

# UNITED ALTERNATIVE PORTFOLIOS

## United Asia Pacific Diversified Strategies Fund

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

This is a replacement prospectus lodged with the Monetary Authority of Singapore (the “Authority”) on 18 April 2018 pursuant to Section 298 of the Securities and Futures Act (Chapter 289 of Singapore) and it replaces the prospectus registered by the Authority on 20 March 2018.

## DIRECTORY

### Managers

UOB Asset Management Ltd  
(Company Registration No. 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

### Sub-Managers

UOB Alternative Investment Management Pte. Ltd.  
(Company Registration No. 201302106G)  
80 Raffles Place  
UOB Plaza  
Singapore 048624

### Trustee/Custodian

Portcullis Trust (Singapore) Ltd  
(Company Registration No. 199806167W)  
6 Temasek Boulevard  
#09-06 Suntec Tower 4  
Singapore 038986

### Registrar / Fund Administrator

State Street Bank and Trust Company, 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

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

### Solicitors to the Trustee

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

## 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.

alternative investment funds	Funds which use alternative investment strategies.
ATMs	Automated teller machines.
Authorised Investments	See <u>paragraph 6.5</u> of this Prospectus.
Authority	Monetary Authority of Singapore.
Business Day	A day (other than Saturday, Sunday or a gazetted public holiday) on which commercial banks are open for business in Singapore, or any other day as the Managers and the Trustee may agree in writing.
Class	Any class of Units in the Sub-Fund which may be designated as a class distinct from another class in the Sub-Fund as may be determined by the Managers from time to time.
Class currency	The currency of denomination of the relevant Class.
Code	Code on Collective Investment Schemes issued by the Authority, as amended from time to time. The latest version is available at <a href="http://www.mas.gov.sg">www.mas.gov.sg</a> .
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	<p>In connection with the issuance, cancellation, valuation and realisation of Units, generally every Business Day. The Managers may, change the Dealing Day after consulting the Trustee, provided that, if the Trustee so requires, the Managers will give reasonable notice of such change to all affected Holders on terms approved by the Trustee.</p> <p>If on any day which would otherwise be a Dealing Day:</p> <ul style="list-style-type: none"> <li>(a) one or more Recognised Markets on which investments of the Sub-Fund are quoted, listed or dealt in are not open for normal trading; and/or</li> <li>(b) one or more Underlying Funds of the Sub-Fund do not carry out valuation or dealing,</li> </ul> <p>and which affect investments of the Sub-Fund having in aggregate values amounting to at least 50% of the value of the assets of the Sub-Fund (as at the relevant Valuation Point), the Managers may determine that that day shall not be a Dealing Day for the Sub-Fund.</p>
Dealing Deadline	The deadline set out in <u>paragraphs 9.3 and 11.1</u> or such other time as the Managers may determine subject to the provisions of the Deed.
Deed	See <u>paragraph 1.4</u> of this Prospectus.
Deposited Property	All of the assets for the time being held or deemed to be held upon the trusts of the Deed (or if the context so requires, the part thereof attributable to the Sub-Fund or a Class) excluding any amount for the time being standing to the credit of the relevant distribution account referred to in <u>Clause 22.3</u> of the Deed.
FATCA	The U.S. Foreign Account Tax Compliance Act, as amended from time to time.
FDIs or derivatives	Financial derivative instruments.
Fund	United Alternative Portfolios.
fund-of-funds	Fund-of-funds or multi-manager fund, which invests all or substantially all of its assets in collective investment schemes managed by different fund managers.

Gross Investment Amount	The amount paid by an investor for the purpose of investing in Units, before deduction of the applicable Subscription Fee.
Gross Realisation Proceeds	The amount payable to a Holder upon the realisation of its Units, before deduction of the applicable Realisation Fee.
Group Fund	A collective investment scheme the managers of which: <ul style="list-style-type: none"> <li>(a) are the Managers or a corporation under their control or under common control with them or at least 50% of the share capital of which is held by a corporation which is a shareholder of the Managers; and</li> <li>(b) have approved the terms of any switch which may be made pursuant to the Deed.</li> </ul>
Hedged Class	A Class to which the currency hedging strategy as described under the heading “Hedged Classes” in <u>paragraph 8.2(j)</u> is applied.
Holder	A unitholder of the Sub-Fund.
Investment	Any share, stock, bond, 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, share or unit in any exchange traded fund, participation in a mutual fund or collective investment scheme, 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 for the purpose of investment of the Deposited Property of the Sub-Fund or which may for the time being form part thereof.
IGA	Intergovernmental agreement.
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.
NAV	Net asset value.
Net Investment Amount	The amount paid by an investor for the purpose of investing in Units, after deduction of the applicable Subscription Fee.
Net Realisation Proceeds	The amount payable to a Holder upon the realisation of its Units, after deduction of the applicable Realisation Fee.
Recognised Market	Subject to the provisions of the Code, any stock exchange or over-the-counter or over-the-telephone market, any futures exchange and any organised securities market which is open to the public and on which securities are regularly traded, being in each case an exchange or market in any part of the world and in relation to any particular Investment includes any responsible firm, corporation or association in any country in the world so dealing in the Investment as to be expected generally to provide in the opinion of the Managers a satisfactory market for the investment (subject to any applicable provisions under the Code) and is approved by the Trustee and in such case the Investment shall be deemed to be the subject of an effective permission to deal or be dealt in on the market deemed to be constituted by such firm, corporation or association.
Register	The register of Holders of the Sub-Fund.
RSP	Regular savings plan.
SFA	Securities and Futures Act, Chapter 289 of Singapore, as amended from time to time.
Singapore dollars / SGD / S\$	The lawful currency of Singapore.
SRS	Supplementary Retirement Scheme.
Sub-Fund currency	The currency of denomination of the Sub-Fund.

Sub-Fund	United Asia Pacific Diversified Strategies Fund (except in <u>paragraph 21</u> where “Sub-Fund” means a sub-fund of the Fund).
Sub-Managers	UOB Alternative Investment Management Pte. Ltd.. See <u>paragraph 3</u> of this Prospectus.
Trustee	Portcullis Trust (Singapore) Ltd or any other person for the time being duly appointed as trustee of the Fund.
U.S.	United States of America.
UCITS	An undertaking for collective investment in transferable securities pursuant to European Union Directive No. 2009/65/EC of 13 July 2009, as amended.
Underlying Fund	An investment company or sub-fund of an investment company or unit trust scheme or exchange traded fund or mutual fund or other collective investment scheme from time to time determined by the Managers to be invested into by the Sub-Fund.
United States dollars / USD / US\$	The lawful currency of the U.S..
Units	Units of the relevant Class or all relevant Classes (as the case may be).
Valuation Point	The close of business of the last relevant market in relation to the relevant Dealing Day on which the NAV of the Sub-Fund or the relevant Class is to be determined or such other time on the relevant Dealing Day or such other day as the Managers may determine with the prior approval of the Trustee who shall determine if the relevant Holders should be informed of such change.

## 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 this Prospectus has been lodged with and registered by the Authority. The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the SFA or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the 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.

You should refer to the Deed in conjunction with this Prospectus. A copy of the Deed is available for inspection at our operating office during normal 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.

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 objective. The prices of Units as well as the income from them may go up as well as down to reflect changes in the value of the 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.

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

You should seek independent 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 and which may be relevant to your subscription, holding or disposal of Units. We make no representation as to the tax status of the Fund or the Sub-Fund. You should keep yourself informed of, and observe, all such laws and regulations in any relevant jurisdiction that may be applicable to you.

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 Fund or 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 a more recent Prospectus or supplement is available. Certain minor updates to the information in this Prospectus may be announced on our website at [uobam.com.sg](http://uobam.com.sg) or any other website designated by us from time to time.

Units are not listed and you may only deal with Units through us or our authorised agents or distributors subject to the terms of the Deed.

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

We or our related entities, officers or employees may from time to time hold positions in the Sub-Fund.

### **Prohibition against U.S. investors**

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

- (a) 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
- (b) “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 organized 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 Common Reporting Standard (“CRS”)**

### **FATCA**

FATCA was enacted in 2010 by the United States 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 Singapore<sup>1</sup> in connection with FATCA and/or withhold certain payments to such investors.

### **CRS**

CRS, endorsed by the Organisation for Economic Co-operation and Development (OECD) 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 Inland Revenue Authority of Singapore (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 or any other tax or other information reporting regime 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 to 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 or pursuant to any other tax or other information reporting regime.

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<sup>1</sup> 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.



\* \* \*

We may compulsorily realise all or any of your Units in any of the circumstances set out under paragraph 21.2 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.

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# UNITED ALTERNATIVE PORTFOLIOS

## PROSPECTUS

### 1. BASIC INFORMATION

#### 1.1 Fund structure

United Alternative Portfolios is an umbrella unit trust under which we may establish sub-funds to be managed as separate and distinct trusts. This is a Prospectus for United Asia Pacific Diversified Strategies Fund (the “**Sub-Fund**”).

The Sub-Fund is a fund-of-funds structured as an open-ended unit trust constituted in Singapore with no fixed maturity. As at the date of lodgment of this Prospectus, it is intended that the Sub-Fund invests primarily in Underlying Funds which are UCITS domiciled in Luxembourg and Ireland, which are managed by investment managers domiciled in Luxembourg, United Kingdom, Singapore, Australia, Japan and Hong Kong. As the Sub-Fund is a fund-of-funds, you should be aware that it may from time to time invest in Underlying Funds domiciled in, or which are managed by investment managers domiciled in, jurisdictions other than those stated above.

The Sub-Fund currency is Singapore dollars.

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

This is a replacement prospectus lodged with the Authority on 18 April 2018 and replaces the previous prospectus for the Fund that was registered with the Authority on 20 March 2018. It is valid up to 19 March 2019 and will expire on 20 March 2019.

#### 1.3 Classes of Units

The Sub-Fund may consist of one or more Classes of Units. Different Classes may bear different characteristics such as their Class currency, fee structure, minimum threshold amounts for subscription, holding and realisation, distribution policy, eligibility requirements, mode of investment, the availability of a RSP and whether the relevant Class is a Hedged Class. A separate NAV per Unit (in the relevant Class currency), which may differ as a consequence of such variable factors, will be calculated for each Class. Save for such differences, Holders of each Class have materially the same rights and obligations under the Deed. You should note that the assets of the Sub-Fund are pooled and invested as a single fund and are not segregated in respect of each Class.

*Note on naming convention:*

- *Classes designated “A” are available for subscription by all investors.*
- *Classes designated “B” are available for subscription by institutional clients and such other persons as we may from time to time determine in our sole discretion.*
- *Classes designated “Z” are available for subscription only with our prior written approval.*
- *The currency stated in the name of a Class is its Class currency: e.g. the Class currency of “Class USD” is USD.*
- *If the Class name contains “(Hedged)” then it is a Hedged Class.*

We may at any time establish new Classes within the Sub-Fund. We may re-designate the Units in any existing Class so long as there is no prejudice to the existing Holders of such Class as a whole. Subject to the foregoing, we may, with prior written notice to the Trustee, launch or delay the launch of any Class at any time.

The following Classes of Units have been established within the Sub-Fund:

- Class A SGD
- Class A SGD (Hedged)
- Class A USD
- Class B SGD
- Class B SGD (Hedged)

- Class B USD
- Class Z SGD
- Class Z SGD (Hedged)
- Class Z USD

#### 1.4 Trust deed

- The Fund was constituted by way of a trust deed dated 20 March 2018 (the “**Deed**”).
- The Deed is binding on each Holder and all persons claiming through such Holder as if each of them had been a party to the Deed.
- You may inspect a copy of the Deed free of charge at our operating office during normal business hours, subject to such reasonable restrictions as we may impose. You may request for a copy at a charge not exceeding S\$25 per copy or such other amount as we may from time to time agree with the Trustee.

#### 1.5 Accounts and reports

As the Sub-Fund is newly established, the reports and accounts of the Sub-Fund are not available as at the date of registration of this Prospectus. When available, you may obtain copies of the latest semi-annual and annual reports, semi-annual and annual accounts, and the auditor’s report on the annual accounts of the Sub-Fund at our operating office during normal business hours (subject to such reasonable restrictions as we may impose).

## 2. **THE MANAGERS, THEIR DIRECTORS AND KEY EXECUTIVES**

### 2.1 The Managers

The Managers are UOB Asset Management Ltd (“**UOBAM**”).

UOBAM is a wholly-owned subsidiary of United Overseas Bank Limited (“**UOB**”). Established in 1986, UOBAM 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 28 February 2018, UOBAM manages 55 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 176 awards in Singapore. These awards recognise UOBAM’s investment performance across different markets and sectors.

As at 28 February 2018, UOBAM and its subsidiaries in the region have a staff strength of over 400 including about 42 investment professionals in Singapore.

We may delegate certain or all of our duties. Currently, we have delegated our administration and valuation functions and certain transfer agency functions, in respect of the Sub-Fund to the fund administrator whose details are set out in paragraph 4.3 below. We have also delegated the investment management of the assets of the Sub-Fund to the Sub-Managers whose details are set out in paragraph 3 below.

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

See the Deed for details on our role and responsibilities as the managers of the Fund.

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

## 2.2 Directors and key executives of the Managers

### Lee Wai Fai, Director and Chairman

Mr Lee 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 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 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 Kian Heng joined the UOB group in 2008 and is presently the Head of 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.

## Chong Jiun Yeh, Chief Investment Officer, Fixed Income & Structured Investments

Mr Chong joined UOBAM in March 2008. He was formerly the Managing Director (Fund Management) and Co-Head of Portfolio Management for ST Asset Management Ltd. (“STAM”), a wholly owned subsidiary of Temasek Holdings. Prior to joining STAM, he was Head of Fixed Income and Currencies at OUB Asset Management Ltd, and has also spent part of his career with Newton Investment Management.

