

# UNITED GLOBAL TELECOMS FUND

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



## **DIRECTORY**

### **Managers**

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

### **Directors of the Managers**

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

### **Trustee**

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

### **Custodian / Administrator / Registrar**

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

### **Auditors**

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

### **Solicitors to the Managers**

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

### **Solicitors to the Trustee**

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

## DEFINITIONS

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

ATMs	Automated teller machines.
Authority	Monetary Authority of Singapore.
Business Day	Any day (other than a 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.
Code	Code on Collective Investment Schemes issued by the Authority, as amended from time to time.
custodian	Includes any person or persons for the time being appointed as a custodian of the Fund or any of its assets.
Dealing Day	In connection with the issuance, cancellation, valuation and realisation of Units means every Business Day or such other day as provided in the Deed.
Dealing Deadline	3 p.m. Singapore time on any Dealing Day.
Deed	See paragraph 1.3.1 of this Prospectus.
Deposited Property	All the assets, including Cash (as defined in the Deed), for the time being held or deemed to be held upon the trusts of the Deed excluding any amount for the time being standing to the credit of the distribution account referred to in Clause 17D of the Deed .
Extraordinary Resolution	A resolution proposed and passed as such by a majority consisting of seventy-five per cent. or more of the total number of votes cast for such resolution by Holders present and voting whether personally or by proxy.
FATCA	The U.S. Foreign Account Tax Compliance Act, as amended from time to time.
FDIs or derivatives	Financial derivative instruments.
Fund	United Global Telecoms Fund.
Group Fund	A collective investment scheme the managers of which (i) are the Managers or a corporation under their control or under common control with them or at least 50 per cent. of the share capital of which is held by a corporation which is a shareholder of the Managers; and (ii) approve the terms of any exchange which may be made pursuant to Clause 11 of the Deed.
Holder	A unitholder of the Fund.
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 “ <b>we</b> ”, “ <b>us</b> ” or “ <b>our</b> ” shall be construed accordingly to mean UOB Asset Management Ltd or any other person for the time being duly appointed as managers of the Fund.
NAV	Net asset value.
OTC Market	Any over-the-counter market or over-the-telephone market in any country in any part of the world and in relation to any particular Authorised Investment shall be deemed to include any responsible firm, corporation or association in any country in any part of the world dealing in the Authorised Investment which the Managers may from time to time elect.

Recognised Stock Exchange	Any stock exchange, futures exchange and organised securities exchange on which securities are regularly invested in any country in any part of the world and in relation to any particular Authorised Investment shall be deemed to include any responsible firm, corporation or association in any country in any part of the world dealing in the Authorised Investment which the Managers may from time to time elect.
Register	The register of Holders.
RSP	Regular savings plan.
SFA	Securities and Futures Act (Chapter 289) of Singapore, as amended from time to time.
Singapore dollars or S\$ or SGD	The lawful currency of the Republic of Singapore.
SRS	Supplementary Retirement Scheme.
Trustee	State Street Trust (SG) Limited or any other person for the time being duly appointed as trustee of the Fund.
U.S.	United States of America.
United States dollars or US\$ or USD	The lawful currency of the United States of America.
Units	Units of the Fund.
Valuation Point	In relation to the Fund means the close of business of the last relevant market in relation to the relevant Dealing Day or such other time on the relevant Dealing Day or such other day as the Managers with the approval of the Trustee may from time to time determine and the Trustee shall determine if 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. 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 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. Copies of the Deed are available for inspection at our operating office during usual business hours (subject to such reasonable restrictions as we may impose). If you are in any doubt about the contents of this Prospectus or the Deed, you should seek independent professional advice.

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

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

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

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

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

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

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

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

be treated as U.S. Taxpayers. Persons who are aliens as to the United States but who have spent 183 days or more in the United States in any of the last two years should check with their tax advisors as to whether they may be considered residents of the United States.

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

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

#### *FATCA*

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

For the purpose of complying with FATCA, we, the Trustee, and/or other service providers of the Fund may be required to report and disclose information on certain investors in the 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 and the Global Forum for Transparency and Exchange of Information for Tax Purposes, is an internationally agreed standard for the automatic exchange of information on financial accounts between jurisdictions with the objective of detecting and deterring tax evasion through the use of offshore bank accounts.

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

You are required to:

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

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

We may compulsorily realise all or any of your Units in any of the circumstances set out under paragraph 21.5 of this Prospectus.

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

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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.

