

# UOB OPTIMIX FUND

UOB OPTIMIX ASIAN BOND FUND

UOB OPTIMIX E-COMMERCE FUND

UOB OPTIMIX SURE FUND

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

# UOB OPTIMIX FUND

## DIRECTORY

### MANAGERS

UOB Asset Management Ltd  
80 Raffles Place  
UOB Plaza  
Singapore 048624  
(Company Registration No: 198600120Z)

### TRUSTEE

Citicorp Trustee (Singapore) Limited  
3 Temasek Avenue #12-00  
Centennial Tower  
Singapore 039190  
(Company Registration No: 199604601H)

### DIRECTORS OF THE MANAGERS

Terence Ong Sea Eng  
Thio Boon Kiat  
Yeo Eng Cheong

### AUDITORS

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

### SOLICITORS TO THE MANAGERS

Chan & Goh  
3 Phillip Street  
#15-03 Commerce Point  
Singapore 048693

### SOLICITORS TO THE TRUSTEE

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

## IMPORTANT INFORMATION

The managers of UOB Optimix Fund (the “Fund”), UOB Asset Management Ltd, (the “**Managers**”), accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, this Prospectus contains all information with respect to the Fund which is material in the context of the offer of units of the Sub-Funds under the Fund hereunder and the statements contained in this Prospectus are in every material respect true and accurate and not false or misleading and there are no other facts the omission of which would make any statement in this Prospectus misleading. Unless otherwise stated all terms not defined in this Prospectus have the same meanings as used in the deed of trust (as amended) constituting and relating to the Fund (the “**Deed**”).

Investors should consult the relevant provisions of the Deed and obtain professional advice in the event of any doubt or ambiguity relating thereto.

Potential investors should seek professional advice to ascertain (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange transactions or exchange control requirements which they may encounter under the laws of the countries of their citizenship, residence, domicile and which may be relevant to the subscription, holding or disposal of units in the UOB Optimix Asian Bond Fund, the UOB Optimix E-Commerce Fund and the UOB Optimix Sure Fund (collectively referred to as the “**Sub-Funds**” and each a “**Sub-Fund**”).

No application has been made for the units in the Sub-Funds (“**Units**”) to be listed on any stock exchange. There is no ready market for the Units in the Sub-Funds. Any holder of Units may consequently only realise all or part of his holding of Units in accordance with the provisions in the Deed.

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and may only be used in connection with the offering of Units as contemplated herein. No representation is made as to the tax status of the Fund.

Investment in the Sub-Funds requires consideration of the normal risks involved in investing and participating in collective investment schemes. Investors should carefully consider the risks of investing in the Sub-Funds which are set out in Part VIII of this Prospectus. Investors should consider these risks carefully before making an investment decision. Investors should note that because their investments can be volatile and that the value of the Units may decline as well as appreciate, there can be no assurance that the Sub-Funds will be able to attain their objectives. The price of the Units as well as income from them may go up as well as down to reflect changes in the value of the Sub-Funds. Investors should also satisfy themselves of the suitability to them of an investment in the Sub-Funds based on their personal circumstances.

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

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

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# UOB OPTIMIX FUND

*The Sub-Funds of the UOB Optimix Fund offered in this Prospectus are constituted in Singapore and are authorised schemes under the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”). A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of this Prospectus. The 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-Funds. The meanings of terms not defined in this Prospectus can be found in the deed of trust (as amended) constituting the Fund.*

## I. BASIC INFORMATION

### 1. UOB Optimix Fund

The Fund is a stand-alone open-ended umbrella fund constituted in Singapore. The Managers are presently offering units in three Sub-Funds, namely, the UOB Optimix Asian Bond Fund, the UOB Optimix E-Commerce Fund and the UOB Optimix Sure Fund.

### 2. Date of registration and expiry date of Prospectus

The date of registration of this Prospectus with the Authority is 16 July 2008. This prospectus shall be valid for 12 months from the date of registration (i.e., up to and including 15 July 2009) and shall expire on 16 July 2009.

### 3. Trust Deed, Supplemental Deeds and Amendment Deeds

The deed of trust relating to the interests being offered to the public for subscription or purchase is dated 2 March 2000 (the “**Principal Deed**”) and the parties to the Deed are the Managers and Citicorp Trustee (Singapore) Limited (the “**Trustee**”).

The Principal Deed has been amended by the following supplemental deeds and amendment deeds:

- (a) a First Supplemental Deed dated 24 July 2000;
- (b) a Second Supplemental Deed dated 13 March 2001;
- (c) a Third Supplemental Deed dated 27 July 2001;
- (d) a Fourth Supplemental Deed dated 31 July 2002;
- (e) a Fifth Supplemental Deed of Appointment and Retirement of Manager dated 21 December 2002;
- (f) a First Amendment Deed dated 1 July 2003;
- (g) a Second Amendment Deed dated 31 July 2004;
- (h) a Third Amendment Deed dated 29 July 2005;
- (i) a Fourth Amendment Deed dated 27 July 2006;
- (j) a Fifth Amendment Deed dated 29 June 2007;

- (k) a Sixth Amendment Deed dated 24 July 2007; and
- (l) a Seventh Amendment Deed dated 16 July 2008.

The Principal Deed as amended by the First Supplemental Deed, the Second Supplemental Deed, the Third Supplemental Deed, the Fourth Supplemental Deed, the Fifth Supplemental Deed of Appointment and Retirement of Manager, the First Amendment Deed, the Second Amendment Deed, the Third Amendment Deed, the Fourth Amendment Deed, the Fifth Amendment Deed, the Sixth Amendment Deed and the Seventh Amendment Deed, shall hereinafter be referred to as the 'Deed'.

- 4. The terms and conditions of the Deed shall be binding on each unitholder (each a "**Holder**" and collectively the "**Holders**") and all persons claiming through such Holder as if such Holder or such person had been a party to the Deed and as if the Deed contains covenants on the part of such Holder to observe and be bound by all the terms and conditions of the Deed and an authorisation by each Holder to do all such acts and things as the Deed may require the Managers or the Trustee (as the case may be) to do.
- 5. A copy of the Deed is available for inspection free of charge at the office of the Managers at 80, Raffles Place, 6th Storey UOB Plaza 2, Singapore 048624 at all reasonable times during normal business hours (subject to such reasonable restrictions as the Managers may impose) and shall be supplied by the Managers to any person on application at a charge of S\$25 per copy of the document (or such other amount as the Trustee and the Managers may from time to time agree in writing), such charge being payable to the Managers.
- 6. Reports and Accounts  
  
A copy of the latest semi-annual report and annual report, semi-annual and annual accounts and the auditor's report on the annual accounts of the Fund may be obtained from the Managers upon request at 80 Raffles Place, 6th Storey UOB Plaza 2, Singapore 048624.

## **II. THE MANAGERS**

- 7. The Managers of the Fund is UOB Asset Management Ltd ("**UOBAM**") whose registered office is at 80 Raffles Place, UOB Plaza, Singapore 048624.
- 8. UOBAM is a wholly-owned subsidiary of UOB Group. Established in 1986, UOBAM has been managing collective investment schemes and discretionary funds in Singapore for 22 years and as of 30 April 2008 manages about S\$15.46 billion in clients' assets. UOBAM also has investment operations in Malaysia and Thailand.

UOBAM offers global investment management expertise to institutions, corporations and individuals, through customised portfolio management services and unit trusts. As at 30 April 2008, UOBAM manages 51 unit trusts in Singapore, with total assets of about S\$3.36 billion under management. UOBAM is one of the largest unit trust managers in Singapore in terms of assets under management.

In terms of market coverage, UOBAM has acquired specialist skills in equity investment in the Asian, Australian, European and U.S. markets and major global sectors. In the bond markets, UOBAM covers the Organisation of Economic Co-operation and Development (“**OECD**”) countries to emerging markets. UOBAM’s investment philosophy is to emphasise on securities selection using a bottom-up approach. UOBAM makes regular company visits and supplements its fundamental investment approach with quantitative tools to control risks and to aid in the portfolio construction process. Since 1998, UOBAM has also established itself as one of the leading players in Collateralised Debt Obligations (“**CDOs**”) having managed or acted as a co-adviser in 20 CDO transactions. These CDOs are largely invested in global investment grade and multi-sector credits.