Mr Chong has over 18 years of experience in managing equities, fixed income and structured finance portfolios, including emerging market sovereign and investment grade credits (cash and synthetic), G-7 bonds and currencies, as well as Asian equities. He has worked with rating agencies, insurers, investment partners and banks in structuring investment products and customizing solutions for investors. Mr Chong graduated with a Bachelor of Science (Estate Management), Second Class Upper Honours degree from the National University of Singapore. At UOBAM, he is the designated person responsible for the investment management of the Sub-Fund.

### **3. THE SUB-MANAGERS**

#### **3.1 The Sub-Managers**

As at the date of registration of this Prospectus, we have appointed the Sub-Managers to manage, supervise, select and evaluate investments of the Sub-Fund.

The Sub-Managers are a private limited company incorporated on 21 January 2013 and domiciled in Singapore and are a wholly-owned subsidiary of UOBAM. The Sub-Managers are licensed and regulated by the Authority and hold a capital markets licence for fund management. The Sub-Managers have been managing collective investment schemes and discretionary funds since 2013.

The Sub-Managers offer Asian alternative investment management expertise to accredited investors through funds-of-funds and customised portfolio services.

The Sub-Managers’ performance has achieved industry recognition. Since establishment to 27 October 2017, the Sub-Managers have won a total of 17 awards. These awards recognise the Sub-Managers’ investment performance in the Asian alternative investment space.

*The past performance of the Sub-Managers is not necessarily indicative of their future performance.*

### **4. THE TRUSTEE, CUSTODIAN AND FUND ADMINISTRATOR**

#### **4.1 The Trustee**

The Trustee of the Fund is Portcullis Trust (Singapore) Ltd. The Trustee is a member of Portcullis Group, a corporate, trustee, fund services and administration group.

Portcullis Trust (Singapore) Ltd is a Singapore registered trust company incorporated in 1998 and is part of a global network of companies called the Portcullis Group that provides corporate, trust and fund administration services around the world. The Portcullis Group has trust licences in various jurisdictions, namely Singapore, British Virgin Islands, Cook Islands and Samoa. In Singapore, Portcullis Trust (Singapore) Ltd holds a Trust Business Licence under Trust Companies Act, Chapter 336 of Singapore as well as a Capital Markets Services Licence to provide custody services in relation to securities issued under Singapore’s SFA and is authorised under section 289(1) of the SFA to act as trustee for collective investment schemes authorised under the SFA. The Trustee is licensed and regulated in Singapore by the Authority.

See the Deed for details on the Trustee’s role and responsibilities.

#### **4.2 The custodian**

The custodian of the Sub-Fund is Portcullis Trust (Singapore) Ltd. The custodian will hold the investments in Underlying Funds by opening accounts with the Underlying Funds directly in its name. It is not anticipated that any sub-custodians will be used to hold the investments in the Underlying Funds.

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

See paragraph 21.3 below for further details of the custodial arrangement in respect of the Deposited Property.

#### 4.3 The fund administrator

The fund administrator of the Sub-Fund is State Street Bank and Trust Company, Singapore Branch.

### 5. **OTHER PARTIES**

#### 5.1 The registrar

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

The Register is conclusive evidence of the number of Units held by a Holder. The entries in the Register shall prevail over the details appearing on any statement of holding, unless the Holder proves to the Trustee's and our satisfaction that the Register is incorrect.

#### 5.2 The auditors

The auditors of the accounts of the Fund are PricewaterhouseCoopers LLP.

#### 5.3 Brokers

We may engage the services of third party securities brokers and dealers to acquire or dispose the investments of the Sub-Fund and to clear and settle its exchange traded securities trades. In selecting brokers and dealers and in negotiating any commission involved in our transactions with them, we consider, amongst other things, the range and quality of the professional services provided by such brokers and dealers and their credit standing and licensing or regulated status.

### 6. **INVESTMENT CONSIDERATIONS**

#### 6.1 Investment objective

The Sub-Fund aims to provide investors with long term capital appreciation by investing primarily in funds which use alternative investment strategies through a diversified multi-manager portfolio, with a primary focus in the Asia Pacific region.

#### 6.2 Investment focus and approach

The Sub-Fund provides access to both established and new alternative investment funds and fund managers, through a fund-of-funds approach. The focus is primarily on funds with daily liquidity, and which invest a significant portion of their assets in the Asia Pacific region<sup>2</sup> through a variety of instruments, including equities, bonds, currencies and derivatives, or in investment opportunities that benefit from, derive significant revenue from, or are heavily influenced by companies or economies in the region.

We have delegated the investment management of the Sub-Fund's assets to the Sub-Managers.

It is intended that at least 70% of the Sub-Fund's investments will be focused in the Asia Pacific region while the remainder may be focused in any part of the world (including the Asia Pacific region). However, the Sub-Fund's allocation to the Asia Pacific region may be temporarily reduced to below 70% from time to time, particularly when there is a lack of suitable investment opportunities in the Asia Pacific region. The regional allocation and asset allocation to each Underlying Fund may vary over time.

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<sup>2</sup> The Asia Pacific region includes but is not limited to Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Philippines, Singapore, South Korea, Taiwan and Thailand.

The key elements of the investment approach are as follows:

1) Top-down opportunity analysis

The Sub-Managers identify markets and opportunities that are conducive to the execution of alternative investment strategies<sup>3</sup> from the perspective of market liquidity, maturity, breadth of opportunities, and where there is sufficient availability of capable managers who can generate absolute return with low market correlation.

2) Manager selection – sourcing and due diligence (investment and operational)

The Sub-Managers' investment due diligence process seeks to identify managers who can generate consistent absolute returns through both up and down markets with consistent investment process and risk management. The Sub-Managers prefer managers who are experienced, tested in adversity and who have the ability to perform well in poor markets. Other key evaluation factors include transparency levels, and consistency in investment philosophy and team stability.

The Sub-Managers' operational due diligence process seeks to ensure that the target Underlying Fund is being managed in accordance with best practices operationally and that all aspects of its operations are above board. The Sub-Managers review key areas such as governance, regulatory compliance, operations, risk management and internal controls.

3) Portfolio construction

The Sub-Fund will invest in a diversified multi-manager portfolio of Underlying Funds. The Sub-Managers will continuously assess the top-down investment opportunities and build a portfolio that can achieve good risk-adjusted returns by diversifying across managers, strategies and geographies. On an ongoing basis, the Sub-Managers constantly identify gaps within the portfolio and funds that add additional sources of returns.

Allocations of the portfolio will be primarily to Underlying Funds with daily liquidity (i.e., those which generally allow daily subscriptions and realisations). As at the date of registration of this Prospectus, it is intended that the Sub-Fund will not invest 30% or more of its NAV into any one Underlying Fund.

4) Portfolio monitoring

The Sub-Managers will review the portfolio on a regular basis. The review will cover investment, operations and portfolio related matters such as performance attribution, position sizes, and exposure changes. Based on this review, we may add or remove Underlying Funds from the portfolio, or change the allocation to each Underlying Fund.

Derivatives may be used or invested in for the purposes of hedging existing positions, efficient portfolio management, or a combination of both purposes.

In the event of extreme market conditions or severe market stress or disruptions, or if there are no suitable investment opportunities for the Sub-Fund at any time, the Sub-Fund may temporarily invest up to 100% of its assets into cash and/or cash deposits, money market instruments and/or short-term debt securities. A portion of the Sub-Fund's assets may also be retained in liquid investments or cash for liquidity purposes.

### 6.3 Distribution policy

We currently do not intend to make regular distributions for the Sub-Fund.

***The making of distributions is at our absolute discretion and is not guaranteed. If distributions are made, such distributions are not in any way a forecast, indication or projection of the future or likely performance of the Sub-Fund. The making of any distribution does not mean that further distributions will be made. We reserve the right to vary the frequency and/or amount of distributions. Distributions may be made out of income, net capital gains, or capital. The declaration or payment of distributions (whether out of capital or otherwise) may have the effect of lowering the NAV of the Sub-Fund or the relevant Class. Moreover, distributions out of capital may amount to a return of part of your original investment and may result in reduced future returns.***

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<sup>3</sup> Refer to paragraph 6.8 for information on alternative investment strategies.



#### 6.4 Product suitability

The Sub-Fund is only suitable for investors who:

- (a) seek long term capital appreciation; and
- (b) are comfortable with the volatility and risks of a fund-of-funds which invests in a diversified multi-manager portfolio of alternative investment funds with a primary focus in the Asia Pacific region.

#### 6.5 Authorised Investments

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

- (a) any Quoted Investment which is selected by us for the purpose of investment of the Deposited Property;
- (b) any Investment in respect of which an application for listing or permission to deal has been made to a Recognised Market and the subscription for or purchase of which is either conditional upon such listing or permission to deal being granted within a specified period not exceeding 12 weeks (or such other period as may be agreed between the Trustee and us) or in respect of which we are satisfied that the subscriptions or other transactions will be cancelled if the application is refused;
- (c) any Unquoted Investment which is selected by us for the purpose of investment of the Deposited Property;
- (d) any Investment which is a unit in any unit trust scheme or a share or participation in an open-ended mutual fund or other collective investment scheme;
- (e) the currency of any country or any contract for the spot purchase or sale of any such currency or any forward contract of such currency;
- (f) any Investment denominated in any currency;
- (g) any Investment which is a future, option, forward, swap, collar, floor or other derivative; and
- (h) any Investment which is not covered by sub-paragraphs (a) to (g) above, as selected by us and approved by the Trustee in writing.

See the Deed for the full meaning of the terms **Quoted Investment** and **Unquoted Investment**.

*The Sub-Fund intends to use or invest in FDI's. Further information is set out in paragraph 6.7 of this Prospectus.*

#### 6.6 Investment restrictions

- (a) The investment guidelines and borrowing limits set out under Appendix 1 of the Code apply to the Sub-Fund.
- (b) Currently, the Sub-Fund does not intend to carry out securities lending or repurchase transactions but may do so in the future in accordance with the provisions of the Code. Accordingly, the Sub-Fund may at such time in the future become subject to the provisions on securities lending and repurchase transactions as set out in the Code.

#### 6.7 Risk management procedures of the Managers relating to the use of FDI's

- (a) The Sub-Fund may use or invest in FDI's for the purposes of hedging existing positions, efficient portfolio management or a combination of both purposes.
- (b) We will use the commitment approach to determine the Sub-Fund's global exposure to FDI's by converting its positions in the FDI's into equivalent positions in the FDI's' underlying assets. Such exposure will be calculated in accordance with the provisions of the Code. We will ensure that the global exposure of the Sub-Fund to FDI's or embedded FDI's will not exceed 100% of the Sub-Fund's NAV.
- (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 Sub-Fund's assets. 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 (if any) 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 realisations 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 Recognised Markets. We will ensure that a sufficient portion of the Sub-Fund will be in liquid assets such as cash and cash-equivalents to meet expected realisations, net of new subscriptions.
  - (iv) *Counterparty exposure.* The Sub-Fund may have credit exposure to counterparties by virtue of positions in FDIs and other financial instruments 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 and in its income stream and incur extra costs associated with the exercise of its financial rights. Subject to the provisions of the Code, we will restrict our dealings with counterparties to entities that have a minimum long-term issuer credit rating of above BB+ by Standard and Poor's, an individual rating of above C 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 where 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 to reduce the overall volatility of the value of its assets. At the same time, we will ensure that the global exposure of the Sub-Fund to FDIs and embedded FDIs will not exceed the NAV of the Sub-Fund, as stated in sub-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 by us are adequate and have been 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.
  - (f) Where the Sub-Fund uses or invests in FDIs on commodities, all such transactions shall be settled in cash at all times.

## 6.8 Alternative investment strategies

Alternative investment strategies typically aim for low correlation to conventional asset classes such as stocks, bonds and cash. The following descriptions give a general overview of the strategies which may be adopted by the Underlying Funds which the Sub-Fund may invest in. Please note that they are not intended to be exhaustive nor will the Sub-Fund be exposed to all of these strategies.

- (i) Arbitrage – relative value strategy exploiting mispricings of pre-determined pairs of assets or instruments (such as fixed income and other interest rate securities and derivatives), normally deriving a profit from the compression of their relative spreads.
- (ii) Commodities trading – relative value strategy trying to take advantage of price anomalies between related commodities.
- (iii) Convertible arbitrage – relative value strategy arbitraging the spread between actual and implied levels of volatility of convertible bonds, as well as pricing inefficiencies in the credit part of convertibles.
- (iv) Equity long short – directional strategy taking simultaneously long and short<sup>4</sup> positions in stocks with a long bias.
- (v) Event driven equity – relative value strategy capturing the spread between the prices of two companies implicated in a merger, acquisition, spin off etc.
- (vi) Fixed income long short – directional strategy taking simultaneously long and short positions in corporate bonds with a long bias.
- (vii) Global macro – directional strategy with investment decisions based on fundamental macroeconomic research. Macro funds may invest in any market in order to participate in expected market movements.
- (viii) Long only unconstrained – absolute return focused strategy that does not invest or benchmark to a market index.
- (ix) Market neutral – relative value strategy which attempts to remove the market risk from their portfolios by being both long and short in a given sector.
- (x) Multi-strategy – strategies which employ a combination of two or more strategies.
- (xi) Options arbitrage – relative value strategy relying on small inefficiencies of stock indices and equity options.
- (xii) Relative value commodities – non-directional trades (futures, options, swaps, etc.) on various international commodity markets.
- (xiii) Relative value credit – relative value strategy that is arbitraging respectively benefiting of pricing inefficiencies within the capital structure of (a) a company (i.e. pricing mismatches between different securities of the same company) or (b) between very similar companies.
- (xiv) Statistical arbitrage – relative value strategy using quantitative models that analyse time series in order to identify re-occurring trading patterns. Involves high trading frequencies and very diversified portfolios.