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# UNITED GLOBAL TELECOMS FUND

## PROSPECTUS

### 1. Basic Information

#### 1.1 United Global Telecoms Fund

The Fund is an open-ended standalone unit trust constituted in Singapore.

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

The Authority registered this Prospectus on 16 March 2018. It is valid up to 15 March 2019 and will expire on 16 March 2019.

#### 1.3 Trust deed and supplemental deeds

##### 1.3.1 The Fund was constituted by way of a trust deed dated 28 June 1999, which has since been amended by the following deeds:

First Supplemental Deed	26 June 2002
Amending and Restating Deed	27 June 2003
Second Amending and Restating Deed	25 June 2004
Supplemental Deed of Appointment and Retirement of Trustee	15 December 2004
Third Amending and Restating Deed	24 June 2005
Fourth Amending and Restating Deed	23 June 2006
Fifth Amending and Restating Deed	21 June 2007
Sixth Amending and Restating Deed	18 June 2008
Seventh Amending and Restating Deed	29 May 2009
Eighth Amending and Restating Deed	27 May 2010
Ninth Amending and Restating Deed	19 May 2011
Tenth Amending and Restating Deed	26 September 2011
Third Supplemental Deed	23 April 2015
Supplemental Deed of Appointment and Retirement of Trustee	24 February 2017
Fifth Supplemental Deed	3 April 2017
Sixth Supplemental Deed	16 March 2018

The trust deed dated 28 June 1999 as amended by the above deeds shall be referred to as the “**Deed**”.

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

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

#### 1.4 Accounts and reports

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

### 2. The Managers

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

#### 2.2 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 31 January 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 229 awards in Singapore. These awards recognise UOBAM's investment performance across different markets and sectors.

As at 31 January 2018, UOBAM and its subsidiaries in the region have a staff strength of around 408 including about 42 investment professionals in Singapore.

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

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

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

**2.4 Directors and key executives of the Managers**

**Lee Wai Fai, Chairman and Director**

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

#### **John J. Doyle III, Chief Investment Officer, Equities and Multi Assets**

Mr Doyle joined UOBAM in April 2001. Mr Doyle was promoted to Chief Investment Officer in September 2011. Prior responsibilities include serving as Deputy Chief Investment Officer Equities, Head of International Equities and Head of Asian Equities. He continues to oversee the UOBAM’s Equity research and investment processes as well as the Multi Asset investment processes. Mr Doyle had previously worked in senior research roles for Salomon Smith Barney (Singapore), UBS Securities (Singapore), and MeesPierson Securities (Hong Kong).

Mr Doyle has over 23 years of experience, having started his career with Scudder, Stevens & Clark (Boston). His work experience includes both detailed securities research and analysis as well as portfolio management. Mr Doyle graduated with a Bachelor of Arts (Economics) degree from the University of Vermont in 1988. The majority of his experience relates to conducting research and managing equity portfolios. At UOBAM, he is the designated person responsible for the investment management of the Fund.

### **3. The Trustee and the custodian**

The Trustee is State Street Trust (SG) Limited, a trust company approved by the Authority under Section 289(1) of the SFA to act as a trustee for collective investment schemes authorised under section 286 of the SFA and constituted as unit trusts. The Trustee is regulated in Singapore by the Authority. See the Deed for details on the Trustee’s role and responsibilities.

The Trustee has appointed State Street Bank and Trust Company (“SSBT”), a trust company organised under the laws of the Commonwealth of Massachusetts and, in respect of such appointment, acting through its Singapore Branch, as the global master custodian of the Fund.

SSBT was founded in 1792 and is a wholly owned subsidiary of State Street Corporation. It is licensed and regulated by the Federal Reserve Bank of Boston. State Street Bank and Trust Company, Singapore Branch, holds a wholesale bank licence issued by the Authority and is regulated by the Authority.

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

seek to select local branches or affiliates of major global financial institutions that provide sub-custodian services in multiple markets, although unique market service requirements may result in the selection of an entity as sub-custodian that is more local in scope.

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

Please refer to paragraph 21.2 for further details of the custodial arrangement in respect of the Deposited Property of the Fund.

#### **4. The registrar and the administrator**

State Street Bank and Trust Company, acting through its Singapore Branch, has been appointed by the Trustee as the registrar of the Fund and will be responsible for keeping the Register. Any Holder may inspect the Register at 168 Robinson Road, #33-01, Capital Tower, Singapore 068912 during 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 each Holder. If there is any discrepancy between the entries in the Register and the details appearing on any statement of holdings, the entries in the Register will prevail unless the Holder proves to the Trustee's and our satisfaction that the Register is incorrect.