In addition, UOBAM is committed to achieving consistently good performance. Since 1996, UOBAM has won 93 awards for investments in local, regional and global markets, and across global sectors such as Banking and Finance, Technology, Healthcare, as well as Gold and Mining.

As at 30 April 2008, UOBAM and its subsidiaries in the region have a staff strength of over 200, including 45 investment professionals in Singapore.

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

### III. THE TRUSTEE AND CUSTODIAN

9. The Trustee of the Fund is Citicorp Trustee (Singapore) Limited (the “**Trustee**”) whose registered office is at 3 Temasek Avenue, #12-00 Centennial Tower, Singapore 039190.
10. The custodian of the Fund is Citibank N.A., Singapore branch whose registered office is at 3 Temasek Avenue, #12-00 Centennial Tower, Singapore 039190.

### IV. OTHER PARTIES

11. Pursuant to the SFA, the Trustee is vested with the statutory responsibility for maintaining the register of Holders for each of the Sub-Funds (the “**Registers**”). The Trustee has in turn, appointed HSBC Securities Services (Transfer Agency) Pte. Limited, as the registrar to maintain the Registers. A copy of the Registers will be kept at HSBC Securities Services (Transfer Agency) Pte. Limited’s office at 60 Alexandra Terrace, #10-12/13, The Comtech, Singapore 118502 and shall be accessible to the public at all times during normal business hours. A copy of the Registers will also be kept at the operating office of the Managers at 80, Raffles Place, 6th Storey, UOB Plaza 2, Singapore 048624, and is accessible to the public at all times during normal business hours.

The Registers are conclusive evidence of the number of units of a Sub-Fund (collectively the “**Units**” and each a “**Unit**”) held by each Holder and the details in the relevant Register shall prevail in the event of any discrepancy between the entries in the relevant Register and the details appearing on any statement of holding, unless the Holder proves, to the satisfaction of the Managers and the Trustee, that the relevant Register is incorrect.

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

## V. STRUCTURE OF THE SUB-FUNDS

13. The three Sub-Funds currently offered in this Prospectus are Singapore-dollar denominated, Singapore-authorised, stand-alone open-ended non-specialised unit trusts established under the umbrella structure of the Fund. The three Sub-Funds have no fixed duration.

## VI. INVESTMENT OBJECTIVES, FOCUS AND APPROACH

### 14. Investment Objectives

#### 14.1 UOB Optimix Asian Bond Fund

The UOB Optimix Asian Bond Fund seeks to provide stable current income and capital appreciation by investing in debt securities issued by Asian corporations, financial institutions, governments and their agencies (including money market instruments). The Asian countries which the Sub-Fund will invest in include but are not limited to Singapore, Malaysia, Thailand, Indonesia, Philippines, Hong Kong SAR, South Korea, Taiwan, China, Australia, New Zealand and Japan.

#### 14.2 UOB Optimix E-Commerce Fund

The UOB Optimix E-Commerce Fund seeks to provide long-term capital growth by investing primarily in common stocks and/or securities convertible into common stocks of equities traded in Recognised Stock Exchanges<sup>1</sup> around the world that are engaged in or are best positioned to benefit from their involvement in or support of e-commerce as may from time to time be determined by the Managers.

#### 14.3 UOB Optimix Sure Fund

The UOB Optimix Sure Fund seeks to offer investors a source of income and capital appreciation by investing in a globally diversified portfolio of equity securities of companies that offer attractive dividend yields, combined with sound operating fundamentals, and consistent earnings growth. It is the Sub-Fund’s objective to make distributions on a regular basis (semi-annual) to the Holders.

1 “**Recognised Stock Exchange**” means any stock exchange of repute and in relation to any particular Investment shall be deemed to include any responsible market maker and authorised dealer in the market in which the Investment is traded and any over the counter or electronic or telephone market of repute and any responsible firm, corporation or association in any part of the world dealing in the Investment and any responsible mutual fund or subsidiary thereof or unit trust scheme issuing and redeeming participations or Units (as the case may be) so as to provide in the opinion of the Managers with the approval of the Trustee a satisfactory market for the Investment and in such a case the Investment shall be deemed to be the subject of an effective permission to deal or listing on a Recognised Stock Exchange deemed to be constituted by such person, firm, corporation, association, mutual fund, subsidiary thereof or unit trust scheme.



## 15. **Authorised Investments**

The authorised investments of the Sub-Funds (“**Authorised Investments**”) are any of the following Investments<sup>2</sup>:-

- (a) any Investment which is of a kind in which trustees are for the time being authorised by any written law for the time being in force to invest in trust funds; or
- (b) any Quoted Investment<sup>3</sup> which is selected by the Managers for the purpose of investment of the Deposited Property<sup>4</sup> of the relevant Sub-Fund; or
- (c) any Investment in respect of which application for listing or for permission to deal has been made to a Recognised Stock Exchange and the subscription for or purchase of which is either conditional upon such listing or permission to deal being granted within a specified period not exceeding 12 weeks (or such other period as may be agreed between the Managers and the Trustee) or in respect of which the Managers are satisfied that the subscription or other transactions will be cancelled if the application is refused; or
- (d) any Investment which is a unit in any unit trust scheme or a participation in a mutual fund; or
- (e) any Unquoted Investment<sup>5</sup> which is selected by the Managers for the purpose of investment of the Deposited Property of the relevant Sub-Fund; or
- (f) any Investment which is not covered by paragraphs (a) to (e) of this paragraph 15 but is selected by the Managers for the purpose of investment of the Deposited Property of the relevant Sub-Fund and approved by the Trustee,

2 “**Investment**” means any share, stock, bond, note, debenture, debenture stock, loan, loan stock, repurchase agreements, warrant, option, futures, certificate of deposit, commercial paper, promissory notes, treasury bill, fixed and floating rate instrument, unit or sub-unit in any unit trust scheme, participation in a mutual fund or similar scheme or other securities (as defined in the SFA) or any money market instrument or derivative or any other securities which may be selected by the Managers for the purpose of investment of the Deposited Property of the Fund or any Sub-Fund or which may for the time being form part thereof.

3 “**Quoted Investments**” means any Investments which are quoted or listed or in respect of which permission to deal is effective on a Recognised Stock Exchange.

4 “**Deposited Property**” means all the assets (cash and other property) for the time being held or deemed to be held upon the trust of the Deed (or if the context so requires, the part thereof attributable to a Sub-Fund), excluding any amount for the time being standing to the credit of the Distribution Account (or as the case may be, the Distribution Account of the relevant Sub-Fund) referred to in Clause 11(A) of the Deed.

5 “**Unquoted Investment**” means any Investment which is not quoted, listed or dealt in on any Recognised Stock Exchange.

Provided Always That if such Sub-Fund shall be approved pursuant to the CPFIS Regulations<sup>6</sup>, the Authorised Investments of that Sub-Fund shall not include any Investment except such Investment for the time being approved by the relevant authorities in Singapore for investment by members of the CPF<sup>7</sup> pursuant to the CPFIS Regulations or for investment by that Sub-Fund to enable that Sub-Fund to qualify as an approved unit trust for investment by members of the CPF pursuant to the CPFIS Regulations.

## **16. Investment Focus and Approach**

### **16.1 UOB Optimix Asian Bond Fund**

The Sub-Fund is actively managed with a focus on yield at an acceptable risk premium. There is no bias towards sovereign or corporate bonds. The emphasis is on the credit spread as the main source of incremental return. Credit analysis and credit diversification by the Managers are important as a source of added value and to reduce unsystematic risks inherent in such investments respectively.