## 7. FEES AND CHARGES

7.1 The fees and charges payable by you and payable out of the Sub-Fund are as follows:

Payable by you	
Subscription Fee	All Classes: Currently 5%; maximum 5%.
Realisation Fee	All Classes: Currently none; maximum 2%.
Switching Fee <sup>(1)</sup>	All Classes: Currently 1%; maximum 2%.

<sup>4</sup> A “short” or “short position” refers to an investment strategy involving the sale of a security which the seller does not own in the hope of purchasing the same security later at a lower price, and is used when the manager is bearish on a security.

Payable by the Sub-Fund to the Managers, the Trustee and other parties	
Management Fee	Class A: Currently 1.75% p.a.; maximum 2.5% p.a.. Class B: Currently 0.87% p.a.; maximum 2.5% p.a.. Class Z: Currently none; maximum 2.5% p.a..
Trustee Fee	Currently not more than 0.05% p.a.; maximum 0.25% p.a..  Subject to a minimum annual Trustee Fee of: (a) USD 10,000 for the first year; (b) USD 15,000 for the second year; and (c) USD 20,000 thereafter.  One time inception fee of USD 3,000.
Administration Fee	Currently 0.075% p.a.; maximum 0.50% p.a..
Registrar and transfer agency fees	The higher of S\$15,000 p.a. or 0.125% p.a..
Valuation and accounting fees	Currently 0.125% p.a..
Audit fee <sup>(2)</sup> , custodian fee <sup>(3)</sup> , transaction costs <sup>(4)</sup> and other fees and charges <sup>(5)</sup>	Subject to agreement with the relevant parties. Each fee or charge may amount to or exceed 0.1% p.a., depending on the proportion that it bears to the NAV of the Sub-Fund.

<sup>(1)</sup> If you switch your Units to units of another fund managed by us (“**New Fund**”), we will charge you the Switching Fee instead of the subscription fee for the New Fund. If the subscription fee for the New Fund is more than the Switching Fee, you are effectively receiving a discount on the New Fund’s subscription fee.

<sup>(2)</sup> The audit fee is subject to agreement with the auditors for each financial year.

<sup>(3)</sup> The custodian fee is subject to agreement with the custodian.

<sup>(4)</sup> Transaction costs (which do not include the transaction fees mentioned below) include all expenses relating to the purchase and sale of financial instruments.

<sup>(5)</sup> Other fees and charges include transaction fees payable to the custodian (the amount of which will depend on the number of transactions carried out and the place at which such transactions are effected), printing costs, legal and professional fees, goods and services tax and bank charges. As the Sub-Fund is newly established, the aggregate of the other fees and charges for the Sub-Fund is not available as at the date of registration of this Prospectus.

7.2 As required by the Code, all marketing, promotional and advertising expenses in relation to the Sub-Fund will not be paid from the Deposited Property.

7.3 Any Subscription Fee and Realisation Fee will be retained by us for our own benefit and will not form part of the Deposited Property of the Sub-Fund. All or part of the Subscription Fee may also be paid to or retained by our authorised agents or distributors. We will also pay any other commission, remuneration or sum payable to such authorised agents or distributors in respect of the marketing of Units. Moreover, the authorised agents and distributors through whom you subscribe for Units may (depending on the specific nature of services provided) impose other fees and charges that are not disclosed in this Prospectus, and you should check with the relevant agent or distributor on such fees and charges, if any.

7.4 We may at any time differentiate between investors as to the amount of the Subscription Fee, Realisation Fee, Switching Fee and other charges (if any) payable to us upon the issue, realisation or switch of Units or apply such discounts or waivers as we think fit (provided that such discounts will be borne by us and not by the Sub-Fund).

7.5 The costs of establishment of the Sub-Fund and each Class may be amortised over such period as we may determine.

7.6 The typical fees and charges applicable to the Sub-Fund's investment in an Underlying Fund are as follows:

Payable by the Sub-Fund to an Underlying Fund *	
Subscription fee or preliminary charges	0% to 0.3% of the subscription amount
Realisation fee	0% to 0.3% of the realisation amount
Payable by each Underlying Fund to its service providers *	
Annual management fee	0.75% to 1.75% of net asset value of Underlying Fund
Performance fee	0% to 20.5% of the gains
Other fees and charges (which may include trustee/custodian fee, administration fee, legal fees, audit fees and administrative costs)	0.1% to 2% of net asset value of Underlying Fund

\* These are estimated fees and charges to the best of our knowledge and actual fees may be higher or lower than the estimates above. As a fund-of-funds, the Sub-Fund may not hold the same Underlying Funds all of the time and it would not be practical to disclose the exact fees and charges payable to or by each Underlying Fund at all relevant times. These estimates are as of the date of registration of this Prospectus and should not be used or construed as a proxy or projection of the actual or future fees and charges of any Underlying Fund.

There will be duplication of some costs charged to the Sub-Fund and its Underlying Funds by their respective service providers. These may include custodian, administration and management fees, professional fees and audit fees. The Sub-Fund will indirectly bear such costs. For the avoidance of doubt, such fees and expenses are not paid out of the Deposited Property of the Sub-Fund, but are instead payable out of the assets of the relevant Underlying Funds, which may affect the net asset value of the relevant Underlying Funds.

## 8. RISKS

### 8.1 General risks

You should consider and satisfy yourself as to the risks of investing in the Sub-Fund.

Generally, some of the risk factors that you should consider are market risk, interest rate risk, foreign exchange risk, political risk, liquidity risk and derivatives risk. The degree to which these risks affect investments in the Sub-Fund varies depending on the Sub-Fund's investment objective, approach and focus, and you should also consider the risks specific to the Sub-Fund.

You should be aware that the price of Units and the income accruing from them may fall or rise and you may not get back your original investment. There is no guarantee that the investment objective of the Sub-Fund will be achieved.

Investment in the Sub-Fund is not meant to produce returns over the short term and you should not expect to obtain short-term gains from such investment.

***The general and specific risks described in this paragraph 8 are not exhaustive and you should be aware that the Sub-Fund may be exposed to other risks of an exceptional nature from time to time.***

### 8.2 Specific risks

#### (a) Potential loss of investment

No guarantee or representation is made that the Sub-Fund's investment program will be successful. You should be aware that the value of your Units and the return derived from them can fluctuate. As is true of any investment, there is a risk that an investment in the Sub-Fund will be lost entirely or in part. The Sub-Fund is not a complete investment program and should represent only a portion of your portfolio management strategy.

(b) Investment strategy

Successful implementation of the Sub-Fund's management strategy requires accurate assessments of general economic conditions, the prospects of individual companies or industries, and the future behaviour of other financial market participants. Even with the most careful analysis, the direction of the financial markets is often driven by unforeseeable economic, political and other events and the reaction of market participants to these events. There is no assurance that the Sub-Fund's management strategy will be successful and an unsuccessful strategy may result in significant losses to the Sub-Fund.

***Past results are not necessarily indicative of future performance. No assurance is given that profits will be achieved or that substantial losses will not be incurred.***

(c) Derivatives risk

General

The Sub-Fund will be subject to risks associated with the derivatives which it employs. Financial derivative instruments include foreign exchange forward contracts and equity index futures contracts. An investment in a derivative may require the deposit of an 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 investments in financial derivative instruments are monitored closely.

Currency and portfolio hedging

The Managers, the Sub-Managers and/or the managers of certain Underlying Funds may from time to time trade currencies or derivatives to hedge currency and portfolio risk. See paragraph 8.2(j) below for more details on foreign exchange and currency risks and currency hedging, and paragraphs 8.3(f) to 8.3(h) below on derivatives, swaps and currency risks in relation to the Underlying Funds. The proposed hedging activities by the Managers, the Sub-Managers and the managers of the relevant Underlying Funds may involve a high degree of leverage and may create unexpected loss.

(d) Limited liquidity of investments

Some of the markets in which the Sub-Fund may invest are emerging markets, and consequently tend to be substantially smaller, less liquid, less regulated and more volatile than major securities markets, such as those in more developed economies. The limited liquidity of securities in some emerging countries could also affect the Sub-Fund's ability to acquire or dispose of securities at the price and at the time it wishes to do so.

(e) Emerging markets

The Sub-Fund may invest in assets in an emerging market. Investing in an emerging market involves additional risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (i) increased risk of nationalisation or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty, including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalisation of securities markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for hard currencies such as United States dollars; (viii) increased likelihood of governmental decisions to cease support of economic reform programmes or to impose centrally planned economies; (ix) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (x) less extensive regulation of the securities markets; (xi) longer settlement periods for securities transactions and less reliable clearance and custody arrangements; (xii) less protection through registration of assets; and (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and protection of shareholders.



(f) Geopolitical events

Uncertainties arising from war, the continued threat of terrorism, the ongoing military and other actions and heightened security measures in response to these threats, international tensions between the United States and other nations, and the outbreak of infectious diseases throughout the world may cause disruptions to commerce, reduced economic activity, and continued volatility in markets throughout the world. Some of the assets within the Sub-Fund's portfolio may be adversely affected by declines in the securities markets and economic activity because of these factors. The Managers cannot predict at this time the extent and timing of any decreased commercial and economic activity resulting from the above factors, or how any such decrease might affect the value of securities and other assets held by the Sub-Fund. The aforementioned factors could also result in incidents or circumstances that would disrupt the normal operations of the Managers, the Sub-Managers, the Trustee, the administrator, the custodian, any of the brokers or counterparties of the Sub-Fund, the Underlying Funds or their respective managers, which could also have negative effects on the investment performance of the Sub-Fund.

(g) Political and economic risks

The Sub-Fund's NAV may be affected by uncertainties such as political or diplomatic developments, social and religious instability, changes in government policies, imposition of confiscatory taxation and or withholding taxes on interest payments, changes in interest rates and other political and economic developments in law or regulations and, in particular, the risk of, and change in, legislation relating to the level of foreign ownership, including nationalisation and expropriation of assets.

(h) Regulatory changes

The regulation of the securities markets (both U.S. and non-U.S.) and of investment funds has undergone substantial change in recent years, and such change is expected to continue for the foreseeable future.

Market disruptions and the dramatic increase in the capital allocated to alternative investment strategies during recent years have led to increased governmental scrutiny of the fund management industry (and particularly to alternative investment managers) in general. Legislation imposing greater regulation of the fund management industry is periodically proposed in various countries, and it is impossible to predict what, if any, changes in regulation applicable to the Sub-Fund, the Managers, the Sub-Managers, the Underlying Funds, the markets in which they trade and invest or the counterparties with which they do business may be instituted in the future. Any such regulation, such as the imposition of onerous exchange trading limits, could have a material adverse impact on the Managers' and Sub-Managers' ability to implement its investment strategies and the profit potential of the Sub-Fund, as well as require increased transparency as to the identity of Holders.

(i) Repatriation of capital, dividends, interest and other income risks

It may not be possible for the Sub-Fund to repatriate capital, dividends, interest and other income from certain countries, or it may require government consent to do so. The Sub-Fund could be adversely affected by the introduction of the requirement for any such consent, or delays in or the failure to grant any such consent, for the repatriation of funds or by any official intervention affecting the process of settlement of transactions which may in turn affect the repatriation of funds. Economic or political conditions could lead to the revocation or variation of consent granted prior to investment being made in any particular country or to the imposition of new restrictions.

(j) Foreign exchange and currency risks

General

The Sub-Fund currency is Singapore dollars while each Class is denominated in the relevant Class currency.

Where the Sub-Fund makes investments which are denominated in a currency (the "**Portfolio Currency**") that is different from the Sub-Fund currency or the relevant Class currency, fluctuations of the exchange rates between the Sub-Fund currency or Class currency and the Portfolio Currency may affect the value of the relevant Units. Also, certain countries maintain their currencies at artificial levels relative to hard currencies (e.g. SGD or USD). This type of system can lead to sudden and large adjustments in such currency, which can result in losses to investors.

In our management of the Sub-Fund, we may hedge the foreign currency exposure of the Sub-Fund or any Class and may adopt an active or passive currency management approach. However, the foreign currency exposure of the Sub-Fund or Class may not be fully hedged depending on the circumstances of each case. Such circumstances include but are not limited to the outlook, hedging costs and market liquidity of the relevant currency.

Additionally, where a Class currency is different from the Sub-Fund currency, changes in the exchange rate between the Class currency and the Sub-Fund currency may adversely affect the value of the Units of such Class, as expressed in the Class currency. Subject to the same considerations in the sub-paragraph above, we may or may not mitigate the exchange rate risks to the extent of the value of the assets of the Sub-Fund attributed to such Class by hedging such exchange rate risks, and to the extent that we do not do so, investors will be exposed to exchange rate risks.

Although a financial instrument used to mitigate the exchange rate risks of a Class may not be used in relation to the other Classes of Units within the Sub-Fund, the financial instrument will comprise the assets (or liabilities) of the Sub-Fund as a whole. The gains (or losses) on and the costs of the relevant financial instruments will, however, accrue solely to the relevant Class of Units of the Sub-Fund.

#### Hedged Classes

For Hedged Classes, we currently adopt a passive hedging policy to hedge the currency in which the relevant Hedged Class is denominated (the “**Hedged Currency**”) against the Portfolio Currency. Notwithstanding the foregoing, we retain the discretion to adopt any other hedging policy as we may determine from time to time.

A Hedged Class allows us to use currency hedging transactions to reduce the effect of exchange rate fluctuations between the Portfolio Currency and the Hedged Currency. The effects of hedging will be reflected in the value of the Hedged Class.

