of the limited volume

of published cases and judicial interpretation and their non-binding nature, interpretation and enforcement of these regulations involve significant uncertainties. In addition, as the PRC legal system develops, no assurance can be given that changes in such laws and regulations, their interpretation or their enforcement will not have a material adverse effect on their business operations.

9.2.32 Legal System of the PRC

The legal system of the PRC is based on written laws and regulations. Despite the PRC government's effort in improving the commercial laws and regulations, many of these laws and regulations are still at an experimental stage and the implementation of such laws and regulations remains unclear.

9.2.33 PRC market risk/Volatility of A-Shares

Prior to 8 November 2018: You should note that the Shanghai Stock Exchange and the Shenzhen Stock Exchange on which A-Shares are traded are undergoing development and the market capitalisation of, and trading volumes on those exchanges are lower than those in more developed financial markets. Market volatility, lack of a liquid trading market and settlement difficulties in the A-Share markets may result in significant fluctuations in the prices of securities traded on such markets. Correspondingly, the price at which the P-Notes may be purchased or sold by the Sub-Fund upon any rebalancing activities or otherwise and the NAV of the Sub-Fund may be adversely affected by the volatility of the underlying A-Shares.

With effect from 8 November 2018: You should note that the Shanghai Stock Exchange and the Shenzhen Stock Exchange on which A-Shares are traded are undergoing development and the market capitalisation of, and trading volumes on those exchanges are lower than those in more developed financial markets. Generally, investments in or linked to emerging markets, such as the market for A-Shares, may involve increased risk such as the likelihood of a high degree of market volatility, lack of a liquid trading market, currency risks/control, political and economic uncertainties, legal, regulatory and taxation risks, custody risks and settlement risks in the A-Share markets. The A-Share markets may be more volatile and unstable (e.g. due to suspension of particular stocks or government intervention) than those in the more developed markets. All these may result in significant fluctuations in the prices of A-Shares which may in turn adversely affect the NAV of the Sub-Fund.

9.2.34 With effect from 8 November 2018: Risks associated with the Stock Connects

The Sub-Fund may invest via the Stock Connects. The relevant rules and regulations on the Stock Connects are subject to change which may have potential retrospective effect. The Stock Connects are subject to quota limitations. Where a suspension in the trading through the programme is effected, the Sub-Fund's ability to invest in A-Shares or access the PRC market through the programme will be adversely affected.

9.2.35 Accounting and Reporting Standards

Accounting, auditing and financial reporting standards and practices applicable to PRC companies may be different to those standards and practices applicable to countries that have more developed financial markets. For example, there are differences in the valuation methods of properties and assets and in the requirements for disclosure of information to investors.

Risk Factors Relating to the SSE 50

9.2.36 Errors, inaccuracies or incompleteness in the SSE 50

Prior to 8 November 2018: There may be inaccuracies, errors, omissions or mistakes in the compilation or calculation of the SSE 50, which may result in significant deviations between the NAV of the Units and the SSE 50. No warranty, representation or guarantee is given as to the accuracy or completeness of the SSE 50 and its computation or any information related thereto. The process and the basis of computing and compiling the SSE 50 and any of its related formulae, constituent companies and factors may at any time be changed or altered by the Index Provider without notice. We, the Trustee and the P-Notes issuer(s) are not responsible or involved in the compilation or calculation of the SSE 50, and thus cannot be held responsible or liable for any inaccuracies, errors, omissions or mistakes in such compilation or calculation.

With effect from 8 November 2018: There may be inaccuracies, errors, omissions or mistakes in the compilation or calculation of the SSE 50, which may result in significant deviations between the NAV of

the Units and the SSE 50. The accuracy and completeness of the calculation of the SSE 50 may be affected by, without limitation, the availability and accuracy of prices for the SSE 50 Securities, market factors and errors in the compilation of the SSE 50. No warranty, representation or guarantee is given as to the accuracy or completeness of the SSE 50 and its computation or any information related thereto. The process and the basis of computing and compiling the SSE 50 and any of its related formulae, constituent companies and factors may at any time be changed or altered by the Index Provider without notice. We and the Trustee are not responsible or involved in the compilation or calculation of the SSE 50, and thus cannot be held responsible or liable for any inaccuracies, errors, omissions or mistakes in such compilation or calculation.

9.2.37 The SSE 50 is subject to fluctuations

The performance of the Units, before expenses, should correspond closely with the performance of the SSE 50. The SSE 50 may experience periods of volatility in the future. If the SSE 50 experiences volatility or declines, the price of the Units will vary or decline accordingly.

9.2.38 Composition of and weightings in the SSE 50 may change

The securities which comprise the SSE 50 are changed by the Index Provider from time to time. The price of the Units may rise or fall as a result of such changes. The composition of the SSE 50 may also change if one of the constituent companies were to delist its securities or if a new eligible company were to list its securities and be added to the SSE 50.

9.2.39 Licence to use the SSE 50 may be terminated or the SSE 50 may no longer be available for benchmarking

We have been granted a licence by China Securities Index Co., Ltd. to use the SSE 50 in connection with the operation, marketing and promotion of the Sub-Fund. The Sub-Fund may be terminated if the index licence agreement is terminated or the SSE 50 is no longer available for benchmarking and we are unable to identify or agree with the Index Provider or any other index provider terms for the use of a suitable replacement index that uses, in our opinion, the same or substantially similar formula for the method of calculation as the SSE 50. If we are able to obtain the use of a suitable replacement index for the Sub-Fund, such replacement index will be notified to Holders. Accordingly, you should note that the ability of the Sub-Fund to track the SSE 50 depends on the continuation in force of the index licence agreement in respect of the SSE 50 or a suitable replacement. Except as disclosed above, we are currently not aware of any material licensing condition in relation to the use of the SSE 50 which may prevent the Sub-Fund from achieving its objective.

More than one risk factor may have simultaneous effects with regard to the Units such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect, which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Units. You should not consider the above to be an exhaustive list of the risks which you should consider before investing in the Sub-Fund. You should be aware that an investment in the Sub-Fund may be exposed to other risks of an exceptional nature from time to time.

10. Subscription of Units

Limit on size of Sub-Fund

Prior to 8 November 2018: You should note that the size of the Sub-Fund is limited / subject to, amongst other things, the ability of the Sub-Fund to buy or acquire the P-Notes linked to the relevant composite portfolio. You should refer to paragraph 9.2.7 above for further details.

Therefore, we reserve our right to reject or refuse any subscription application if we are of the view that we are not able to or it becomes impossible or impracticable to acquire or buy the P-Notes required by the Sub-Fund in order to achieve its investment objective.

We intend to continuously increase the size of the Sub-Fund during its investment tenure if there is demand from investors for the Units of the Sub-Fund. However, this is dependent on, amongst other things, the continuing availability of P-Notes, various commercial reasons and any legal and regulatory restrictions that may be applicable.

With effect from 8 November 2018: We reserve our right to reject or refuse any subscription application if we are of the view that we are not able to or it becomes impossible or impracticable to acquire or buy the Authorised Investments required by the Sub-Fund in order to achieve its investment objective.

10.1 Subscription procedure

10.1.1 Buying Units through the SGX-ST

How to buy Units through the SGX-ST:	<ul style="list-style-type: none"> You can place an order to buy Units on SGX-ST during normal trading hours at market prices throughout the trading day for SGX-ST. You must have a direct account with CDP or a sub-account with any CDP depository agent which may be a member company of the SGX-ST, bank, merchant bank or trust company. If you do not already have such an account, you must open one before you can trade on SGX-ST.
Board lot size:	<ul style="list-style-type: none"> Units are quoted and traded on the SGX-ST in board lots of 100 Units.
How to pay for Units:	<ul style="list-style-type: none"> Using cash.
Other salient terms / points to note:	<ul style="list-style-type: none"> Your purchase on SGX-ST will be transacted on a willing-buyer-willing-seller basis and will be subject to such applicable market fees or charges and conditions, including but not limited to the brokerage fees and bid-ask condition. You should note that market prices for Units listed and traded on the SGX-ST may be different from their NAV per Unit. Units will be deposited, cleared and settled by the CDP, and held in book-entry form. CDP is the registered owner (i.e. the sole Holder on record) of all outstanding Units deposited with the CDP and is therefore recognised as the legal owner of such Units. If you buy Units through the SGX-ST, you will be a beneficial owner as shown on the records of CDP. You should refer to paragraph 14 below for details on the exchange clearance and settlement of Units on SGX-ST.

10.1.2 Buying Units through Participating Dealers

Only Participating Dealers, and in certain cases, Designated Market Makers, may apply directly to us for Units.

We offer Units in the Sub-Fund to Participating Dealers who may apply for Units on any Dealing Day for their own account or for the account of their clients in accordance with the Operating Guidelines.

Participating Dealers must apply for Units in an Application Unit size or whole number multiples thereof subject to a minimum of (prior to 8 November 2018) 500,000 Units and (with effect from 8 November 2018) 100,000 Units per Creation Application, or such other minimum number of Units we may determine from time to time with the approval of the Trustee (please refer to paragraph 10.1.3(i) for further details). You may be able to buy Units through Participating Dealers only if you intend to buy the minimum number of Units or more (in whole number multiples of the Application Unit size).

How to buy Units through Participating Dealers:	<ul style="list-style-type: none"> You must approach a Participating Dealer (either directly or through a stockbroker) for the Participating Dealer to submit your application to us. If the Participating Dealer accepts your application, it will then apply to us for the creation of Units on your behalf.
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How to pay for Units:	<ul style="list-style-type: none"> You should consult the relevant Participating Dealer or stockbroker on how you should make payment.
Other salient terms / points to note:	<ul style="list-style-type: none"> You should consult the relevant Participating Dealer or stockbroker for the applicable terms and conditions for assisting you with your application for Units, including any applicable brokerage fees and other charges. You should also refer to paragraph 8.1 for information on the fees and other charges you may have to pay for submitting an application for Units through a Participating Dealer. The Participating Dealers are under no obligation to accept any instructions from you to create Units on your behalf. If your subscription application is for less than the current minimum number of Units ((prior to 8 November 2018) 500,000 Units and (with effect from 8 November 2018) 100,000 Units), your subscription application will be rejected by Participating Dealers. Participating Dealers also have the right to reject your subscription application (whether in whole or in part) if they are unable to apply to us for the creation of Units in an Application Unit size (or whole number multiples thereof) or for at least the current minimum number of Units. Units will be deposited, cleared and settled by the CDP, and held in book-entry form. CDP is the registered owner (i.e. the sole Holder on record) of all outstanding Units deposited with the CDP and is therefore recognised as the legal owner of such Units. All Units created through subscription of Units through the Participating Dealers will be entered on the records of CDP in the name of the relevant Participating Dealer or its nominee. If you buy Units through Participating Dealers, you will be a beneficial owner as shown on the records of the relevant Participating Dealer.

10.1.3 Creation of Units by Participating Dealers

The following information applies to Participating Dealers when they submit Creation Applications to us. A Creation Application once given cannot be revoked or withdrawn without our consent (except during any period commencing after any suspension of issuance of Units as set out in paragraph 13.1 and before termination of such suspension, in accordance with the Deed).

(i) Application Unit Size

We offer and issue Units in the Sub-Fund at their NAV only in aggregations of an Application Unit.

We will not accept any Creation Applications submitted by a Participating Dealer in respect of Units less than the minimum amount or not in an Application Unit size (or whole number multiples thereof).

Application Unit size	Minimum amount (per Creation Application)
Currently 100,000 Units	Prior to 8 November 2018: 500,000 Units* With effect from 8 November 2018: 100,000 Units*

*or such other minimum number of Units as we may determine from time to time with the approval of the Trustee.

(ii) **Issue of Units**

Dealing Period:	<p>From 9 a.m. (Singapore time) to the Dealing Deadline of 10 a.m. (Singapore time) on any Dealing Day.</p> <p>For Creation Applications received on a day which is not a Dealing Day or is received after the Dealing Deadline on a Dealing Day, that Creation Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Creation Application.</p> <p>Units to be created in respect of a Creation Application received (or deemed received) and accepted in accordance with the Operating Guidelines on a Dealing Day shall be issued at that Dealing Day's Issue Price but, for valuation purposes only, such Units shall be deemed created and issued after the Valuation Point in relation to the Dealing Day on which the relevant Creation Application was received or deemed received and the Register will be updated one Business Day after the Settlement Day (or on such other day as we may from time to time agree with the Trustee).</p>
Pricing basis:	Units are issued on a forward pricing basis.
Issue price:	<p>The Issue Price per Unit of the Sub-Fund is:</p> <ul style="list-style-type: none">• the NAV per Unit of the Sub-Fund as at the Valuation Point in relation to the Dealing Day on which such issue occurs; and• truncated to three (3) decimal places (or such other number of decimal places or method of determination or rounding as may be determined by us from time to time with the approval of the Trustee).
Deduction of Transaction Fee and Duties and Charges	<p>We may charge Participating Dealers:</p> <ul style="list-style-type: none">• a Transaction Fee; and• such sum (if any) as we may consider represents the appropriate provision for the Duties and Charges that may be charged in respect of the Creation Application. <p>We may set off and deduct any Transaction Fee and Duties and Charges payable by a Participating Dealer against any cash amount due to the Participating Dealer in respect of such Creation Application.</p> <p>We will not add to the Issue Price or pay out from the Deposited Property any commission, remuneration or other sum payable by us to any agent or other person in respect of the issue or sale of any Unit.</p>
Confirmation of purchase:	<p>For every successful application for Units by a Participating Dealer, the Participating Dealer will be sent a confirmation, detailing the number of Units allotted within five (5) Business Days after the receipt of the Creation Application by the Registrar. No certificates will be issued in respect of Units.</p>

(iii) **Procedures for Creation of Application Unit Size**

Upon application by a Participating Dealer, we may instruct the Trustee to effect, for the account of the Sub-Fund, the creation of Units in the Sub-Fund in Application Unit sizes in exchange for Authorised Investments acceptable to us or cash or a combination of both in accordance with the Operating Guidelines and the Deed, subject to any terms and conditions as we may impose.

Where the aggregate value of the Authorised Investments delivered by a Participating Dealer exceeds the NAV of an Application Unit as determined in accordance with the Operating Guidelines, the Sub-Fund will pay the Participating Dealer a cash amount equal to the difference.

If the Sub-Fund has insufficient cash required to pay such cash amount to the Participating Dealer, we may effect sales of the Deposited Property of the Sub-Fund, or may borrow moneys to provide the cash required (to the extent permitted under the Code).

Once the Units are created, we shall effect, for the account of the Sub-Fund, the issue of Units to the relevant Participating Dealer in accordance with the Operating Guidelines and the Deed.

Units are denominated in Singapore dollars and no fractions of a Unit shall be created or issued by the Trustee.

The Trustee shall be entitled to refuse to enter (or allow to be entered) Units in the Register if at any time the Trustee is of the opinion that the provisions of the Deed, with regards to the issue of Units, are being infringed.

10.2 Numerical example of how Units are allotted

Subscription through Participating Dealers

Prior to 8 November 2018:

The following is an example of the total amount you will have to pay based on an investment amount of 500,000 Units in the Sub-Fund if you submit a subscription application to a Participating Dealer (whether directly or through a stockbroker):

500,000 Units	X	S\$2.80	=	S\$1,400,000	+	Participating Dealer fee of 0.3% x S\$1,400,000 (subject to a minimum of S\$3,000) = S\$4,200	=	S\$1,404,200 + applicable fees and charges (including brokerage fees and charges), if any
Number of Units proposed to be subscribed		Notional Issue Price [^]						Total amount payable by you*

With effect from 8 November 2018: The following is an example of the total amount you will have to pay based on an investment amount of 100,000 Units in the Sub-Fund if you submit a subscription application to a Participating Dealer (whether directly or through a stockbroker):

100,000 Units	X	S\$2.80	=	S\$280,000	+	Participating Dealer fee of 0.3% x S\$280,000 i.e. S\$840 (subject to a minimum of S\$600) = S\$840	=	S\$ 280,840 + applicable fees and charges (including brokerage fees and charges), if any
Number of Units proposed to be subscribed		Notional Issue Price [^]						Total amount payable by you*

[^] Based on an Issue Price of S\$2.80 per Unit. This example is for illustrative purposes only and is not an indication of future or likely performance of the Sub-Fund. The value of Units of the Sub-Fund and the resultant income may fluctuate.

*You should also note that there may be additional fees and charges (including brokerage fees and charges) that you may have to pay to the Participating Dealers and/or stockbrokers (as may be determined by the relevant Participating Dealer and/or stockbroker). Such additional fees and charges have not been included in the above example. You should note that Participating Dealers will have to pay a Transaction Fee to the Trustee and may have to pay Duties and Charges in respect of each Creation Application. Such Transaction Fee and Duties and Charges (if any) may ultimately be passed on to and borne by you. If you wish to subscribe for Units through

the Participating Dealers (whether directly or through a stockbroker), you should therefore consult the relevant Participating Dealer or stockbroker for the actual amount of all fees and charges that would be payable to them for assisting you with your subscription application.

10.3 Rejection and Cancellation of Creation Applications for Units in the Sub-Fund

The following information applies to Participating Dealers when they submit Creation Applications to us.

10.3.1 Rejection of Creation Applications for Units in the Sub-Fund

We have the absolute discretion to reject in whole or in part any Creation Application or to issue fewer Units than the number of Units applied for without assigning any reason including (but not limited to) if:

- (i) the acceptance of any Authorised Investments relating to the Creation Application or of the Creation Application would otherwise, in our opinion, have an adverse effect or consequence (including tax consequences) on the Sub-Fund;
- (ii) we reasonably believe that the acceptance of any Authorised Investments included in the Creation Application would be unlawful or result in the non-compliance or breach of any terms or conditions of such Creation Application, or any provisions of the Deed, or any law or regulation made pursuant thereto, or any decree, order or judgment of any court, or any guideline, request or announcement (whether legally binding or not) made by any authority or any requirements of the Authority or the SGX-ST or otherwise for such reason as we may deem necessary to protect the interests of the Holders of the Sub-Fund;
- (iii) circumstances beyond our control make it, for all practicable purposes, impossible to process such Creation Application, including, but not limited to the situation where there are insufficient Authorised Investments available to the Sub-Fund to process a cash Creation Application on the relevant Dealing Day or if we are unable to invest the cash proceeds of a cash Creation Application; or
- (iv) we have suspended the issuance of Units pursuant to Clause 11(J) or Clause 11(D)(ii) of the Deed.

In addition, we may also reject a Creation Application made by a Participating Dealer if:

- (i) the Creation Application is not in a form and substance satisfactory to, and accompanied by such documents as may be required by, us and the Trustee in accordance with the Operating Guidelines or is not made in an Application Unit size (or whole number multiples thereof) or for a minimum of (prior to 8 November 2018) 500,000 Units and (with effect from 8 November 2018) 100,000 Units or such other minimum number of Units as we may determine from time to time with the approval of the Trustee and/or is not made in accordance with the terms of the relevant Participation Agreement;
- (ii) we and the Trustee have not received copies of the certifications required under the relevant Participation Agreement or (where applicable) we and the Trustee have not received such other certifications as each of us may consider necessary to ensure compliance with applicable securities and other laws in relation to the creation and issue of Units which are the subject of the Creation Application; or
- (iii) the relevant Participating Dealer has not satisfied all terms and conditions as may be imposed by us.

10.3.2 Cancellation of Creation Application for Units in the Sub-Fund

(i) Cancellation of Creation Application for Units due to settlement failure

The Trustee shall cancel a Creation Application for Units in the Sub-Fund if it has not received good title to any of the Authorised Investments relating to the Creation Application deposited for exchange or any such Authorised Investments have not been vested upon the trusts of the Deed in the Trustee or to the Trustee's satisfaction or evidence of title and instruments of transfer satisfactory to the Trustee have not been produced to and to the order of the Trustee and/or cash amounts relating to the Creation Application, the Transaction Fee and/or the Duties and Charges have not been paid received by or for the account of the Sub-Fund in cleared funds by such time on the Settlement Day

as prescribed in the Operating Guidelines provided that we may at our discretion, with the approval of the Trustee, (a) extend the settlement period (either for the Creation Application as a whole or for the affected Authorised Investments only) such extension to be on such terms and conditions as we may determine; or (b) partially settle the Creation Application to the extent to which the Authorised Investments have been vested in and/or cash in cleared funds have been received by the Trustee, on such terms and conditions as we may determine. We may charge the Participating Dealer for the account of the Trustee a (c) Partial Delivery Request Fee on each occasion that we grant the Participating Dealer's request for partial delivery of the Authorised Investments and/or partial payment of the cash amounts in respect of a Creation Application for the benefit of the Trustee and an (d) Extension Fee on each occasion that we grant the Participating Dealer's request for extending the settlement period.

(ii) Cancellation of Creation Application for Units due to inability to invest

In addition to the preceding circumstances, we may also instruct the Trustee to cancel any Creation Application for Units if we determine by such time as we specify in the Operating Guidelines that we are unable to invest the cash proceeds of the relevant Creation Application. This may occur if insufficient Authorised Investments are available to the Sub-Fund to process the cash Creation Application on the relevant Dealing Day.