The Managers' investment style is based on the probability of credit upgrades and the extent to which the pricing has been reflected in the credit in question. The Sub-Fund's portfolio of investments will be reviewed regularly so as enable the Sub-Fund to switch out of overvalued securities to undervalued securities. A long term view is taken when assessing an investment opportunity. At the same time, the Managers recognise that Asian markets are subject to greater volatility than developed markets and may therefore require a greater level of trading than originally envisaged. The Managers' policy generally is to have the Sub-Fund fully invested save where there is overwhelming evidence to suggest that markets are excessively overvalued.

### **16.2 UOB Optimix E-Commerce Fund**

Using a bottom-up approach, the Sub-Fund will invest in securities issued by companies in any part of the world which will, in the Managers' opinion, benefit from the growth and adoption of e-commerce. These companies include (a) companies that provide or enable the provision of e-commerce infrastructure; (b) companies that conduct their businesses fully or partially through the online medium and from which they derive a competitive advantage; and (c) companies whose products or services benefit from e-commerce.

The majority of the companies in the investment universe of the Sub-Fund will come from the technology, telecommunication and media (including dot.com) sectors. However, companies from other sectors will be included if they fit into the Managers' investment criteria stated above.

6 "CPFIS Regulations" means the Central Provident Fund (Investment Scheme) Regulations as the same may be modified amended, supplemented, re-enacted or re-constituted from time to time.

7 "CPF" means Central Provident Fund.

### 16.3 UOB Optimix Sure Fund

Companies in which the UOB Optimix Sure Fund invests are selected based on a number of criteria including: above average dividend yield, good management, sound fundamentals, consistent profitability and earnings growth prospects. This combination should ensure the regular payment of dividends as well as the potential for capital appreciation. Due to the emphasis on dividend and quality, the Sub-Fund is likely to possess below – average exposure in low yielding countries and low yielding sectors. Hence, absolute volatility and downside risk should be relatively lower for the Sub-Fund.

However, there may be less room for price performance in an environment when investors are oriented towards growth investing strategies. This is mainly due to the fact that this Sub-Fund tends to avoid sectors like technology due to its lower yield characteristics. Consequently, the Sub-Fund may not track the global equities index as closely as more “mainstream” global benchmark equities products. The lower correlation with “mainstream” global funds and lower volatility of the product offers diversification advantages. The Managers adopt a bottom-up approach, leveraging on their established Global Research capability to optimise the portfolio to best meet its stated objectives. On this basis, the portfolio of the Sub-Fund comprises mostly “value” stocks which have high dividend yield and price performance potential. The Managers will realise the Investments of the Sub-Fund when, in the Managers’ opinion, a fair value is reached or when better investment alternatives present themselves.

## VII. FEES & CHARGES

17. All fees and charges that are payable by the investors and payable out of the Sub-Funds are outlined in the following tables:-

17.1

<b>Payable by Investors</b>			
	<b>UOB Optimix Asian Bond Fund</b>	<b>UOB Optimix E-Commerce Fund</b>	<b>UOB Optimix Sure Fund</b>
<b>Subscription Fee</b>	Currently 3%, Maximum 5%	Currently 5%, Maximum 5%	Currently 5%, Maximum 5%
<b>Realisation Charge</b>	Currently none, Maximum 2%		
<b>Switching Fee<sup>8</sup></b>			

8 In the case of a switch of Units between the Sub-Funds, presently there is no switching fee involved. In the case of a switch of Units to units of any other fund managed by the Managers (referred to as “New Units” and “New Fund” respectively), the switching fee referred to relates to the 1% subscription fee imposed by the Managers for investment into the New Fund. Such 1% switching fee would, in the case of a New Fund which normally imposes a subscription fee of more than 1%, effectively translate to a discount of the subscription fee of the New Fund.

<b>Payable out of the relevant Sub-Fund to the Managers, the Trustee and other parties</b>			
	<b>UOB Optimix Asian Bond Fund</b>	<b>UOB Optimix E-Commerce Fund</b>	<b>UOB Optimix Sure Fund</b>
<b>Annual Management Fee</b>	Currently 1.0%, Maximum 1.75%	Currently 1.5%, Maximum 1.75%	Currently 1.5%, Maximum 1.75%
<b>Annual Trustee Fee<sup>9</sup></b>	Currently 0.05% on the first S\$30 million of the net asset value of the relevant Sub-Fund; 0.04% on the next S\$20 million; 0.03% on the balance thereafter (subject to a maximum of S\$60,000)		Currently 0.05%, Maximum 0.20%
<b>Annual Registrar Fee (payable to the Managers or their agents)</b>	Based on a tiered structure <sup>10</sup>		
<b>Audit Fee<sup>11</sup> (payable to the Auditors), Custodian Fee<sup>12</sup> (payable to the custodian) and other fees and charges<sup>13</sup></b>	Subject to agreement with the relevant parties. Each fee may exceed 0.1% p.a. depending on the proportion that each fee bears to the net asset value of the Sub-Fund.		

9 The Trustee's fees for UOB Optimix Asian Bond Fund and UOB Optimix E-Commerce Fund are paid by the Managers out of the Management Fee and not out of the Deposited Property of the respective Sub-Funds. The Trustee shall, in addition to such remuneration, be entitled to be paid on demand out of the Deposited Property of the relevant Sub-Fund, an amount equal to disbursements properly incurred by it in the performance of its duties under the Deed.

10 Based on the following tiers (calculated on the net asset value of each Sub-Fund):-

- (i) Less than S\$5,000,000 = no charge
- (ii) Between S\$5,000,000 to S\$9,999,999 = S\$6,000
- (iii) Between S\$10,000,000 to S\$24,999,999 = S\$10,000
- (iv) Between S\$25,000,000 to S\$49,999,999 = S\$15,000
- (v) Between S\$50,000,000 to S\$99,999,999 = S\$30,000
- (vi) Greater than S\$100,000,000 = S\$60,000

Based on the net asset value of each Sub-Fund as at 30 May 2008, the Managers anticipate that none of the Sub-Funds' annual registrar fee for the current financial year (on the assumption that such fee would be similar to that incurred in the previous financial year) would exceed 0.1% of the net asset value of the relevant Sub-Fund.

11 The audit fee payable is subject to agreement with the auditors of the relevant Sub-Fund for each financial year.

12 The custodian fee payable is subject to agreement with the custodian and will depend, amongst others, on the size of each Sub-Fund, where the assets are held, the number of transactions carried out and the place at which such transactions are effected in relation to the relevant Sub-Fund. Based on the net asset value of each Sub-Fund as at 30 May 2008, the Managers anticipate that none of the Sub-Funds' custodian fees for the current financial year (on the assumption that such fees would be similar to that incurred in the previous financial year) would exceed 0.1% of the net asset value of such Sub-Fund.

- 13 Other fees and charges include goods and services tax, printing costs, fund administration fees, professional fees and other out-of-pocket expenses. Based on the net asset value of the relevant Sub-Fund as at 30 May 2008, the Managers anticipate that the following fees and charges for the current financial year (on the assumption that such fees and charges would be similar to that incurred in the previous financial year) would exceed 0.1% of the net asset value of the relevant Sub-Fund:

Sub-Fund	Type of Fees
UOB Optimix Asian Bond Fund	Legal & professional, printing & stationery and GST
UOB Optimix Sure Fund	Custody Fee

***As required by the Code on Collective Investment Schemes issued by the Authority (the “Code”), all marketing, promotional and advertising expenses in relation to each Sub-Fund will be borne by the Managers and not charged to the Deposited Property of such Sub-Fund.***

## VIII. RISKS

### 18. General Risks

Investors should consider and satisfy themselves as to the risks of investing in the Sub-Funds. Generally, some of the risk factors that should be considered by investors are market risks, interest-rate risks, default risks, foreign exchange risks, liquidity risks and risks involved in investing in derivatives. The Sub-Funds’ investments may be adversely affected by changes in policies and other restrictions and controls in foreign countries as well as political instability.

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

Investors should be aware that the price of Units and the income accruing from them may fall or rise and they may not get back their original investment.

There can be no guarantee that the Sub-Funds will achieve their investment objectives. Investments in the Sub-Funds are not deposits or other obligations of, or guaranteed or insured by any party and are subject to investment risks, including the possible loss of the principal amount invested.