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

#### **5. The Auditors**

The auditors of the Fund are PricewaterhouseCoopers LLP.

#### **6. Investment Considerations**

##### **6.1 Investment Objective**

The investment objective of the Fund is to achieve long-term capital appreciation by investing mainly in securities of companies engaged in the development, production or distribution of communications services or communications technology in any part of the world.

A company will be considered to be engaged in the communications industry if at the time of investment we determine that a significant portion of the company's assets, gross income or net profits is committed to, or derived from, this field. A company will also be considered to be engaged in the communications industry if we consider that the company has the potential for strong growth primarily as a result of particular services, products, technology, patents or other market advantages in this field.

##### **6.2 Investment Focus and Approach**

###### **Investment Focus**

We will focus and invest mainly in companies that are competitive, well managed and offer attractive valuation in respect of their growth prospects over a multi-year investment horizon. We will also invest in companies that offer attractive return of cash to shareholders such as dividends and share buybacks. We will target companies that exhibit good corporate governance and have a strong desire to maximise shareholder value. These companies may already have attained strong leadership or have good leadership prospects in their respective fields within the communications industry.

Some characteristics of companies with the above qualities are as follows:

- ☐ Focus on industry sectors that exhibit higher growth on a domestic or global scale
- ☐ High quality professional management at both senior and mid-level

- ☐ Ability to differentiate products and services against their competitors and produce sustainable good profit margins
- ☐ Transparency in presentation of financial and operating results
- ☐ Focus on maximising and avoiding diluting shareholders value such as returning cash where appropriate (for the former) and avoiding costly acquisitions (for the latter)
- ☐ Good value relative to its peers and its long term intrinsic value using valuation methods such as price-to-earnings and discounted cash flow

### **Investment Approach**

The investment process begins with a macro assessment of the investment environment. This assessment includes an economic overview that focuses on the economic cycle, inflation and interest rates. The potential impact upon the communications industry invested in is then evaluated as it relates to the macro assessment.

Once the macro environment has been assessed, long term investment themes that are poised to benefit from key growth communications industry trends are then identified. An example of such a growth trend is the shift from wireline communications networks to wireless networks.

The investment team (consisting of market and sector specialists) then screens its investment universe to determine which companies are best positioned to benefit from the strong growth momentum. Another key criteria is the focus on good value relative to the long-term growth prospects.

We view the communications industry as being comprised of sub-sectors. Some examples are telecom services, telecom equipment and their related component suppliers, computers and their related component suppliers, the Internet, communications IT and software, broadcast media and service companies whose primary function are facilitating communications or producing such devices.

### **6.3 Distribution policy**

We currently do not aim to make regular distributions for the Fund.

### **6.4 Product suitability**

The Fund is suitable for investors who:

- seek long-term capital appreciation;
- are looking for exposure to the communications industry; and
- are comfortable with the volatility and risk of a global equity fund which invests in this industry.

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

### **6.5 Authorised Investments**

The Fund is invested in the following authorised investments (“**Authorised Investments**”):

- 6.5.1** any Investment in or of companies engaged in the development, production or distribution of communications services or communications technology in any part of the world;
- 6.5.2** any Quoted Investment;
- 6.5.3** any Unquoted Investment; or
- 6.5.4** any other investments not covered by paragraphs 6.5.1 to 6.5.3 above but approved by the Trustee (such approval to be confirmed in writing).

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

*The Fund intends to use or invest in FDIs. Further information is set out in paragraph 6.7 of this Prospectus.*

## **6.6 Investment restrictions**

The investment guidelines and borrowing limits as set out under Appendix 1 of the Code apply to the Fund. The latest version of the Code may be found at the Authority's website: [www.mas.gov.sg](http://www.mas.gov.sg). The Authority may, from time to time, update or amend the Code.

Currently, the Fund does not intend to carry out securities lending or repurchase transactions but may do so in the future, in accordance with the applicable provisions of the Code. Accordingly, the 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 Our risk management procedures relating to the use of FDIs**