(iii) Fees and Charges relating to Cancellation of Creation Application for Units / Withdrawal of Creation Applications for Units

Upon the cancellation of any Creation Application for Units as provided for above in paragraphs 10.3.2(i) or 10.3.2(ii) or if a Participating Dealer otherwise withdraws any Creation Application with our consent (save during any period commencing after any suspension of issuance as set out in paragraph 13.1 and before termination of such suspension, in accordance with the Deed), any Authorised Investments or cash received by or on behalf of the Trustee in connection with the relevant Creation Application shall be redelivered to the Participating Dealer (without interest) and the relevant Units to which the cancelled or withdrawn Creation Application relates shall be deemed for all purposes never to have been created and the applicant therefor shall have no right or claim against us or the Trustee in respect of such cancellation or withdrawal provided that:

- (a) we may, at our discretion, charge the Participating Dealer an Application Cancellation Fee (as set out in paragraph 8.1) for the account of the Trustee;
- (b) **(prior to 8 November 2018)** we may at our discretion require the Participating Dealer to pay to the Trustee for the account of the Sub-Fund in respect of each Unit to which the cancelled or withdrawn Creation Application relates a Cancellation Compensation, being (a) the amount (if any) by which the Issue Price of each such Unit exceeds the Redemption Value which would have applied in relation to each such Unit if a Participating Dealer had, on the date on which such Creation Application for Units is cancelled or withdrawn, made a Redemption Application, plus (b) such other amount as we reasonably determine as representing any charges, expenses and losses incurred by the Sub-Fund as a result of any such cancellation or withdrawal;
- (c) no previous valuations of the Sub-Fund shall be re-opened or invalidated as a result of the cancellation or withdrawal of such Creation Application for Units.

11. Redemption of Units

11.1 How to redeem Units

11.1.1 Selling Units on the SGX-ST

How to sell Units on the SGX-ST:	<ul style="list-style-type: none">You can place an order to sell your Units on SGX-ST during normal trading hours at market prices throughout the trading day for SGX-ST.
Board lot size:	<ul style="list-style-type: none">Units are quoted and traded on the SGX-ST in board lots of 100 Units.
Other salient terms / points to note:	<ul style="list-style-type: none">Your sale on SGX-ST will be transacted on a willing-buyer-willing-seller basis and will be subject to such applicable market fees or charges and conditions, including but not limited to the brokerage fees and bid-ask condition.You should note that market prices for Units listed and traded on the SGX-ST may be different from their NAV per Unit.You should refer to paragraph 14 below for details on the exchange clearance and settlement of Units on SGX-ST.

11.1.2 Redemption of Units through Participating Dealers

Only Participating Dealers, and in certain cases, Designated Market Makers, may apply directly to us to redeem Units.

How to redeem Units through Participating Dealers:	<ul style="list-style-type: none">You must approach a Participating Dealer (either directly or through a stockbroker) for the Participating Dealer to submit your application to us.If the Participating Dealer accepts your application, it will then apply to us for the redemption of Units on your behalf.
Other salient terms / points to note:	<ul style="list-style-type: none">You should consult the relevant Participating Dealer or stockbroker for the applicable terms and conditions for assisting you with your application for Units, including any applicable brokerage fees and other charges as well as when you will receive the redemption proceeds. You should also refer to paragraph 8.1 for information on the fees and other charges you may have to pay for submitting an application for Units through a Participating Dealer.The Participating Dealers are under no obligation to accept any instructions from you to redeem Units on your behalf.If your redemption application is for less than the current minimum number of Units ((prior to 8 November 2018) 500,000 Units and (with effect from 8 November 2018) 100,000 Units), your redemption application will be rejected by Participating Dealers.Participating Dealers also have the right to reject your redemption application (whether in whole or in part) if they are unable to apply to us for the redemption of Units in an Application Unit size (or whole number multiples thereof) or for at least the current minimum number of Units.

11.1.3 Redemption of Units by Participating Dealers

The following information applies to Participating Dealers when they submit Redemption Applications to us. A Redemption Application once given cannot be revoked or withdrawn without our consent (save during any period commencing after any suspension of redemptions as set out in paragraph 13.1 and before termination of such suspension, in accordance with the Deed).

(i) Application Unit Size and Minimum Holding Amount

We will not accept any Redemption Applications submitted by a Participating Dealer in respect of Units less than the minimum amount or not in an Application Unit size (or whole number multiples thereof).

Application Unit size	Minimum amount (per Creation Application)
Currently 100,000 Units	Prior to 8 November 2018: 500,000 Units* With effect from 8 November 2018: 100,000 Units*

*or such other minimum number of Units as we may determine from time to time with the approval of the Trustee.

There is currently no applicable minimum holding amount.

(ii) Redemption of Units

Dealing Period:	From 9 a.m. (Singapore time) to the Dealing Deadline of 10 a.m. (Singapore time) on any Dealing Day. If a Redemption Application is received on a day which is not a Dealing Day or is received after the Dealing Deadline on a Dealing Day, that Redemption Application shall be treated as having been received at the opening of business on the next following Dealing Day, which shall be the relevant Dealing Day for the purposes of that Redemption Application. For the purpose of valuation, the relevant Valuation Point shall be the Valuation Point for the Dealing Day on which the Redemption Application is treated as having been received.
Pricing basis:	The Redemption Value is based on a forward pricing basis.
Redemption Value:	The Redemption Value per Unit of the Sub-Fund is: <ul style="list-style-type: none"> • the NAV per Unit of the Sub-Fund as at the Valuation Point in relation to the Dealing Day on which such redemption occurs; and • truncated to three (3) decimal places (or such other number of decimal places or method of determination or round as we may determine from time to time with the approval of the Trustee).

Deduction of Transaction Fee and Duties and Charges	<p>We may charge Participating Dealers:</p> <ul style="list-style-type: none"> • a Transaction Fee; and • such sum (if any) as we may consider represents the appropriate provision for the Duties and Charges that may be charged in respect of the Redemption Application. <p>We may set off and deduct any Transaction Fee and Duties and Charges payable by a Participating Dealer against any cash amount due to the Participating Dealer in respect of such Redemption Application.</p> <p>To the extent that the cash amount is insufficient to pay such Duties and Charges and the Transaction Fee payable on such redemption, the Participating Dealer shall promptly pay the shortfall to or to the order of the Trustee. The Trustee shall not be obliged to deliver (and shall have a general lien over) any Authorised Investments to be transferred and/or pay out of the Deposited Property the cash amount payable on such redemption in respect of the relevant Redemption Application until such shortfall payable by the Participating Dealer is paid in full in cleared funds to or to the order of the Trustee.</p>
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(iii) **Procedures for Redemption of Application Unit Size**

We will accept a Redemption Application only if it:

- is made on a Dealing Day;
- is in respect of Units constituting an Application Unit size (or whole number multiples thereof) and not less than the minimum amount; and
- is made by or through a Participating Dealer in accordance with the terms of the relevant Participation Agreement.

We shall, on receipt of an effective Redemption Application for the Sub-Fund from a Participating Dealer and payment of the applicable Transaction Fee and Duties and Charges (if any), effect the redemption of the relevant Units and shall require the Trustee to transfer to the Participating Dealer Authorised Investments or cash or a combination of both, as may be applicable, in accordance with the Operating Guidelines and the Deed.

If the Sub-Fund has insufficient cash required to pay such cash amount to the Participating Dealer, we may effect sales of the Deposited Property of the Sub-Fund, or may borrow moneys to provide the cash required (to the extent permitted under the Code).

To be effective, a Redemption Application must:

- (a) be given by a Participating Dealer in accordance with the terms of the relevant Participation Agreement;
- (b) specify the number of Units (in an Application Unit size or whole number multiples thereof), subject to the relevant minimum; and
- (c) (where applicable) include the certifications required in the Operating Guidelines in respect of redemptions of Units which are the subject of the Redemption Application, together with such other certifications as we and/or the Trustee may consider necessary to ensure compliance with applicable securities and other laws in relation to the redemption of Units.

Subject to the relevant provisions of the Deed, any accepted Redemption Application will be effected by the transfer of Authorised Investments and/or payment of cash provided that we receive in accordance with the Operating Guidelines a Redemption Application duly signed by a Participating Dealer (to our satisfaction and, where any amount is to be paid by telegraphic

transfer to the designated bank account, verified in such manner as may be required by, and to the satisfaction of, the Trustee) and provided further that the Trustee receives the full amount of any cash amount and any Duties and Charges and the Transaction Fee payable by the Participating Dealer (unless otherwise provided in the Operating Guidelines) or these have been deducted or otherwise paid in full.

Provided that on the relevant Settlement Day in relation to an effective Redemption Application:

- (a) the Units, which are the subject of the Redemption Application, shall be redeemed and cancelled;
- (b) the Deposited Property of the Sub-Fund shall be reduced by the cancellation of those Units but, for valuation purposes only, such Units shall be deemed to have been redeemed and cancelled after the Valuation Point as at the Dealing Day on which the Redemption Application was received; and
- (c) the name of the Holder of such Units shall be removed from the Register in respect of those Units one Business Day after the relevant Settlement Day or such other day as we may from time to time agree with the Trustee,

the Trustee shall transfer the Authorised Investments and/or pay the cash amount relevant to the Redemption Application out of the Deposited Property of the Sub-Fund to the Participating Dealer in accordance with the Operating Guidelines and the Deed.

No Authorised Investments shall be transferred or cash paid in respect of any Redemption Application unless Units, which are the subject of the Redemption Application, have been delivered to us for redemption by such time on the Settlement Day as we and the Trustee shall for the time being prescribe for Redemption Applications generally. **Prior to 8 November 2018:** Notwithstanding anything in this Prospectus, the P-Notes which are issued by BNP shall not be transferred in respect of any Redemption Application.

(iv) **Failure of Delivery / Withdrawal of Redemption Applications**

If Units, which are the subject of a Redemption Application, are not delivered to us for redemption in accordance with the foregoing or if a Participating Dealer otherwise withdraws any Redemption Application with our consent (except during any period commencing after any suspension of redemptions as set out in paragraph 13.1 and before termination of such suspension, in accordance with the Deed):

- (a) the Redemption Application shall be deemed never to have been made except that the Transaction Fee in respect of such Redemption Application shall remain due and payable and once paid, shall be retained by the Trustee;
- (b) we may at our discretion charge the Participating Dealer for the account of the Trustee an Application Cancellation Fee;
- (c) **(prior to 8 November 2018)** we may at our discretion require the Participating Dealer to pay to the Trustee, for the account of the Sub-Fund, in respect of each Unit to which the cancelled or withdrawn Redemption Application Cancellation Compensation, being (a) the amount (if any) by which the Redemption Value of each such Unit is less than the Issue Price which would have applied in relation to each such Unit if a Participating Dealer had, on the final day permitted for delivery of Units which are the subject of the Redemption Application, made a Creation Application, plus (b) such other amount as we reasonably determine as representing any charges, expenses and losses incurred by the Sub-Fund as a result of any such cancellation or withdrawal; and
- (d) no previous valuations of the Sub-Fund shall be re-opened or invalidated as a result of the cancellation or withdrawal of such Redemption Application.

We may, with the approval of the Trustee, at our discretion extend the settlement period for the Participating Dealer to deliver the relevant Units to the Trustee for redemption, where such extension

is to be on such terms and conditions as we may determine but, in any event, not later than one month from the receipt of an effective Redemption Application. We may charge the Participating Dealer for the account of the Trustee an Extension Fee on each occasion that we grant the Participating Dealer's request for extending the settlement period.

11.1.4 Numerical example of how Units will be redeemed

Redemption through Participating Dealers

Prior to 8 November 2018:

The following is an example of the redemption proceeds you will receive based on a redemption amount of 500,000 Units in the Sub-Fund if you submit a redemption application to a Participating Dealer (whether directly or through a stockbroker).

500,000 Units	X	S\$3.00	=	S\$1,500,000	-	Participating Dealer fee of 0.3% x S\$1,500,000 (subject to a minimum of S\$3,000) = S\$4,500	=	S\$1,495,500 - <i>applicable fees and charges (including brokerage fees and charges), if any</i> Total redemption amount payable to you*
Number of Units proposed to be redeemed		Notional Redemption Value [^]						

With effect from 8 November 2018: The following is an example of the redemption proceeds you will receive based on a redemption amount of 100,000 Units in the Sub-Fund if you submit a redemption application to a Participating Dealer (whether directly or through a stockbroker).

100,000 Units	X	S\$3.00	=	S\$300,000	-	Participating Dealer fee of 0.3% x S\$300,000 i.e. S\$900 (subject to a minimum of S\$600) = S\$900	=	S\$299,100 - <i>applicable fees and charges (including brokerage fees and charges), if any</i> Total redemption amount payable to you*
Number of Units proposed to be redeemed		Notional Redemption Value [^]						

[^] Based on an Issue Price of S\$3.00 per Unit. This example is for illustrative purposes only and is not an indication of future or likely performance of the Sub-Fund. The value of Units of the Sub-Fund and the resultant income may fluctuate.

*You should note that there may be additional fees and charges (including brokerage fees and charges) that you may have to pay to the Participating Dealer and/or stockbrokers (as may be determined by the relevant Participating Dealer and/or stockbroker). Such additional fees and charges have not been included in the above example. You should also note that Participating Dealers will have to pay a Transaction Fee to the Trustee and may have to pay Duties and Charges in respect of each Redemption Application. Such Transaction Fee and Duties and Charges (if any) may ultimately be passed on to and borne by you. If you wish to redeem Units through a Participating Dealer (whether directly or through a stockbroker), you should therefore consult the relevant Participating Dealer or stockbroker, for the actual amount of all fees and charges that would be payable to them for assisting you with your redemption application.

11.2 Prior to 8 November 2018: Directed Cash Dealing

We may at our sole discretion transact for P-Notes with any P-Notes issuer if a Participating Dealer subscribes or redeems in cash. If provided for under the terms of the relevant Participation Agreement, we may at our sole discretion (but shall not be obliged to) transact for P-Notes with the P-Notes issuer nominated by the Participating Dealer. In such an event, should the nominated P-Notes issuer default on, or change the terms for, any part of the transaction, the Participating Dealer shall bear all the associated risks and costs. In such circumstance, we reserve the right to transact with another P-Notes issuer and to amend the terms of the Creation or Redemption Application (as the case may be) to take into account the default and the changes to the terms.

11.3 Where any Creation Applications or Redemption Applications are submitted by a Designated Market Maker, paragraphs 10 and 11 of this Prospectus shall apply *with the necessary modifications* to such Applications as if they were submitted by a Participating Dealer as participating dealer on behalf of itself as applicant for, or as Holder of, the Units.

11.4 We may compulsorily realise a Holder's holding of Units in certain circumstances. Please see paragraph 15 for further details.

12. Obtaining Prices of Units

You may obtain the indicative NAV per Unit from:

- our authorised agents and distributors; or
- by our hotline at telephone number 1800 22 22 228 from 8 a.m. to 8 p.m. daily (Singapore time).

The NAV per Unit may also be published in local or foreign publications such as The Straits Times and The Business Times, and on our website at uobam.com.sg or any other website designated by us.

The actual NAV per Unit will generally be published in local or foreign publications two Business Days after the relevant Dealing Day in Singapore dollars.

The NAV per Unit will normally be displayed on our website at uobam.com.sg or any other website designated by us by close of business Singapore time on the next Business Day. We will also display the current indicative NAV per Unit on such website as far as it is practicable and on a best effort basis.

You should note that the current indicative NAV per Unit or of the Sub-Fund set out in the abovementioned website is merely indicative in nature and may be different from the actual NAV of the Units or the Sub-Fund.

The trading prices of the Units may be obtained from the website of the SGX-ST at <http://www.sgx.com>.

Publication frequency depends on the policies of the relevant publisher. Except for our own publications, we do not accept any responsibility for errors made by any publisher, whether in the published prices or for any non-publication or late publication of prices. We will not be liable in respect of any action taken or loss suffered by you arising from any publication or non-publication by such publishers.

13. Suspension of Issue, Realisation and Valuation of Units

13.1 Subject to the provisions of the Code, we may, with the prior written approval of the Trustee, suspend the issue and/or realisation of the Units during amongst other things the following periods:

- (i) any period when the Recognised Exchange or the OTC Market on which any Authorised Investments forming part of the Deposited Property for the time being are listed or dealt in is closed (otherwise than for ordinary holidays) or during which dealings in such Authorised Investments are restricted or suspended or any period when the Recognised Exchange or the OTC Market on which any securities comprised in the underlying index to be tracked by the Sub-Fund (currently, the SSE 50) or any securities comprised in a composite portfolio constructed to replicate such underlying index, is closed (otherwise than for ordinary holidays) or during which dealings in such securities are restricted or suspended;
- (ii) any period when there exists, in our opinion, any state of affairs which constitutes an emergency as a result of which disposal of the Authorised Investments would not be reasonably practicable or might seriously prejudice the interests of Holders as a whole and of the Sub-Fund or of the Fund, as the case may be;
- (iii) any period when there is any breakdown in the usual means of communication in determining the value of any Authorised Investments (including any period when the fair value of a material portion of the Authorised Investments cannot be determined) or when for any reason whatsoever the Value of any Authorised Investment cannot, in our opinion, be promptly and accurately ascertained;
- (iv) any period when in our opinion any remittance of money which will be or may be involved in the realisation of the Authorised Investments or payment for Authorised Investments cannot be reasonably carried out at the normal rates of exchange;

- (v) any 48 hour period (or such longer period as we and the Trustee may agree) prior to the date of any meeting of Holders (or any adjourned meeting thereof);
- (vi) any period when dealing of Units is suspended pursuant to any order or direction of the Authority;
- (vii) any period when the Trustee's or our business operations with respect to the operation of the Fund or of the Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, civil unrest or acts of God;
- (viii) any period when in our opinion, the acquisition or purchase or disposal or sale of any of the Authorised Investments is not possible, not advisable or becomes impracticable or restricted due to any reason (including, without limitation to the foregoing, as a result of a default by the issuer of an Authorised Investment);
- (ix) any period when the underlying index to be tracked by the Sub-Fund (currently, the SSE 50) is not compiled or published;
- (x) upon listing of the Units on the SGX-ST and for so long as the Units are listed on the SGX-ST:
 - (a) any period when the SGX-ST is closed (otherwise than for ordinary holidays);
 - (b) any period when dealings of the Units on the SGX-ST are restricted or suspended; or
 - (c) any period when settlement or clearing of securities in CDP is disrupted; or
- (xi) such circumstances as may be required under the provisions of the Code.

13.2 Such suspension shall take effect upon our providing a written declaration to the Trustee and, subject to the provisions of the Code, shall end on the day following the first Business Day on which the condition giving rise to the suspension no longer exists and no other conditions under which suspension is authorised under the circumstances set out in paragraph 13.1 above shall exist upon us providing a written declaration of the same.

13.3 During any suspension by reason of any of the circumstances set out in paragraphs 13.1(i) to (xi) (as applicable) above, the calculation of the NAV of the Sub-Fund and each Unit (including the Issue Price and Redemption Value) may also be suspended. Immediately following the suspension, we will publish the fact that the dealings and/or valuation of Units are suspended, and at least once a month during the period of such suspension in such newspaper or newspapers in Singapore and will make an announcement on SGXNET and on our website (if applicable), and elsewhere as we may, in consultation with the Trustee, from time to time think fit.

13.4 Pursuant to the Deed, in the event we shall at any time, in consultation with the Trustee, determine that it would be detrimental to existing Holders for us to issue or realise and/or continue to issue or realise Units at a price based on the Value of the Deposited Property as described in the Deed, we may adjust the Issue Price or Redemption Value in accordance with the provisions of the Deed and may temporarily suspend the issuance and/or realisation of Units solely for such purpose and during any period of consultation or adjustment of the Issue Price and Redemption Value. Such suspension shall take effect upon our providing a written declaration to the Trustee and, subject to the provisions of the Code, shall end on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other conditions under which suspension is authorised under Clause 11(D) and Clause 13(D) of the Deed (as the case may be) shall exist upon us providing a written declaration of the same.

13.5 In addition, pursuant to the Deed, if, immediately after any relevant day, the number of Units in relation to the Sub-Fund in issue or deemed to be in issue, having regard to redemptions and issues falling to be made by reference to that relevant day, would be less than such proportion (not exceeding 90 per cent.), as we may determine from time to time, of the number of Units in issue or deemed to be in issue on that relevant day, we may, with a view to protecting the interests of all Holders of the Sub-Fund:

- (1) elect that the Redemption Value in relation to all (but not some only) of the Units falling to be redeemed by reference to that relevant day shall be the price per Unit of the Sub-Fund which, in our opinion, reflects a fairer value for the Deposited Property of the Sub-Fund having taken into account the necessity of selling a material proportion of the Investments at that time constituting part of the Deposited Property of such Sub-Fund; and
- (2) by giving notice to the Holders affected thereby within two (2) Business Days after the relevant day,

we may, subject to the provisions of the Code, suspend the redemption of those Units for such reasonable period as may be necessary to effect an orderly redemption of Investments.

- 13.6** We may also, with a view to protecting the interests of all Holders of the Sub-Fund and with the approval of the Trustee, limit the total number of Units which Holders of the Sub-Fund may redeem and which we are entitled to have cancelled pursuant to the Deed on any Dealing Day to ten (10) per cent. of the total number of Units relating to the Sub-Fund then in issue (disregarding any Units which have been agreed to be issued). We will apply such limitation proportionally to all Holders in relation to the Sub-Fund who have validly requested redemptions on such Dealing Day and us, so that the proportion redeemed of each holding so requested to be redeemed or cancelled pursuant to the Deed is the same for all the Holders of the Sub-Fund and us. Any Units which are not redeemed or cancelled (as the case may be) as a result shall be redeemed or cancelled on the next succeeding Dealing Day Provided That if on such next succeeding Dealing Day, the total number of Units to be cancelled or redeemed (as the case may be), including those carried forward from any earlier Dealing Day, exceeds such limit, we may further carry forward the requests for redemption or cancellation (as the case may be) until such time as the total number of Units to be redeemed or cancelled (as the case may be) on a Dealing Day falls within such limit (with any Units which have been carried over as aforesaid be, on any such succeeding Dealing Day, redeemed or cancelled in priority to any new Units due to be redeemed or cancelled on that Dealing Day). If Redemption Applications are carried forward as aforesaid, we will, within seven (7) days, give notice to the affected Holders that such Units have not been redeemed or cancelled and that (subject as aforesaid) they shall be redeemed or cancelled on the next succeeding Dealing Day.