The aim is that the Hedged Class should reflect the actual return of the Portfolio Currency within the Sub-Fund, as applicable, plus or minus the interest rate differential between the Hedged Currency and the Portfolio Currency. However, other factors may impact the return of the Hedged Class which means that the Hedged Class may not perfectly achieve this aim. These factors include, but are not limited to: (i) any unrealised profit/loss on the currency forward remaining un-invested until the hedge is rolled over and any profit or loss is crystallised; (ii) transaction costs; (iii) short-term interest rate changes; (iv) the timing of the market value hedge adjustments relative to the Sub-Fund’s or Hedged Class’ Valuation Point; and (v) intra-day volatility of the value of the Portfolio Currency in relation to the existing hedge.

The costs and expenses associated with the hedging transactions in respect of a Hedged Class and any benefits of the hedging transactions will accrue to Holders in that Hedged Class only.

Hedging transactions may be entered into whether the Hedged Currency is declining or increasing in value relative to the Portfolio Currency; consequently, where such hedging is undertaken, it may protect investors in the relevant Hedged Class against a decrease in the value of the currency being hedged but it may also preclude investors from benefiting from an increase in the value of such currency. Investors in a Hedged Class will still be exposed to the market risks that relate to the underlying investments in the Sub-Fund and any exchange rate risks that arise from the policy of the Sub-Fund that is not fully hedged. There is no guarantee that the hedging strategy applied in a Hedged Class will entirely eliminate the adverse effects of changes in exchange rates between the Portfolio Currency and the Hedged Currency.

#### (k) Counterparty risk

The Sub-Fund will transact most of its investments through financial institutions including but not limited to brokers, dealers and banks. All transactions will carry counterparty risks until the transactions have settled. All deposits of securities or cash with a custodian, bank or financial institution will carry counterparty risk. Upon default by a counterparty the Sub-Fund may be forced to unwind certain transactions and may encounter delays and difficulties with respect to court procedures in seeking recovery of its assets.



(l) Default of broker or custodian

Certain brokerages and banks will have custody of the assets belonging to the Sub-Fund. Bankruptcy or fraud at any of these institutions may impair the operational capabilities or the capital position of the Sub-Fund. A custodian appointed in respect of the Sub-Fund's assets (if any) may not be required to segregate the Sub-Fund's assets deposited with it, in which case the Sub-Fund's assets may be subject to the claims of such custodian's general creditors if such custodian becomes insolvent.

(m) Investment management risk

Investment performance depends on the portfolio management team and the team's investment strategies. If the investment strategies do not perform as expected, if opportunities to implement those strategies do not arise, or if the team does not implement its investment strategies successfully, an investment portfolio may underperform or suffer significant losses.

(n) Liquidity and realisation of investment

There is no secondary market for Units. Units are not listed and you may only deal with Units through us or our authorised agents or distributors subject to the terms of the Deed.

Realisation of Units may be limited or suspended in the circumstances set out in paragraphs 11.3 and 14 and you may not be able to dispose of or realise your investment in the Sub-Fund at the time of your choosing.

The Sub-Fund is not required to maintain sufficient cash holdings at all times to meet realisation requests from time to time. If the Sub-Fund does not have sufficient cash to meet all realisation requests at a particular time or the size of a realisation is substantial enough to have a significant impact on the NAV of the Sub-Fund, the Sub-Fund may have to liquidate assets at an inopportune time to fund realisations and the Sub-Fund may not be able to realise the full value of such investments pursuant to such liquidation.

Where the Sub-Fund maintains cash holdings to meet realisation requests, the Sub-Fund will not be fully invested in the markets. You may therefore not be able to realise the full potential of your investment as the returns of the Sub-Fund will not correlate to the expected gains had the Sub-Fund been fully invested at the relevant time.

(o) Compulsory realisation risk

We may compulsorily realise all or any of your Units in any of the circumstances set out under paragraph 21.2. Such realisation may occur at a NAV that is not optimal for you, relative to the NAV at which you subscribed into the Sub-Fund.

(p) Market disruptions and related governmental and regulatory intervention

The global financial markets experienced pervasive and fundamental disruptions which had led to extensive and unprecedented governmental intervention, including regulators unexpectedly taking positions that resulted in entire strategies being prohibited. Such intervention was in certain cases implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or to manage the risk of their outstanding positions. These interventions had typically been unclear in scope and application, resulting in confusion and uncertainty which in itself had been materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies.

The Sub-Fund may incur major losses if there are disrupted markets and other extraordinary events in which historical pricing relationships become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to the Sub-Fund from banks, dealers and other counterparties is typically reduced in disrupted markets. Such a reduction may result in substantial losses to the Sub-Fund. Market disruptions may from time to time cause dramatic losses for the Sub-Fund, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

(q) Possibility of additional government or market regulation

There have recently been certain well-publicized incidents of regulators unexpectedly announcing regulatory changes or interpretations that prohibited strategies that had been implemented in a variety of formats for many years. For instance, in September 2008 the SEC and various non-U.S. regulatory bodies imposed temporary bans on short-selling in a variety of stocks, and adopted permanent regulations that may have the effect of making short-selling more difficult or costly. These actions were generally regarded as disrupting market fundamentals and causing unexpected and volatile increases in the stock prices of a variety of issuers, as short sellers closed out their positions by buying securities. Market disruptions like those experienced in the credit-driven equity market collapse in 2008 as well as the dramatic increase in the capital allocated to alternative investment strategies during recent years have led to increased governmental as well as self-regulatory scrutiny of the fund industry in general.

It is impossible to predict what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the Managers' or Sub-Managers' strategies.

(r) Suitability standards

Because of the risks involved, an investment in the Sub-Fund is only suitable for sophisticated investors who are able to bear the loss of a substantial portion or even all of the money they invest in the Sub-Fund, who understand the degree of risk involved and believe that the investment is suitable based upon their investment objectives and financial needs. Investors are therefore advised to seek independent professional advice on the implications of investing in the Sub-Fund. In addition, as the Sub-Fund's investment programme develops and changes over time, an investment in the Sub-Fund may be subject to additional and different risk factors.

(s) Class not a separate trust

As among Holders, the appreciation and depreciation of assets attributable to a Class will only be allocated to such Class. Similarly, expenses attributable solely to a particular Class will be allocated solely to that Class. However, a creditor of the Sub-Fund will generally not be bound to satisfy its claim from a particular Class. Rather, such a creditor may seek to satisfy its claim from the assets of the Sub-Fund as a whole. If the losses attributable to a Class exceed its value, then such losses could negatively impact the value of other Classes.

(t) In-specie realisations

Certain investments in the Sub-Fund's portfolio may become illiquid. Although we expect to distribute only cash to the Holders in satisfaction of realisations, this expectation is not assured. In addition, if significant realisations are requested, we may be unable to liquidate the Sub-Fund's investments at the time such realisations are requested or may be able to do so only at prices that we believe do not reflect the true value of such investments and which would adversely affect the Holders.

The realising Holder will also bear the risk of any decline in the value of assets being transferred in the period from the relevant Dealing Day on which the realisation request is received and accepted to the date on which such assets are transferred to the realising Holder, and the risk of any loss or delay in liquidating such securities.

(u) Possible adverse tax consequences

No assurance may be given that the manner in which the Sub-Fund will be managed and operated, or that the composition of its direct and indirect portfolio investments, will be tax efficient for any particular Holder or group of Holders. The books and records of the Sub-Fund might be audited by the tax authorities of countries where the Sub-Fund's portfolio is managed, or where a portion of its direct and indirect portfolio investments are made, or where a particular Holder or group of Holders reside. Any such audits could subject the Sub-Fund to tax, interest and penalties, as well as incremental accounting and legal expenses. Should the Sub-Fund be required to incur additional taxes or expenses as a result of the subscriptions made by any Holder, or become subject to any record keeping or reporting obligations as a result of permitting any person to remain or be admitted as a Holder, the Managers may exercise its rights under paragraph 21.2 (including compulsorily realising that Holder's Units).

(v) Global taxes at the Holder level

You may be subject to taxes as a result of your investment in the Sub-Fund. However, given the jurisdictions in which the Sub-Fund may make investments and the various ways these investments may be structured, it is not practical to provide specific disclosure of all tax consequences that might result from an investment in the Sub-Fund. No assurance can be given that the Sub-Fund's acquisition or ownership of investments will not require a Holder to (i) file tax returns in jurisdictions that the Holder might not otherwise have been required to file in the absence of such acquisition or ownership, or (ii) pay (or be liable for) taxes in such jurisdictions.

You may be entitled in your fiscal residence (for tax purposes) to claim a tax credit for (or alternatively, take a deduction for) any income taxes that are imposed on you by other jurisdictions. However, the availability of such tax credits (or deductions) may be limited, and the imposition of taxes on tax exempt Holders may adversely affect the after tax returns of those tax exempt Holders.

You should consult your own tax advisers regarding the potential tax consequences of an investment in the Sub-Fund.

(w) Tax audits

The Sub-Fund may be audited by tax authorities. An income tax audit may result in an increased tax liability of the Sub-Fund, which could reduce its NAV and affect returns of all its Holders.

(x) 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.

### 8.3 Risks associated with fund of funds / multi-manager funds

As a fund of funds/ multi-manager fund, the Sub-Fund will be indirectly exposed to the risks associated with its Underlying Funds. Some of the potential risks are set out below. In each case, the Sub-Fund's exposure will be limited to its investment in the relevant Underlying Fund.

(a) Multi-manager

You should carefully consider the effect of its strategy of investing all or substantially all of its assets with selected third-party managers on the Sub-Fund. Two aspects of this investment strategy that will affect the success of the Sub-Fund are the increased cost and the risk of delegating control of a majority of its assets to persons other than the Managers or the Sub-Managers. The Managers and the Sub-Managers have no ability to control the manner in which third-party investment managers will make investments or whether they will act in accordance with any disclosure documents or descriptive materials issued by them.

(b) Access to information

The Sub-Fund will receive periodic reports from such underlying investment managers at the same time as any other investor in such underlying investment vehicles. The Managers or Sub-Managers will request detailed information on a continuing basis from each third-party investment manager regarding such investment manager's historical performance and investment strategies. However, the Managers or Sub-

Managers may not always be provided with detailed information regarding all the investments made by the third-party investment managers because certain of this information may be considered proprietary information by those investment managers. This lack of access to information may make it more difficult for the Managers or Sub-Managers to select, allocate among and evaluate third-party investment managers.

(c) NAV calculation

If prices or valuations of investments in the Underlying Funds are for any reason unavailable within a reasonable period following a Valuation Point, the Managers may delay the calculation of the final NAV of the Sub-Fund until such prices or valuations become available. The final NAV might be calculated only once all prices become available. Further, some Underlying Funds may have lengthy redemption notice periods or are otherwise subject to moratoriums and lock-ups which may affect the Sub-Fund's liquidity from time to time. Each of the circumstances described above may result in significant delay in the payment of realisation proceeds to you.

Where no net asset values are, or are likely to be available in respect of Underlying Funds, the net asset values will be determined in such manner as deemed appropriate by the Managers in accordance with the valuation principles described in paragraph 21.1. Further, the valuation date of which the Underlying Funds calculate their net asset values may not coincide with the Valuation Point of the Sub-Fund and the calculation of the Sub-Fund's NAV may be based on historic net asset values of an Underlying Fund which may vary from its actual value on the Valuation Point. In each of the circumstances described above, realisation proceeds or issue prices may represent a discount or premium (as the case may be) on the value of the net assets attributable to the Units of the Sub-Fund.

(d) Leverage

As part of their investment strategies, Underlying Funds may utilise leverage such as trading on margin or through the use of FDIs. Leverage has the effect of magnifying changes in the value of the portfolio and creates opportunities for greater total returns. However, at times of adverse price movements, the portfolio may incur substantial losses. Furthermore, if the assets of the portfolio pledged to secure the borrowings decline in value, the Underlying Fund may have to liquidate some or all of its assets to meet the collateral requirements at times and at prices that are disadvantageous to the Underlying Fund.

The low margin deposits normally required in futures and option trading permit an extremely high degree of leverage. Accordingly, a relatively small price movement in a futures contract may result in immediate and substantial profits or losses to the investor. Thus, like other leveraged investments, any trade may result in losses well in excess of the amount invested.

Further, certain Underlying Funds operate with a substantial degree of leverage. The aggregate value of positions maintained by such Underlying Funds may exceed the Sub-Fund's NAV. This leverage presents the potential for a higher rate of total return but also increases the volatility of the Sub-Fund, including the risk of a total loss of the amount invested.

(e) Short sales

Underlying Funds may engage in short sales<sup>5</sup> (i.e. the sale of a security which the Underlying Funds do not own in the hope of purchasing the same security at a later date at a lower price) in which there is no limit to the amount of potential loss. The Underlying Funds will incur a loss as a result of a short sale if the price of the security increases between the date of the short sale and the date on which the Underlying Funds cover their short position (i.e., purchase the security in the open market.) The Underlying Funds will realise a gain if the security declines in price between these dates by an amount sufficient to offset net expenses of the short sale. A short sale involves the theoretically unlimited risk of loss occasioned by an increase in the market price of the security that is the subject of the short sale.