Although it is the Managers’ intention to pay out dividends semi-annually with respect to the UOB Optimix Sure Fund, this objective may not be achieved.

In relation to the UOB Optimix E-Commerce Fund, the value of Units will be susceptible to factors affecting the technology-related industry and may be subject to greater risk and market volatility than an investment in a broader range of securities covering economic sectors. Technology and technology-related industries may also be subject to the inherent risks associated with developing technologies, particularly those affecting the technology sector and which are dependent upon consumer and business acceptance as new technologies evolve.

## 19. Specific Risks

### 19.1 Market Risk

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

### 19.2 Foreign Exchange Risk

The Sub-Funds are denominated in Singapore dollars. Where investments are made by the Sub-Funds in the form of foreign currency denominations, fluctuations in the exchange rates of other currencies against the base currency of the Sub-Funds may affect the value of Units. In the management of the Sub-Funds, the Managers adopt an active currency management approach. However, the foreign currency exposure of the Sub-Funds may not be fully hedged depending on circumstances of each case. Such considerations shall include but are not limited to the outlook on the relevant currency, the costs of hedging and the market liquidity of the relevant currency.

### 19.3 Political Risk

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

### 19.4 Derivatives Risk

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

#### Risk Management Procedures of the Managers

- (a) The Managers may use financial derivative instruments for the purposes of hedging existing positions in a portfolio or efficient portfolio management.

- (b) The Managers will ensure that the exposure of the Sub-Funds to financial derivative instruments will not at any time exceed 100% of the Value of the Deposited Property. Such exposure will be calculated by converting the derivative positions into equivalent positions in the underlying assets embedded in those derivatives.
- (c) Description of risk management and compliance procedures and controls adopted by the Managers:-
- (i) The Managers will implement various procedures and controls to manage the risk of the assets of each Sub-Fund. The decision to invest in any particular security or instrument on behalf of each Sub-Fund will reflect the Managers' judgment of the benefit of such transactions to the Sub-Fund and will be consistent with the Sub-Fund's investment objectives in terms of risk and return.
- (ii) *Execution of Trades.* Prior to each trade, the Managers will ensure that the intended trade will comply with the stated investment objective, focus, approach and restrictions (if any) of each Sub-Fund, and that best execution and fair allocation of trades are done. The Managers' Middle Office department will conduct periodic checks to ensure compliance with the investment objective, focus, approach and restrictions (if any) of each Sub-Fund. In the event of any non-compliance, the Managers' Middle Office is empowered to instruct the relevant officers to rectify the same. Any non-compliance will be reported to higher management and monitored for rectification.
- (iii) *Liquidity.* In the event there are unexpectedly large redemptions of Units, there may be a possibility that the assets of the Sub-Funds may be forced to be liquidated at below their fair and expected value, especially in illiquid public exchanges or over-the-counter markets. The Managers will ensure that a sufficient portion of each Sub-Fund's assets will be in liquid assets such as cash and cash-equivalents to meet expected redemptions, net of new subscriptions.
- (iv) *Counterparty* exposure. Each Sub-Fund may have credit exposure to counterparties by virtue of positions in financial derivative instruments held by the Sub-Fund. To the extent that a counterparty defaults on its obligations and a Sub-Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its assets, its income stream and incur extra costs associated with the exercise of its financial rights. The Managers will restrict their dealings with counterparties that have a minimum long-term issuer credit rating of above BB+ by Standard and Poor's, an individual rating of above C by Fitch Inc or a financial strength rating of above C by Moody's Investors Service. If any approved counterparty fails this criterion subsequently, the Managers will take steps to unwind the Sub-Fund's position with that counterparty as soon as practicable.

- (v) *Volatility.* To the extent that each Sub-Fund has exposure to financial derivative instruments that allow a larger amount of exposure to a security for no or a smaller initial payment than the case when the investment is made directly into the underlying security, the value of the Sub-Fund's assets will have a higher degree of volatility. The Sub-Funds may use derivatives for hedging purposes for reducing the overall volatility of the value of its assets. At the same time, the Managers will ensure that the total exposure of each Sub-Fund to derivative positions will not exceed the net asset value of the Sub-Fund, as stated in paragraph (b) above.
  - (vi) *Valuation.* Each Sub-Fund may have exposure to over-the-counter derivatives that are difficult to value accurately, particularly if there are complex positions involved. The Managers will ensure that independent means of verifying the value of such instruments are available, and will conduct such verification on a regular basis, which is expected to be at least once a month.
  - (vii) *Fixed income securities.* Each Sub-Fund may invest in fixed income securities and may be subject to the risks that are typical of such instruments, such as interest rate risks and default risk. Interest rate risks will arise from unexpected changes in the term structure of interest rates, which are in turn dependent on general economic conditions. In addition, such investments are subject to the specific ability of the issuers of such securities to meet its debt obligations and are hence dependent on the financial health of the issuers, which may change adversely over time due to their specific business conditions and general market conditions. The Managers will restrict investments in fixed income securities to only those that are of investment grade as rated by Moody's Investors Service, or Standard and Poor's, or an equivalent reputable rating agency, that is, those securities having a credit rating of Baa3 by Moody's Investors Service or BBB- by Standard and Poor's, or their equivalent.
  - (viii) *Foreign Exchange/Currency Risk.* Each Sub-Fund may have exposure, either directly or indirectly to a wide range of currencies, some of which may be restricted in terms of convertibility. The Managers may hedge the exposure to these currencies to the Singapore Dollar, possibly leading to a reduced overall gain or greater loss on currency swap transactions entered into by the Sub-Fund. Each Sub-Fund may also employ strategies to invest in certain currencies while borrowing in other currencies, and may result in losses if the net movements of the various currencies pairs move in unfavorable directions. The Managers will select transactions in currencies that are likely to yield favorable returns to each Sub-Fund based on their historical trends.
- (d) The Managers will ensure that the risk management and compliance procedures and controls adopted are adequate and that they have the necessary expertise to control and manage the risks relating to the use of financial derivative instruments. The Managers may modify the risk management and compliance procedures and controls as they deem fit and in the interests of each Sub-Fund.



## 19.5 Liquidity Risk

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

## 19.6 Small Capitalisation Companies Risk

Investments in companies with small capitalisation generally carry greater risk than is customarily associated with companies with larger capitalisation, which may include, for example, less public information, more limited financial resources and product lines, greater volatility, higher risk of failure than larger companies and less liquidity. The result may be greater volatility in the share prices. Investors should be aware that investments in single country, sector or regional funds which may present greater opportunities and potential for capital appreciation may be subject to higher risks as they may be less diversified than a global portfolio.

*The above should not be considered to be an exhaustive list of the risks which investors should consider before investing in the Sub-Funds. Investors should be aware that an investment in the Sub-Funds may be exposed to other risks of an exceptional nature from time to time.*

## IX. SUBSCRIPTION OF UNITS

### 20. Subscription procedure

- 20.1 Applications for Units may be made on the application form attached to this Prospectus or through any other agent or distributor appointed by the Managers from time to time or through automated teller machines (“**ATMs**”) (as and when ATM applications are made available by the Managers or their agents or distributors, if applicable), or through the Managers’ website at [www.uobam.com.sg](http://www.uobam.com.sg) or any other website designated by the Managers or any other sales channel, if applicable. Applications must be accompanied by such documents as may be required, with the subscription monies in full.

Applicants may make payment for Units by telegraphic transfer and they should contact the Managers for details regarding such form of payment.

- 20.2 Investors may subscribe for Units in the Sub-Funds either with cash or Supplementary Retirement Scheme (“**SRS**”) monies.

Investors wishing to use their SRS monies to purchase Units shall indicate so on the application form. The application form will contain the investors’ instructions to the SRS operator bank to withdraw from the investor’s SRS account the purchase monies in respect of the Units applied for.