14. Exchange Clearance and Settlement

For the purpose of trading on the SGX-ST, a board lot for the Units will comprise 100 Units.

Units will be cleared and settled under the electronic book-entry clearance and settlement system of CDP. All dealings in and transactions of the Units through the SGX-ST will be effected in accordance with the terms and conditions for the operation of Securities Accounts, as amended from time to time.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the Securities Accounts maintained by such accountholders with CDP.

It is expected that the Units will be credited into or debited from the Securities Accounts of the relevant investors for the Units within three (3) Business Days after the transaction date on which the Units have been purchased or sold through the SGX-ST.

Clearance and Settlement under the Depository System

The Units will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through depository agents, Securities Accounts with CDP. Persons named as direct Securities Account holders and depository agents in the depository register maintained by CDP will be treated as Holders in respect of the number of Units credited to their respective Securities Accounts. You should note that as long as the Units are listed on the SGX-ST, Units may not be withdrawn from the depository register kept by CDP.

Transactions in the Units under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Units sold and the buyer's Securities Account being credited with the number of Units acquired and no transfer stamp duty is currently payable for the transfer of Units that are settled on a book-entry basis.

Units credited to a Securities Account may be traded on the SGX-ST on the basis of a price between a willing buyer and a willing seller. Units credited into a Securities Account may be transferred to any other Securities Account with CDP, subject to the relevant transferor investor having attained the age of 21 years unless otherwise permitted by law and the terms and conditions for the operation of Securities Accounts and a transfer fee payable to CDP (you should refer to the CDP's website at <http://cdp.com.sg> for the latest applicable transfer fee). All persons trading in the Units through the SGX-ST should ensure that the relevant Units have been credited into their Securities Account, prior to trading in such Units, since no assurance can be given that the Units can be credited into the Securities Account in time for settlement following a dealing. If the Units have not been credited into the Securities Account by the due date for the settlement of the trade, the buy-in procedures of the CDP will be implemented.

Dealings in the Units will be carried out in Singapore dollars and will be effected for settlement in CDP on a scripless basis. Settlement of trades on a normal “ready” basis on the SGX-ST generally takes place on the third Business Day following the transaction date. CDP holds securities on behalf of investors in Securities Accounts. An investor may open a direct account with CDP or a sub-account with any CDP depository agent. A CDP depository agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

Clearing Fees

A clearing fee for the trading of Units on the SGX-ST is payable at a rate of 0.0325 per cent of the contract value. The clearing fee, instrument of transfer, deposit fee and unit withdrawal fee may be subject to Singapore’s prevailing GST (currently 7.0 per cent).

15. Restrictions on Holders and Compulsory Realisations

15.1 Every person purchasing Units will be deemed to have represented, agreed and acknowledged that it is not an Unauthorised US Person (as defined in the Glossary of Terms).

We have power to impose such restrictions as we may think necessary for the purpose of ensuring that no Units are acquired or held which would result in such holding being:

- a breach of the law or requirements of any country or governmental authority or any stock exchange on which the Units are listed in circumstances which, in our opinion, might result in the Fund and/or the Sub-Fund being adversely affected which the Fund and/or the Sub-Fund might not otherwise have suffered; or
- in the circumstances which, in our opinion, may result in the Fund and/or the Sub-Fund incurring any tax liability or suffering any other pecuniary disadvantage which the Fund might not otherwise have incurred or suffered; or
- held by an Unauthorised US Person (as defined in the Glossary of Terms).

Upon notice that any Units are so held, we may require such Holders to redeem or transfer such Units in accordance with the provisions of the Deed. A person who becomes aware that he is holding or owning Units in breach of any of the above restrictions is required either to redeem his Units in accordance with the Deed or to transfer his Units to a person whose holding would be permissible under this Prospectus and the Deed.

15.2 Without prejudice to paragraph 15.1, we have the right (in consultation with the Trustee) to compulsorily realise any holdings of Units in the Sub-Fund held by:

- (i) any Holder:
 - (a) whose subscription for or holding of Units, in our opinion, is or may be in breach of any applicable law or regulation in any jurisdiction; or
 - (b) where such realisation is, in our opinion, necessary or desirable for our compliance or the compliance of the Sub-Fund with any applicable law or regulation in any jurisdiction (including any regulatory exemption conditions); or
- (ii) any Holder whose holdings, in our opinion:
 - (a) may cause the Sub-Fund to lose its authorised or registered status with any regulatory authority in any jurisdiction; or
 - (b) may cause the offer of the Units of the Sub-Fund, the Sub-Fund, this Prospectus, the Deed, us or the Trustee to become subject to any authorisation, recognition, approval or registration requirements under any law or regulation in any other jurisdiction; or
- (iii) any Holder whose holdings, in our opinion:
 - (a) may cause a detrimental effect on the tax status of the Sub-Fund in any jurisdiction or on the tax status of the Holders of the Sub-Fund; or

- (b) may result in the Sub-Fund or other Holders of the Sub-Fund suffering any other legal or pecuniary or administrative disadvantage which the Sub-Fund or Holders might not otherwise have incurred or suffered; or
- (iv) any Holder who fails any anti-money laundering, anti-terrorist financing or know-your-client checks, or where information and/or documentary evidence requested by us and/or the Trustee for the purposes of any anti-money laundering, anti-terrorist financing or know-your-client checks cannot be obtained from the Holder (or the Holder has failed to provide the same) in a timely manner; or
- (v) any Holder, where information (including but not limited to information regarding tax status, identity or residency), self-certifications or documents as may be requested by us and/or the Trustee pursuant to laws, regulations, guidelines, directives or contractual obligations with other jurisdictions' authorities (including, without limitation, the FATCA and/or any Singapore laws, regulations, guidelines and directives implemented as part of any IGA entered into between the U.S. and Singapore in connection with FATCA) cannot be obtained from the Holder, or the Holder has failed to provide the same, in a timely manner; or
- (vi) any Holder who does not consent, or withdraws his consent, for the us or the Trustee to collect, use and/or disclose information or data relating to the Holder, where (in the opinion of the Managers or the Trustee) such information or data is necessary or desirable for us, the Trustee, their respective related corporations and/or other service providers to perform our or their respective services and/or duties to or in respect of the Sub-Fund and/or the Holder.

Any compulsory realisation under this paragraph 15.2 may be carried out by us on any Dealing Day, with prior notice to the relevant Holder, and shall be carried out in accordance with, and at the realisation price determined under, the applicable provisions on realisations in the Deed.

15.3 If we and/or the Trustee are required to account to any duly empowered fiscal authority of Singapore or elsewhere for any income or other taxes, charges or assessments whatsoever on the value of any Units held by a Holder, we (in consultation with the Trustee) shall be entitled, at any time with prior notice to that Holder, to realise such number of Units held by that Holder as may be necessary to discharge the liability arising. We and/or the Trustee (as the case may be) shall be entitled to apply the proceeds of such realisation in payment, reimbursement and/or set-off against the liability.

15.4 We, the Trustee and their respective delegates, agents or associates shall not be liable for any loss (whether direct or consequential and including, without limitation, loss of profit or interest) or damage suffered by any Holder or any party arising out of or caused in whole or in part by any actions which are taken by us, Trustee and/or any of our or their respective delegates, agents or associates under this paragraph 15.

16. Transfer of Units

Units held by Holders may be transferred by an instrument in writing in common form signed by (or, in the case of a body corporate, signed on behalf of or sealed by) the transferor and the transferee subject to the transferor having attained the age of 21 years unless otherwise permitted by law. The transferor will be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the relevant Register in respect of such Units.

For so long as the Units are listed on the SGX-ST, transfers of Units between depositors (i.e. direct account holders with CDP and depository agents whose names are entered in CDP's register in respect of Units held by them) shall be effected electronically through CDP making an appropriate entry in CDP's electronic register of the Units that have been transferred in accordance with CDP trading requirements, and the above sub-paragraph will not apply to such transfers.

The transfer of Units is subject to such fees or charges as may from time to time be imposed by CDP and / or the appointed agents or distributors or the Trustee which will be borne by the investor.

17. Performance of the Sub-Fund

The investment strategy of the Sub-Fund will be changed on 8 November 2018. The performance of the Sub-Fund, the expense ratio and the turnover ratio set out in this paragraph 17 reflects that of the Sub-Fund's investment strategy prior to 8 November 2018.

17.1 Past performance of the Sub-Fund and its benchmark (as of 30 April 2018)

	One Year	Three Years	Five Years	Ten Years	Since Inception ^{Note 1}
	← average annual compounded return →				
Sub-Fund ^{Note 2}	14.25%	-9.64%	7.25%	N.A.	-0.51%
Benchmark ^{Note 3}	19.44%	-4.88%	12.65%	N.A.	3.42%

Source: Morningstar.

Notes:

1. The inception date of the Sub-Fund is 12 November 2009.
2. Calculated in S\$ on a NAV-to-NAV basis with net dividends or distributions reinvested, if any, taking into account the Transaction Fees applicable for subscription and redemption of Units.
3. The benchmark of the Sub-Fund is the SSE 50. Converted to S\$ based on prevailing exchange rates at the relevant time.

You should note that the past performance of the Sub-Fund or its benchmark is not necessarily indicative of the future or likely performance of the Sub-Fund.

17.2 Expense ratio

The expense ratio of the Sub-Fund, based on figures in the Sub-Fund's latest audited accounts for the financial year ended 30 June 2018 is 3.69%¹⁵.

17.3 Turnover ratio

The turnover ratio of the Sub-Fund for the financial year ended 30 June 2018 is 100.74%¹⁶.

18. Soft Dollar Commissions/Arrangements and Brokerage Transactions

18.1 Soft Dollar Commissions/Arrangements

Subject to the provisions of the Code, we may from time to time receive or enter into soft-dollar commissions/arrangements in the management of the Sub-Fund. We will comply with applicable regulatory and industry standards on soft dollars.

The soft-dollar commissions/arrangements may include specific advice as to the advisability of dealing in, the value of any investment, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurement, market analyses, data and quotation services and computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research and the analysis, and custodian services in relation to the investments managed for the Sub-Fund.

¹⁵ 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 is based on figures in the Sub-Fund's [latest audited accounts]. 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;
- (b) foreign exchange gains and losses of the Sub-Fund, whether realised or unrealised;
- (c) front-end loads, back-end loads and other costs arising on the purchase or sale of a foreign unit trust or mutual fund;
- (d) tax deducted at source or arising on income received, including withholding tax;
- (e) dividends and other distributions paid to Holders; and
- (f) interest expense.

¹⁶ The turnover ratio is calculated based on the lesser of purchases or sales over the same period used for calculating the expense ratio expressed as a percentage of daily average NAV.

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.

We will not accept or enter into soft-dollar commissions/arrangements in respect of the Sub-Fund unless (a) such soft-dollar commissions/arrangements can reasonably be expected to assist us in our management of the Sub-Fund, (b) 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.

We do not, and are not entitled to, retain cash or commission rebates for our own account in respect of rebates earned when transacting in securities for account of the Sub-Fund.

18.2 Brokerage Transactions

Our policy regarding purchases and sales of Authorised Investments is that primary consideration will be given to obtaining the most favourable prices and efficient execution of transactions. Consistent with this policy, when transactions are effected on a stock exchange, our policy is to pay commissions which are considered fair and reasonable without necessarily determining that the lowest possible commissions are paid in all circumstances.

We believe that a requirement always to seek the lowest possible commission cost may impede effective portfolio management and preclude us and the Sub-Fund from obtaining a high quality of brokerage and research services. In seeking to determine the reasonableness of brokerage commissions paid in any transaction, we rely upon our experience and knowledge regarding commissions generally charged by various brokers and on our judgment in evaluating the brokerage and research services received from the broker effecting the transaction. Such determinations are necessarily subjective and imprecise and, as in most cases, an exact dollar value for those services is not ascertainable.

As far as we are aware, none of our directors nor any of our Associates are or will become entitled to receive any part of any brokerage charged to the Sub-Fund or any part of any fees, allowances or benefits received on purchases charged to the Sub-Fund.

19. Conflicts of Interest

19.1 Managers' conflicts of interest disclosures

We are of the view that there is no conflict of interest in our management of other funds and the Sub-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) We subscribe to the Code of Ethics and the Standards of Professional Conduct as prescribed by the Chartered Financial Analyst Institute (“**CFA Institute**”) in the United States of America. The CFA Institute is the primary professional organisation for security analysts, investment managers and others who are involved in the investment decision-making process. All charter holders of the 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 investment professionals as well as fair treatment of the investing public.
- (d) 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 relevant fund.
- (e) Most importantly, our usual fair and unbiased practice is to allocate investments proportionately between various funds which place the same orders simultaneously. However, if there are any potential conflicts of interests due to competing orders for the same securities, we 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.

We shall conduct all transactions with or for the Sub-Fund on an arm's length basis.

Save as provided in the Deed, our associates may be engaged to provide banking, brokerage, financial or other services to the Fund and Sub-Fund or buy, hold and deal in any investments, enter into contracts or other arrangements with the Trustee or us and make profits or derive benefits from these activities. Such services to the Fund or the Sub-Fund, where provided, and such activities with the Trustee or us, where entered into, will be on an arm's length basis.

We and our related entities, officers or employees may from time to time invest and deal in Units for each of our respective individual accounts or (in our case and in the case of our related entities) for the account of another person (including, without limitation, our and our related entities' other clients).

In such an event, we will have regard to our obligations to the Sub-Fund and, in particular, our obligation to act in the best interests of the Sub-Fund and the Holders so far as practicable, having regard to applicable laws and our obligations to our other clients. If a conflict of interest does arise, we will endeavour to ensure that such conflict is resolved fairly.

Subject to the provisions of the Code, we may from time to time:

- (i) invest monies of the Sub-Fund in the securities of any of our related corporations (as defined in Section 4 of the Companies Act, Chapter 50 of Singapore) (each, a "**related corporation**");
- (ii) invest monies of the Sub-Fund in other collective investment schemes managed by us or our related corporations; and
- (iii) deposit monies of the Sub-Fund in the ordinary course of business of the Fund with our related corporations which are banks licensed under the Banking Act, Chapter 19 of Singapore, finance companies licensed under the Finance Companies Act, Chapter 108 of Singapore, merchant banks approved as financial institutions under Section 28 of the Monetary Authority of Singapore Act, Chapter 186 of Singapore or any other deposit-taking institution licensed under an equivalent law in a foreign jurisdiction.

We will endeavour to ensure that such investments and deposits are made on normal commercial terms and are consistent with the investment objective, focus and approach of the Sub-Fund.

19.2 Prior to 8 November 2018:

You should note that BNP Paribas may enter into various hedging transactions in respect of the P-Notes linked to a notional underlying basket of A-Shares held via the QFII quota accorded to us (as described in paragraph 7.2.3 above) and a conflict of interest may arise due to the Sub-Fund's investment in such P-Notes as we receive monetary benefits or consideration as we would be able to earn a Maintenance Fee as set out in paragraph 8.2 above for the use of our QFII quota. In addition, we and the Trustee and our respective Associates (collectively the "**Parties**") are or may be involved in other financial, investment and professional activities which may on occasion cause conflict of interest with the management of the Sub-Fund. These include, *inter alia*, the management of other funds, purchases and sales of securities, investment and management counselling, brokerage services, trustee and custodial services and serving as directors, officers, advisers or agents of other funds or other companies, including companies in which the Sub-Fund may invest.

With effect from 8 November 2018: In addition, we and the Trustee and our respective Associates (collectively the "**Parties**") are or may be involved in other financial, investment and professional activities which may on occasion cause conflict of interest with the management of the Sub-Fund. These include, *inter alia*, the management of other funds, purchases and sales of securities, investment and management counselling, brokerage services, trustee and custodial services and serving as directors, officers, advisers or agents of other funds or other companies, including companies in which the Sub-Fund may invest.

- 19.3** Each of the Parties will respectively ensure that the performance of their respective duties will not be impaired by any such involvement that they might have. If a conflict of interest does arise, the Parties shall endeavour to ensure that it is resolved fairly and in the interest of Holders.

19.4 Trustee's conflicts of interest disclosures

19.4.1 The Trustee shall conduct all transactions with or for the Sub-Fund on an arm's length basis.

19.4.2 The Trustee, the registrar and the custodian may from time to time act as trustee, administrator, registrar or custodian or otherwise as may be required from time to time in relation to, or be otherwise involved in or with, other funds and clients which have similar investment objectives to those of the Sub-Fund. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Sub-Fund. Each will, at all times, have regard in such event to its obligations to the Sub-Fund and will endeavour to ensure that such conflicts are resolved fairly and taking into account Holders' interests.

19.4.3 The services of the Trustee provided to the Fund and the Sub-Fund are not deemed to be exclusive and the Trustee shall be free to render similar services to others (including those that may compete with (or have a similar objective to) the business of the Fund or the Sub-Fund) so long as its services to the Fund and the Sub-Fund are not impaired thereby and to retain for its own use and benefit all appropriate fees and benefits. Conflicts of interest will likely arise from the fact that State Street is engaged in a wide variety of businesses and will provide services to many clients with the same or different objectives. The Trustee and its related parties shall not be deemed to be affected with notice of or to be under any duty to disclose to the Fund or the Sub-Fund any fact or information which comes to the notice of the Trustee in the course of the Trustee rendering similar services to other parties or in the course of its business in any other capacity, otherwise than in the course of carrying out its duties under the Deed or as required by any applicable laws and regulations for the time being in force.

19.4.4 Save as provided in the Deed, the associates of the Trustee may be engaged to provide banking, brokerage, financial or other services to the Fund and the Sub-Fund or buy, hold and deal in any investments, enter into contracts or other arrangements with the Trustee or us and make profits or derive benefits from these activities. Such services to the Fund or the Sub-Fund, where provided, and such activities with the Trustee or us, where entered into, will be on an arm's length basis. In particular,

- (a) State Street Bank and Trust Company, acting through its Singapore Branch, a party related to the Trustee, has been appointed as custodian of the Fund. The custodian may also appoint related parties as sub-custodians. Cash will be placed with the custodian as banker or may, at our discretion, be invested in certificates of deposit or banking instruments issued by a related party of the Trustee, including the custodian. Money may also be borrowed by the Fund from a State Street entity. In its capacities as custodian and banker, State Street will earn fees/interest for such services and may receive other benefits in connection with such services; and
- (b) where foreign exchange transactions, including but not limited to spot, forward or swap transactions (collectively "**foreign exchange transactions**"), are entered into for or on behalf of the Sub-Fund with an affiliate of the Trustee (a "**State Street counterparty**"), the State Street counterparty will enter into such transaction as principal counterparty and not as agent or fiduciary for the Trustee, us or the Sub-Fund and such State Street counterparty shall be entitled to retain for its own use and benefit any benefit which it may derive from any such foreign exchange transactions or the holding of any cash in connection with such transactions. Foreign exchange transactions may also be entered into for or on behalf of the Sub-Fund with counterparties other than a State Street counterparty.

20. Reports

Financial year-end and distribution of reports and accounts

The financial year-end for the Sub-Fund is 30 June.

The reports and accounts of the Sub-Fund will be sent or made available to Holders by post or by such electronic means as may be permitted under the Code within the following periods or such other period as may be permitted by the Authority:

Report/account	Availability
(a) Annual report, annual accounts and the auditors' report on the accounts	Within 3 months from the end of the financial year.
(b) Semi-annual report and semi-annual accounts	Within 2 months from the end of the period to which the report and accounts relate.

If such reports and accounts are sent or made available to Holders by electronic means, Holders will be given the option to request for hardcopies of the reports and accounts within one month from the date of the relevant notification and the Trustee will make available or cause to be made available hardcopies of the reports and accounts 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.

21. Other Material Information

Provisions of the Deed

Some of the provisions of the Deed are set out below. *You should refer to the Deed for the full terms and conditions of the Fund.*

21.1 Custody of Deposited Property

The Trustee shall be responsible for the safe custody of the Deposited Property. Any Authorised Investments forming part of the Deposited Property shall, whether in bearer or registered form, be paid or transferred to or to the order of the Trustee forthwith on receipt by the Managers and be dealt with as the Trustee may think proper for the purpose of providing for the safe custody thereof. The Trustee may from time to time upon notification in writing to the Managers appoint such person or persons as it thinks fit (including itself or its Associates) as agents, nominees, custodians or sub custodians in respect of any of the Authorised Investments 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 of the Trustee, sub-custodians in respect of any of the Authorised Investments, and the fees and expenses of such agents, nominees, custodians and sub custodians shall be paid out of the Deposited Property of the Sub-Fund or otherwise as may be agreed between the Managers and the Trustee. Subject to this paragraph 21.1 and Clause 26(D) of the Deed, the Trustee shall remain liable for any act or omission of any agent, nominee, custodian or sub-custodian with whom bearer Authorised Investments or documents of title to registered Authorised Investments are deposited as if the same were the act or omission of the Trustee. The Trustee may at any time procure that the Trustee; any officer of the Trustee jointly with the Trustee; any agent or nominee appointed by the Trustee; any such agent or nominee and the Trustee; any custodian, joint custodian or sub-custodian (or, in each case its nominee) appointed; any company operating a depository or recognised clearing system (including its nominee) in respect of the Deposited Property of the Sub-Fund; or any broker, financial institution or other person (or in each case, its nominee, its custodian or such custodian's nominee) with whom the same is deposited in order to satisfy any requirement to deposit margin or security, take delivery of and retain and/or be registered as proprietor of any Authorised Investment in registered form held upon the trusts of the Deed. Notwithstanding anything contained in the Deed:-

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

Any Authorised Investment in registered form shall as soon as reasonably practicable after receipt of the necessary documents by the Trustee, be registered in the name of the Trustee and/or its nominee and shall remain so registered until disposed of pursuant to the provisions of the Deed. Subject as aforesaid the Trustee shall retain the documents of title to all Authorised Investments held upon the trusts of the Deed in its possession in safe custody.