- (a) The Fund may use or invest in FDIs for the purposes of hedging existing positions in a portfolio, for efficient portfolio management or a combination of both purposes. Where such instruments are FDIs on commodities, such transactions shall be settled in cash at all times.
- (b) We will ensure that the global exposure of the Fund to FDIs or embedded FDIs will not exceed 100% of the NAV of the Fund at all times. Such exposure will be calculated using the commitment approach as described in, and in accordance with the provisions of, the Code.
- (c) Below is a description of risk management and compliance procedures and controls adopted by us:
  - (i) We will implement various procedures and controls to manage the risk of the assets of the Fund. Our decision to invest in any particular security or instrument on behalf of the Fund will be based on our judgment of the benefit of such transactions to the Fund and will be consistent with the Fund's investment objective in terms of risk and return.
  - (ii) *Execution of Trades.* Prior to each trade, we will ensure that the intended trade will comply with the stated investment objective, focus, approach and restrictions of the 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 of the Fund. If there is any non-compliance, our Middle Office department is empowered to instruct the relevant officers to rectify the same. Any non-compliance will be reported to higher management and monitored for rectification.
  - (iii) *Liquidity.* If there are any unexpectedly large redemptions of Units, it is possible that the assets of the Fund may be forced to be liquidated at below their fair and expected value, especially in illiquid public exchanges or over-the-counter markets. We will ensure that a sufficient portion of the Fund will be in liquid assets such as cash and cash-equivalents to meet expected redemptions, net of new subscriptions.
  - (iv) *Counterparty exposure.* The Fund may have credit exposure to counterparties by virtue of positions in financial instruments (including FDIs) held by the Fund. To the extent that a counterparty defaults on its obligations and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its assets, 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 Fund's position with that counterparty as soon as practicable.
  - (v) *Volatility.* To the extent that the Fund has exposure to FDIs that allow a larger amount of exposure to a security for no or a smaller initial payment than the case when the investment is made directly into the underlying security, the value of the Fund's assets will have a higher degree of volatility. The Fund may use FDIs for hedging purposes for reducing the overall volatility of the value of its assets. At the same time, we will ensure that the total exposure of the Fund to derivative positions will not exceed the NAV of the Fund, as stated in paragraph (b) above.



- (vi) *Valuation.* The Fund may have exposure to over-the-counter FDIs that are difficult to value accurately, particularly if there are complex positions involved. We will ensure that independent means of verifying the fair value of such instruments are available, and will conduct such verification at an appropriate frequency.
- (d) We will ensure that the risk management and compliance procedures and controls adopted are adequate and have been or will be implemented and that we have the necessary expertise to control and manage the risks relating to the use of FDIs. We may modify the risk management and compliance procedures and controls as we deem fit and in the interests of the Fund, but subject always to the requirements under the Code.
- (e) The 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.

## 7. Fees and Charges

The fees and charges payable by you and those payable out of the Fund are as follows:

<b>Payable by you</b>	
Subscription Fee	Currently 5%; Maximum 5%.
Realisation Charge	Currently 0%; Maximum 2%.
Switching fee <sup>(1)</sup>	Currently 1%; Maximum 1%.
<b>Payable by the Fund to the Managers, the Trustee and other parties</b>	
Management fee	Currently 1.5% p.a.; Maximum 2% p.a..
Trustee fee	Currently not more than 0.05% p.a.; Maximum 0.1% p.a.. Subject always to a minimum of S\$20,000 p.a. or such lower sum as may be agreed from time to time between the Trustee and us. In this connection, we and the Trustee have presently agreed to a minimum of S\$5,000 p.a..
Registrar and transfer agent fee	S\$15,000 p.a..
Accounting and valuation fee (payable to the Managers)	0.125% p.a..
Audit fee <sup>(2)</sup> (payable to the auditors), 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 of the fees and charges may amount to or exceed 0.1% p.a., depending on the proportion that it bears to the NAV of the Fund.

<sup>(1)</sup> If you switch your Units to another Group Fund, we will charge you the switching fee instead of the subscription fee for the Group Fund. If the subscription fee for the Group Fund is more than the switching fee, you are effectively receiving a discount on the Group Fund's subscription fee.

<sup>(2)</sup> The audit fee is subject to agreement with the auditors for the relevant financial year. Based on the audited accounts and the average NAV of the Fund for the financial year ended 31 December 2016, the audit fee did not amount to or exceed 0.1% in that financial year.

<sup>(3)</sup> The custodian fee is subject to agreement with the custodian. Based on the audited accounts and the average NAV of the Fund for the financial year ended 31 December 2016, the custodian fee did not amount to or exceed 0.1% in that financial year.

<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. Based on the audited accounts and the average NAV of the Fund for the financial year ended 31 December 2016, the transaction costs amounted to 0.17%.

<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, goods and services tax, legal and professional fees and other out-of-pocket expenses. Based on the audited accounts and the average NAV of the Fund for the financial year ended 31 December 2016, the aggregate of the other fees and charges amounted to 0.206%.