(f) Derivatives

The Underlying Funds' investments may include derivatives such as swaps, warrants, options and futures. The risk of investing in swaps, warrants, options and futures depends on the terms attached to them and

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<sup>5</sup> As at the date of registration of this Prospectus, UCITS (which the majority of the Underlying Funds are expected to be) may not engage in physical short selling but may engage in synthetic short selling (using FDIs).

on the volatility of financial stock markets on which they are traded. Because over-the-counter derivatives – such as swaps, options, warrants and forwards – are customised transactions, they often assemble risks in complex ways. This can make the measurement and control of these risks more difficult and create the possibility of unexpected loss. The prices of futures and other derivatives contracts are volatile and may be influenced, among other things, by actual and expected changes in the underlying security or securities index or in interest rates and currency exchange rates, which are in turn affected by fiscal and monetary policies and national and international political and economic events. Due to the relatively low margin deposits required, futures trading involves an extremely high degree of leverage. As a result, a relatively small price movement in a futures or derivatives contract may result in an immediate and substantial loss, or gain, to the Underlying Funds.

The primary risk with derivative investments is that their use may amplify a gain or loss, potentially earning or losing substantially more money than the actual cost of the derivative instrument. Derivatives involve special risks, including: (i) the risk that interest rates, securities prices, commodities markets, futures markets and currency markets will not move in the direction that is not anticipated; (ii) imperfect correlation between the price of derivative instruments and movements in the prices of the securities, commodities, interest rates or currencies being hedged; (iii) the fact that skills needed to use these strategies are different than those needed to select portfolio securities; (iv) the possible absence of a liquid secondary market for any particular instrument and possible exchange imposed price fluctuation limits, either of which may make it difficult or impossible to close out a position when desired; (v) the risk that adverse price movements in an instrument can result in a loss substantially greater than the relevant Underlying Fund's initial investment in that instrument (in some cases, the potential loss is unlimited); (vi) particularly in the case of privately negotiated instruments, the risk that the counterparty will not perform its obligations, which could leave the relevant Underlying Fund worse off than if it had not entered into the position; and (vii) the inability to close out certain hedged positions to avoid adverse tax consequences.

(g) Swaps and other hedging positions

The Underlying Funds may use swaps, which are types of derivatives, and other hedging positions to increase total return. A swap is a contract under which two parties agree to make periodic payments to each other based on specified interest rates, an index or the value of some other instruments, applied to a stated, or "notional", amount. Swaps can be classified generally as interest rate swaps, currency swaps, commodity swaps or equity swaps, depending on the type of index or instrument used to calculate the payments. In addition to swaps, the Underlying Funds may become parties to various other customised derivative instruments entitling the counterparty to certain payments on the gain or loss on the value of an underlying or referenced instrument. Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk.

Moreover, to the extent that options, swaps, swaptions and other derivative instruments are used by the Underlying Funds, it should be noted that they inherently contain much greater leverage than does a non-margined purchase of the underlying security, or instrument in as much as only a very small portion of the value of the underlying security, commodity or instrument is required to be paid in order to effect such investments.

(h) Futures contracts, options, foreign exchange and leveraged foreign exchange transactions

The risk of loss in trading futures contracts, options, foreign exchange and leveraged foreign exchange transactions can be substantial. In particular:

- If an Underlying Fund purchases or sells a futures contract or leveraged foreign exchange transaction, the Underlying Fund may sustain a total loss of the Underlying Fund's position. If the market moves against the Underlying Fund's position, the Underlying Fund may be called upon to deposit a substantial amount of additional margin funds on short notice in order to maintain its position. If the Underlying Fund does not provide the required funds within the specified time, its position may be liquidated at a loss, and the Underlying Fund will be liable for any resulting deficit in its account.
- Under certain market conditions, the Underlying Fund may find it difficult or impossible to liquidate a position.
- The placement of contingent orders by or on behalf of the Underlying Fund, such as a "stop-loss" or "stop limit" order, will not necessarily limit the Underlying Fund's losses to the intended amounts, since market conditions may make it difficult or impossible to execute such orders.



- A “spread” position may not be less risky than a simple “long” or “short” position.
- The high degree of leverage that is often obtainable in futures and leveraged foreign exchange trading can work for or against the Underlying Fund. The use of leverage can lead to large losses as well as gains.
- The Underlying Fund may be subject to substantial charges for management and advisory fees. It may be necessary for the Underlying Fund to make substantial trading profits to avoid depletion or exhaustion of its assets.

(i) Exchange control and currency risk

The Underlying Funds’ assets may be invested in securities denominated in currencies other than the Sub-Fund currency and any income received by the Underlying Funds from those investments will be received in those currencies. There is therefore a currency exchange risk which may affect the value of the Sub-Fund’s Units to the extent that the Underlying Funds make such investments. The Underlying Funds may from time to time invest their assets in countries which have exchange control restrictions and the Underlying Funds may encounter difficulties or delay in relation to the receipt of its divestments due to such controls existing in various countries.

To the extent the Underlying Fund seeks to hedge its currency exposure, it may not always be practicable to do so. Moreover, hedging may not alleviate all currency risks. Furthermore, the Underlying Fund may incur costs in connection with conversions between various currencies. Currency exchange dealers realise a profit based on the difference between the prices at which they are buying and selling various currencies.

To the extent the Underlying Fund enters into currency forward contracts (agreements to exchange one currency for another at a future date), these contracts involve a risk of loss if the Underlying Fund fails to predict accurately the direction of currency exchange rates. In addition, forward contracts are not guaranteed by an exchange or clearing house. Therefore, a default by the forward contract counterparty may result in a loss to the Underlying Fund for the value of unrealised profits on the contract or for the difference between the value of its commitments, if any, for purchase or sale at the current currency exchange rate and the value of those commitments at the forward contract exchange rate.

Techniques used to hedge currency exposure may reduce but will not eliminate the risk of loss due to unfavourable currency fluctuations and they tend to limit any potential gain that might result from favourable currency fluctuations. Some countries restrict conversion of their currency into other currencies, and for some currencies, there is no significant foreign exchange market.

There can be no guarantee that instruments suitable for hedging currency or market shifts will be available at the time the relevant Underlying Fund wishes to use them, or will be able to be liquidated when the relevant Underlying Fund wishes to do so. In addition, the relevant Underlying Fund may choose not to enter into hedging transactions with respect to some or all of its positions.

(j) Market risk

Financial markets are increasingly more volatile. Wide swings in market prices that have been a feature of smaller and less developed markets are also becoming common in major financial markets. In many instances, market prices defy rational analysis or expectation for prolonged periods of time and are influenced by movements of large funds as a result of short-term factors, counter-speculative measures or other reasons. Market volatility of large enough magnitude can sometimes weaken what is deemed to be a sound fundamental basis for investing in a particular market. Investment expectations may therefore fail to be realised in such instances too.

The prices of financial instruments in which the manager of an Underlying Fund may invest can be volatile and may be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The Underlying Fund is subject to the risk of failure of any of the exchanges on which its positions trade or of its clearinghouses.

(k) Political and economic risks

The net asset value of an Underlying Fund may be affected by uncertainties such as political or diplomatic developments, social and religious instability, changes in government policies, imposition of confiscatory

taxation and or withholding taxes on interest payments, changes in interest rates and other political and economic developments in law or regulations and, in particular, the risk of, and change in, legislation relating to the level of foreign ownership, including nationalisation and expropriation of assets.

(l) Investments in emerging markets

Some of the markets in which an Underlying Fund may invest are emerging markets, and as a consequence tend to be substantially smaller, less liquid, less regulated and more volatile than major securities markets, such as those in more developed economies. The limited liquidity of securities in some emerging countries could also affect the Underlying Fund's ability to acquire or dispose of securities at the price and at the time it wishes to do so.

(m) No control over portfolio issuers

An Underlying Fund may from time to time acquire substantial positions in the securities of particular companies. Nevertheless, the Underlying Fund is not likely to obtain representation on the board of directors of any company which it may invest and will not take any control over the management of any such company and the success of each investment will depend on the ability and success of the management of such company in addition to economic and market factors.

(n) Fee structure

The Sub-Fund will bear indirectly fees charged by the managers and other service providers of its Underlying Funds. You should note that the fees and expenses borne by the Sub-Fund may constitute a relatively higher percentage of its NAV than in relation to other types of funds.

(o) Performance Fee

Some Underlying Funds may impose performance fees, which may create an incentive for the investment managers of the relevant Underlying Funds to cause those Underlying Funds to make investments that are riskier or more speculative than would be the case where fees were based solely on a flat percentage of assets under management.

(p) Other risks

Each strategy employed by the Underlying Funds typically will involve a different set of complex risks, many of which are not described in this Prospectus. You should make such investigation and evaluation of such risks as you consider appropriate.

## 9. SUBSCRIPTION OF UNITS

### 9.1 How to subscribe and pay for Units

How to subscribe for Units:	<p>You may apply for Units through the following channels:</p> <ul style="list-style-type: none"> <li>• authorised agents and distributors</li> <li>• ATMs (as and when available)</li> <li>• designated websites</li> <li>• other sales channels made available by us</li> </ul> <p>You should include all required documents and subscription monies in full with your application, failing which your application may be rejected.</p>
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How to pay for Units:	<ul style="list-style-type: none"> <li>By cheque in favour of the payee set out in the relevant application form.</li> <li>By telegraphic transfer to the account set out in the relevant application form or as may be prescribed by us. All bank charges will be borne by you.</li> <li><u>SRS monies (only available for Classes denominated in SGD)</u>: You should check with your SRS operator bank if you can invest in the Sub-Fund using SRS monies. You must indicate that you are using SRS monies in the relevant application form, which also contains your instructions to your SRS operator bank to withdraw the relevant subscription monies from your SRS account.</li> </ul>
Other salient terms:	<ul style="list-style-type: none"> <li>We may, acting in consultation with the Trustee, accept or reject any application for Units at our absolute discretion.</li> <li>Generally, Units will not be issued until the Trustee receives the relevant subscription monies in cleared funds in the relevant currency, although we may at our discretion issue Units before the Trustee receives full payment in cleared funds or, if required, conversion to the relevant currency.</li> <li>We and our authorised agents and distributors may request for such information or documents as may be necessary to verify your identity or to comply with any applicable laws, regulations or guidelines (including anti-money laundering laws).</li> </ul>

## 9.2 Initial issue price, initial offer period, minimum subscription amounts and minimum holding

Name of Class	Initial Issue Price per Unit	Initial offer period	Minimum initial subscription amount *	Minimum subsequent subscription amount *	Minimum holding *
<b>Class A SGD</b>	S\$1.000	At our sole discretion (with prior notification to the Trustee)**	S\$1,000	S\$500	The lesser of S\$1,000 or the number of Units purchased for S\$1,000 at the time of subscription.
<b>Class A SGD (Hedged)</b>	S\$1.000		S\$1,000	S\$500	
<b>Class A USD</b>	US\$1.000		US\$1,000	US\$500	The lesser of US\$1,000 or the number of Units purchased for US\$1,000 at the time of subscription.
<b>Class B SGD</b>	S\$1.000		S\$500,000	S\$100,000	The lesser of S\$500,000 or the number of Units purchased for S\$500,000 at the time of subscription.
<b>Class B SGD (Hedged)</b>	S\$1.000		S\$500,000	S\$100,000	
<b>Class B USD</b>	US\$1.000		US\$500,000	US\$100,000	The lesser of US\$500,000 or the number of Units purchased for US\$500,000 at the time of subscription.



Name of Class	Initial Issue Price per Unit	Initial offer period	Minimum initial subscription amount *	Minimum subsequent subscription amount *	Minimum holding *
<b>Class Z SGD</b>	S\$1.000	At our sole discretion (with prior notification to the Trustee)**	S\$500,000	S\$100,000	The lesser of S\$500,000 or the number of Units purchased for S\$500,000 at the time of subscription.
<b>Class Z SGD (Hedged)</b>	S\$1.000		S\$500,000	S\$100,000	
<b>Class Z USD</b>	US\$1.000		US\$500,000	US\$100,000	The lesser of US\$500,000 or the number of Units purchased for US\$500,000 at the time of subscription.

\* Subject to the Code, we may from time to time vary the minimum subscription amounts and minimum holding upon giving prior written notice to the Trustee.

\*\* The initial offer period will fall within a period of 12 months after the date of registration of this Prospectus or such extended date as we may determine.

Our authorised agents and distributors may impose a higher minimum initial or subsequent subscription amount. Please check with the relevant authorised agent or distributor before submitting your subscription application.

### 9.3 Issue of Units

Dealing Deadline:	<p>3 p.m. Singapore time on any Dealing Day.</p> <p>For applications received and accepted by us or our authorised agents or distributors by the Dealing Deadline of a Dealing Day, Units will be issued at the issue price applicable to that Dealing Day.</p> <p>For applications received and accepted after the Dealing Deadline or on a day which is not a Dealing Day, Units will be issued at the issue price applicable to the next Dealing Day.</p>
Pricing basis:	<p>During the initial offer period of the Sub-Fund or the relevant Class, Units are issued at the initial issue price set out in <a href="#">paragraph 9.2</a>.</p> <p>After the initial offer period of the Sub-Fund or the relevant Class, Units are issued on a forward pricing basis.</p>
Issue price:	<p>After the initial offer period of the Sub-Fund or the relevant Class, the issue price per Unit shall be ascertained by:</p> <p>(a) determining the NAV as at the Valuation Point in relation to the Dealing Day on which such issue occurs of the proportion of the Deposited Property of the Sub-Fund or the relevant Class represented by one Unit; and</p> <p>(b) truncating the resultant amount to 3 decimal places.</p> <p>We may use another method of determination or adjustment or number of decimal places with the approval of the Trustee.</p> <p>Any adjustments shall be retained by the Sub-Fund.</p>
Deduction of Subscription Fee:	<p>A Subscription Fee may be deducted from the Gross Investment Amount and the Net Investment Amount will be applied towards your subscription of Units.</p>

Conversion of issue price:	<p>We generally only accept payment in the relevant Class currency, and will quote the issue price in the relevant Class currency.</p> <p>If we decide to accept subscriptions in any other currency in the future, we will quote the issue price in such currency at the applicable rate of exchange determined by us.</p> <p>Acceptance of subscriptions in currencies other than the applicable Class currency is at our discretion and subject to such additional terms as we may impose from time to time.</p>
Confirmation of purchase:	A confirmation of your purchase will be sent to you within 5 Business Days for cash applications, and 11 Business Days for SRS applications, from the date of issue of Units.
Other salient terms:	<ul style="list-style-type: none"> <li>• You shall bear the costs of any currency exchange costs.</li> <li>• We may make fixed price offers of Units from time to time in accordance with the provisions of the Deed.</li> <li>• No certificates for Units will be issued.</li> <li>• Subject to the prior approval of the Trustee, we may change the method of determining the issue price and the Trustee shall determine if the affected Holders should be informed of such change.</li> </ul>

#### 9.4 Numerical example of calculation of Units allotted

The number of Units you will receive with an investment of S\$1,000.00 will be calculated as follows:

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

\* Based on an issue price of S\$1.000 and a Subscription Fee of 5%. This example is a hypothetical and is not indicative of any future issue price. The actual issue price after the initial offer period of a Class will fluctuate according to the NAV of that Class. Units in some Classes may not be denominated in SGD.