21.2 Indemnities, Exemptions from Liability and Disclaimers

- 21.2.1** Neither the Trustee nor the Managers shall be under any liability except such liability as may be expressly imposed by the Deed nor shall any of them (save as otherwise provided in the Deed) be liable for any act or omission of the other of them.
- 21.2.2** Neither the Trustee nor the Managers 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 document of title or other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.
- 21.2.3** Neither the Trustee nor the Managers 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, 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 or regulatory authority (whether legally or otherwise) either they or any of them shall be directed or requested to do or perform or to forbear from doing or performing. If for any reason it becomes impossible or impracticable to carry out any of the provisions of the Deed neither the Trustee nor the Managers shall be under any liability therefor or thereby.
- 21.2.4** Neither the Trustee nor the Managers shall be responsible for any authenticity of any signature or of any seal affixed to an endorsement on any certificate or to any transfer or form of application, request for realisation, endorsement or other document affecting the title to or transmission of Units (including signatures on such documents received by facsimile or electronic transmission) 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 or for exercising their discretion not to act on such instructions received by facsimile or electronic transmission, provided that the Trustee and the Managers reasonably believed that such signature or seal was authentic. 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 or otherwise authenticated to its or their reasonable satisfaction.
- 21.2.5** Any indemnity expressly given to the Trustee or the Managers in the Deed is in addition to and without prejudice to any indemnity allowed by law; Provided Nevertheless That nothing in any of the provisions of the Deed shall in any case in which the Trustee and/or the Managers, as the case may be, have failed to show the degree of diligence and care required of them by the provisions of the Deed exempt them from or indemnify them against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of duty or trust of which they may be guilty in relation to their duties.
- 21.2.6** Neither the Trustee nor the Managers shall be responsible for acting upon any resolution purporting to have been passed at any meeting of 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 of the Sub-Fund or Fund (as the case may be).
- 21.2.7** The Trustee and the Managers may accept as sufficient evidence of the 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.
- 21.2.8** At all times and for all purposes of the Deed the Trustee and the Managers may rely upon the established practice and rulings of the SGX-ST or any other Recognised Exchange 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.
- 21.2.9** If the Managers or the Trustee is requested by any department of any government or administration to provide such department with any information regarding any one or more of the following, namely, the

Fund or Sub-Fund, the Holders or any of them, the Sub-Fund's investments, the income of the Sub-Fund, or the provisions of the Deed, and complies with such request, whether or not enforceable, none of the Trustee or the Managers shall incur any liability to the Holders or any of them or to any other person as a result of such compliance or in connection with such compliance.

- 21.2.10** In the absence of fraud or gross negligence by the Managers or the Trustee, 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 it in good faith under the provisions of the Deed and in particular, but without prejudice to the generality of the foregoing, neither the Managers nor the Trustee shall, in ascertaining the Value of any Unquoted Investment (where applicable), be under any liability by reason of the fact that a price reasonably believed to be the mean of the bid and offer prices quoted by responsible institutions in the OTC Market at the time of calculation (or at such other time as may be determined by the Managers after consultation with the Trustee) may be found not to be such.
- 21.2.11** 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 trustee of trusts separate and distinct from the Fund and its Sub-Fund and neither of them shall in any way be liable to account to the Fund, the Sub-Fund or any Holder or other person for any profit or benefit made or derived hereby or in connection therewith.
- 21.2.12** In no event shall a Holder have or acquire any rights against the Trustee and Managers or either of them except as expressly conferred upon such Holder by the Deed.
- 21.2.13** The Trustee shall not 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.
- 21.2.14** The Trustee shall not incur any liability for any loss which a Holder may suffer by the reason of any depletion in the NAV of the Deposited Property which may result from any securities lending transaction effected under Clause 15(E) of the Deed and shall be indemnified out of and have recourse to the Deposited Property in respect thereof.
- 21.2.15** Neither the Managers nor the Trustee shall incur any liability by reason of any loss which a Holder may suffer by reason of any depletion in the NAV of the Deposited Property which may result from any borrowing arrangements made pursuant to Clause 16(C) of the Deed by reasons of fluctuations in the rates of exchange and (save as otherwise expressly provided in the Deed) the Trustee shall be entitled to be indemnified out of and have recourse to the Deposited Property in respect of any liabilities, costs, claims or demands which it may suffer arising directly or indirectly from the operation of Clause 16 of the Deed and the arrangements referred to therein.
- 21.2.16** 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 (without prejudice to the obligation of the Managers to reimburse the Trustee on account of the Deposited Property in respect of all such matters relating to the Trustee's remuneration as falling within Clause 23(B) of the Deed).
- 21.2.17** Upon the Fund or the Sub-Fund being terminated, the Trustee shall be entitled to retain out of any monies in its hands as part of the Deposited Property under the provisions of Clause 35 of the Deed to be distributed to Holders full provision for all fees, costs, charges, expenses, claims and demands incurred, made or apprehended by the Trustee in connection with or arising out of the liquidation of the Fund or Sub-Fund (as the case may be) and out of the monies so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands.
- 21.2.18** Neither the Trustee nor the Managers shall be liable for any lost profits, economic loss or indirect, special or consequential losses and damages suffered by the Fund, the Sub-Fund or any Holder.
- 21.2.19** The Managers and the Trustee are not responsible for compiling the SSE 50 or verifying the accuracy of the SSE 50 information.
- 21.2.20** The Trustee is not responsible for the performance of the P-Notes (including any default or credit event or otherwise which may occur in respect of the P-Notes) or for the performance or enforceability of any

security or collateral provided in relation to the P-Notes or for any act or omission of the P-Notes issuer(s), whether in relation to any default or credit event or insolvency of any P-Notes issuer which may occur or otherwise, and is not responsible for the counterparty risks relating to the P-Notes issuer(s) that the Sub-Fund may be exposed to or for the adequacy of any security or collateral provided in relation to the P-Notes and shall not incur any liability to the Fund, the Sub-Fund, any Holder or any other person in respect of or in connection with the same¹⁷.

21.2.21 The Trustee shall not be under any liability on account of anything done or suffered by the Trustee in good faith in accordance with or in pursuance of any request, instruction or advice of the Managers under the Deed.

21.2.22 Neither the Managers nor the Trustee shall be liable for any loss suffered by the Deposited Property of any Sub-Fund or to any Holder of Units for any loss or damage arising from reasons or crisis beyond their control, or the control of their respective employees including without limitation nationalisation, expropriation, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes, nuclear fusion or acts of god.

21.2.23 The following provisions of this paragraph 21.2.23 relate solely to the security deed entered into amongst BNP (the “**Chargor**” and “**Issuer**”), the Trustee as trustee for the Sub-Fund (the “**Chargee**”), BNP Paribas (the “**Guarantor**”), The Hongkong and Shanghai Banking Corporation Limited (the “**Security Custodian**”) and the Managers in connection with the P-Notes (the “**Security Deed**”).¹⁸

For the purposes of this paragraph 21.2.23, the P-Notes shall be referred to as the “**Notes**”, the term “**Transaction Security**” shall mean any security created, evidenced or expressed to be created or evidenced pursuant to the Security Deed, the term “**Charged Property**” shall mean all of the assets of the Chargor which from time to time are, or are expressed to be, the subject of the Transaction Security.

- (i) The Trustee shall:
 - (a) except as otherwise provided, act and exercise any right, power, authority or discretion vested in it as Chargee in accordance with any instructions given to it by the Managers (or, if so instructed by the Managers, refrain from exercising any right, power, authority or discretion vested in it as Chargee) and shall be entitled to assume that unless it has received actual notice of revocation from the Managers that any instructions or directions given by the Managers have not been revoked; and
 - (b) be entitled to request instructions, or clarification of any direction, from the Managers as to whether, and in what manner, it should exercise or refrain from exercising any rights, powers and discretions and the Trustee may refrain from acting unless and until those instructions or clarification are received by it.
- (ii) Subject to the provisions of this paragraph 21.2.23:
 - (a) the Trustee may, in the absence of any instructions to the contrary, take such action or omission in the exercise of any of its powers and duties under the Security Deed which in its absolute discretion it considers to be for the protection and benefit of all the Holders; and
 - (b) at any time after receipt by the Trustee of notice from the Managers directing the Trustee to exercise all or any of its rights, remedies, powers or discretions under the Security Deed, the Trustee may, and shall if so directed by the Managers, take any action as in its sole discretion it thinks fit to enforce the Transaction Security.
- (iii) The Trustee may:
 - (a) assume unless it has received actual notice from the Managers to the contrary that (i) no Enforcement Event under the Security Deed has occurred, (ii) the Chargor is not in breach of or default under its obligations under the Security Deed and (iii) any right, power, authority or discretion vested by the Security Deed in any person has not been exercised;

¹⁷ The investment strategy of the Sub-Fund will be changed on 8 November 2018. This paragraph should be read in the context of the Sub-Fund’s investment strategy prior to 8 November 2018.

¹⁸ The investment strategy of the Sub-Fund will be changed on 8 November 2018. This paragraph should be read in the context of the Sub-Fund’s investment strategy prior to 8 November 2018.

- (b) if it receives any instructions or directions from the Managers to take any action in relation to the Transaction Security, assume that all applicable conditions under the Security Deed for taking that action have been satisfied;
 - (c) engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts (whether obtained by the Trustee or by the Managers) whose advice or services may at any time seem necessary, expedient or desirable;
 - (d) rely upon any communication or document believed by it to be genuine and, as to any matters of fact which might reasonably be expected to be within the knowledge of the Chargor or the Security Custodian, upon a certificate signed by a director or authorised signatory for or on behalf of that person; and
 - (e) refrain from acting in accordance with the instructions of the Managers (including bringing any legal action or proceeding arising out of or in connection with the Security Deed) until it has received any indemnification and/or security that it may in its absolute discretion require (whether by way of payment in advance or otherwise) for all costs, losses and liabilities which it may incur in bringing such action or proceedings.
- (iv) (a) The Trustee shall promptly inform the Managers of the contents of any notice or document received by it in its capacity as Chargee under the Security Deed.
- (b) The Managers shall, upon becoming aware of the occurrence of any of the following:
- (1) the occurrence of any Enforcement Event under the Security Deed;
 - (2) any failure by the Chargor to comply with its obligations to maintain the Acceptable Collateral Level (as defined in the Security Deed) in the Securities Account (as defined in the Security Deed) in accordance with the terms and conditions of the Security Deed (including any breach by the Chargor of Clauses 6.3 and 6.4 of the Security Deed);
 - (3) any security which has been deposited by the Chargor in the Securities Account under the Security Deed is not acceptable to the Managers,

promptly notify the Trustee of such occurrence and provide instructions to the Trustee where necessary.

- (v) Notwithstanding anything to the contrary expressed or implied in the Deed or the Security Deed, the Trustee shall not:
- (a) be bound to enquire as to (i) the occurrence of any Enforcement Event under the Security Deed or (ii) the performance, default or any breach by the Chargor or the Managers of its or their obligations under the Security Deed or Clause 25(O) of the Deed;
 - (b) be bound to account to any Holder or the Managers for any sum or the profit element of any sum received by it for its own account;
 - (c) be bound to disclose to any other person (including any Holder or the Managers) (i) any confidential information or (ii) any other information if disclosure would or might in its reasonable opinion constitute a breach of any law or be a breach of fiduciary duty;
 - (d) be under any obligations other than those which are specifically provided for in the Deed, this Prospectus or the Security Deed to which it is party;
 - (e) have or be deemed to have any relationship of trust or agency with the Chargor;
 - (f) be obliged to enquire or determine the suitability and adequacy of the Charged Property and the Transaction Security; or
 - (g) be obliged to request the Chargor to deposit the collateral under the Security Deed.

- (vi) The Trustee shall not accept responsibility or be liable for:
 - (a) the adequacy, accuracy and/or completeness of any information supplied by the Trustee;
 - (b) the adequacy, accuracy, authenticity and/or completeness of any information and instructions supplied or purportedly made by a director or authorised signatory or by any other person in connection with the Security Deed or the transactions contemplated in the Security Deed, or any other agreement, arrangement or document entered into, made or executed in anticipation of, pursuant to or in connection with the Security Deed;
 - (c) the legality, validity, effectiveness, adequacy or enforceability of the Security Deed or the Transaction Security or any other agreement, arrangement or document entered into, made or executed in anticipation of, pursuant to or in connection with the Security Deed or the Transaction Security;
 - (d) any losses to any person or any liability arising as a result of taking or refraining from taking any action in relation to the Security Deed or the Transaction Security or otherwise, whether in accordance with an instruction from the Managers or otherwise;
 - (e) the exercise of, or the failure to exercise, any judgment, discretion or power given to it by or in connection with the Security Deed, the Transaction Security or any other agreement, arrangement or document entered into, made or executed in anticipation of, pursuant to or in connection with the Security Deed or the Transaction Security; or
 - (f) any shortfall which arises on the enforcement of the Transaction Security; or
 - (g) any act or omission of, or the performance, default or breach of obligations by, the Managers or the Chargor under the Security Deed.
- (vii) No Holder may take any proceedings against any officer, employee or agent of the Trustee in respect of any claim it might have against the Trustee or in respect of any act or omission of any kind by that officer, employee or agent in relation to the Security Deed.
- (viii) It is understood and agreed by the Managers that at all times the Managers have themselves been, and will continue to be, solely responsible for making their own independent appraisal of and investigation into all risks arising under or in connection with the Security Deed including but not limited to:
 - (a) the financial condition, creditworthiness, condition, affairs, status and nature of the Chargor;
 - (b) the legality, validity, effectiveness, adequacy and enforceability of each of the Security Deed and the Transaction Security and any other agreement, arrangement or document entered into, made or executed in anticipation of, pursuant to or in connection with the Security Deed or the Transaction Security;
 - (c) whether the Managers have recourse, and the nature and extent of that recourse, against the Chargor or any other person or any of their respective assets under or in connection with the Security Deed, the transactions contemplated in the Security Deed or any other agreement, arrangement or document entered into, made or executed in anticipation of, pursuant to or in connection with the Security Deed;
 - (d) the adequacy, accuracy and/or completeness of any information provided by any person in connection with the Security Deed, the transactions contemplated in the Security Deed or any other agreement, arrangement or document entered into, made or executed in anticipation of, pursuant to or in connection with the Security Deed; and
 - (e) the right or title of any person in or to, or the value or sufficiency of any part of the Charged Property, the priority of any of the Transaction Security or the existence of any Security affecting the Charged Property.
- (ix) The Trustee shall not be liable for any failure to:
 - (a) require the deposit with it of any deed or document certifying, representing or constituting the title of the Chargor to any of the Charged Property;

- (b) obtain any licence, consent or other authority for the execution, delivery, legality, validity, enforceability or admissibility in evidence of the Security Deed or the Transaction Security;
 - (c) register, file or record or otherwise protect any of the Transaction Security (or the priority of any of the Transaction Security) under any applicable laws in any jurisdiction or to give notice to any person of the execution of the Security Deed or of the Transaction Security;
 - (d) take, or to require the Chargor to take, any steps to perfect its title to any of the Charged Property or to render the Transaction Security effective or to secure the creation of any ancillary security under the laws of any jurisdiction; or
 - (e) require any further assurances in relation to the Security Deed.
- (x) The Trustee shall not be under any obligation to insure any of the Charged Property, to require any other person to maintain any insurance or to verify any obligation to arrange or maintain insurance contained in the Security Deed. The Trustee shall not be responsible for any loss which may be suffered by any person as a result of the lack of or inadequacy of any such insurance. Where the Trustee is named on any insurance policy as an insured party, it shall not be responsible for any loss which may be suffered by reason of, directly or indirectly, its failure to notify the insurers of any material fact relating to the risk assumed by the insurers or any other information of any kind.
- (xi) The Trustee shall be entitled to accept without enquiry, and shall not be obliged to investigate, the right and title as the Chargor may have to any of the Charged Property and shall not be liable for or bound to require the Chargor to remedy any defect in its right or title.
- (xii) Notwithstanding any other provision of the Deed or the Security Deed the Trustee shall not be required to exercise any voting rights in respect of the Collateral Securities (as defined in the Security Deed) in accordance with Clause 7.4 of the Security Deed unless the Managers have provided specific instructions to the Trustee on how such voting rights are to be exercised by the Trustee.
- (xiii) Without prejudice to the other provisions of the Deed, the Trustee shall be entitled for the purpose of indemnifying itself against all costs, claims, losses, expenses (including legal fees) and liabilities (together with any applicable tax), whether or not reasonably foreseeable, properly incurred by the Trustee in relation to or arising out of:
- (a) the taking, holding, protection or enforcement of the Transaction Security,
 - (b) the exercise of any of the rights, powers, discretions and remedies vested in any of them by the Security Deed or by law,
 - (c) any default by the Security Custodian or the Chargor in the performance of any of the obligations expressed to be assumed by it in the Security Deed, and
 - (d) which otherwise relate to any of the Transaction Security or the performance of the terms of the Security Deed (otherwise than as a result of its gross negligence or wilful misconduct),
- to have recourse to the Deposited Property or any part thereof.
- (xiv) The Trustee may, in priority to any payment to the Sub-Fund, indemnify itself out of the Deposited Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in paragraph 21.2.23(xiii) above and shall have a lien on the Transaction Security and the proceeds of the enforcement of the Transaction Security for all moneys payable to it under this paragraph 21.2.23.
- (xv) Under the Security Deed, the Trustee undertakes to the Chargor and the Guarantor that following the occurrence of an Enforcement Event under the Security Deed:
- (a) it will have no recourse against the Guarantor under the guarantee for the Notes;
 - (b) it will not exercise any of its rights to proceed against the Guarantor under the guarantee for the Notes; and

- (c) it will not enforce any of its rights or claim payment from the Guarantor under the guarantee for the Notes,

until it or any Receiver or Delegate (each, as defined in the Security Deed) has exercised all of their rights under the Security Deed and all amounts received or recovered by the Trustee or any Receiver or Delegate have been applied in the order provided in the Security Deed in and towards the discharge and satisfaction of the Secured Obligations (as defined in the Security Deed).

21.2.24 The Trustee shall not be responsible for or have duties or obligations arising from, including without limitation, verifying, overseeing or monitoring (i) changes in the relevant laws applicable to the withholding taxes as described in paragraph 8.2 and the impact arising from changes to such laws; (ii) the impact of such withholding taxes on the NAV or performance of the Sub-Fund arising from the crediting or debiting of such withholding taxes; or (iii) whether the P-Notes issuer(s) have credited to, or debited from the Sub-Fund and/or the P-Notes (whether in relation to the P-Notes' value or redemption amounts or other payouts), the correct amount of any applicable withholding taxes, or whether such credits to or debits from the Sub-Fund and/or the P-Notes (as the case may be) have been or will be carried out at the correct times. The Trustee shall not incur any liability to the Fund, the Sub-Fund, any Holder or any other person in respect of or in connection with the aforementioned.¹⁹

21.3 Voting by Managers, Trustee and Custodian

The Managers, Trustee, Custodian and their respective Connected Persons and any director of the Managers are prohibited from voting their beneficially held Units at or be counted in the quorum for a meeting of Holders at which they have a material interest in the business to be conducted.

21.4 Voting rights in respect of the Deposited Property

Subject to Clause 21 of the Deed, the Managers may exercise or refrain from exercising any rights of voting conferred by any of the Deposited Property of the Sub-Fund. The Managers shall be entitled to exercise the said rights in what they may consider to be the best interests of the Holders of the Sub-Fund.

However, notwithstanding the above, in respect of voting rights where the Managers may face a conflict between their own interest and that of the Holders of the Sub-Fund, the Managers shall cause such voting rights to be exercised in consultation with the Trustee.

The phrase "rights of voting" or the word "vote" used in this paragraph 21.4 shall be deemed to include not only a vote at a meeting but any consent to or approval of any arrangement, scheme or resolution or any alteration in or abandonment of any rights attaching to any part of the Deposited Property and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.

Please refer to the Deed for other provisions relating to voting.

21.5 Valuation

The NAV of the Sub-Fund and the NAV per Unit shall be calculated as at the Valuation Point in relation to each Dealing Day save where the valuation of the Units is suspended pursuant to the Deed (the circumstances under which such suspension may take place are set out in paragraph 13 above).

The NAV of the Sub-Fund shall be calculated by valuing the assets of the Sub-Fund in accordance with the Deed and deducting from such amount the liabilities of the Sub-Fund in accordance with the Deed (the relevant provisions of which are reproduced below in this paragraph 21.5).

The NAV per Unit shall be obtained by taking the NAV of the Sub-Fund and dividing the same by the number of Units in issue or deemed to be in issue immediately prior to the relevant Dealing Day and truncating such amount to three (3) decimal places (or such other number of decimal places or method of rounding as may be determined by the Managers from time to time with the approval of the Trustee).

¹⁹ The investment strategy of the Sub-Fund will be changed on 8 November 2018. This paragraph should be read in the context of the Sub-Fund's investment strategy prior to 8 November 2018.