21. Minimum initial subscription amount and minimum subsequent subscription amount

	<b>UOB Optimix Asian Bond Fund</b>	<b>UOB Optimix E-Commerce Fund</b>	<b>UOB Optimix Sure Fund</b>
Minimum initial subscription amount*	S\$1,000	S\$1,000	S\$1,000
Minimum subsequent subscription amount*	S\$500	S\$500	S\$500

Note:

- \* The minimum initial subscription amount is S\$1,000 or its equivalent in US dollars or such other currency as the Managers may decide and the minimum subsequent subscription amount is S\$500 or its equivalent in US dollars or such other currency as the Managers may decide.

22. Dealing deadline and pricing basis

- 22.1 The dealing deadline is 3 p.m. Singapore time (the “**Dealing Deadline**”) on a Dealing Day. For applications received and accepted by the Managers or any agent or distributor appointed by the Managers before the Dealing Deadline on any Dealing Day, Units will be issued at the issue price for that Dealing Day. For applications received and accepted by the Managers after the Dealing Deadline on any Dealing Day or on a day not being a Dealing Day, Units will be issued at the issue price for the next Dealing Day. Units in respect of applications received and accepted by the Managers before the Dealing Deadline will be issued at that Dealing Day’s issue price calculated in accordance with Clause 7(B) of the Deed. Applications received after the Dealing Deadline or on a day which is not a Dealing Day shall be treated as having been received on the next Dealing Day.

“**Dealing Day**”, in connection with the issuance, cancellation and realisation of Units of a particular Sub-Fund, means every Business Day or such other day or days at such intervals as the Managers may from time to time determine with the approval of the Trustee Provided That reasonable notice of any such determination shall be given by the Managers to all Holders at such time and in such manner as the Trustee may approve. If on any day which would otherwise be a Dealing Day in relation to the Units of any particular Sub-Fund, the Recognised Stock Exchange on which investments or other property comprised in, and having in aggregate values amounting to at least 50% of the Deposited Property of that Sub-Fund (as at the relevant Valuation Point) are quoted, listed or dealt in is not open for normal trading, the Managers may subject to the foregoing sentence determine that, that day shall not be a Dealing Day.

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

“**Subscription Fee**” means, in relation to a Sub-Fund, a charge upon the issue of a Unit of such Sub-Fund of such amount as shall from time to time be fixed by the Managers generally or in relation to any specific or class of transaction provided that it shall not exceed five percent (or such lower percentage as the Managers and the Trustee may agree) of the original amount paid by a Holder in consideration for the relevant Units at the time of subscription or purchase of such Units. The current Subscription Fee applicable to each Sub-Fund is set out in paragraph 17.1.

“**Valuation Point**” means the close of business on the relevant Dealing Day or such other time on that day or such other day as the Managers with the approval of the Trustee may from time to time determine and the Trustee shall decide if a notice to notify Holders of such determination is required.

- 22.2 Units are issued on a forward pricing basis. Therefore, the issue price cannot be calculated at the time of application. Units will not be issued until subscription monies are received by the Managers.
- 22.3 The issue price per Unit of a Sub-Fund shall be ascertained by calculating the net asset value per Unit of such Sub-Fund as at the Valuation Point in relation to such Dealing Day on which such issue occurs of the proportion of the Deposited Property of such Sub-Fund represented by one Unit of such Sub-Fund, truncated to three decimal places (or such other number of decimal places as determined by the Managers with the approval of the Trustee). The Managers may, if so required, charge a Subscription Fee which is deducted from the total amount paid by the investor for the subscription of Units (the “**Gross Investment Amount**”) of the relevant Sub-Fund, and the resultant amount (the “**Net Investment Amount**”) will be applied towards the subscription of Units of the relevant Sub-Fund. The Subscription Fee shall be retained by the Managers for their own benefit and the amount of the adjustment shall be retained by the relevant Sub-Fund.

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

23. Numerical example

The number of Units an investor will receive with a Gross Investment Amount of S\$1,000.00, based on a notional issue price of S\$1.000 and cash Subscription Fee of 5%, will be calculated as follows:

S\$1,000.00	-	S\$50.00	=	S\$950.00
Gross Investment Amount		Subscription Fee (5%)		Net Investment Amount
S\$950.00	÷	S\$1.000	=	950.00
Net Investment Amount		Issue price		Number of Units allotted
The number of Units to be issued to an investor will be rounded down to two decimal places (the method of adjustment and the number of decimal places to which adjustment occurs may be varied by the Managers from time to time with the approval of the Trustee).				

*This is for illustrative purposes only and is not an indication of future or likely performance of any Sub-Fund. The value of Units and the income from them may go down as well as up. Investors should read the Prospectus before investing.*

24. Confirmation of Purchase

A confirmation note detailing your investment amount and the number of Units in the Sub-Funds allocated to you will be sent to you within 5 Business Days (in the case of cash applications) or 11 Business Days (in the case of SRS applications) from the date of issue of the relevant Units.

25. Cancellation of Initial Subscription of Units by Investors

Subject to provisions under the Deed and to the terms and conditions for cancellation of subscription in the cancellation form to be provided together with the application form for Units, every Holder shall have the right to cancel their purchase of Units in the relevant Sub-Fund within 7 calendar days from the date of subscription or purchase of Units (or such longer period as may be agreed between the Managers and the Trustee or such other period as may be prescribed under the Notice on Cancellation Period or as permitted by the Authority) by providing notice in writing to the Managers or their authorised agents. Full details of the provisions relating to the cancellation of Units may be found in the terms and conditions for cancellation of Units attached to the application form for the subscription of Units in the relevant Sub-Fund.

## **X. REGULAR SAVINGS PLAN**

26. The Managers may in their discretion implement a scheme for monthly investment in Units on the following basis. A Holder must have a minimum holding of 1,000 Units or the number of Units which would have been purchased for S\$1,000 (or such other number of Units as may be determined by the Managers) before embarking on a regular savings plan (“**RSP**”). The Holder may opt to invest a minimum sum of S\$100 (or such other amount as may be determined by the Managers) on a fixed day per month or S\$500 (or such other amount as may be determined by the Managers) on a fixed day per quarter through GIRO payment.

For RSP using cash, Holders must complete an Interbank GIRO Form authorising the payment for the RSP and submit it together with the application form.

For RSP using SRS monies, Holders must submit the application form.

Payments for the RSP will be debited from the Holders’ bank account or SRS account on the 25th calendar day (or next Business Day if that day is not a Business Day) of (i) each month (in the case of monthly RSP subscriptions) and (ii) the last month of each calendar quarter (in the case of quarterly RSP subscriptions). The investment will be made on the same day after payment has been debited for cash and SRS monies (as the case may be) with the allotment of Units made normally within 2 Business Days thereafter.

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

The Managers shall not assume any liability for any losses arising from the Holders’ payment for the RSP via direct debit transactions.

A Holder may terminate his participation without penalty upon giving 30 days’ written notice to the Managers.

## **XI. REALISATION OF UNITS**

27. Realisation procedure

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

28. Minimum holding and minimum realisation amount

Unless the Managers generally otherwise agree, a Holder shall not be entitled to realise less than 100 Units in each request nor to realise part only of his holding of Units if thereafter his holding would be less than such number of Units which at the issue price prevailing at the time of the initial purchase was or would have been purchased for S\$1,000 (or its equivalent in US dollars or such other currency as the Managers may decide) or 1,000 Units, whichever is the lower.

29. Dealing deadline and pricing basis

29.1 Requests received and accepted by the Managers or any agent or distributor appointed by the Managers by the Dealing Deadline on any Dealing Day shall be realised on that Dealing Day. Realisation forms received after the Dealing Deadline on any Dealing Day or on a day which is not a Dealing Day, shall be treated as having been received on the next Dealing Day.

29.2 Units are realised on a forward pricing basis. Therefore, the realisation price cannot be calculated at the time of request.