\*\* The number of Units to be issued will be truncated to 2 decimal places. We may use another method of calculation and adjustment or number of decimal places with the approval of the Trustee.

#### 9.5 Cancellation of subscription

Subject to the provisions of the Deed and the terms and conditions for cancellation of subscription in the cancellation form provided together with the application form for Units, you may cancel your subscription for Units by giving written notice or by submitting the cancellation form (whichever is applicable) to us or our authorised agents or distributors within 7 calendar days<sup>6</sup>. However, you will take the risk of any change in the price of your Units since the date of your subscription and pay any bank charges, administrative or other fees imposed by the relevant authorised agent or distributor.

Instead of cancelling your subscription, you may choose to realise your Units in accordance with paragraph 11 but you will not enjoy the benefits of cancellation under this paragraph (i.e. the Subscription Fee will not be refunded and a Realisation Fee (if any) may be imposed). Further, the Net Realisation Proceeds may be lower than the cancellation proceeds if any appreciation in the value of the Units is less than the aggregate of the Subscription Fee and Realisation Fee (if any) imposed.

***See the terms and conditions for cancellation of subscriptions in the cancellation form before subscribing for Units.***

<sup>6</sup> or such longer period as we may agree with the Trustee or such other period as the Authority may prescribe. Where the last day of such time period falls on a Sunday or public holiday in Singapore, the time period shall be extended to the next calendar day that is not a Sunday or public holiday in Singapore.

## 9.6 Conditions for launch of the Sub-Fund or a Class

We reserve the right not to proceed with the launch of the Sub-Fund or any Class if we are of the view that it is not in the interest of investors or it is not commercially viable to proceed with the Sub-Fund or the relevant Class.

In such event, we may at our discretion declare the Sub-Fund or the relevant Class (as the case may be) to be deemed not to have commenced, and shall notify the relevant investors of the same and return the subscription monies received (without interest) to the relevant investors no later than 30 Business Days after the close of the relevant initial offer period.

## 10. **REGULAR SAVINGS PLAN**

Currently, RSPs are only offered and operated directly by our authorised agents and distributors. Please check for availability with the relevant authorised agent or distributor.

Salient terms relating to RSPs:

Minimum holding to invest in a RSP:	The minimum holding as set out in <u>paragraph 9.2</u> .
Minimum investment sum:	S\$100 monthly or S\$500 quarterly.
Method of payment:	<ul style="list-style-type: none"><li>• <u>Cash</u>: You must complete an Interbank GIRO form authorising periodic RSP payments and submit it together with the relevant application form as required by the authorised agent or distributor.</li><li>• <u>SRS monies</u>: You must submit the relevant application form as required by the authorised agent or distributor. Before investing, you should check with your SRS operator bank on whether a RSP using SRS monies is available.</li></ul>
When payment is debited:	<p>Payment will be debited from the relevant account on:</p> <ul style="list-style-type: none"><li>• <u>for monthly RSP subscriptions</u>: the 25<sup>th</sup> calendar day of each month;</li><li>• <u>for quarterly RSP subscriptions</u>: the 25<sup>th</sup> calendar day of the last month of each calendar quarter.</li></ul> <p>If the 25<sup>th</sup> calendar day is not a Business Day, payment will be debited on the next Business Day.</p>
Allotment of Units:	Your investment will be made on the same Business Day (or the next Dealing Day if that day is not a Dealing Day) after payment has been debited, with the allotment of Units made normally within 2 Business Days after the debit.
Unsuccessful debits:	<p>If a debit is unsuccessful, no investment will be made for that month or quarter (as the case may be).</p> <p>After 2 consecutive unsuccessful debits, the RSP will be terminated.</p> <p>You will not be notified of any unsuccessful debit or termination.</p>
Termination of RSP by you:	You may terminate your participation in any RSP without penalty by giving 30 days' prior written notice to the authorised agent or distributor from whom you applied for the RSP.

The terms of RSPs offered by each authorised agent or distributor may vary from the above and may be subject to changes from time to time. You should contact the relevant authorised agent or distributor for details before applying.

We will not assume any liability for any losses attributable to your participation in any RSP.

## 11. REALISATION OF UNITS

### 11.1 How to realise Units

How to request for realisation:	<p>You may request to realise your Units through the following channels:</p> <ul style="list-style-type: none"> <li>• authorised agents and distributors through whom your Units were originally purchased</li> <li>• ATMs (as and when available)</li> <li>• designated websites</li> <li>• other channels made available by us</li> </ul>
Minimum realisation amount:	<p>100 Units per request.</p> <p>You may not realise part of your holding of Units if, as a result of the realisation, your holding would be less than the minimum holding set out in <a href="#">paragraph 9.2</a>.</p>
Dealing Deadline:	<p>3 p.m. Singapore time on any Dealing Day.</p> <p>For requests received and accepted by us or our authorised agents or distributors by the Dealing Deadline of a Dealing Day, Units will be realised at the realisation price applicable to that Dealing Day.</p> <p>For requests received and accepted after the Dealing Deadline or on a day that is not a Dealing Day, Units will be realised at the realisation price applicable to the next Dealing Day.</p>
Pricing basis:	Units are realised on a forward pricing basis.
Realisation price:	<p>The realisation price per Unit shall be ascertained by:</p> <ol style="list-style-type: none"> <li>determining the NAV as at the Valuation Point in relation to the Dealing Day on which the realisation request is received and accepted of the proportion of the Deposited Property of the Sub-Fund or the relevant Class represented by one Unit; and</li> <li>truncating the resultant amount to 3 decimal places.</li> </ol> <p>We may use another method of determination or adjustment or number of decimal places with the approval of the Trustee.</p> <p>Any adjustments shall be retained by the Sub-Fund.</p>
Deduction of Realisation Fee:	A Realisation Fee may be deducted from the Gross Realisation Proceeds, and the Net Realisation Proceeds will be paid to you.
Conversion of realisation price:	<p>We will generally only permit realisation of Units in the relevant Class currency, and will quote the realisation price in the relevant Class currency.</p> <p>If we decide to permit realisations in any other currency in the future, we will quote the realisation price in such currency at the applicable rate of exchange determined by us.</p>
When will Net Realisation Proceeds be paid to you:	<p>Within 7 Business Days after the relevant Dealing Day or such other period as may be permitted by the Authority.</p> <p>There may be delays in cases where the realisation of Units has been limited or suspended in accordance with <a href="#">paragraphs 11.3 or 14</a>.</p> <p>Proceeds will be paid by cheque or (where applicable) credited to your designated bank account or SRS account.</p>

In-specie realisations:	<p>Realisations may be effected (in whole or in part) at our discretion in cash or (with the approval of the Trustee) by transferring in-specie to the affected Holder any part of the assets of the Sub-Fund.</p> <p>In the case of a realisation by an in-specie transfer of assets, we will select the assets to be transferred, the value of which will be calculated as at the relevant Dealing Day on which the realisation request is received and accepted by applying the valuation rules contained in the Deed.</p> <p>The aggregate amount of the value of the assets to be transferred (calculated as aforesaid) and any cash to be paid to the affected Holder shall be equivalent to the amount which would have been payable to such affected Holder pursuant to these provisions had the realisation of the affected Holder's Units been effected in cash.</p> <p>If the realisation by in-specie transfer of assets is determined by us (and not requested by the affected Holder), all stamp duty, registration fees and other charges arising from such transfer shall be payable by the Sub-Fund; and if the realisation by in-specie transfer of assets is requested by the affected Holder, they shall be borne by the affected Holder.</p>
Other salient terms:	<ul style="list-style-type: none"> <li>You will bear all bank charges incurred for any telegraphic transfer of realisation proceeds to your designated bank account.</li> <li>If you are resident outside Singapore, we will deduct from your Gross Realisation Proceeds any expenses actually incurred by us over the amount of expenses which we would have incurred if you had been resident in Singapore.</li> <li>If we receive and accept a realisation request for Units before the Trustee receives your subscription monies for such Units, we may refuse to realise such Units until the next Dealing Day after the Dealing Day on which your subscription monies for such Units are received by the Trustee.</li> <li>Subject to the prior approval of the Trustee, we may change the method of determining the realisation price and the Trustee shall determine if the affected Holders should be informed of such change.</li> </ul>

## 11.2 Numerical example of calculation of Net Realisation Proceeds

The Net Realisation Proceeds payable to you on the realisation of 1,000 Units will be calculated as follows:

1,000.00 Units	X	S\$0.900*	=	S\$900.00
Your realisation request		Realisation price *		Gross Realisation Proceeds
S\$900.00	-	S\$0.00	=	S\$900.00
Gross Realisation Proceeds		Realisation Fee (0%) *		Net Realisation Proceeds

\* Based on a realisation price of S\$0.900. There is currently no Realisation Fee payable for the Sub-Fund. This example is a hypothetical and is not indicative of any future realisation price. The actual realisation price will fluctuate according to the NAV of the relevant Class. Units in some Classes may not be denominated in SGD.

## 11.3 Limitation on realisation

We may, with the approval of the Trustee and subject to the provisions of the Deed, limit the total number of Units to be realised by the Holders or cancelled by us on any Dealing Day to 10% of the total number of Units of the Sub-Fund or the relevant Class then in issue. Such limitation will be applied proportionately to all Holders who have validly requested realisations on such Dealing Day and to us.

Any Units which are not realised or cancelled will be realised or cancelled on the next Dealing Day, provided that if the number of Units to be realised or cancelled still exceeds such limit, we may continue to carry forward the

realisation/cancellation requests in the same manner, until such time as the total number of Units to be realised or cancelled on a Dealing Day falls within such limit.

If realisation requests are so carried forward and you are affected, we will notify you within 7 Business Days. Realisation requests which have been carried forward from an earlier Dealing Day shall be dealt with in priority to later requests.

#### 11.4 Compulsory realisations

We may compulsorily realise your holding of Units in certain circumstances. See paragraph 21.2 for further details.

### 12. SWITCHING OF UNITS

How to switch your Units:	You may request to switch your Units for Units in a different Class or sub-fund of the Fund, or for units of any other Group Fund (the “ <b>new units</b> ”) by giving us or our authorised agents or distributors a switching request in the prescribed form.
When switches are made:	<p>Switches will only be made on a day (“<b>Common Dealing Day</b>”) which is both a Dealing Day for your Units and a dealing day for the new units.</p> <p>For requests received and accepted by us or our authorised agents or distributors by the Dealing Deadline of a Common Dealing Day, Units will be switched on that Common Dealing Day.</p> <p>For requests received and accepted after the Dealing Deadline or on a day that is not a Common Dealing Day, Units will be switched on the next Common Dealing Day.</p>
How switches are carried out:	<p>A switch of Units will be effected as follows:</p> <ol style="list-style-type: none"> <li>your Units will be realised at the realisation price calculated under <u>paragraph 11</u>;</li> <li>the net realisation proceeds shall then be used (after deducting any Switching Fee payable) to subscribe for new units at the prevailing issue price of such new units. For the purposes of the switch, we may waive in whole or in part the subscription fee for the new units and/or the Realisation Fee (if any).</li> </ol>
Other salient terms:	<ul style="list-style-type: none"> <li>Switches will be at our discretion.</li> <li>You may switch into Class B Units and Class Z Units of a Sub-Fund only with our prior written approval.</li> <li>You may withdraw a switching request only with our consent.</li> <li>Switching is subject to the terms of the Deed and the constitutive documents of the Group Fund, including the provisions relating to the issue and realisation of Units.</li> <li>Switches will not be allowed during the initial offer period of the Sub-Fund or the original Class.</li> <li>Switches will not be allowed if it results in you holding Units below any applicable minimum holding.</li> <li>You may only switch between Units denominated in different currencies with our consent.</li> <li>Switches will not be allowed during any period where the realisation of Units has been limited or suspended in accordance with <u>paragraphs 11.3 or 14</u>.</li> <li>Units purchased with cash or SRS monies (as the case may be) may only be switched to new units which may be purchased with the same payment method.</li> <li>Neither we nor the Trustee shall have responsibility or liability to ensure that the provisions of the constitutive documents of the Group Fund relating to the issue, realisation or switching of units are complied with.</li> </ul>

<b>Automatic switching:</b>	<b>Upon termination of the Fund, the Sub-Fund or a Class, we may automatically switch your Units in the Sub-Fund or the relevant Class (as the case may be) to another collective investment scheme managed by, or whose investment manager or investment adviser is, us or any of our associates (including any other sub-fund of the Fund or any other Class). See <u>paragraph 21.7</u> for further details.</b>
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### 13. OBTAINING PRICES OF UNITS

You may obtain indicative prices of Units:

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

The actual prices quoted will generally be published 2 Business Days after the relevant Dealing Day in the relevant Class currency. Prices may be published in local or foreign publications such as The Straits Times and The Business Times, and on our website at [uobam.com.sg](http://uobam.com.sg) or any other website designated by us. 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 by such publishers.