The “**Value**”, except where otherwise expressly stated and subject always to the requirements of the Code, with reference to any Authorised Investment which is:

- (i) 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 on such Recognised Exchange or OTC Market as at the Valuation Point in respect of the Dealing Day on which the Value is to be determined; where such Quoted Investment is listed, dealt or traded in more than one Recognised Exchange or OTC Market, the Managers (or such person as the Managers shall appoint for the purpose) may in their absolute discretion select any one of such Recognised Exchange or OTC Market for the foregoing purposes and, if there be no such official closing price, last known transacted price or last transacted price, the Value shall be calculated by reference to the last available prices quoted by responsible firms, corporations or associations on a Recognised Exchange or an OTC Market at the Valuation Point in respect of the Dealing Day on which the Value is to be determined;
- (ii) an Unquoted Investment, shall be calculated by reference to the initial value thereof being the amount expended in the acquisition thereof or 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 and in the valuation of such Authorised 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;
- (iii) cash, deposits and similar assets shall be valued (by an Approved Valuer) at their face value (together with accrued interest) unless, in the opinion of the Managers, any adjustment should be made to reflect the value thereof;
- (iv) an Investment other than as described above, shall be valued (by an Approved Valuer) in such manner and at such time as the Managers shall determine after consultation with the Trustee,

PROVIDED THAT, if the quotations referred to above are not available, or if the Value of the Authorised Investment determined in the manner described above, in the opinion of the Managers, is not representative, then the Value shall be such value as the Managers may with due care and in good faith consider in the circumstances to be fair value and is approved by the Trustee. 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 a Stockbroker or an Approved Valuer and with the approval of the Trustee, in accordance with the Code.

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

In calculating the NAV of the Deposited Property or any proportion thereof:

- (a) every Unit agreed to be issued by the Managers shall be deemed to be in issue and the Deposited Property shall be deemed to include not only cash or other assets in the hands of the Trustee but also the value of any cash, accrued interest on bonds or interest-bearing instruments or other assets to be received in respect of Units agreed to be issued and (in the case of Units issued against the vesting of Authorised Investments) any moneys payable out of the Deposited Property pursuant to Clause 9 of the Deed;
- (b) where Authorised Investments have been agreed to be purchased or otherwise acquired or sold but such purchase, acquisition or sale has not been completed, such Authorised Investments shall be included or excluded and the gross purchase, acquisition or net sale consideration excluded or included as the case may require as if such purchase, acquisition or sale had been duly completed;
- (c) where in consequence of any notice or request in writing given pursuant to Clauses 12 or 13 of the Deed, a reduction of the Sub-Fund by the cancellation of Units is to be effected but such reduction has not been completed the Units in question shall not be deemed to be in issue and any amount

payable in cash and the value of any Authorised Investments to be transferred out of the Deposited Property;

- (d) all sums which are payable out of the Deposited Property but not provided for above shall be deducted, including (without limitation):
- (1) any amount of the management fee, the Trustee's fee, the Cost of Establishment of the Sub-Fund and any other expenses accrued but remaining unpaid;
 - (2) the amount of tax, if any, on capital gains (including any provision made for unrealised capital gains) accrued up to the end of the last Accounting Period and remaining unpaid;
 - (3) the amount in respect of tax, if any, on net capital gains realised during a current Accounting Period prior to the valuation being made as in the estimate of the Managers will become payable;
 - (4) the aggregate amount for the time being outstanding of any borrowings effected under Clause 16(C) of the Deed together with the amount of any interest and expenses thereon accrued pursuant to sub-Clause 16(C)(v) of the Deed and remaining unpaid; and
 - (5) all such costs, charges, fees and expenses as the Managers may have determined pursuant to the provisions of the Deed;
- (e) there shall be taken into account such sum as in the estimate of the Managers will fall to be paid or reclaimed in respect of taxation related to Income up to the time of calculation of the NAV of the Deposited Property;
- (f) there shall be added the amount of any tax, if any, on capital gains estimated to be recoverable and not received;
- (g) any Value (whether of an Authorised Investment, cash or a liability) otherwise than in Singapore dollars and any non Singapore dollar borrowing shall be converted into Singapore dollars at the rate (whether official or otherwise) which the Managers shall after consulting with or in accordance with a method approved by the Trustee deem appropriate to the circumstances having regard *inter alia* to any premium or discount which may be relevant and to the costs of exchange;
- (h) where the current price of an Authorised Investment is quoted "ex" dividend, interest or other payment but such dividend, interest or other payment has not been received the amount of such dividend, interest or other payment shall be taken into account; and
- (i) there shall be taken into account such estimated sum approved by the Trustee as in the opinion of the Managers represents provision for any nationalisation, expropriation, sequestration or other restriction relating to the Deposited Property.

The Managers may, subject to the prior approval of the Trustee, and to the extent permitted by the Authority and applicable laws and regulations, change the method of valuation provided in this paragraph 21.5 and the Trustee shall determine if the Holders shall be informed of such change.

21.6 Removal or Retirement of Managers

The Managers will remain as managers of the Fund for the entire duration of the Fund unless the Managers retire or are removed in accordance with the provisions of the Deed (as reproduced below).

Any costs and expenses incurred in connection with the removal or retirement of the Managers shall be payable out of the Deposited Property.

21.6.1 Retirement of Managers

- (i) The Managers shall have power to retire in favour of a corporation approved by the Trustee upon and subject to such corporation entering into such deed or deeds supplemental to the Deed to replace the Managers.

- (ii) The retiring Managers shall be absolved and released from all further obligations under the Deed after a deed has been entered into to secure the due performance by the new managers of their obligations under the Deed, and after the retiring Managers have paid to the Trustee all sums due by the retiring Managers to the Trustee under the Deed at the date thereby. However, this will not prejudice the rights of the Trustee or of any Holder, former Holder or other person in respect of any act or omission of the Managers prior to their retirement.

21.6.2 Removal of Managers

The Managers shall be subject to removal by written notice given by the Trustee in any of the following events:

- (a) if the Managers go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of their assets or if a judicial manager is appointed in respect of the Managers;
- (b) if the Managers cease to carry on business;
- (c) if the Managers fail or neglect after reasonable notice from the Trustee to carry out or satisfy any obligations imposed on the Managers by the Deed;
- (d) if for good and sufficient reason the Trustee is of the opinion, and so states in writing, that a change of the Managers is desirable in the interests of the Holders Provided That if the Managers within one (1) month after such statement express their dissatisfaction in writing with such opinion, the matter shall then forthwith be referred to arbitration in accordance with the provisions of the Arbitration Act, Chapter 10 of Singapore, before three (3) arbitrators, the first of whom shall be appointed by the Managers, the second of whom shall be appointed by the Trustee and third of whom shall be appointed by the President for the time being of the SGX-ST (failing which appointment the third arbitrator shall be jointly appointed by the Managers and the Trustee) and any decision made pursuant thereto shall be binding upon the Managers and the Trustee and the Holders;
- (e) if the Holders by extraordinary resolution passed at a meeting of Holders of the Fund duly convened and held in accordance with the provisions of the Schedule to the Deed decide to remove the Managers;
- (f) if the Managers no longer hold a capital markets services licence for fund management or are no longer exempt from such licensing under the SFA or are otherwise prohibited under applicable laws and regulations to act as managers of the Fund; or
- (g) if the Authority directs the Trustee to remove the Managers.

In any of such events the Trustee shall appoint another corporation as the new managers of the Fund in accordance with the provisions in the Deed or terminate the Fund in accordance with paragraph 21.7 below.

21.7 Termination of the Fund or the Sub-Fund

21.7.1 Either the Trustee or the Managers may in their absolute discretion terminate the Fund or the Sub-Fund at any time by not less than six month's notice in writing to the other given so as to expire at the end of the Accounting Period current at the end of the third year after the date of the Deed or any year thereafter. In the event that the Fund or the Sub-Fund shall fall to be terminated, the Managers shall give notice thereof to all Holders not less than three (3) months in advance. Subject as aforesaid the Fund or the Sub-Fund shall continue until terminated in the manner hereinafter provided.

21.7.2 Subject to Section 295 of the SFA and notwithstanding paragraph 21.7.1, the Fund or the Sub-Fund (as applicable) may be terminated at any time by the Trustee by notice in writing:

- (a) if the Managers go into liquidation (other than a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of their assets or any part thereof or if a judicial manager is appointed in respect of the Managers or if any encumbrancer shall take possession of any of their assets or any part thereof or if the Managers shall cease business;

- (b) if on the expiration of six months after notifying the Managers of their removal under paragraph 21.6.2, the Trustee has not found another corporation ready to accept the office of managers and of which the Trustee and any relevant statutory authority shall approve provided always that if the Managers shall be dissatisfied with the circumstances in which the Trustee's power of termination under this paragraph 21.7.2(b) on any occasion is exercised the matter shall be referred to arbitration in accordance with the provisions of the Arbitration Act, Chapter 10 of Singapore, before three (3) arbitrators, the first of whom shall be appointed by the Managers, the second of whom shall be appointed by the Trustee and third of whom shall be appointed by the President for the time being of the SGX-ST (failing which appointment the third arbitrator shall be jointly appointed by the Managers and the Trustee) and any decision made pursuant thereto shall be binding upon the Managers and the Trustee and the Holders of the Fund or the Sub-Fund (as the case may be);
- (c) if any law shall be passed, any authorisation withdrawn or revoked or the Authority or SGX-ST issues any direction which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Fund or the Sub-Fund (as the case may be); or
- (d) if within the period of six (6) months from the date of the Trustee expressing in writing to the Managers the desire to retire, the Managers shall have failed to appoint a new trustee in accordance with the relevant provisions of the Deed.

Subject to paragraph 21.7.2(b), the decision of the Trustee in any of the events specified in this sub-paragraph shall be final and binding upon all the parties concerned but the Trustee shall be under no liability on account of any failure to terminate the Fund or the Sub-Fund (as the case may be) pursuant to this sub-paragraph or otherwise. Subject to paragraph 21.7.2(b), the Managers shall accept the decision of the Trustee and relieve the Trustee of any liability to it therefor and hold it harmless from any claims whatsoever on their part for damages or for any other relief.

21.8 Notwithstanding paragraph 21.7.1, the Fund or the Sub-Fund (as applicable) may be terminated at any time by the Managers at any time in their absolute discretion, by notice in writing:

- (a) on any date, after three (3) years from the date of the Principal Deed, if on such date the aggregate NAV of the Deposited Property of the Sub-Fund shall be less than S\$20 million or if the aggregate NAV of the Deposited Property of the Fund shall be less than S\$20 million (as the case may be);
- (b) if any law shall be passed, any authorisation withdrawn or revoked or if the Authority or SGX-ST issues any direction which renders it illegal or in the opinion of the Managers impracticable or inadvisable to continue the Fund or the Sub-Fund;
- (c) in the case where the Managers decide to retire, either the Trustee shall be unable to find a person acceptable to the Authority to act as the new managers after the expiration of six (6) months from the Managers giving the Trustee notice of their intention to retire pursuant to Clause 32(B) of the Deed, or the person nominated by the Trustee as the new managers shall fail to be approved by an Extraordinary Resolution pursuant to Clause 32(D) of the Deed;
- (d) (in the case of the Sub-Fund) if the underlying index to be tracked by the Sub-Fund (currently, the SSE 50) is no longer available for benchmarking or the agreement entered into by the Managers and the index provider to use the underlying index is terminated and, in the Managers' opinion, no suitable replacement index is available to the Sub-Fund;
- (e) (in respect of the Sub-Fund) if the Authority revokes or withdraws the authorisation of the Sub-Fund under the SFA or (in respect of the Fund) if the Authority revokes or withdraws the authorisation of all the sub-funds of the Fund under the SFA;
- (f) upon listing of the Units in the Sub-Fund on the SGX-ST and for so long as the Units are listed on the SGX-ST:
 - (i) if the Units are no longer listed on the SGX-ST or any other Recognised Exchange; or
 - (ii) if the Managers are unable to find an acceptable person to act as a participating dealer or designated market maker of the Units;

- (g) if the Authority directs the termination of the Fund or the Sub-Fund; or
- (h) if the Managers are of the opinion that it is impracticable or inadvisable to continue the Fund or the Sub-Fund (including, without limitation to the foregoing, when in the Managers' opinion, the acquisition or purchase or disposal or sale of or continued investment in any of the Authorised Investments is not possible, not advisable or becomes impracticable or restricted due to any reason (including, without limitation to the foregoing, upon a default by an issuer of an Authorised Investment) or, in the case of the Sub-Fund, in the event the Managers are of the opinion there is no satisfactory method through which the underlying index to be tracked by the Sub-Fund (currently, the SSE 50) may be tracked or if such method is otherwise not available to the Managers or impracticable or not advisable for the Managers to employ for the Sub-Fund).

21.9 *Notice of Termination* – The party terminating the Fund or the Sub-Fund shall give notice thereof to the Holders fixing the date at which such termination is to take effect which date shall not be less than three (3) months after the service of such notice (or such earlier date as necessary to comply with any applicable law or direction given by the Authority). Any such notice will also be concurrently published on the Managers' website and (for so long as the Sub-Fund is listed on the SGX-ST) posted on the SGXNET. The Managers shall give written notice thereof to the Authority not less than seven (7) days before such termination or as may be required by the Authority. For so long as the Sub-Fund is listed on the SGX-ST, notice of such termination will also be announced on the SGXNET at least seven (7) days before the effective date of termination of the Fund or the Sub-Fund (as the case may be) or as may be required by SGX-ST.

21.10 *Extraordinary Resolution* – Notwithstanding paragraph 21.7.1, the Fund or the Sub-Fund may at any time from the date hereof be terminated by, in the case of the termination of the Fund, an extraordinary resolution of a meeting of the Holders of the Fund, and in the case of the termination of the Sub-Fund, an extraordinary resolution of a meeting of the Holders of the Sub-Fund duly convened and held in accordance with the provisions contained in the Deed and such termination shall take effect from the date on which the said extraordinary resolution is passed or such later date (if any) as the said extraordinary resolution may provide.

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

22. Taxation

The discussion below is a summary of certain Singapore tax consequences of the purchase, ownership and disposition of Units. The summary is based on the existing provisions of the relevant tax laws and the regulations thereunder, and practices in effect as at the date of registration of the Registered Prospectus all of which are subject to change and differing interpretations, either on a prospective or retrospective basis. The summary is not intended to constitute tax advice or a complete analysis of all the tax considerations relating to the participation in the Sub-Fund. You should consult your own tax adviser concerning the tax consequences of your particular situation, including the tax consequences arising under the laws of any other tax jurisdiction, which may be applicable to your particular situation.

The Sub-Fund has been approved by the Monetary Authority of Singapore for the Enhanced-Tier Fund Tax Incentive Scheme (hereinafter referred to as an “**Enhanced-Tier Fund**”) under Section 13X of the Income Tax Act, Chapter 134 of Singapore with effect from 31 December 2009. As such, subject to certain conditions, the Enhanced-Tier Fund will enjoy tax exemption on Specified Income (as defined in the Income Tax (Exemption of Income of Prescribed Persons Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010 (the “**Regulations**”)) derived by the Enhanced-Tier Fund from Designated Investments (as defined in the Regulations).

Distributions made by the Enhanced-Tier Fund out of tax-exempt income should also be exempt from Singapore income tax in the hands of Holders of Units.

Singapore currently does not impose tax on capital gains. However, there are no specific laws or regulations which deal with the characterisation of gains. In general, gains from the disposal or redemption of the Units may be construed to be of an income nature and subject to Singapore income tax if they arise from activities which the Inland Revenue Authority of Singapore regards as the carrying on of a trade or business in Singapore.

In addition, Holders of Units who apply or who are required to apply Singapore Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement (“**FRS 39**”) or Singapore Financial Reporting Standard 109 – Financial Instruments (“**FRS 109**”) for Singapore income tax purposes may be required to recognise gains or losses (not being gains or losses in the nature of capital) for tax purposes in accordance with the provisions of FRS 39 or FRS 109 (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal of the Units is made.

23. Inspection of Documents

You may inspect copies of the following documents free of charge at our operating office during normal business hours:

- the Deed;
- the sample Participation Agreement;
- the Depository Services Agreement between the Managers, the Trustee and CDP;
- the most recent annual report and accounts of the Sub-Fund and the most recent semi-annual report and unaudited semi-annual accounts of the Sub-Fund, where available.

Information on the Internet

We will endeavour to publish information with respect to the Sub-Fund on our website at uobam.com.sg including:

- this Prospectus (as may be updated, replaced or supplemented from time to time);
- the latest available annual and semi-annual financial reports of the Sub-Fund;
- any public announcements made in relation to the Sub-Fund, including information with regard to notices of the suspension of the calculation of the NAV, changes in fees and the suspension and resumption of trading;
- the NAV per Unit (which will normally be displayed on such website by close of business Singapore time on the next Business Day); and
- monthly fund performance information.

24. Queries and Complaints

If you have any enquiries concerning the Fund, you may contact us at:

Hotline No. : 1800 22 22 228

Operating hours : 8 a.m. to 8 p.m. daily Singapore time

Fax No. : 6532 3868

Email : uobam@uobgroup.com

Appendix 1

List of other collective investment schemes managed by the Managers (as at 3 September 2018)

- GrowthPath Portfolios
 - GrowthPath Today
 - GrowthPath 2020
 - GrowthPath 2030
 - GrowthPath 2040
- United ASEAN Fund
- United Asia Fund
- United Asia Active Allocation Fund
- United Asia Consumer Fund
- United Asia Pacific Infrastructure Fund
- United Asia Top-50 Fund
- United Asian Growth Opportunities Fund
- United European Small and Mid Cap Fund
- United Global Financials Fund
- United G Strategic Fund
- United Emerging Markets Portfolios
 - United Emerging Markets Bond Fund
 - United Emerging Markets Equity Fund
 - United Emerging Markets Local Currency Bond Fund
- United Global Healthcare Fund
- United Global IPO Fund
- United Global Recovery Funds
 - United High Grade Corporate Bond Fund
 - United China-India Dynamic Growth Fund
- United Global Portfolios
 - United Singapore Bond Fund
 - United Global Dividend Balanced Fund
- United Global Resources Fund
- United Global Technology Fund
- United Global Telecoms Fund
- United Gold & General Fund
- United Greater China Fund
- United Singapore Growth Fund
- United International Growth Fund

- United Japan Growth Fund
- United Asia Pacific Growth Fund
- United Choice Portfolios
 - United Asian Bond Fund
 - United E-Commerce Fund
 - United Global Dividend Equity Fund
 - United Asian High Yield Bond Fund
 - United Asian Local Currency Bond Fund
- United Choice Portfolios II
 - United SGD Fund
- United Real Estate Multi Strategy Fund
 - United Global Real Estate Securities Fund
 - United Asia Pacific Real Estate Income Fund
- United Japan Small and Mid Cap Fund
- United Multi Asset Strategy Fund
 - United Asia Bond Multi Currency Fund
- United Asian Income Fund (formerly Asia Multi-Asset Monthly Income Scheme)
- United Global Durable Equities Fund
- United Global Diversified Portfolios
 - United Global Quality Growth Fund
 - United Income Focus Trust
 - United Growth & Income Focus Trust
 - United Global Stable Select Equity Fund
- United China Onshore Fund
 - United China Onshore Equity Fund
 - United RMB Fund
- United Alternative Portfolios
 - United Asia Pacific Diversified Strategies Fund
- United Liquidity Solutions Portfolios
 - United SGD Money Market Fund
- United SGD Plus Fund
- United Global Select Portfolios
 - United Global Dynamic Bond Fund

Appendix 1A

List of directorships (as at 31 August 2018) of Directors of the Managers

Lee Wai Fai

With effect from:

28 Sep 04	Director for UOB Property Investments Pte Ltd
01 Jun 05	Director for Chung Khiaw Realty Limited
01 Jun 05	Director for UOB Holdings Private Limited
01 Jan 12	Director for Asfinco Singapore Ltd
17 Apr 12	Director for PT UOB Property
06 Aug 14	Director for UOB Property Investments China Pte Ltd
13 Nov 14	Director for UOB Property China Co., Ltd
24 Jun 15	Director for Junipa Pte Ltd
07 Jul 16	Director for UOB Asset Management (Thailand) Co., Ltd
08 Jul 16	Chairman* / Director for UOB Asset Management Ltd
	<i>* Appointed as Chairman on 4 Aug 16</i>

Thio Boon Kiat

With effect from:

31 Dec 04	Executive Director for UOB Asset Management Ltd (with effect from 1 September 2011, Chief Executive Officer for UOB Asset Management Ltd)
30 Dec 11	Non-Executive Director for Ping An UOB Fund Management Company Limited
03 May 13	Non-Executive Director for UOB Asset Management (Thailand) Co Ltd
10 Jul 13	Non-Executive Director (Chairman) for UOB-SM Asset Management Pte Ltd
24 Sep 15	Chairman* / Non-Executive Director for UOB Asset Management (Taiwan) Co., Ltd.
	<i>* Appointed as Chairman on 1 Jul 16</i>
01 Jul 16	Non-Executive Director (Alternate Director) for UOB Asset Management (Malaysia) Berhad

Eric Tham Kah Jin

With effect from:

01 Jul 13	Non-Executive Director for Orix Leasing Singapore Ltd
18 Jan 16	Non-Executive Director for Innoven Capital Pte Ltd
18 Jan 16	Non-Executive Director for Innoven Capital Singapore Pte Ltd
18 Jan 16	Non-Executive Director for Gabelhorn Investments Pte Ltd
30 Mar 16	Non-Executive Director for Innoven Capital India Pte Ltd
05 Dec 16	Non-Executive Director for Innoven Capital China Pte Ltd
01 Apr 17	Non-Executive Director for UOB Asset Management Ltd