29.3 The realisation price per Unit of a Sub-Fund shall be the price per Unit ascertained by the Managers by calculating the net asset value per Unit of such Sub-Fund as at the Valuation Point in relation to the Dealing Day on which the realisation request is received of the proportion of the Deposited Property of such Sub-Fund then represented by one Unit, truncated to three decimal places (or such other number of decimal places as determined by the Managers with the approval of the Trustee). The Managers may, if so required, charge a realisation charge which is deducted from the total amount payable to the investor in respect of the realisation of Units (the “**Gross Realisation Proceeds**”) of the relevant Sub-Fund, and the resultant amount (the “**Net Realisation Proceeds**”) will be paid to the investor. The realisation charge shall be retained by the Managers for their own benefit and the amount of the adjustment aforesaid shall be retained by the relevant Sub-Fund.

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

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

30. Numerical example

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

1,000 Units	x	S\$0.900	=	S\$900.00
Your realisation		Realisation price		Gross Realisation Proceeds
S\$900.00	-	S\$0.00	=	S\$900.00
Gross Realisation Proceeds		Realisation charge		Net Realisation Proceeds

*Investors should note that the actual realisation price will vary daily in line with the net asset value per Unit, which may be above or below the issue price. The above example is for illustrative purposes only and is not a forecast or indication of performance.*

31. Realisation proceeds shall normally be paid by cheque or credited to the Holder's SRS account within 4 Business Days (or such other period as may be permitted by the Authority) in relation to bond and money market Sub-Funds and within 6 Business Days (or such other period as may be permitted by the Authority) in relation to equity Sub-Funds from the date of receipt and acceptance of the realisation form by the Managers or their duly authorised agents unless the realisation of Units has been suspended in accordance with paragraph 34 below.

## XII. SWITCHING OF UNITS

32. Subject to the provisions of the Deed, the Managers may on the application of a Holder effect the switching of Cash Units for units of any other Group Fund or Units within the Sub-Funds that may be subscribed or purchased with cash.

“**Cash Unit**” means a Unit other than a CPF Unit.

“**Group Fund**” means a unit trust scheme the managers of which are the Managers or a company under their control or under common control with them or at least 50% of the share capital of which is held by a company which is a shareholder of the Managers and which shall approve the terms of any exchange which may be made under Clause 7(L) of the Deed.

### **XIII. PRICES OF UNITS**

33. The indicative issue and realisation prices will be published in The Straits Times, The Business Times, Lianhe Zaobao, Today, Teletext and such other foreign publication as the Managers may decide upon and can also be obtained from the Managers' website at [www.uobam.com.sg](http://www.uobam.com.sg) or any other website designated by the Managers if applicable, or by calling the Managers' 24 hour hotline at telephone number 1800 22 22 228. The actual prices are normally published 2 Business Days after the relevant Dealing Day in Singapore dollars and US dollars, except for United Optimix Asian Bond Fund, which will be published in Singapore dollars only.

Investors should note that the frequency of the publication of the prices is dependent on the publication policies of the publisher concerned. Save for publications of the Managers, the Managers do not accept any responsibility for errors on the part of the publisher concerned in the prices published in the newspaper or such other publication or any non-publication or late publication of prices by such publisher.

### **XIV. SUSPENSION OF DEALINGS**

34. The Managers may at any time, with the prior written approval of the Trustee, suspend the right of Holders to the issuance and realisation of Units in any Sub-Fund:-
- (i) during any period when any Recognised Stock Exchange for any material proportion of the Investments for the time being constituting the Deposited Property of the relevant Sub-Fund is closed (otherwise than for ordinary holidays); or
  - (ii) during any period when dealings on any such Recognised Stock Exchange are restricted or suspended; or
  - (iii) during any period when, in the opinion of the Managers, there exists any state of affairs as a result of which withdrawal of deposits held for the account of the relevant Sub-Fund or the realisation of any material proportion<sup>14</sup> of the Investments for the time being constituting the Deposited Property of the relevant Sub-Fund cannot be effected normally or without seriously prejudicing the interests of Holders as a whole; or

<sup>14</sup> For the purposes of paragraph 34, the "material proportion" of the Investments means such proportion of the Investments which when sold would in the opinion of the Managers in consultation with the Trustee cause the value of the Deposited Property of the relevant Sub-Fund to be significantly reduced.



- (iv) during any period when in the opinion of the Managers, there is a breakdown in the means of communication normally employed in determining the Value of any of the Investments or the amount of any cash for the time being comprised in the Deposited Property of the relevant Sub-Fund or the amount of any liability of the Trustee for account of the relevant Sub-Fund or when for any other reason the Value of any such Investments or the amount of any such cash or liability cannot be promptly and accurately ascertained (including any period when the fair value of a material portion of the Authorised Investments cannot be determined); or
  - (v) during any period when, in the opinion of the Managers, the transfer of funds which will or may be involved in the realisation of any material proportion of the Investments for the time being constituting the Deposited Property of the relevant Sub-Fund cannot be effected promptly at normal rates of exchange; or
  - (vi) if during any particular day the requests for realisation of Units exceed 10% of the Units of the relevant Sub-Fund in issue and deemed to be in issue; or
  - (vii) during any 48 hour period (or such longer period as may be agreed between the Managers and the Trustee) prior to the date of any meeting of Holders (or any adjourned meeting thereof); or
  - (viii) during any period when the dealing of Units is suspended pursuant to any order or direction issued by the relevant authority; or
  - (ix) during any period when the business operations of the Managers or the Trustee in relation to the operations of the relevant Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.
35. Such suspension shall take effect forthwith upon the declaration in writing thereof to the Trustee by the Managers or vice versa (as the case may be) and shall terminate on the day following the 1st Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other conditions under which suspension is authorised under paragraph 34 above shall exist upon the declaration in writing thereof by the Managers or the Trustee (as the case may be).

Any payment for any Units realised before the commencement of any such suspension but for which payment has not been made before the commencement thereof may, if the Managers and the Trustee so agree, be deferred until immediately after the end of such suspension.

## XV. PERFORMANCE OF THE SUB-FUNDS

36. Past performance of the Sub-Funds and their respective benchmarks as of 30 May 2008.

Sub-Fund vs Benchmark	Returns over the past 1 year		Returns over the past 3 years		Returns over the past 5 years		Returns since inception <sup>15</sup>	
	NAV-NAV <sup>16</sup>	NAV-NAV <sup>17</sup>	NAV-NAV <sup>16</sup>	NAV-NAV <sup>17</sup>	NAV-NAV <sup>16</sup>	NAV-NAV <sup>17</sup>	NAV-NAV <sup>16</sup>	NAV-NAV <sup>17</sup>
UOB Optimix Asian Bond Fund vs JP Morgan Asia Credit Index Total Return Composite <sup>18</sup>	-8.39%	-11.17%	-2.00%	-3.06%	0.02%	-0.64%	5.17%	4.74%
	-7.39%		-1.11%		0.31%		5.94%	
UOB Optimix E-Commerce Fund vs MSCI World Index <sup>18</sup>	-11.41%	-15.84%	4.70%	2.93%	3.60%	2.54%	-18.82%	-19.33%
	-14.12%		5.09%		8.88%		-0.23%	
UOB Optimix Sure Fund vs MSCI AC World Index <sup>18</sup>	-14.46%	-18.76%	4.90%	3.06%	11.44%	10.21%	6.60%	5.79%
	-12.12%		6.48%		9.32%		2.55%	

Source: Lipper

^ Taking into account the Subscription Fee.

***Investors should note that the past performances of the Sub-Funds are not necessarily indicative of their future performances.***

The benchmark of the UOB Optimix Sure Fund at its inception – Jun 05 : FTSE World series World EUR; Jul 05 – Present : MSCI AC World Index (formerly known as “MSCI AC World Free Index”). The reason for the change is to align the UOB Optimix Sure Fund’s benchmark with the rest of the Managers’ global equity funds.

15 The inception dates of the UOB Optimix Asian Bond Fund, the UOB Optimix E-Commerce Fund and the UOB Optimix Sure Fund are 5 April 2000, 5 April 2000 and 12 April 2001 respectively.

16 Performance is calculated in S\$ on a NAV-NAV basis as at 30 May 2008, with all dividends and distributions reinvested (net of reinvestment charges). Figures for the last one year show the percentage change, while figures exceeding one year show the average annual compounded return.