### 14. SUSPENSION OF DEALINGS

14.1 Subject to the provisions of the Code, we or the Trustee may, with the prior written approval of the other, suspend the issue and realisation of Units of the Sub-Fund or a Class during:

- any period when the Recognised Market on which any Authorised Investments forming part of the Deposited Property of the Sub-Fund for the time being are listed, quoted or dealt in is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;
- the existence of any state of affairs which, in the Trustee's and our opinion, might seriously prejudice the interests of the Holders in relation to the Sub-Fund or such Class as a whole or of the Deposited Property of the Sub-Fund;
- any period when a state of emergency prevents a practicable disposal of such Authorised Investments by or on behalf of the Trustee;
- any breakdown in the means of communication normally employed in determining the price of any of such Authorised Investments, or the current price on the relevant Recognised Market, or when for any reason the prices of any of such Authorised Investments, or the amount of any of our liability and/or the liability of the Trustee for the account of the Fund or the Sub-Fund, cannot be promptly and accurately ascertained (including any period when the fair value of a material portion of the Authorised Investments cannot be determined);
- any period when remittance of moneys which will or may be involved in the realisation of such Authorised Investments or in the payment for such Authorised Investments for the time being constituting the Deposited Property of the Sub-Fund is not possible or cannot, in the Trustee's and our opinion, be carried out at normal rates of exchange;
- upon the occurrence of any event causing us (i) to liquidate a substantial percentage of the assets comprised in the Deposited Property (as determined in our absolute discretion), or (ii) to terminate the Sub-Fund;
- any period whereby dealing of Units has to be suspended to effect the subdivision or consolidation of Units;
- any period when the dealing of Units is suspended pursuant to any order or direction of the Authority or any judicial or governing authority of competent jurisdiction;
- any 48 hour period (or such longer period as may be agreed between the Trustee and us) prior to the date of any meeting of Holders of the Sub-Fund or such Class or the Fund (or any adjourned meeting thereof);



- (j) any period when our business operations or the business operations of the Sub-Managers or the Trustee in relation to the operation of the Fund or the Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolutions, civil unrest, riots, strikes or acts of God;
  - (k) any period when dealings in any one or more Underlying Funds in which the Sub-Fund has invested a substantial portion of its assets are suspended;
  - (l) exceptional circumstances, where we have determined that such suspension is in the best interest of the Holders; or
  - (m) such other circumstances as may be required under the provisions of the Code.
- 14.2 Without prejudice to paragraph 14.1 above, the Trustee may, with the prior approval of the Authority, suspend the issue and realisation of Units of a Sub-Fund or Class if:
- (a) we go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee, such approval not to be unreasonably withheld or delayed);
  - (b) a receiver or trustee is appointed of the whole or of any substantial part of our assets or undertaking; or
  - (c) we convene a meeting of our creditors or make or propose to make any arrangement or composition with or any assignment for the benefit of our creditors.
- 14.3 Subject to the provisions of the Code, we and/or the Trustee may from time to time also suspend the issue and/or realisation of Units in certain situations as set out in the Deed, including suspending the realisation of Units for such reasonable period as may be necessary to effect an orderly redemption of investments in accordance with Clause 16.8 of the Deed.
- 14.4 Subject to the provisions of the Code, any such suspension will take effect upon our written declaration to the Trustee (or vice versa, as the case may be) and will end as soon as practicable when the condition giving rise to the suspension no longer exists and no other condition under which suspension is authorised under this paragraph 14 or the applicable provisions of the Deed exists upon our (or, as the case may be, the Trustee's) written declaration of the same and in any event, within such period as may be prescribed by the Code. The period of suspension may be extended in accordance with the Code. Any payment for any Units realised before the commencement of any such suspension which has not been paid before the commencement thereof may, if we and the Trustee agree, be deferred until immediately after the end of such suspension.

## 15. PERFORMANCE OF THE SUB-FUNDS

### 15.1 Performance of the Sub-Fund

As the Sub-Fund and its Classes are newly established, a track record of at least 1 year is not available as at the date of registration of this Prospectus.

The performance of the Sub-Fund will be measured against an absolute return benchmark of 6% p.a..

As the Sub-Fund is newly established, the audited accounts for the Sub-Fund are not available as at the date of registration of this Prospectus. As such, no expense ratio or turnover ratio in respect of the Sub-Fund is available as at the date of registration of this Prospectus.

***Past results are not necessarily indicative of future performance. There is no assurance that profits will be achieved or that substantial losses will not be incurred.***

- 15.2 The expense ratio of the Sub-Fund 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 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 (such as registrar charges and remittance fees);



- (b) foreign exchange gains and losses, whether realised or unrealised;
- (c) front-end loads, back-end loads and other costs arising on the purchase or sale of other funds;
- (d) tax deducted at source or arising on income received, including withholding tax;
- (e) interest expense; and
- (f) dividends and other distributions paid to the Holders.

15.3 The turnover ratio of the Sub-Fund is calculated based on the lesser of purchases or sales of the Sub-Fund's underlying investments expressed as a percentage of the daily average NAV of the Sub-Fund.

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

### **16.1 Managers' soft dollar disclosures**

Subject to the provisions of the Code, we may from time to time receive or enter into soft dollar commissions/arrangements in our 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, or the value of any investments, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis, and custodial service in relation to the investments managed for clients.

Soft dollar commissions/arrangements will 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 unless (a) such soft dollar commissions/arrangements can reasonably be expected to assist us in the 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.

### **16.2 Sub-Managers' soft dollar disclosures**

The Sub-Managers may derive substantial direct or indirect benefit from services provided by brokers, particularly to the extent the Sub-Managers use soft dollars to pay for expenses which they would otherwise be required to pay. In selecting brokers to effect transactions with or for the Sub-Fund, the Sub-Managers, subject to any overall duty to obtain "best execution" of fund transactions, will have authority to and may consider the full range and quality of the services and products provided by various brokers, including factors such as the ability of the brokers to execute transactions efficiently, the responsiveness to the Sub-Managers' instructions, their facilities, reliability, and financial responsibility, and the value of any research or other services or products they provide. As long as the services or other products are provided by a particular broker (whether directly or through a third-party) and the Sub-Managers determine in good faith that the amount of commission charged by such broker is reasonable in relation to the value of such brokerage and research services, the Sub-Managers may utilise the services of that broker to execute transactions for the Sub-Fund on an agency or riskless principal basis even if the Sub-Fund would incur higher transaction costs than it would have incurred had another broker been used.

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.

## 17. CONFLICTS OF INTEREST

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

Our associates and/or the associates of the Trustee may be engaged to provide banking, brokerage, custody or financial services to the Sub-Fund or the Fund or buy, hold and deal in any investments, enter into contracts or other arrangements with the Trustee or us and make profits from these activities. Such services to the Sub-Fund or the 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 its 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 Sub-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.

## 17.2 Sub-Managers' conflicts of interest disclosures

Conflicts of interests may arise between the Sub-Fund and the persons or entities involved as advisers (if any) in the management of the Sub-Fund and/or the Sub-Managers. The Sub-Managers may manage assets of other clients that make investments similar to those made on behalf of the Sub-Fund and the undertakings in which the Sub-Fund invests, or otherwise be involved in other funds that have similar objectives to that of the Sub-Fund. The Sub-Managers may have a conflict of interest when allocating and/or recommending investment opportunities between the Sub-Fund and other clients. However, when making investments where a conflict of interest may arise, the Sub-Managers will endeavour to act in a fair and equitable manner as between the Sub-Fund and the Sub-Managers' other clients.

Generally there may be conflicts of interests between the best interests of the Sub-Fund and an interest of the Sub-Managers and their affiliates to generate fees, commissions and other revenues. If such a conflict of interests arises, the Sub-Managers will endeavour to ensure that it is resolved in accordance with applicable law and in the best interests of the Sub-Fund. In addition, the Sub-Managers will use their best endeavours to ensure that all agreements and transactions entered into by the Sub-Fund will be negotiated at arm's length.

The Sub-Managers may from time to time have to deal with competing or conflicting interests of the Trustee, the Managers, including any of their directors, and the entities which provide services to the Sub-Fund in relation to their conduct in the ordinary course of business. The Sub-Managers will seek to avoid or minimise these conflicts where possible. Conflicts are managed through policies and procedures that the Sub-Managers believe are sufficient to protect the interests of their respective clients while providing high quality investment services to all of their clients. If a conflict of interest arises, the Sub-Managers will endeavour to ensure that it is resolved fairly.

The Sub-Managers, their related entities, officers or employees may from time to time invest and deal in Units for their respective individual accounts or (in the case of the Sub-Managers and their related entities) for the best interests of the Sub-Fund and its Holders so far as practicable, having regard to applicable laws and their obligations to their other clients. If a conflict of interest does arise, the Sub-Managers will endeavour to ensure that such conflict is resolved fairly.

The Sub-Managers are wholly owned subsidiaries of the Managers and the Managers are wholly owned subsidiaries of UOB. However, the directors of the Sub-Managers and the Managers are not affiliated.

Pursuant to the Sub-Managers' internal code of conduct, their directors and employees are required to place the clients' interest before the Sub-Managers' own interests. The Sub-Managers' code of conduct lays down the fundamental principles of personal and professional conduct expected of all employees in the performance of their duties and also provides guidance in the face of an ethical dilemma or conflict of interest. The Sub-Managers' directors and employees must disclose their business interest upon joining the Sub-Managers and update such interests thereafter to reflect changes to their interests or holdings.

## 18. **REPORTS**

The financial year-end of the Sub-Fund is 31 December.

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 periods as may be permitted by the Authority:

Report/account	Availability
(a) Annual report, annual audited accounts and the auditors' report on the annual accounts	Within 3 months of the end of the financial year.
(b) Semi-annual report and semi-annual accounts	Within 2 months of 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, the Trustee will also 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.

## 19. QUERIES AND COMPLAINTS

If you have any enquiries about the Sub-Fund or 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](mailto:uobam@uobgroup.com)

## 20. OTHER MATERIAL INFORMATION

### 20.1 Market timing

The Sub-Fund is not designed and managed to support short-term investments. In this regard, we take a serious view of, and strongly discourage the practice of market timing (that is, investors conducting short-term buying or selling of Units to gain from inefficiencies in pricing) as such practices may cause an overall detriment to the interests of other investors.

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

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

### 20.2 Information on investments

At the end of each quarter, you will receive a statement showing the value of your investments in the Sub-Fund. If you conduct any transaction(s) within a particular month, you will receive an additional statement at the end of that month.

### 20.3 Indemnities

We and the Trustee are entitled to be indemnified out of or have recourse to the Deposited Property of the Sub-Fund in accordance with the terms of the Deed. See the Deed for further details.

## 21. PROVISIONS OF THE DEED

Some of the provisions of the Deed are set out below. *See the Deed for the full terms and conditions of the Fund.* In this paragraph, “**Sub-Funds**” shall refer to the sub-funds of the Fund (including United Asia Pacific Diversified Strategies Fund) and “**Sub-Fund**” shall mean any one of them.

### 21.1 Valuation

Except where otherwise expressly stated in the Deed and subject always to the provisions of the Code, the value of the assets comprised in the Deposited Property of each Sub-Fund with reference to any Authorised Investment which is:

- (a) a Quoted Investment, shall be calculated, as the case may be, by reference to the official closing price, the last known transacted price or the last transacted price (or, with the prior approval of the Trustee, the last bid price) as at the last official close on the relevant Recognised Market (or at such other time as the Managers

may from time to time determine after consultation with the Trustee). Where such Quoted Investment is listed, dealt or traded in more than one Recognised Market, the Managers (or such person as the Managers may appoint for the purpose) may in their absolute discretion select any one of such Recognised Markets for the foregoing purposes and, if there is no such official closing price, last known transacted price or last transacted price, the value shall be calculated by reference to the last available prices quoted by responsible firms, corporations or associations on a Recognised Market at the time of calculation (or at such other time as the Managers may from time to time determine after consultation with the Trustee) and where there is no Recognised Market, 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 shall designate);

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

provided that, if the quotations referred to in paragraphs 21.1(a) to 21.1(e) above are not available, or if the value of the Authorised Investment determined in the manner described in paragraphs 21.1(a) to 21.1(e) above is determined by the Managers with due care and in good faith to not be representative of the value of such Authorised Investment, then the value shall be such value as the Managers may with due care and in good faith consider in the circumstance to be the 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. Where the fair value of a material portion of the Deposited Property of a Sub-Fund cannot be determined, the Managers shall, subject to the provisions of the Code, suspend valuation and dealing in the Units of that Sub-Fund.

## 21.2 Compulsory realisations

The Managers have the right (in consultation with the Trustee) to compulsorily realise any holdings of Units in a Sub-Fund held by:

- (a) any Holder:
  - (i) whose subscription for or holding of Units, in the opinion of the Managers, is or may be in breach of any applicable law or regulation in any jurisdiction; or
  - (ii) where such realisation is, in the opinion of the Managers, necessary or desirable for the compliance of the Managers or the Sub-Fund with any applicable law or regulation in any jurisdiction (including any regulatory exemption conditions); or

- (b) any Holder whose holdings, in the opinion of the Managers:
  - (i) may cause the Sub-Fund to lose its authorised or registered status with any regulatory authority in any jurisdiction; or
  - (ii) may cause the offer of the Units of the Sub-Fund, the Sub-Fund, this Prospectus, the Deed, the Managers or the Trustee to become subject to any authorisation, recognition, approval or registration requirements under any law or regulation in any other jurisdiction; or
- (c) any Holder whose holdings, in the opinion of the Managers:
  - (i) 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
  - (ii) 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
- (d) 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 the Managers 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
- (e) 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 the Managers 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
- (f) any Holder who does not consent, or withdraws his consent, for the Managers 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 the Managers, the Trustee, their respective related corporations and/or other service providers to perform their respective services and/or duties to or in respect of the Sub-Fund and/or the Holder.