Peh Kian Heng

With effect from:

11 Jun 13	Non-Executive Director for UOB Holdings (USA) Inc.
5 Dec 14	Non-Executive Director for UOB Capital Investments Pte Ltd
5 Dec 14	Non-Executive Director for UOB International Investments Pte Ltd
15 Oct 15	Non-Executive Director for UOB Global Capital (Dublin) Ltd
15 Oct 15	Non-Executive Director for UOB Global Strategies Fund Plc
1 Jul 16	Non-Executive Director for UOB Venture Management Pte Ltd
1 Jul 16	Non-Executive Director for Greater China F&B Investment Holding Ltd
1 Jul 16	Non-Executive Director for Greater China F&B (Hong Kong) Private Ltd
7 Jul 16	Non-Executive Director for UOB Venture Management (Shanghai) Ltd
28 Dec 17	Non-Executive Director for UOB Asset Management Ltd

Appendix 2

Constituent Stocks of the SSE 50 Index

As at 31 July 2018*, the constituent stocks of the SSE 50 Index are:-

	Constituent Name	Weight (%)
1	Ping An Insurance (Group) Company of China Ltd	14.47
2	Kweichow Moutai Co Ltd	7.915
3	China Merchants Bank Co Ltd	6.35
4	Industrial Bank	4.176
5	China Minsheng Banking Corp Ltd	3.74
6	Inner Mongolia Yili Industrial Group Co Ltd	3.485
7	Bank of Communications Co LTD	3.426
8	Jiangsu Hengrui Medicine Co Ltd	3.3
9	Agricultural Bank of China Co Ltd	3.024
10	CITIC Securities Co Ltd	2.878
11	Industrial and Commercial Bank of China Ltd	2.643
12	China State Construction Engineering Co Ltd	2.641
13	Shanghai Pudong Development Bank Co Ltd	2.589
14	SAIC Motor Co Ltd	2.423
15	China Pacific Insurance (Group) Co Ltd	2.333
16	Bank of Beijing Co Ltd	1.909
17	Poly Real Estate Group Co Ltd	1.871
18	Wanhua Chemical Group Co., Ltd.	1.813
19	Baoshan Iron & Steel Co Ltd	1.678
20	Anhui Conch Cement Co Ltd	1.671
21	Bank of China Ltd	1.654
22	China Petroleum & Chemical Corporation	1.541
23	Qingdao Haier Co Ltd	1.367
24	Bank of Shanghai Co., Ltd.	1.339
25	CRRC Corporation Limited	1.328
26	China Everbright Bank Co Ltd	1.267
27	Guotai Junan Securities Co., Ltd.	1.223
28	Daqin Railway Co Ltd	1.154
29	Huatai Securities Co Ltd	1.095
30	PetroChina Co Ltd	1.086
31	China United Network Communications Co Ltd	1.052
32	China Railway Construction Co Ltd	1.022
33	Sanan Optoelectronics Co.,Ltd	1.004
34	New China Life Insurance Co Ltd	0.892
35	China Railway Group Limited	0.892
36	China Life Insurance Company Limited	0.847
37	China Shipbuilding Industry Co Ltd	0.835
38	China Shenhua Energy Co Ltd	0.789
39	ORIENT SECURITIES COMPANY LIMITED	0.709
40	China Fortune Land Development Co., Ltd.	0.674

	Constituent Name	Weight (%)
41	China Merchants Securities Co Ltd	0.669
42	China Southern Airlines Co Ltd	0.54
43	China Northern Rare Earth (Group) High-Tech Co.,Ltd	0.525
44	Greenland Holdings Corporation Limited	0.511
45	China Communications Construction Company Limited	0.45
46	Shandong Gold-Mining Co Ltd	0.394
47	China Molybdenum Co., Ltd.	0.292
48	360 Security Technology Inc.	0.235
49	China Galaxy Securities Co., Ltd.	0.22
50	ZHESHANG SECURITIES CO., LTD.	0.061

Sources: China Securities Index Co., Ltd.

**The information presented in the Appendices 2 and 3 of this Prospectus is subject to change by the Index Provider. You should note that the information relating to the SSE 50 in the Appendices 2 and 3 was obtained from publicly available documents which we and the Trustee (and our respective affiliates or advisers in connection with the offering and listing of Units) have not prepared or independently verified. None of us make any representation as to or take any responsibility for the accuracy, timeliness or completeness of the information contained therein. Any liability for errors or omissions in any of the aforementioned Appendices, or for any action taken in reliance on the information contained therein is hereby expressly disclaimed. No warranty of any kind, implied, express or statutory, including but not limited to the warranties of non-infringement of third party rights, title, merchantability, satisfactory quality or fitness for a particular purpose, is given in conjunction with any of the aforementioned Appendices and any information contained therein.*

Appendix 3

The SSE 50 Index

The SSE 50 is an index consisting of 50 constituent stocks which are the 50 largest stocks of good liquidity listed on the Shanghai Stock Exchange, and it is estimated that as of 11 May 2018, the 50 constituent stocks of the SSE 50 represent around 44.63% of the total market capitalisation of the Shanghai Stock Exchange. The objective of the SSE 50 is to reflect the performance of the good quality large enterprises, which are influential in the Shanghai Stock Exchange. The SSE 50 is a free-float market capitalisation weighted index. The Shanghai Stock Exchange has appointed China Securities Index Co., Ltd., a joint venture between the Shenzhen Stock Exchange and Shanghai Stock Exchange, to manage the SSE 50. China Securities Index Co., Ltd. is independent of us. The SSE 50 was formally launched on 2 January 2004.

The United SSE 50 China ETF is not in any way endorsed, sold, sponsored or promoted by the Shanghai Stock Exchange or China Securities Index Co., Ltd. The Shanghai Stock Exchange and China Securities Index Co., Ltd. make no warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the SSE 50, and/or the figure at which the said index stands at any particular time on any particular day or otherwise. The SSE 50 is calculated by or on behalf of China Securities Index Co., Ltd. which will adopt all necessary measures to ensure the accuracy of the SSE 50. However, the Shanghai Stock Exchange or China Securities Index Co., Ltd. shall not be liable (whether in negligence or otherwise) to any person for any error in the SSE 50 and shall not be under any obligation to advise any person or any error therein. The SSE 50 is owned by the Shanghai Stock Exchange.

Below is a brief summary of the basic information, selection criteria, selection methodology and maintenance of the SSE 50 as of the date of publication of this Prospectus. Such information is subject to revision from time to time by the Shanghai Stock Exchange and China Securities Index Co., Ltd. and before making investment decisions, you should refer to the website of the Shanghai Stock Exchange (www.sse.com.cn) for the latest information on the SSE 50.

1. Basic Information

Index code

000016

Base Date and Base Point

The base date is December 31, 2003 and the base point is 1,000.

Number of Constituent Stocks

50

Index Dissemination

The SSE 50 is widely disseminated in and outside China through the following channels:

- (1) Broadcasted nationwide via Shanghai Stock Exchange's real time broadcast system;
- (2) Released real time globally via Thomson Reuters and Bloomberg financial information vendors;
- (3) Publicised daily via various news media including Shanghai Securities News, China Securities Journal and Securities Times;
- (4) Published daily through the Internet at Shanghai Stock Exchange's website: www.sse.com.cn.

Ten Largest Constituent Stocks

As at 31 July 2018, the 10 largest constituent stocks of the SSE 50 (out of 50 constituent stocks) and their respective weightings are listed below:

Code	Constituent Name	% of SSE 50
601318	Ping An Insurance (Group) Company of China Ltd	14.47
600519	Kweichow Moutai Co Ltd	7.915
600036	China Merchants Bank Co Ltd	6.35
601166	Industrial Bank	4.176
600016	China Minsheng Banking Corp Ltd	3.74
600887	Inner Mongolia Yili Industrial Group Co Ltd	3.485
601328	Bank of Communications Co LTD	3.426
600276	Jiangsu Hengrui Medicine Co Ltd	3.3
601288	Agricultural Bank of China Co Ltd	3.024
600030	CITIC Securities Co Ltd	2.878

You should note that the list of constituent stocks of the SSE 50 may be updated from time to time and the complete list of constituent stocks of the SSE 50 is available on the website of the Shanghai Stock Exchange (www.sse.com.cn).

2. Selection of Constituent Stocks

Stock Universe

Only constituent stocks of the SSE 180 Index shall be included in the stock universe for the SSE 50. The SSE 180 Index is an index consisting of 180 constituent stocks also compiled and managed by China Securities Index Co., Ltd. The stock universe of the SSE 180 Index includes all A-Shares listed on the Shanghai Stock Exchange except stocks falling into the following categories:

- (1) initial public offerings within the last 3 months (unless the daily average total market capitalisation of a stock is ranked top 18 in the Shanghai Stock Exchange);
- (2) suspended from listing;

The constituent stocks of the SSE 180 Index are selected based on industry representation, size and liquidity. For details of the constituent stocks of the SSE 180 Index, please refer to the website of the Shanghai Stock Exchange (www.sse.com.cn).

Selection Criteria

The constituent stocks selected should be large and liquid stocks.

Selection Methodology

The stocks are ranked by two indicators: (a) total market capitalisation and (b) trading value. Each of the indicators of a stock is ranked based on the daily average data from the previous year, and the ranking from each of the indicators are summed up for the overall rank of the stock. In principle, the top 50 ranked stocks will be selected except for stocks with abnormal market performance and considered by the Index Advisory Committee as inappropriate.

3. Calculation of the SSE 50

Calculation Formula

The SSE 50 is weighted by adjusted number of shares. The formula is:

$$\text{Current Index} = \frac{\text{Current adjusted market cap of constituents}}{\text{Base Period}} \times 1000$$

Where:

adjusted market cap = Σ (market price x adjusted number of shares of the constituent's capital stock); and

Base Period = the total adjusted market capitalisation for the 50 constituent stocks based on the closing prices on the base date.

Free Float

To reflect the price fluctuation of tradable shares in the market, the SSE 50 adopt free float shares to calculate the index exclusively of restricted shares during lock-in period and other non-negotiated shares which include (1) shares held on a long-term basis by the company's founders, family members and senior management; (2) government holdings; (3) shares held by strategic investors (e.g. companies, banks, etc.); (4) frozen shares; (5) restricted employee shares; (6) cross-holdings, etc.

If the holdings of shareholders of the six categories set out above and their persons acting in concert is larger than 5%, the holdings will be defined as non-free float. Together with the restricted shares during lock-in period, they are all deemed as non-free float shares.

The free float shares of a company are equal to the total number of A-Shares minus the non-free float shares.

Category-Weighted Method

The free float shares of listed companies may change from time to time. For the sake of index stability, the SSE 50 adopts category-weighted method to adjust the number of constituent shares for index calculation. The adjusted number of shares will be the total number of A-Shares multiplied by the inclusion factor (as determined below). The category-weighted method is indicated by the following chart. For example, stock with a negotiable market cap ratio (i.e. negotiable market cap / total market cap) of 7%, which is below 10%, will have an inclusion factor which equals to its negotiable market cap ratio. A stock with a negotiable market cap ratio of 35% will belong to the category (30, 40] (i.e. negotiable market cap ratio which is greater than 30% but less than or equal to 40%), and the corresponding inclusion factor is 40%, i.e. 40% of the total A-Shares will be used for index calculation. "Negotiable market cap" for the calculation of the negotiable market cap ratio refers to the market capitalisation of the relevant free float shares.

Negotiable Market Cap Ratio (%)	≤ 15	(15,20]	(20, 30]	(30, 40]	(40,50]	(50, 60]	(60, 70]	(70, 80]	> 80
Inclusion Factor (%)	Nearest higher percentage point	20	30	40	50	60	70	80	100

4. Index Maintenance

The SSE 50 is maintained using the “divisor adjustment methodology.” If there is a change in the list of constituents or in a constituent’s equity structure, or a change in the adjusted market capitalisation of a constituent stock due to non-trading factors, the old divisor is adjusted by means of the divisor adjustment methodology, according to index constituents Corporate Events Methodology, so as to maintain the continuity of the index. The adjustment formula is as follows:

$$\frac{\text{adjusted market cap before divisor adjustment}}{\text{old divisor}} = \frac{\text{adjusted market cap after divisor adjustment}}{\text{new divisor}}$$

Where: “adjusted market cap after divisor adjustment” = adjusted market cap before divisor adjustment + increase (decrease) in adjusted market capitalisation. The new divisor (i.e. the adjusted divisor, also known as the new base period) is obtained from this formula and used to calculate the SSE 50.

Circumstances under which maintenance of the SSE 50 is required include the following:

- bonus issue, rights issues, stock split and stock consolidation: the SSE 50 is adjusted prior to the issuance; adjusted market cap after divisor adjustment = ex-right price x adjusted number of shares of capital stock + adjusted market cap before divisor adjustment (excluding stocks adjusted for bonus issue, rights issues, stock split and stock consolidation);
- suspension of trading: use last trading price to calculate the SSE 50 until trading is resumed;
- change in capital stock: whenever a change occurs in the capital stock of a SSE 50 constituent (e.g. second offering or exercise of warrants, etc.), if the accumulated change of constituents shares is more than 5%, the SSE 50 is adjusted the day before the changes, adjusted prior to the date of the change in capital stock; adjusted market cap after divisor adjustment = closing price x adjusted number of shares of capital stock after change + adjusted market cap before divisor adjustment (excluding stocks adjusted for change in capital stock); if the accumulated change of constituents shares is less than 5%, the adjustment will be implemented in the next regular review;
- when there is a periodic adjustment or an ad hoc adjustment of the list of constituent stocks of the SSE 50, the SSE 50 is adjusted prior to the effective date of the change.

5. Adjustments to Constituent Stocks

Periodic Adjustments

- (1) In principle, the SSE 50 constituents are reviewed once every six months and constituent adjustments are implemented on the next trading day after the close of the second Friday in June and December. The planned adjustment is published two weeks in advance.
- (2) The percentage of each adjustment shall not exceed 10%.

Ad Hoc Adjustments

Adjustments may be made when certain corporate events happen in order to maintain the representativeness and investability of the SSE 50.

- (1) If the total A share market cap (Total Market Cap=Issue price×A shares Outstanding) of an IPO ranks top 10 in the Shanghai market (compared with all Shanghai A shares by average daily A share market cap of the past year since the listing announcement of the IPO) and it satisfies the requirements of index universe, then fast entry rules are applied here. Namely, it will be added in the SSE50 index after the close of the tenth trading day. Meanwhile, the last ranked old constituent by average daily market cap and trading value of the most recent year will be deleted from SSE50.

- (2) If an IPO meets the criteria of fast entry, however, time span between its listing time and the effective day of the next constituents periodical review is less than 20 trading days, fast entry rules are not applied immediately but will be implemented together with the next constituents periodical review.
- (3) Merger and Acquisition
- Two constituent companies merge: The stock of the resulting new company will be added to the index and there will be a vacancy. The vacancy will be filled by the highest ranking non-constituent in the candidates list generated in the last periodical review.
 - One constituent company and one non-constituent company merge: The stock of the resulting new company will be added to the index.
 - One non-constituent company purchases or takes over one constituent company: If the stock of the resulting new company ranks higher than the highest stock in the candidates list of last periodical review, the new stock will be added to the index. Otherwise, the highest ranking non-constituent in the candidates list generated in the last periodical review will be included in the index when the constituent is delisted.
 - Merger, spin-off, acquisition and restructuring of non-constituents: If the total market cap of the stock of the resulting new company ranks top 10 in the Shanghai market, fast entry rules are applied here. Otherwise, these corporate events are considered at constituents periodical review.
- (4) Spin-off
- If one constituent company is split so as to form two or more companies, then whether the resulting companies is eligible for inclusion or not depends on their rankings. Concretely, for SSE50, it depends on the overall rankings of the companies.
- If two or more of the resulting companies rank higher than the lowest constituent or the lowest constituent of the same industry, then the resulting companies that rank higher than the lowest constituent will be added to the index, and the lowest constituent(s) will be removed to keep the number of the index constituents constant.
 - If one of the resulting companies ranks higher than the lowest constituent or the lowest constituent of the same industry, then this new resulting company will be added to the index.
 - If all of the resulting companies rank lower than the lowest constituent or the lowest constituent of the same industry, but some or all of the resulting companies rank higher than the highest stock in the candidates list, then the highest new company will be added to the index.
 - If all of the resulting companies rank lower than the lowest constituent or the lowest constituent of the same industry and the highest stock in the candidates list generated in last periodical review, then the highest stock in the candidates list will be added to the index.
- (5) If a constituent company is temporarily delisted or delisted from the A share market, it will be removed from the index. Meanwhile, the highest ranking non-constituent in the candidates list generated in the last periodical review will be included in the index.
- (6) If a constituent company enters bankruptcy proceedings, it will be removed as soon as practicable from the index. Meanwhile, the highest ranking non-constituent in the candidates list generated in the last periodical review will be included in the index.
- (7) If a constituent is suspended from trading, CSI will determine whether to delete it from the index or not according to different suspension reasons.

Appendix 4

The investment strategy of the Sub-Fund will change from a synthetic replication strategy to a full replication strategy with effect from 8 November 2018 (the “Effective Date”). Information in this Appendix 4 relates to the investment strategy of the Sub-Fund prior to the Effective Date.

In order to implement the new investment strategy, the Sub-Fund’s investment in the BNP P-Notes will be redeemed from 25 October 2018 in the lead up to the Effective Date.

Risks and considerations associated with the P-Notes issued by BNP

The following factors may affect BNP’s and BNP Paribas’ ability to fulfil its obligations under the P-Notes issued by BNP. Most of these factors are contingencies which may or may not occur and we are not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the risks associated with the P-Notes issued by BNP are also described below.

Unless the context otherwise requires, references in this Appendix 4 to the “Group” are to BNP Paribas and its members, subsidiaries and affiliates. Unless the context otherwise requires, references in this Appendix 4 to the ‘P-Notes’ are to the SGD Certificates on a Basket of A-Shares issued by BNP pursuant to its Warrant and Certificate Programme and any further issue of notes with similar terms from time to time.

We believe that the factors described below represent the principal risks inherent in investing in the P-Notes, but BNP may be unable to pay interest, principal or other amounts on or in connection with the P-Notes for other reasons and we do not represent that the statements below regarding the risks of holding any P-Notes are exhaustive.

1. Factors that may affect the ability of BNP and BNP Paribas to fulfil its obligations under the P-Notes

Risk Factors Relating to BNP

BNP is an operating company. BNP’s sole business is the raising and borrowing of money by issuing securities such as notes, warrants or certificates or other obligations. BNP has, and will have, no assets other than hedging agreements, cash and fees payable to it, or other assets acquired by it, in each case in connection with the issue of securities or entry into other obligations related thereto from time to time. BNP has a small equity and limited profit base. The net proceeds from each issue of securities issued by BNP will become part of the general funds of BNP. BNP uses such proceeds to hedge its market, credit and liquidity risk by acquiring hedging instruments from BNP Paribas and BNP Paribas entities (“**Hedging Agreements**”) and/or to acquire collateral assets for secured securities, as applicable. The ability of BNP to meet its obligations under securities issued by it will depend on the receipt by it of payments under the relevant Hedging Agreements. Consequently, holders of the P-Notes will, subject to the provisions of a relevant Guarantee, be exposed to the ability of BNP Paribas and BNP Paribas entities to perform their obligations under such Hedging Agreements.

Risks Relating to BNP Paribas and its Industry

Difficult market and economic conditions could have a material adverse effect on the operating environment for financial institutions and hence on BNP Paribas’ financial condition, results of operations and cost of risk.

As a global financial institution, BNP Paribas’ businesses are highly sensitive to changes in financial markets and economic conditions generally in Europe, the United States and elsewhere around the world. BNP Paribas has been and may continue to be confronted with a significant deterioration of market and economic conditions resulting, among other things, from crises affecting sovereign obligations, capital, credit or liquidity markets, regional or global recessions, sharp fluctuations in commodity prices, currency exchange rates or interest rates, inflation or deflation, restructurings or defaults, corporate or sovereign debt rating downgrades or adverse geopolitical events (such as natural disasters, acts of terrorism and military conflicts). Market disruptions and sharp economic downturns, which may develop quickly and hence not be fully hedged, could affect the operating environment for financial institutions for short or extended periods and have a material adverse effect on BNP Paribas’ financial condition, results of operations or cost of risk.

European markets have experienced significant disruptions in recent years as a result of concerns regarding the ability of certain countries in the Euro-zone to refinance their debt obligations and the extent to which European

Union member states or supranational organisations will be willing or able to provide financial support to the affected sovereigns. These disruptions contributed to tightened credit markets, increased volatility in the exchange rate of the euro against other major currencies, affected the levels of stock market indices and created uncertainty regarding the economic prospects of certain countries in the European Union as well as the quality of bank loans to sovereign debtors in the European Union.

BNP Paribas holds and in the future may hold substantial portfolios of sovereign obligations issued by the governments of, and has and may in the future have substantial amounts of loans outstanding to borrowers in, certain of the countries that have been most significantly affected by the crisis in recent years. BNP Paribas also participates in the interbank financial market and as a result, is indirectly exposed to risks relating to the sovereign debt held by the financial institutions with which it does business. More generally, the sovereign debt crisis has had, and may continue to have, an indirect impact on financial markets and, increasingly, economies, in Europe and worldwide, and therefore on the environment in which BNP operates.