17 Performance is calculated in S\$ on a NAV-NAV basis as at 30 May 2008, taking into account the subscription fee, with all dividends and distributions reinvested (net of reinvestment charges). Figures for the last one year show the percentage change, while figures exceeding one year show the average annual compounded return.

18 Performance is calculated in S\$ as at 30 May 2008. Performance figures for the last one year show the percentage change, while figures exceeding one year show the average annual compounded return.

The benchmark of the UOB Optimix Asian Bond Fund at its inception was JP Morgan Emerging Markets Bond Index Global Constrained Asia. It was changed to the present JP Morgan Asia Bond Total Return Composite with effect from 1 August 2003 as the new benchmark is in the opinion of the Managers, more broadly diversified across economic sectors and countries compared to the previous benchmark in terms of index composition and would better reflect the investment objectives of the UOB Optimix Asian Bond Fund. Subsequently, the benchmark of the UOB Optimix Asian Bond Fund was changed to JP Morgan Asia Credit Index Total Return Composite with effect from 31 December 2006 as JP Morgan terminated JP Morgan Asia Bond Total Return Composite and replaced the former index with JP Morgan Asia Credit Index Total Return Composite.

37. Expense ratio

The expense ratios<sup>19</sup> of the Sub-Funds from 1 July 2006 to 30 June 2007 are as follows:-

<b>Sub-Fund</b>	<b>Expense Ratio</b>
UOB Optimix Asian Bond Fund	1.34%
UOB Optimix E-Commerce Fund	1.89%
UOB Optimix Sure Fund	1.88%

38. Turnover ratio

The turnover ratios of the Sub-Funds from 1 July 2006 to 30 June 2007, calculated based on the lesser of purchases or sales expressed as a percentage over the average daily net asset value of the Deposited Property of each respective Sub-Fund, are as follows:-

<b>Sub-Fund</b>	<b>Turnover Ratio</b>
UOB Optimix Asian Bond Fund	186.04%
UOB Optimix E-Commerce Fund	23.76%
UOB Optimix Sure Fund	32.40%

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

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

## XVI. SOFT DOLLAR COMMISSIONS/ARRANGEMENTS

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

Soft dollar commissions or 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.

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

## XVII. CONFLICTS OF INTEREST

41. The Managers are of the view that there are no conflicts of interest in managing their other funds and the Sub-Funds because of the following structures that are in place:-
- All investment ideas are shared equally among the fund managers of the Managers.
  - The Managers subscribe to the Code of Ethics and the Standards of Professional Conduct as prescribed by the Chartered Financial Analyst Institute (“**CFA Institute**”) in USA. CFA Institute is the primary professional organisation for security analysts, investment managers and others who are involved in the investment decision-making process. All Certified Financial Analyst charter holders of CFA Institute and candidates who are in pursuit of the charter, including those from Singapore, are expected to comply with CFA Institute standards. The Code of Ethics and the Standards of Professional Conduct are in place to ensure high ethical and professional standards of the investment professionals as well as fair treatment to the investing public.
  - Despite the possible overlap in the scope of investments, none of the funds managed by the Managers are identical to one another and investment decisions are made according to the individual risk return characteristic of the fund.

- The Managers' usual fair and unbiased practice is to allocate investment between various funds which place the same orders simultaneously on a pro rata basis. However, should any potential conflicts of interest arise from a situation of competing orders for the same securities, the Managers adopt an average pricing policy whereby orders that are partially fulfilled on a particular day shall be allotted proportionately among the funds based on their respective initial order size and such quantity allotted shall be at the average price of such investments on that particular day.

42. The Managers and the Trustee shall conduct all transactions with or for the Sub-Funds on an arm's length basis.

## **XVIII. REPORTS**

43. The financial year-end of the Fund is 30 June. Holders of the Sub-Funds shall receive the semi-annual report and the semi-annual accounts of the relevant Sub-Fund within 2 months of its financial half-year end (or such other periods as may be permitted by the Authority) and (ii) the annual report, the annual accounts and the auditor's report on the accounts of the relevant Sub-Fund within 3 months of its financial year-end (or such other periods as may be permitted by the Authority).

## **XIX. QUERIES AND COMPLAINTS**

- 44.

### Queries and Complaints

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

24 Hour Hotline No: 1800 22 22 228

Fax No.: 6534 3909

E-mail: [uobam@uobgroup.com](mailto:uobam@uobgroup.com)

## **XX. OTHER MATERIAL INFORMATION**

45. Information on investments

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

46. Distributions

The Managers shall have the absolute discretion to determine whether a distribution is to be made, and as and when the Managers shall decide, the Managers may by notice in writing direct the Trustee to distribute such part or all of the income, and if the Managers deem fit, such part or all of the net capital gain realised on the sale of investments in respect of the amount available for distribution for each relevant period at such time and in accordance with such method of calculations as the Trustee and Managers may agree having regard to the provisions of the Deed.

47. Custody of Investments

47.1 The Trustee shall be responsible for the safe-keeping of the Investments and other property forming part of the Deposited Property in accordance with the provisions of the Deed and such Investments and other property shall (whether in bearer or registered form) be dealt with as the Trustee may think proper for the purpose of providing for the safe-keeping thereof.

47.2 Without prejudice to the provisions of the paragraph immediately above, the Trustee shall procure:-

- (a) any officer of the Trustee jointly with the Trustee; or
- (b) any nominee appointed by the Trustee; or
- (c) any such nominee and the Trustee; or
- (d) any custodian, joint custodian or sub-custodian appointed pursuant to the provisions of this paragraph; or
- (e) any company operating a recognised clearing system in respect of the Investments involved; or
- (f) 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,

to take delivery of and retain and/or to be registered as proprietor of any Investments or other property held upon the trusts of the Deed. Without prejudice to paragraph 47.1 above, the Trustee may from time to time appoint such person or persons as it thinks fit as custodian or joint custodians of the whole or any part of the Deposited Property and may empower any such custodian or joint custodian to appoint, with the prior consent in writing of the Trustee, sub-custodians and the fees and expenses of such custodian, joint custodians and sub-custodians shall be paid out by the Managers, and if it so requires, out of the Deposited Property of the relevant Sub-Fund.

- 47.3 The Trustee shall not incur any liability in respect of and shall not be responsible for:-
- (a) any acts or omissions of any custodian, joint custodian or sub-custodian, nominee or other person to whom it has delegated any of its powers, duties, authorities and discretions, except only where it shall have failed to take reasonable care in the selection, appointment and monitoring of such appointee (having regard to the market in which the relevant appointee is located) of such person or the Trustee is in wilful default;
  - (b) any acts or omissions of any clearing system or broker, financial institution or other person referred to in Clause 19(A)(ii)(f) of the Deed; or
  - (c) any acts or omissions of any sub-custodian not appointed by it.
48. Indemnities and Protection accorded to the Managers and/or the Trustee
- 48.1 Nothing in the Deed contained shall prevent the Trustee or the Managers or any connected person from becoming the owner of Units and holding, disposing or otherwise dealing with the same rights which they would have had if neither the Trustee nor the Managers nor any connected person were a party to or a connected person for purposes of the Deed and the Trustee and the Managers and any such connected person may buy, hold and deal in any Investments upon their respective individual accounts notwithstanding that similar Investments may be held under the Deed as part of the Deposited Property of the relevant Sub-Fund.
- 48.2 Neither the Trustee nor the Managers nor any connected person shall be liable to account either to any other or others of them or to the Holders or any of them for any profits or benefits made or derived by or in connection with any such transaction permitted as aforesaid provided that such transactions are effected on an arm's length basis.
- 48.3 The Trustee and the Managers respectively shall incur no liability in respect of any action taken or thing suffered by them in reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganisation or other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.
- 48.4 Neither the Trustee nor the Managers shall be responsible for the authenticity of any signature on any statement of account or any seal affixed to any endorsement or any certificate or to any form of transfer or application, or other document affecting the title to or transmission of Units or be in any way liable for any forged or unauthorised signature on or a seal affixed to such endorsement, form of transfer or application or other document or for acting on or giving effect to any such forged or unauthorised signature or seal. The Trustee and the Managers respectively shall nevertheless be entitled but not bound to require that the signature of any Holder or joint Holder to any document required to be signed by him under or in connection with the Deed shall be verified by a banker or broker or other responsible person or otherwise authenticated to its or their reasonable satisfaction.