Any compulsory realisation under this paragraph may be carried out by the Managers 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.

If the Managers 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, the Managers (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. The Managers 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.

The Managers, 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 the Managers, Trustee and/or any of their respective delegates, agents or associates under this [paragraph 21.2](#).

### 21.3 Custody of Deposited Property

- (a) The Trustee shall be responsible for the safe custody of the Deposited Property. Any Authorised Investments forming part of the Deposited Property shall, whether in 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 act as custodian itself or may appoint such persons (including any Associate of the Trustee) as custodian or joint custodians (with the Trustee if acting as custodian or with any other custodian appointed by the Trustee) of the whole or any part



of the Deposited Property of any Sub-Fund 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 sub-custodians. The fees and expenses of any such custodian, joint custodian or sub-custodian shall be paid out of the Deposited Property of the relevant Sub-Fund. The Trustee may at any time procure that:

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

takes delivery of and retains and/or is registered as proprietor of any Authorised Investment in registered form held upon the trusts of the Deed.

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

#### 21.4 Additional indemnity

- (a) Any indemnity expressly given to the Managers or the Trustee in the Deed is in addition to and without prejudice to any indemnity allowed by law and all the powers, privileges, rights and immunities expressly given to the Managers or the Trustee are in addition to and without prejudice to any power, privileges, rights and immunities granted to the Managers or the Trustee by law; and
- (b) subject to the other provisions of the Deed (including Clause 38.1 of the Deed), any indemnity given to the Managers or the Trustee in the Deed shall survive the retirement or removal of the Managers or the Trustee (as the case may be) only insofar as the benefit of such survival relates to the acts or omissions of the Managers or the Trustee prior to its retirement or removal (as the case may be),

provided that no provision in the Deed shall in any case where the Trustee or the Managers have failed to show the degree of care and diligence required of them as trustee or manager (as the case may be) of the Fund or any Sub-Fund, exempt them or indemnify them against any liability for breach of trust.



## 21.5 Termination of the Fund or Sub-Fund

- (a) Each Sub-Fund is of indeterminate duration and may be terminated as provided in this paragraph 21.5.
- (b)
  - (i) The Managers may in their absolute discretion terminate the Fund or a Sub-Fund at any time by giving not less than 1 month's prior written notice to the Trustee.
  - (ii) The Trustee may terminate the Fund or a Sub-Fund by giving not less than 1 month's prior written notice to the Managers, given at least 3 years after (in the case of a termination of the Fund) the close of the initial offer period of the latest Sub-Fund to be launched, or (in the case of a termination of a Sub-Fund) the close of the initial offer period of the relevant Sub-Fund.
- (c) Termination by the Trustee:

- (i) Notwithstanding paragraph 21.5(b), the Fund may be terminated by the Trustee if:
  - (1) any law is passed or any direction is given by the relevant authority which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Fund;
  - (2) within the period of 3 months after the date on which the Trustee gave notice in writing to the Managers that it wishes to retire pursuant to Clause 38.2 of the Deed, a new trustee has not been appointed in accordance with that Clause;
  - (3) new managers have not been appointed in accordance with Clause 37.3 of the Deed, within the period of 3 months after the date on which the Trustee gave notice in writing to the Managers pursuant to Clause 37.1 of the Deed; or
  - (4) within the period of 3 months from the date of the Managers giving notice of intent to retire (or such longer period as the Managers and the Trustee may mutually agree in writing), new managers have not been appointed in accordance with the terms of Clause 37.3 of the Deed.

The decision of the Trustee in any of the events specified in this paragraph 21.5(c)(i) shall be final and binding upon the Managers and the Holders but the Trustee shall be under no liability on account of any failure to terminate the Fund pursuant to this paragraph 21.5(c)(i) or otherwise.

- (ii) Notwithstanding paragraph 21.5(b), each Sub-Fund may be terminated by the Trustee if:
  - (1) any law is passed or any direction is given by the relevant authority which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the relevant Sub-Fund; or
  - (2) if the Authority revokes or withdraws the authorisation of that Sub-Fund under Section 288 of the SFA.

The decision of the Trustee in any of the events specified in this paragraph 21.5(c)(ii) shall be final and binding upon the Managers and the Holders but the Trustee shall be under no liability on account of any failure to terminate the Sub-Fund pursuant to this paragraph 21.5(c)(ii) or otherwise.

- (d) Termination by the Managers:
  - (i) Notwithstanding paragraph 21.5(b), the Fund may be terminated by the Managers:
    - (1) on any date if on such date the aggregate of the value of the Deposited Property of all the Sub-Funds is less than S\$5,000,000;
    - (2) if the Trustee is no longer an approved trustee pursuant to Clause 38.3 of the Deed and a new trustee of the Fund has not been appointed in accordance with the terms of the Deed;
    - (3) if any law is passed or any direction is given by the relevant authority which renders it illegal or in the reasonable opinion of the Managers impracticable or inadvisable to continue the Fund;

- (4) if in the reasonable opinion of the Managers, with the Trustee's prior approval, it becomes impractical, uneconomic, inadvisable or contrary to the interests of the Holders to continue the Fund; or
- (5) upon notice to the Trustee, where all outstanding Units of the Fund have been realised whether through optional or compulsory realisation.

Subject to paragraph 21.5(d)(i)(4) the decision of the Managers in any of the events specified in paragraph 21.5(d)(i) shall be final and binding upon the Trustee and the Holders but the Managers shall be under no liability on account of any failure to terminate the Fund pursuant to paragraph 21.5(d)(i) or otherwise.

(ii) Notwithstanding paragraph 21.5(b), each Sub-Fund may be terminated by the Managers:

- (1) on any date if on such date the aggregate of the value of the Deposited Property of the relevant Sub-Fund is less than S\$5,000,000;
- (2) if any law is passed or any direction is given or any authorisation granted to the relevant Sub-Fund is revoked by the relevant authority which renders it illegal or in the reasonable opinion of the Managers impracticable or inadvisable to continue the relevant Sub-Fund;
- (3) if the Authority revokes or withdraws the authorisation of that Sub-Fund under Section 288 of the SFA;
- (4) if in the reasonable opinion of the Managers, with the Trustee's prior approval, it becomes impractical, uneconomic, inadvisable or contrary to the interests of the Holders to continue the relevant Sub-Fund;
- (5) in the event of the amalgamation, reconstruction, reorganisation, dissolution, liquidation, merger or consolidation of any Underlying Fund corresponding to that Sub-Fund, or a change in the managers or investment adviser of any such Underlying Fund; or
- (6) upon notice to the Trustee, where all outstanding Units of the Sub-Fund have been realised whether through optional or compulsory realisation.

Subject to paragraph 21.5(d)(ii)(4), the decision of the Managers in any of the events specified in this paragraph 21.5(d)(ii) shall be final and binding upon the Trustee and the Holders but the Managers shall be under no liability on account of any failure to terminate the Fund or any Sub-Fund pursuant to this paragraph 21.5(d)(ii) or otherwise.

- (e) Notice of termination: The party terminating the Fund or Sub-Fund in accordance with paragraph 21.5 (other than any termination pursuant to paragraphs 21.5(d)(i)(5) and 21.5(d)(ii)(6) and 21.5(f)) shall give notice in writing of such termination to the relevant Holders and by such notice fix the date at which such termination is to take effect which date shall not be less than 1 month or such other period as may be determined by the Managers with the Trustee's approval after the service of such notice (or such other date as may be necessary to comply with any law or directions given by the Authority).
- (f) Extraordinary Resolution:
  - (i) The Fund may at any time be terminated by the Holders by Extraordinary Resolution and such termination shall take effect on the date on which the Extraordinary Resolution is passed or on such later date (if any) as the Extraordinary Resolution may provide.
  - (ii) A Sub-Fund may at any time be terminated by the Holders of that Sub-Fund by Extraordinary Resolution and such termination shall take effect on the date on which the Extraordinary Resolution is passed or on such later date (if any) as the Extraordinary Resolution may provide.
- (g) The Managers shall give written notice of the termination of the Fund or relevant Sub-Fund to the Authority at least 7 days before termination of the Fund or relevant Sub-Fund (or such other number of days as may be permitted by the Authority).

## 21.6 Termination of a Class

- (a) Any Class established shall be of indeterminate duration unless otherwise provided for in the Deed or terminated in accordance with this paragraph 21.6. This paragraph 21.6 applies only where more than one Class is established.
- (b)
  - (i) The Managers may in their absolute discretion terminate any Class at any time by giving not less than 1 month's prior written notice to the Trustee.
  - (ii) The Trustee may terminate a Class by giving not less than 1 month's prior written notice to the Managers, given at least 3 years after the close of the initial offer period of the relevant Class.
- (c) A Class may be terminated by the Trustee if any law is passed or any direction is given by the relevant authority which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue that Class. The decision of the Trustee in such event shall be final and binding upon the Managers and the Holders of that Class but the Trustee shall be under no liability on account of any failure to terminate the Class pursuant to this paragraph 21.6(c) or otherwise.
- (d) A Class may be terminated by the Managers:
  - (i) if the Units of that Class in issue fall below a number to be determined by the Managers;
  - (ii) if any law is passed or any direction is given by the relevant authority which renders it illegal or in the reasonable opinion of the Managers impracticable or inadvisable to continue the Class;
  - (iii) if in the reasonable opinion of the Managers with the Trustee's prior approval it becomes impractical, uneconomic, inadvisable or contrary to the interests of the Holders to continue that Class; or
  - (iv) upon notice to the Trustee, where all outstanding Units of the Class have been realised whether through optional or compulsory realisation.

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

- (e) Notice of termination: The party terminating the Class in accordance with paragraph 21.6 (other than any termination pursuant to paragraphs 21.6(d)(iv) and 21.6(f)) shall give notice in writing of such termination to the Holders of the Class and by such notice fix the date at which such termination is to take effect which date shall not be less than 1 month after the service of such notice (or such other date as may be necessary to comply with any law or directions given by the Authority).
- (f) Extraordinary Resolution: A Class may at any time be terminated by the Holders of that Class by Extraordinary Resolution and such termination shall take effect on the date on which the Extraordinary Resolution is passed or on such later date (if any) as the Extraordinary Resolution may provide.

## 21.7 Automatic switching upon termination

Notwithstanding any other provision of the Deed, the Managers may, instead of selling all Investments and distributing the net proceeds to the relevant Holders in accordance with Clause 41 of the Deed upon the Fund or a Sub-Fund or Class being terminated, determine at their discretion (acting in consultation with the Trustee) to use all or part of the Investments and cash comprising the Deposited Property of the Fund or that attributable to the relevant Sub-Fund or Class to acquire units or shares of an open-ended collective investment scheme (the "**Target Fund**") which is managed by, or whose investment manager or investment adviser is, the Managers or any of its Associates for the relevant Holders ("**automatic switching**"), in the following manner:

- (a) upon the Fund or the relevant Sub-Fund or Class being terminated, the Managers or the Trustee shall, subject to such orders (if any) as may be made by any court of competent jurisdiction pursuant to the Securities and Futures Act, sell such portion (as the Managers or the Trustee may at their discretion determine) of the Investments then comprising the Deposited Property of the Fund or that attributable to the relevant Sub-Fund or Class and other assets then remaining in its hands and repay any borrowing effected pursuant

to Clause 20 of the Deed for the time being outstanding (together with any interest accrued thereon but remaining unpaid), and such sales shall be carried out and completed in such manner and within such period after the termination of the Fund or the relevant Sub-Fund or Class (as the case may be) as the Managers or the Trustee (as relevant) thinks advisable;

- (b) the amount available for distribution pursuant to paragraph (c) below shall not include any amount which the Trustee considers necessary to retain out of any monies or other property in its hands as part of the Deposited Property of the Fund or the relevant Sub-Fund or Class as full provision for all costs, charges, expenses, taxation, claims and demands incurred, made or apprehended by the Trustee in connection with or arising out of the termination of the Fund or the relevant Sub-Fund or Class or otherwise properly payable out of the Deposited Property in accordance with the Deed or law and out of the monies and/or other property so retained to be indemnified and saved harmless against any such costs, charges, expenses, taxation, claims and demands;
- (c) following the sale referred to in paragraph (a), the Trustee shall determine the amount of cash and assets available (after deducting such amount as the Trustee is entitled to retain under paragraph (b) above) for distribution to each Holder in proportion to their respective interests in the Deposited Property of the Fund or that attributable to the relevant Sub-Fund or Class, whereupon the Trustee shall transfer such cash and assets to the Target Fund to acquire units or shares in the Target Fund in the relevant Holder's name; and
- (d) For the avoidance of doubt, the relevant Holder shall not be liable for any Subscription Fee, Realisation Fee and Switching Fee pursuant to such automatic switching.

Notwithstanding the foregoing, the Managers and the Trustee may, in consultation with each other, take any additional or other actions as they deem fit to effect such automatic switching.

#### 21.8 Voting

Subject to the relevant provisions of the Deed, the Managers may exercise or refrain from exercising any rights of voting conferred by any part of any Deposited Property in what they may consider to be the best interests of the Holders.

However, notwithstanding the above, in respect of voting rights where the Managers may face conflicts of interests, 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 21.8 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 relevant 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.

See the Deed for other provisions relating to voting.

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大华另类投资组合  
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