If economic conditions in Europe or in other parts of the world were to deteriorate, particularly in the context of an exacerbation of the sovereign debt crisis (such as a sovereign default), BNP Paribas could be required to record impairment charges on its sovereign debt holdings or record losses on sales thereof, and the resulting market and political disruptions could have a significant adverse impact on the credit quality of BNP Paribas' customers and financial institution counterparties, on market parameters such as interest rates, currency exchange rates and stock market indices, and on BNP Paribas' liquidity and ability to raise financing on acceptable terms.

Legislative action and regulatory measures taken in response to the global financial crisis may materially impact BNP Paribas and the financial and economic environment in which it operates.

Legislation and regulations have been enacted or proposed in recent periods with a view to introducing a number of changes, some permanent, in the global financial environment. While the objective of these new measures is to avoid a recurrence of the recent financial crisis, the impact of the new measures could be to change substantially the environment in which BNP Paribas and other financial institutions operate.

The new measures that have been or may be proposed and adopted include more stringent capital and liquidity requirements, taxes on financial transactions, restrictions and temporary or permanent taxes on employee compensation over specified levels, limits on the types of activities that commercial banks can undertake (particularly proprietary trading and, potentially, investment banking activities more generally), restrictions or prohibitions on certain types of financial products or activities, increased internal control and transparency requirements with respect to certain activities, more stringent conduct of business rules, increased regulation of certain types of financial products including mandatory reporting of derivative transactions, requirements either to mandatorily clear, or otherwise mitigate risks in relation to, over-the-counter derivative transactions, and the creation of new and strengthened regulatory bodies.

Certain measures that have been or are in the process of being adopted and will be applicable to BNP Paribas, such as the Basel 3 and Capital Requirements Directive 4 prudential frameworks, the requirements in relation to them announced by the European Banking Authority and the designation of BNP Paribas as a systemically important financial institution by the Financial Stability Board, will increase BNP Paribas' regulatory capital and liquidity requirements and may limit its ability to extend credit or to hold certain assets, particularly those with longer maturities. BNP Paribas implemented an adaptation plan in response to these requirements, including reducing its balance sheet and bolstering its capital base. Ensuring and maintaining compliance with further requirements of this type that may be adopted in the future may lead BNP Paribas to take additional measures that could weigh on its profitability and adversely affect its financial condition and results of operations.

New measures such as the proposed French banking law or, at the E.U. level, the Liikanen proposal (if adopted) could require BNP Paribas to ring-fence certain of its activities within a subsidiary that will be required to comply with prudential ratios and raise financing on a stand-alone basis. The Federal Reserve's proposed framework for the regulation of foreign banks may also require BNP Paribas to create a new intermediate holding company for its U.S. activities, which would be required to comply with specific capital and liquidity requirements on a stand-alone basis. In addition, the proposed French banking law, as well as the proposed E.U. framework for a single supervisory mechanism and the proposed E.U. framework for the recovery and resolution of financial institutions, will grant increased powers to regulators (including the French banking regulator, the Financial Stability Board, the French deposit guarantee fund and, potentially, the European Central Bank) to prevent and/or resolve banks' financial difficulties, such as the power to require banks to adopt structural changes, issue new securities, cancel existing equity or subordinated debt securities, convert subordinated debt into equity, and, more generally, ensure

that any losses are borne by banks' shareholders and creditors. These measures, if adopted, may restrict BNP Paribas' ability to allocate and apply capital and funding resources, limit its ability to diversify risk and increase its funding costs, which could, in turn, have an adverse effect on its business, financial condition, and results of operations.

Some of the new regulatory measures are proposals that are under discussion and that are subject to revision, and would in any case need adapting to each country's regulatory framework by national legislators and/or regulators. It is therefore impossible to accurately predict which measures will be adopted or to determine the exact content of such measures and their ultimate impact on BNP Paribas. Depending on the nature and scope of regulatory measures that are ultimately adopted, they could (in addition to having the effects noted above) affect BNP Paribas' ability to conduct (or impose limitations on) certain types of activities, its ability to attract and retain talent (particularly in its investment banking and financing businesses) and, more generally, its competitiveness and profitability, which would in turn have an adverse effect on its business, financial condition, and results of operations.

BNP Paribas' access to and cost of funding could be adversely affected by a resurgence of the Euro-zone sovereign debt crisis, worsening economic conditions, further rating downgrades or other factors.

The Euro-zone sovereign debt crisis as well as the general macroeconomic environment have at times adversely affected the availability and cost of funding for European banks. This was due to several factors, including a sharp increase in the perception of bank credit risk due to their exposure to sovereign debt in particular, credit rating downgrades of sovereigns and of banks, and debt market speculation. Many European banks, including BNP Paribas, at various points experienced restricted access to wholesale debt markets and to the interbank market, as well as a general increase in their cost of funding. Accordingly, reliance on direct borrowing from the European Central Bank increased substantially. Were such adverse credit market conditions to reappear due to factors relating to the economy or the financial industry in general or to BNP Paribas in particular, the effect on the liquidity of the European financial sector in general and BNP Paribas in particular could be materially adverse.

BNP Paribas' cost of funding may also be influenced by the credit rating on its long-term debt, which was downgraded by two of the principal rating agencies in 2012. Further downgrades in BNP Paribas' credit ratings by any of the three rating agencies may increase BNP Paribas' borrowing costs.

A substantial increase in new provisions or a shortfall in the level of previously recorded provisions could adversely affect BNP Paribas' results of operations and financial condition.

In connection with its lending activities, BNP Paribas regularly establishes provisions for loan losses, which are recorded in its profit and loss account under "cost of risk". BNP Paribas' overall level of provisions is based on its assessment of prior loss experience, the volume and type of lending being conducted, industry standards, past due loans, economic conditions and other factors related to the recoverability of various loans. Although BNP Paribas uses its best efforts to establish an appropriate level of provisions, its lending businesses may have to increase their provisions for loan losses substantially in the future as a result of deteriorating economic conditions or other causes. Any significant increase in provisions for loan losses or a significant change in BNP Paribas' estimate of the risk of loss inherent in its portfolio of non-impaired loans, as well as the occurrence of loan losses in excess of the related provisions, could have a material adverse effect on BNP Paribas' results of operations and financial condition.

BNP Paribas may incur significant losses on its trading and investment activities due to market fluctuations and volatility.

BNP Paribas maintains trading and investment positions in the debt, currency, commodity and equity markets, and in unlisted securities, real estate and other asset classes. These positions could be adversely affected by volatility in financial and other markets, i.e., the degree to which prices fluctuate over a particular period in a particular market, regardless of market levels. There can be no assurance that the extreme volatility and market disruptions experienced during the height of the recent financial crisis will not return in the future and that BNP Paribas will not incur substantial losses on its capital market activities as a result. Moreover, volatility trends that prove substantially different from BNP Paribas' expectations may lead to losses relating to a broad range of other products that BNP Paribas uses, including swaps, forward and future contracts, options and structured products.

To the extent that BNP Paribas owns assets, or has net long positions, in any of those markets, a market downturn could result in losses from a decline in the value of its positions. Conversely, to the extent that BNP Paribas has sold assets that it does not own, or has net short positions in any of those markets, a market upturn could expose

it to potentially unlimited losses as it attempts to cover its net short positions by acquiring assets in a rising market. BNP Paribas may from time to time have a trading strategy of holding a long position in one asset and a short position in another, from which it expects to gain based on changes in the relative value of the two assets. If, however, the relative value of the two assets changes in a direction or manner that the Bank did not anticipate or against which it is not hedged, BNP Paribas might realise a loss on those paired positions. Such losses, if significant, could adversely affect BNP Paribas' results of operations and financial condition.

BNP Paribas may generate lower revenues from brokerage and other commission and fee-based businesses during market downturns.

Financial and economic conditions affect the number and size of transactions for which BNP Paribas provides securities underwriting, financial advisory and other investment banking services. BNP Paribas' corporate and investment banking revenues, which include fees from these services, are directly related to the number and size of the transactions in which it participates and can decrease as a result of market changes that are unfavorable to its Investment Banking business and clients. In addition, because the fees that BNP Paribas charges for managing its clients' portfolios are in many cases based on the value or performance of those portfolios, a market downturn that reduces the value of its clients' portfolios or increases the amount of withdrawals would reduce the revenues BNP Paribas receives from its asset management, equity derivatives and private banking businesses. Independently of market changes, below-market performance by BNP Paribas' mutual funds may result in increased withdrawals and reduced inflows, which would reduce the revenues BNP Paribas receives from its asset management business.

During recent market downturns (and particularly during the 2008/2009 period), BNP Paribas experienced all of these effects and a corresponding decrease in revenues in the relevant business lines. There can be no assurance that BNP Paribas will not experience similar trends in future market downturns, which may occur periodically and unexpectedly.

Protracted market declines can reduce liquidity in the markets, making it harder to sell assets and possibly leading to material losses.

In some of BNP Paribas' businesses, protracted market movements, particularly asset price declines, can reduce the level of activity in the market or reduce market liquidity. These developments can lead to material losses if BNP Paribas cannot close out deteriorating positions in a timely way. This is particularly true for assets that are intrinsically illiquid. Assets that are not traded on stock exchanges or other public trading markets, such as certain derivative contracts between financial institutions, may have values that BNP Paribas calculates using models rather than publicly-quoted prices. Monitoring the deterioration of prices of assets like these is difficult and could lead to losses that BNP Paribas did not anticipate.

Significant interest rate changes could adversely affect BNP Paribas' revenues or profitability.

The amount of net interest income earned by BNP Paribas during any given period significantly affects its overall revenues and profitability for that period. Interest rates are affected by many factors beyond BNP Paribas' control. Changes in market interest rates could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest-bearing liabilities. Any adverse change in the yield curve could cause a decline in BNP Paribas' net interest income from its lending activities. In addition, maturity mismatches and increases in the interest rates relating to BNP Paribas' short-term financing may adversely affect BNP Paribas' profitability.

The soundness and conduct of other financial institutions and market participants could adversely affect BNP Paribas.

BNP Paribas' ability to engage in funding, investment and derivative transactions could be adversely affected by the soundness of other financial institutions or market participants. Financial services institutions are interrelated as a result of trading, clearing, counterparty, funding or other relationships. As a result, defaults, or even rumors or questions about, one or more financial services institutions, or the financial services industry generally, have led to market-wide liquidity problems and could lead to further losses or defaults. BNP Paribas has exposure to many counterparties in the financial industry, directly and indirectly, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients with which it regularly executes transactions. Many of these transactions expose BNP Paribas to credit risk in the event of default of a group of BNP Paribas' counterparties or clients. In addition, BNP Paribas' credit risk may be exacerbated when the collateral held by it cannot be realised upon or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due to BNP Paribas.

In addition, misconduct by financial market participants can have a material adverse effect on financial institutions due to the interrelated nature of the financial markets. An example is the fraud perpetrated by Bernard Madoff, as a result of which numerous financial institutions globally, including BNP Paribas, have announced losses or exposure to losses in substantial amounts. Potentially significant additional potential exposure is also possible in the form of litigation, claims in the context of the bankruptcy proceedings of Bernard Madoff Investment Services (BMIS) (a number of which are pending against the Bank), and other potential claims relating to counterparty or client investments made, directly or indirectly, in BMIS or other entities controlled by Bernard Madoff, or to the receipt of investment proceeds from BMIS.

There can be no assurance that any losses resulting from the risks summarised above will not materially and adversely affect BNP Paribas' results of operations.

BNP Paribas' competitive position could be harmed if its reputation is damaged.

Considering the highly competitive environment in the financial services industry, a reputation for financial strength and integrity is critical to BNP Paribas' ability to attract and retain customers. BNP Paribas' reputation could be harmed if it fails to adequately promote and market its products and services. BNP Paribas' reputation could also be damaged if, as it increases its client base and the scale of its businesses, BNP Paribas' comprehensive procedures and controls dealing with conflicts of interest fail, or appear to fail, to address conflicts of interest properly. At the same time, BNP Paribas' reputation could be damaged by employee misconduct, misconduct by market participants to which BNP Paribas is exposed, a decline in, a restatement of, or corrections to its financial results, as well as any adverse legal or regulatory action. The loss of business that could result from damage to BNP Paribas' reputation could have an adverse effect on its results of operations and financial position.

An interruption in or a breach of BNP Paribas' information systems may result in lost business and other losses.

As with most other banks, BNP Paribas relies heavily on communications and information systems to conduct its business. Any failure or interruption or breach in security of these systems could result in failures or interruptions in BNP Paribas' customer relationship management, general ledger, deposit, servicing and/or loan organisation systems. BNP Paribas cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed. An increasing number of companies have recently experienced intrusion attempts or even breaches of their information technology security, some of which have involved sophisticated and highly targeted attacks on their computer networks. Because the techniques used to obtain unauthorised access, disable or degrade service or sabotage information systems change frequently and often are not recognised until launched against a target, BNP Paribas may be unable to anticipate these techniques or to implement in a timely manner effective and efficient countermeasures. The occurrence of any failures of or interruptions in BNP Paribas' information systems resulting from such intrusions or from other causes could have an adverse effect on BNP Paribas' reputation, financial condition and results of operations.

Unforeseen external events can interrupt BNP Paribas' operations and cause substantial losses and additional costs.

Unforeseen events such as political and social unrest, severe natural disasters, terrorist attacks or other states of emergency could lead to an abrupt interruption of BNP Paribas' operations and, to the extent not covered by insurance, could cause substantial losses. Such losses can relate to property, financial assets, trading positions and key employees. Such unforeseen events could also lead to additional costs (such as relocation of employees affected) and increase BNP Paribas' costs (particularly insurance premiums).

BNP Paribas is subject to extensive and evolving regulatory regimes in the countries and regions in which it operates.

BNP Paribas is exposed to regulatory compliance risk, such as the inability to comply fully with the laws, regulations, codes of conduct, professional norms or recommendations applicable to the financial services industry. This risk is exacerbated by the adoption by different countries of multiple and occasionally diverging legal or regulatory requirements. Besides damage to BNP Paribas' reputation and private rights of action, noncompliance could lead to significant fines, public reprimand, enforced suspension of operations or, in extreme cases, withdrawal of operating licenses. This risk is further exacerbated by continuously increasing regulatory oversight. This is the case in particular with respect to money laundering, the financing of terrorist activities or transactions with countries that are subject to economic sanctions. For example, U.S. regulators and other government authorities have in recent years strengthened economic sanctions administered by the Office of Foreign Assets Control of the U.S.

Department of Treasury (“OFAC”) as well as the related legal and regulatory requirements.

More generally, BNP Paribas is exposed to the risk of legislative or regulatory changes in all of the countries in which it operates, including, but not limited to, the following:

- monetary, liquidity, interest rate and other policies of central banks and regulatory authorities;
- general changes in government or regulatory policy that may significantly influence investor decisions, in particular in the markets in which the Group operates;
- general changes in regulatory requirements applicable to the financial industry, such as rules relating to applicable capital adequacy and liquidity frameworks;
- general changes in securities regulations, including financial reporting and market abuse regulations;
- changes in tax legislation or the application thereof;
- changes in accounting norms;
- changes in rules and procedures relating to internal controls; and
- expropriation, nationalisation, confiscation of assets and changes in legislation relating to foreign ownership.

These changes, the scope and implications of which are highly unpredictable, could substantially affect BNP Paribas, and have an adverse effect on its business, financial condition and results of operations.

Notwithstanding BNP Paribas’ risk management policies, procedures and methods, it could still be exposed to unidentified or unanticipated risks, which could lead to material losses.

BNP Paribas has devoted significant resources to developing its risk management policies, procedures and assessment methods and intends to continue to do so in the future. Nonetheless, BNP Paribas’ risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all economic and market environments or against all types of risk, particularly risks that BNP Paribas may have failed to identify or anticipate. BNP Paribas’ ability to assess the creditworthiness of its customers or to estimate the values of its assets may be impaired if, as a result of market turmoil such as that experienced in recent years, the models and approaches it uses become less predictive of future behavior, valuations, assumptions or estimates. Some of BNP Paribas’ qualitative tools and metrics for managing risk are based on its use of observed historical market behavior. BNP Paribas applies statistical and other tools to these observations to arrive at quantifications of its risk exposures. The process BNP Paribas uses to estimate losses inherent in its credit exposure or estimate the value of certain assets requires difficult, subjective, and complex judgments, including forecasts of economic conditions and how these economic predictions might impair the ability of its borrowers to repay their loans or impact the value of assets, which may, during periods of market disruption, be incapable of accurate estimation and, in turn, impact the reliability of the process. These tools and metrics may fail to predict future risk exposures, e.g., if BNP Paribas does not anticipate or correctly evaluate certain factors in its statistical models, or upon the occurrence of an event deemed extremely unlikely by the tools and metrics. This would limit BNP Paribas’ ability to manage its risks. BNP Paribas’ losses could therefore be significantly greater than the historical measures indicate. In addition, BNP Paribas’ quantified modeling does not take all risks into account. Its more qualitative approach to managing certain risks could prove insufficient, exposing it to material unanticipated losses.

BNP Paribas’ hedging strategies may not prevent losses.

If any of the variety of instruments and strategies that BNP Paribas uses to hedge its exposure to various types of risk in its businesses is not effective, BNP Paribas may incur losses. Many of its strategies are based on historical trading patterns and correlations. For example, if BNP Paribas holds a long position in an asset, it may hedge that position by taking a short position in another asset where the short position has historically moved in a direction that would offset a change in the value of the long position. However, the hedge may only be partial, or the strategies used may not protect against all future risks or may not be fully effective in mitigating BNP Paribas’ risk exposure in all market environments or against all types of risk in the future. Unexpected market developments may also reduce the effectiveness of BNP Paribas’ hedging strategies. In addition, the manner in which gains and losses resulting from certain ineffective hedges are recorded may result in additional volatility in BNP Paribas’ reported earnings.

BNP Paribas may experience difficulties integrating acquired companies and may be unable to realise the benefits expected from its acquisitions.

BNP Paribas has in the past and may in the future acquire other companies. Integrating acquired businesses is a long and complex process. Successful integration and the realisation of synergies require, among other things, proper coordination of business development and marketing efforts, retention of key members of management, policies for effective recruitment and training as well as the ability to adapt information and computer systems. Any difficulties encountered in combining operations could result in higher integration costs and lower savings or revenues than expected. There will accordingly be uncertainty as to the extent to which anticipated synergies will be achieved and the timing of their realisation. Moreover, the integration of BNP Paribas' existing operations with those of the acquired operations could interfere with the respective businesses and divert management's attention from other aspects of BNP Paribas' business, which could have a negative impact on the business and results of BNP Paribas. In some cases, moreover, disputes relating to acquisitions may have an adverse impact on the integration process or have other adverse consequences, including financial ones.

Although BNP Paribas undertakes an in-depth analysis of the companies it plans to acquire, such analyses often cannot be complete or exhaustive. As a result, BNP Paribas may increase its exposure to doubtful or troubled assets and incur greater risks as a result of its acquisitions, particularly in cases in which it was unable to conduct comprehensive due diligence prior to the acquisition.

Intense competition, especially in France where it has the largest single concentration of its businesses, could adversely affect BNP Paribas' revenues and profitability.

Competition is intense in all of BNP Paribas' primary business areas in France and the other countries in which it conducts a substantial portion of its business, including other European countries and the United States. Competition in BNP Paribas' industry could intensify as a result of the ongoing consolidation of financial services that accelerated during the recent financial crisis. If BNP Paribas is unable to respond to the competitive environment in France or in its other major markets by offering attractive and profitable product and service solutions, it may lose market share in key areas of its business or incur losses on some or all of its activities. In addition, downturns in the economies of its principal markets could add to the competitive pressure, through, for example, increased price pressure and lower business volumes for BNP Paribas and its competitors. In addition, new lower-cost competitors may enter the market, which may not be subject to the same capital or regulatory requirements or may have other inherent regulatory advantages and, therefore, may be able to offer their products and services on more favorable terms. It is also possible that the increased presence in the global marketplace of nationalised financial institutions, or financial institutions benefiting from State guarantees or other similar advantages, following the recent financial crisis or the imposition of more stringent requirements (particularly capital requirements and activity restrictions) on larger or systematically significant financial institutions could lead to distortions in competition in a manner adverse to large private-sector institutions such as BNP Paribas.

Security and collateral

BNP will post collateral for any value of the P-Notes issued by BNP held by the Trustee on behalf of the Sub-Fund that is above 10% of the NAV of the Sub-Fund in order to reduce the Sub-Fund's exposure to BNP to not more than 10% of the NAV of the Sub-Fund. The collateral will be placed in a trust or custodial account charged and assigned to the Trustee as trustee for the Sub-Fund. Reference is made to paragraph 9.2.3.

The China A Share Market

The China A Share market is a developing financial market. The hedging activities of BNP and/or any of its affiliates may be disrupted and the Sub-Fund may suffer losses as a result. The constituent securities comprising the composite portfolio are A-Shares, which are traded on the Shanghai Stock Exchange. These markets are newly developing financial markets, and may have lower capitalisation, lower trading volumes, higher volatility and less sophisticated securities laws and regulations than those in more developed financial markets. These factors may result in large fluctuations in the value of A-Shares in general and the constituent securities comprising the composite portfolio in particular, and therefore the value of the composite portfolio as well as the P-Notes may fluctuate to a great extent as well.