- 48.5 The Trustee and the Managers shall incur no liability to the Holders for doing or (as the case may be) failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order or judgment of any court, or by reason of any request, announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (whether legally or otherwise) either they or any of them shall be directed or requested to do or perform or to forbear from doing or performing. If for any reason it becomes impossible or impracticable to carry out any of the provisions of the Deed neither the Trustee nor the Managers shall be under any liability therefor or thereby.
- 48.6 Any indemnity expressly given to the Trustee and/or the Managers in the Deed is in addition to and without prejudice to any indemnity allowed by law Provided Nevertheless That nothing in any of the provisions of the Deed shall in any case in which the Trustee and/or the Managers, as the case may be, have failed to show the degree of diligence and care required by them by the provisions of the Deed exempt them from or indemnify them against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of duty or trust of which they may be guilty in relation to their duties.
- 48.7 Nothing contained in the Deed shall be construed so as to prevent the Managers and the Trustee in conjunction or the Managers or the Trustee separately from acting as managers or trustee for trusts separate and distinct from the Fund and neither of them shall in any way be liable to account to the Fund or any other person for any benefit made or derived thereto.
- 48.8 The Trustee and the Managers may accept as sufficient evidence of the value of any Investment thereof a certificate by a member of any Recognised Stock Exchange or the approved valuer. At all times and for all purposes of the Deed the Trustee and the Managers may rely upon the established practice and rulings of any Recognised Stock Exchange and any committees and officials thereof on which any dealing in any Authorised Investment is from time to time effected in determining what shall constitute a good delivery and any similar matters and such practice and rulings shall be conclusive and binding upon all persons under the Deed.
- 48.9 (i) Subject to paragraph (ii) below, the Managers and the Trustee may destroy or authorize the destruction of:-
- (a) all notifications of changes of name or address at any time after 1 year after the date of recording thereof;
  - (b) all forms of proxy in respect of any meeting of Holders at any time after 1 year after the date of the meeting at which the same were used; and
  - (c) the Register and books of account, records and other documents relating to the relevant Sub-Fund at any time after 6 years after the termination of the relevant Sub-Fund except for documents which are needed for taxation purpose which may be destroyed only after 12 years.



- (ii) Neither the Managers nor the Trustee shall incur any liability in consequence of destroying or authorising the destruction of any documents pursuant to paragraph (i) above and unless the contrary be proved every instrument of transfer so destroyed shall be deemed a valid and effective instrument duly and properly registered, and every other such document so destroyed shall be deemed a valid and effective document in accordance with the recorded particulars thereof Provided That: -
  - (a) the provisions of this paragraph (ii) shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereof) to which the document might be relevant; and
  - (b) nothing in paragraph (i) or in paragraph (ii) shall be construed as imposing upon the Managers or the Trustee any liability in respect of the destruction of any document earlier than as provided in paragraph (i) or in any case where the conditions of paragraph (ii)(a) above are not fulfilled.
- (iii) References in this paragraph 48.9 to the destruction of any document include references to the disposal thereof in any manner whatsoever.

48.10 Neither the Managers nor the Trustee shall be responsible to the Fund, any Sub-Fund or any Holder for any loss or damage arising from reasons or causes beyond their control, or the control of any of their employees, including without limitation nationalisation, war, terrorism, currency restrictions, civil unrest, riots or strikes, nuclear fusion or acts of God.

48.11 In no event shall a Holder have or acquire any rights against the Trustee and the Managers or either of them save such as are expressly conferred upon such Holder by the Deed nor shall the Trustee be found to make any payment to any Holder except out of funds held by or paid to it for that purpose under the provisions of the Deed.

48.12 The Trustee shall not be under any liability on account of any thing done or suffered by the Trustee in good faith in accordance with or in pursuance of any request or advice of the Managers. Whenever pursuant to any provision of the Deed any certificate, notice, instruction or other communication is to be given by the Managers to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Managers by any one person whose signature the Trustee is for the time being authorised in writing by the Managers to accept.

48.13 Wheresoever any provision of the Deed provides for any act or matter to be done by the Trustee such act or matter may be performed on behalf of the Trustee by any officer or responsible official of the Trustee and any act or matter so performed shall be deemed for all the purposes of the Deed to be the act of the Trustee.

48.14 Without prejudice to the powers, authorities and discretions of the Trustee under the Trustees Act (Chapter 227) of Singapore, the Trustee may act upon any advice or information obtained from any advisers, bankers, accountants, brokers, lawyers or other persons on whom the Trustee has relied on for advice (hereinafter known as “**advisers**”) either of the Trustee or of the Managers and the Trustee shall not be liable for anything done or omitted or suffered in good faith in reliance upon such advice or information

or for any misconduct, mistake, oversight, error of judgment, forgetfulness or want of prudence on the part of any such advisers Provided That, in the case of advisers of the Trustee, the Trustee shall have exercised due care and diligence in the appointment of such advisers of the Trustee. Any such advice or information may be obtained or sent by letter, telegram, telex, electronic mail or facsimile message or cablegram and the Trustee shall not be liable for acting on any advice or information purporting to be conveyed by any such letter, telegram, telex, electronic mail or facsimile message or cablegram although the same contains some error or shall not be authentic.

- 48.15 Save as provided in the Deed, nothing therein shall prevent the Trustee or any associate of the Trustee from contracting or entering into any financial, banking or other transaction with the Managers, the Fund or any Holder or any company or body any of whose shares or securities form part of the Deposited Property or from being interested in any such contract or transaction Provided That any such contract or transaction with the Fund shall be conducted at arms' length and the Trustee shall not be liable to account either to the Fund or to the Managers or to the Holders or any of them for any profit or benefit made or derived by the Trustee or its associate thereby or in connection herewith provided that any such transaction shall be on an arm's length basis.
- 48.16 In no event shall the Trustee be bound to make any payment to the Managers or any Holder except out of funds held by it for that purpose under the provisions of the Deed nor shall the Trustee be liable to any person except to the extent of the Deposited Property.
- 48.17 The Trustee shall not be liable to account to any Holder or otherwise for any payment made or suffered by the Trustee in good faith to any duly empowered authority of the Republic of Singapore or elsewhere for taxes or other charges in any way arising out of or relating to any transaction of whatsoever nature under the Deed notwithstanding that any such payments ought not to be or need not have been made or suffered.
- 48.18 The Trustee shall not be responsible for verifying or checking any valuation of the Deposited Property of the Fund or any Sub-Fund or any calculation of the prices at which Units are to be issued or realised, but shall be entitled at any time to require the Managers to justify the same.
- 48.19 The Trustee shall not be responsible for acting upon any resolution purported to have been passed at any meeting of the Holders in respect whereof minutes shall have been made and signed even though it may be subsequently found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not binding upon all the Holders.
- 48.20 In the absence of fraud, gross negligence or wilful default the Managers shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done by them in good faith hereunder and the Managers shall not be under any liability except such liability as may be expressly assumed by them under the Deed nor shall the Managers (save as herein otherwise provided) be liable for any act or omission of the Trustee.

48.21 Nothing in the Deed shall prevent the Managers or any associate of the Managers from contracting or entering into any financial banking or other similar transactions with the Trustee (when acting other than in its capacity as Trustee of the Fund), the Fund or any Holder or any company or body any of whose shares or securities form part of the Deposited Property or from being interested in any such contract or transaction and the Managers or any such associate shall not be in anyway liable to account either to the Fund or the Trustee or to the Holders or any of them for any profit or benefit made or derived by the Managers or any such associate thereby or in connection therewith provided that any such transaction shall be on an arm's length basis.

# 大华佳合基金

大华佳合亚洲债券基金

大华佳合电子商务基金

大华佳合万全基金

发售计划说明书