Since the China A Share market is newly developing, it is possible that, during the term of the P-Notes, BNP and/or any of its affiliate may become unable to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any hedge positions which directly or indirectly relates to hedging BNP's equity price risk, currency risk and

dividend risk with respect to the P-Notes or realise, recover, remit, receive, repatriate or transfer the proceeds of any such hedge positions (a “**Hedging Disruption**”), or would incur a materially increased (as compared with circumstances existing on the trade date of the P-Notes) amount of tax, duty, expense or fee to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any hedge positions which directly or indirectly relates to hedging BNP’s equity price risk, currency risk and dividend risk it deems necessary to hedge its equity or other price risk with respect to the P-Notes or realise, recover or remit the proceeds of any such hedge positions (an “**Increased Cost of Hedging**”). If a Hedging Disruption or Increased Cost of Hedging occurs, as determined by the calculation agent of the P-Notes, the P-Notes may be subject to adjustment or the P-Notes may be redeemed early. The Sub-Fund may suffer a substantial loss on its investment in the P-Notes if that is the case.

It is also possible that, during the term of the P-Notes, due to the adoption of or any change in any applicable law or regulation or the promulgation of or any change in the interpretation by any court, tribunal or regulatory or other supervisory authority with competent jurisdiction of any applicable law or regulation, BNP determines that it will become illegal for BNP to hold, acquire or dispose of hedge positions which directly or indirectly relates to hedging the BNP’s equity price risk, currency risk and dividend risk under the P-Notes or it will incur a materially increased cost in performing its obligations under the P-Notes. In such event, the BNP may determine that a “Change in Law” has occurred and the P-Notes may be subject to adjustment or the P-Notes may be redeemed early. The Sub-Fund may suffer a substantial loss on its investment in the P-Notes if that is the case.

Market access product

The P-Notes are a type of “market access product”. The PRC Central Government may change its laws or regulations which affect BNP’s ability to provide access to the China A Share market. Currently, only residents of mainland China or foreign investors who have obtained QFII status or persons under another scheme which allows direct investment into A-Shares can trade in A-Shares. Therefore, the P-Notes are what some may refer to as a “market access product”, which means the terms and conditions of the P-Notes²⁰ are structured in such a way so that an investor in the P-Notes takes some of the economic risks and rewards of the underlying securities that are not commonly available to the investor.

BNP is able to offer the P-Notes with terms and conditions²¹ that are structured in this way because BNP may hedge its obligations under the P-Notes through the relevant A-Shares hedging arrangements.

If BNP suffers from, for example (without limitation), a Change in Law or Hedging Disruption with respect to its obligations under the P-Notes, the P-Notes may be subject to adjustment or the P-Notes may be redeemed early. The Sub-Fund may suffer a substantial loss on its investment in the P-Notes if that is the case.

CNY exchange rate risks

The exchange rates between CNY and any other foreign currency may fluctuate as a result of market and political conditions and economic factors, including, without limitation, mainland China’s foreign exchange regime, and may go up as well as down. Currently, the conversion of CNY into USD has been based on the median exchange rates published by the China Foreign Exchange Trading System, which are set daily based on the quotation obtained from market-makers of the PRC interbank foreign exchange market. However there is no assurance whether such exchange rates will continue to be fixed or be kept within any range. If the PRC Central Government allows free conversion of CNY into foreign currency for capital items as well as for current items, any of the foreign exchange rates may become highly volatile. There is no assurance that the level of the applicable exchange rates in relation to the Sub-Fund at any given time will be at a level which will result in a favourable financial return for investors.

CNY convertibility

At present, CNY cannot be freely converted. The Sub-Fund is exposed to risks that mainland China’s foreign exchange control regime may change in the future. Under mainland China’s current foreign exchange regulations, CNY cannot be freely converted into any foreign currency in respect of “capital items”, such as investment of shares in Chinese companies. To convert CNY in respect of “capital items” into any foreign currency, generally speaking, one needs the approval of the regulator for foreign exchange in mainland China, the SAFE. Currently, SAFE has granted approvals so that investors with QFII status can exchange the proceeds from their investment in A-Shares

²⁰ You can contact us (please refer to paragraph 24 for our contact details) to obtain information on the terms and conditions of the P-Notes.

²¹ You can contact us (please refer to paragraph 24 for our contact details) to obtain information on the terms and conditions of the P-Notes.

into foreign currencies without any further approval. However SAFE may revoke or change its approval in the future. In addition, regardless of whether there are SAFE approvals, the PRC Central Government may impose exchange controls that make it impossible or impracticable for the relevant QFII to recover their positions in the A-Shares or to remit the proceeds of these A-Shares outside mainland China. If this occurs, this may constitute a Currency Event (as defined in the terms and conditions of the P-Notes²²) and the payments under the P-Notes may be postponed or the P-Notes may be redeemed early. The Sub-Fund may suffer a substantial loss on its investment in the P-Notes if that is the case.

Capital gains tax

Although currently no enterprise income tax is being levied in the PRC on capital gains made by QFIIs in their investments in A-Shares as a matter of practice²³, investors should note that there is considerable uncertainty regarding whether QFIIs would be required to pay enterprise income tax on their capital gains.

BNP will therefore deduct a provisional capital gains tax amount to be conclusively determined by the calculation agent of the P-Notes in accordance with the terms and conditions of the P-Notes²⁴ in SGD equal to 10% of the aggregate of any realised or unrealised gains on each security constituting the composite portfolio per transaction directly or indirectly related to the hedging of the P-Notes from the redemption amount on maturity or early redemption of the P-Notes and withhold such amount to account for any potential capital gains tax paid or payable in the PRC in respect of gains on the securities constituting the composite portfolio. Such withholding from the redemption amount of the P-Notes will result in a lower net return to the Sub-Fund on its investment in the P-Notes and a lower fund performance and will impact the NAV of the Sub-Fund.

To the extent the actual amount of capital gains tax actually levied by the taxing authority of the PRC before the date falling on the fifth year after the settlement date in relation to the termination, redemption or unwinding of the relevant P-Notes is in excess of the provisional capital gains tax amount withheld, such shortfall will be borne by the Sub-Fund. The NAV of the Sub-Fund will therefore decrease.

To the extent the capital gains tax is not paid, payable, announced, required or determined to be payable to any PRC tax or other relevant authorities in accordance with applicable PRC laws, rules and regulations, such amount will be returned by BNP to the Sub-Fund on the date falling on the fifth year after the settlement date in relation to the termination, redemption or unwinding of the relevant P-Notes.

The NAV of the Sub-Fund will therefore increase. However, in the event that the Sub-Fund is no longer in existence on such date, the amount withheld will be returned to the relevant QFII holders and not to the Sub-Fund and investors will not have any claim on such amount.

In the event any capital gains tax is levied by the taxing authority of the PRC on or after the date falling on the fifth year after the settlement date in relation to the termination, redemption or unwinding of the relevant P-Notes, such amount will be borne by the relevant QFII holders. The NAV of the Sub-Fund will therefore not be affected as a result.

Insolvency filing

Under the terms and conditions of the P-Notes, if an insolvency filing is instituted against the issuer of any of the securities comprising the composite portfolio, the P-Notes may be subject to adjustment or the P-Notes may be redeemed early. The Sub-Fund may suffer a substantial loss on its investment in the P-Notes if that is the case.

Regulatory change event

If any regulatory change event occurs and such event imposes, modifies, applies or eliminates any tax, reserve, special deposit, insurance assessment or any other requirement in respect of assets or deposits of BNP or any of its

²² You can contact us (please refer to paragraph 24 for our contact details) to obtain information on the terms and conditions of the P-Notes.

²³ It has since been announced that a capital gains tax will not be charged on any equity-based transaction from 17 November 2014 to 16 November 2017. There is no assurance that this will not be revised or amended in the future and such period may be changed without any notice to us and we shall not be liable for any capital gains tax levied by the taxing authority of the PRC as a result of any revision, amendment or change to this.

²⁴ You can contact us (please refer to paragraph 24 for our contact details) to obtain information on the terms and conditions of the P-Notes.

affiliates in respect of (i) the redemption of the P-Notes or (ii) any of its hedges and/or affects in any other way the cost to BNP of maintaining its hedges, the P-Notes may be subject to adjustment or the P-Notes may be redeemed early. The Sub-Fund may suffer a substantial loss on its investment in the P-Notes if that is the case.

QFII event

Under the terms and conditions of the P-Notes²⁵, if a QFII Event occurs (which includes the cessation or suspension of the QFII status or reduction of the QFII quota of any QFII through which hedge positions which directly or indirectly relates to hedging BNP's equity price risk, currency risk and dividend risk with respect to the P-Notes are maintained), the P-Notes may be subject to adjustment or the P-Notes may be redeemed early. The Sub-Fund may suffer a substantial loss on its investment in the P-Notes if that is the case.

Adjustments to the value of the P-Notes

Investors should note that under the terms and conditions of the P-Notes²⁶, the calculation agent of the P-Notes may in its sole and absolute discretion make one or more adjustments to the value of the P-Notes to account for actual or potential losses, costs, expenses, charges, taxes or duties (including stamp duties or other similar taxes or duties) of whatever nature arising out of administrative or operational activities relating to the Sub-Fund and the P-Notes incurred or suffered or that may be incurred or suffered by BNP as the issuer of the P-Notes and/or its related entities. Any such adjustment may adversely affect the value of the P-Notes and may cause the value of the P-Notes to fall significantly. In a worst case scenario, the value of the P-Notes could fall to zero. The Sub-Fund will suffer a loss in its investment in the P-Notes if the P-Notes fall in value.

Costs and expenses will be deducted from the redemption value of the P-Notes

The final redemption amount of the P-Notes will be determined based on the SGD equivalent of the fair market value of the underlying basket of A-Shares and taking into account accrued but unpaid dividends (after deduction of applicable costs, expenses, charges, taxes and duties). Such amount will then be subject to the following adjustments and deductions determined by the calculation agent of the P-Notes in its sole and absolute discretion:

- (i) as mentioned in the sub-heading "Adjustments to the value of the P-Notes" above, adjustments in the value of the P-Notes to take into account actual or potential losses, costs, expenses, charges, taxes or duties suffered or incurred or that may be suffered or incurred by BNP as issuer of the P-Notes and/or its related entities arising out of the administrative or operational activities relating to the Sub-Fund and the P-Notes;
- (ii) the fair market value of the underlying basket of A-Shares will take into account all relevant information determined by the calculation agent, including any hedge positions by a party which directly or indirectly relates to the hedging of BNP's risk (as issuer) of entering into and performing its obligations in respect of the P-Notes, as well as the unwinding of such positions; and
- (iii) deduction of transactions costs which comprise (a) (i) total commissions that BNP (as issuer) or its related entities would ordinarily charge its clients, and (ii) all actual or potential costs, expenses, charges, taxes or duties suffered or incurred, or may be suffered or incurred, by them (including for example due to any changes in the composite portfolio), in each case, for effecting transactions that directly or indirectly relate to the hedging of BNP's risk (as issuer) of entering into and performing its obligations with respect to the P-Notes and (b) the provisional capital gains tax amount referred to in "Capital gains tax" above.

If the P-Notes are redeemed early for any reason, the redemption amount of the P-Notes will be based on the fair market value of the P-Notes determined by the calculation agent of the P-Notes in good faith, taking into account all relevant information including accrued but unpaid dividends, the provisional capital gains tax amount and early redemption unwind costs (being all costs, expenses (including loss of funding), tax and duties incurred by BNP (as issuer) in connection with the early redemption of the P-Notes, and related termination, settlement or re-establishment of any hedge or related trading positions).

2. Risks related to the structure of the P-Notes being notes linked to the Composite Portfolio

²⁵ You can contact us (please refer to paragraph 24 for our contact details) to obtain information on the terms and conditions of the P-Notes.

²⁶ You can contact us (please refer to paragraph 24 for our contact details) to obtain information on the terms and conditions of the P-Notes.

Potential loss of investment in P-Notes

The final redemption amount per P-Note may be less than the initial investment amount and the Sub-Fund is exposed to the full loss of its investment in the P-Notes.

No fixed interest or other fixed interim distributions will be payable under the P-Notes

Prospective investors should note that no fixed interest or other fixed interim distributions will be paid on the P-Notes. BNP will however make quarterly payments under the P-Notes of amounts that reflect any cash dividends paid in respect of the constituent securities comprising the composite portfolio to a holder of securities constituting the composite portfolio less all applicable charges, taxes, costs and expenses in accordance with the terms and conditions of the P-Notes²⁷. In the event that there are no cash dividends paid in respect of the constituent securities comprising the composite portfolio during a relevant quarter, BNP will not make any payment for that quarter. The Sub-Fund, in the context of its own financial position, must therefore be capable of holding the P-Notes to maturity with no income stream in the form of fixed interest or other fixed interim distributions.

As there may be no interim payments to the Sub-Fund, any increase in the value of the composite portfolio (if any) may not be crystallised until the P-Notes are redeemed and the P-Notes may fall in value at any time prior to redemption.

The return on the P-Notes will be linked to the composite portfolio which is comprised of a notional underlying basket of A-Shares designed to track as closely as possible, before fees, costs and expenses (including any taxes and withholding taxes), the performance of the SSE 50. Potential investors should be aware that:

- (i) the market price of the P-Notes may be volatile;
- (ii) the value of the P-Notes may be adversely affected by adjustments made by the calculation agent of the P-Notes to account for actual or potential losses, costs, expenses, charges, taxes or duties (including stamp duties or other similar taxes or duties) of whatever nature arising out of administrative or operational activities relating to the Sub-Fund and the P-Notes incurred or suffered or that may be incurred or suffered by BNP as the issuer of the P-Notes and/or its related entities;
- (iii) the redemption value of the P-Notes will be subject to the deduction of fees, costs, expenses and other charges including the maintenance and unwinding of hedge positions;
- (iv) BNP will deduct a provisional capital gains tax amount to be conclusively determined by the calculation agent of the P-Notes in accordance with the terms and conditions of the P-Notes²⁸ in SGD equal to 10% of the aggregate of any realised or unrealised gains on each security constituting the composite portfolio per transaction directly or indirectly related to the hedging of the P-Notes from the redemption amount on maturity or early redemption of the P-Notes and withhold such amount to account for any potential capital gains tax paid or payable in the PRC;
- (v) the Sub-Fund will receive no fixed interest or other fixed interim distributions and may receive no interim payments at all;
- (vi) any cash dividends paid in respect of the constituent securities comprising the composite portfolio to a holder of securities constituting the composite portfolio will only be paid under the P-Notes quarterly and after deduction of all applicable charges, taxes, costs and expenses in accordance with the terms and conditions of the P-Notes²⁹;
- (vii) payment of any redemption amount or other amounts may occur at a different time or in a different currency than expected;
- (viii) the value of the composite portfolio may be subject to significant fluctuations that may not correlate with

²⁷ You can contact us (please refer to paragraph 24 for our contact details) to obtain information on the terms and conditions of the P-Notes.

²⁸ You can contact us (please refer to paragraph 24 for our contact details) to obtain information on the terms and conditions of the P-Notes.

²⁹ You can contact us (please refer to paragraph 24 for our contact details) to obtain information on the terms and conditions of the P-Notes.

changes in interest rates, currencies or indices;

- (ix) if the linkage with the composite portfolio is applied to the P-Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the value of the composite portfolio on the redemption amount under the P-Notes will likely be magnified;
- (x) the timing of changes in the value of the composite portfolio may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the value of the composite portfolio, the greater the effect on yield; and
- (xi) the Sub-Fund may lose part, a substantial portion or all of the principal invested in the P-Notes.

Changes to the SSE 50

If there are changes to the SSE 50, the Managers will make adjustments to the composite portfolio to which the P-Notes are linked in order to track as closely as possible the performance of the SSE 50. Such adjustments may be made later than the changes to the SSE 50, and may adversely affect the Sub-Fund's investment returns on the P-Notes. There may be a gap between the day when the sponsor changes the SSE 50 and the effective date for the adjustments in the relevant composite portfolio. Therefore, the value of the relevant composite portfolio may be lower than what would be the case if the relevant composite portfolio is adjusted at the same time as the change to the SSE 50 by its sponsor. This is known as a "tracking error".

The Sub-Fund has no rights with respect to the constituent securities comprising the Composite Portfolio

The Sub-Fund has no rights with respect to the constituent securities comprising the composite portfolio including, without limitation, the right to receive dividends or other distributions. A P-Note will not represent a claim against any of the constituent securities comprising the composite portfolio. The Sub-Fund will not have recourse under a P-Note to any of the constituent securities comprising the composite portfolio. An investment in the P-Notes may entail significant risks not associated with investments in conventional debt securities, including but not limited to the risks set out in this section. The amount paid by BNP on redemption of the P-Notes may be less than the principal amount of the P-Notes and may in certain circumstances be zero.

Neither BNP or any of its affiliates has performed or will perform any investigation or review of the Managers in constructing the composite portfolio for the purpose of forming a view as to the merit or suitability of an investment linked to the composite portfolio and they make no guarantee or express or implied warranty in respect of the composite portfolio or the Managers in constructing the composite portfolio or any other entity. Accordingly, investors should not conclude that the issue by BNP of the P-Notes is any form of investment recommendation or advice by BNP or any of its affiliates.

No person other than BNP and BNP Paribas (as the guarantor of the P-Notes³⁰) will be obliged to make payments on the P-Notes. The amount payable under the P-Notes will be calculated in accordance with the terms of the P-Notes and the Sub-Fund may lose part or the whole of its investment in the P-Notes.

Use of estimates

Potential investors should understand that for certain determinations, the calculation agent, BNP SNC may be required to rely on (a) values that at the time they are required are only estimated values, and (b) information provided by third parties, the accuracy of which BNP SNC has no control, and as such, it may rely on this information without any obligation to verify or otherwise corroborate it.

Changing value

The value of the P-Notes may move up or down between the issue date and the maturity date of the P-Notes and the Sub-Fund may sustain a total loss on its investment in the P-Notes. Factors that may influence the value of the P-Notes include without limitation: the value of the composite portfolio; the creditworthiness of BNP; and those economic, financial, political and regulatory events that affect financial markets generally (including, for example, interest, foreign exchange and yield rates in the market).

Unwinding of hedges

³⁰ Enforcement of such guarantee for the Sub-Fund is restricted. Please refer to paragraph 21.2.23(xv) for further details.

The unwinding of hedges relating to the P-Notes could itself affect the market value of the constituent securities comprising the composite portfolio. The liquidation or adjustment of these hedges could itself affect the market value of the constituent securities comprising the composite portfolio, particularly if there is otherwise low trading volume in the securities at the relevant time. It is possible that this activity could cause the market value of the constituent securities comprising the composite portfolio to fall, which leads to a lower value for the composite portfolio, and hence, value for the P-Notes.

3. Risks related to the potential conflicts of interest

Potential conflicts of interest in relation to hedging

In the ordinary course of its business, including without limitation in connection with the market-making activities of BNP SNC, BNP as the issuer of the P-Notes, BNP Paribas and/or any of their affiliates may effect transactions for its own account or for the account of its customers and hold long or short positions in the constituent securities comprising the composite portfolio(s) or related derivatives. In addition, in connection with the offering of the P-Notes, BNP, BNP Paribas and/or any of their affiliates may enter into one or more hedging transactions with respect to the constituent securities comprising the composite portfolio(s) or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by BNP, BNP Paribas and/or any of their affiliates, BNP, BNP Paribas and/or any of their affiliates may enter into transactions in the constituent securities comprising the composite portfolio(s) or related derivatives which may affect the market price, liquidity or value of the P-Notes and which could be adverse to the interests of the relevant noteholders (including the Sub-Fund).

Other potential conflicts of interest

Where BNP as the issuer of the P-Notes also acts as calculation agent, potential conflicts of interest may exist between the calculation agent and noteholders (including the Sub-Fund), including with respect to certain determinations, adjustments, calculations and judgments that the calculation agent may make in its sole and absolute discretion pursuant to the P-Notes that may influence the amount receivable or specified assets deliverable on redemption of the P-Notes. Whilst the calculation agent must act in good faith, reasonably and on an arms' length basis, the determinations, adjustments, calculations and judgments made by it may have an adverse effect on the value and/or the amounts payable under the P-Notes. Any such discretion exercised by, or any calculation made by, the calculation agent (in the absence of manifest error) will be final and binding on all holders of the P-Notes. The calculation agent for the P-Notes owes no duty to act in the interest of the holders of the P-Notes.

BNP as the issuer of the P-Notes, BNP Paribas and any dealer(s) may, at the date hereof or at any time hereafter, be in possession of information in relation to one or more constituent securities comprising the composite portfolio(s) that is or may be material in the context of the P-Notes and may or may not be publicly available to noteholders (including the Sub-Fund). There is no obligation on the BNP, BNP Paribas or any dealer(s) to disclose to noteholders (including the Sub-Fund) any such information.

Certain entities within the Group or its affiliates may also engage in trading activities (including hedging activities) relating to the constituent securities comprising the composite portfolio(s) or derivative products based on or relating to the constituent securities comprising the composite portfolio(s) for their proprietary accounts or for other accounts under their management. BNP, BNP Paribas and their affiliates may also issue other derivative instruments in respect of the constituent securities comprising the composite portfolio(s). BNP, BNP Paribas and their affiliates may also act as underwriter in connection with future offerings of shares or other securities relating to an issue of P-Notes or may act as financial adviser to certain companies or companies whose shares or other securities are included in a basket or in a commercial banking capacity for such companies.

Transferability of the P-Notes

The P-Notes held by the Sub-Fund are not transferable to third-parties and there will be no trading market for the P-Notes. Under normal market conditions, upon the Sub-Fund's request, BNP as the issuer of the P-Notes will purchase the P-Notes before the maturity date at prevailing market prices as determined solely by BNP or its affiliate taking into account all relevant factors. Such price may be less and could be substantially less than the invested amount by the Sub-Fund. In a worst case scenario, the price could be as low as zero.

发售计划说明书

大华上证50中国挂牌基金



UETF

 **UOB** Asset Management