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

Any Subscription Fee and Realisation Charge will be retained by us for our own benefit, and will not form part of the Deposited Property. All or part of the Subscription Fee may also be paid to or retained by our authorised agents or distributors. We will also pay any other commission or remuneration to such authorised agents or distributors in respect of the marketing of Units. Please note that 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 therefore check with such authorised agents or distributors on such fees and charges, if any.

We may at any time differentiate between investors as to the amount of the Subscription Fee, Realisation Charge, 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 Fund).

## **8. Risks**

### **8.1 General risks**

You should consider and satisfy yourself as to the risks of investing in the Fund. Generally, some of the risk factors that you should consider are market risks, interest rate risks, credit risks of issuers, foreign exchange risks, repatriation risks, political risk, liquidity risks and derivatives risks.

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

The value of the Fund and its distributions (if any) may rise or fall. In addition, you should be aware that the price of Units and the income accruing from the Units, may fall or rise and that you may not get back your original investment.

### **8.2 Specific risks**

#### **8.2.1 Market Risk in the Global Markets**

You should consider and satisfy yourself as to the usual risks of investing and participating in publicly traded securities. Prices of securities that the Fund invests in 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 to rise or fall.

#### **8.2.2 Foreign Exchange Risk**

The Fund is denominated in Singapore dollars. Where the Fund makes investments which are denominated in foreign currencies, fluctuations in the exchange rates of such foreign currencies against the Singapore dollar may affect the value of the Units. In our management of the Fund, we may hedge the foreign currency exposure and may adopt an active currency management approach. However, the foreign currency exposure of the Fund may not be fully hedged depending on the 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.

#### **8.2.3 Political Risk**

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

#### **8.2.4 Derivatives Risk**

As the Fund may (subject to the Code) use or invest in FDIs, it will be subject to risks associated with such investments. FDIs include, but are not limited to, foreign exchange forward contracts and equity index future contracts. An investment in a FDI may require the deposit of initial margin and additional deposit of margin on short notice if the market moves against the investment position. If the required margin is not



provided in time, the investment may be liquidated at a loss. Therefore, it is essential that such investments in FDIs are monitored closely. We have the controls for investments in FDIs and have in place systems to monitor the derivative positions of the Fund. Please see paragraph 6.7 for more information on our risk management procedures on the use of FDIs.

#### **8.2.5 Liquidity Risk**

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

#### **8.2.6 Small Capitalisation Companies Risk**

Investments in small capitalisation companies generally carry greater risk than is customarily associated with larger capitalisation companies. Examples of such risks are less public information, more limited financial resources and product lines, greater volatility, higher risk of failure than larger companies and less liquidity. This may result in greater volatility in the share prices of such companies.

#### **8.2.7 Single Sector Risk**

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

#### **8.2.8 Broker Risk**

We may engage the services of third party securities brokers and dealers to acquire or dispose the investments of the Fund and to clear and settle its exchange traded securities trades. In selecting brokers and dealers and in negotiating any commission involved in their transactions, 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.

It is possible that the brokers or dealers engaged for the Fund may encounter financial difficulties that may impair the Fund's operational capabilities. If a broker or dealer fails or becomes insolvent, there is a risk that the Fund's orders may not be transmitted or executed and its outstanding trades made through the broker or dealer may not settle.

#### **8.2.9 Counterparty Risk**

Where the Fund enters into over-the-counter transactions, the Fund is exposed to the risk that a counterparty may default on its obligations to perform under the relevant contract. If a counterparty becomes bankrupt or insolvent, the Fund could experience delays in liquidating an investment and may therefore incur significant losses, including losses resulting from a decline in the value of the investment during the period in which the Fund seeks to enforce its rights. The Fund may also be unable to realise any gains on the investment during such period and may incur fees and expenses to enforce its rights. There is also a risk that counterparty contracts may be terminated earlier due to, for instance, bankruptcy, supervening illegality or change in the tax or accounting laws relative to those laws existing at the time the contracts were entered into.

#### **8.2.10 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.

***The above is not an exhaustive list of the risks which you should consider before investing in the Fund. An investment in the Fund may be exposed to other risks of an exceptional nature from time to time.***

## 9. Subscription of Units

### 9.1 Subscription procedure

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>• websites designated by us</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>
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</u>: You should check with your SRS operator bank if you can invest using SRS monies. You must indicate that you are using SRS monies on the application form, which also contains your instructions to your SRS operator bank to withdraw the purchase monies from your SRS account.</li></ul>
Other salient terms:	<ul style="list-style-type: none"><li>• We may 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, although we may at our discretion issue Units before the Trustee receives full payment in cleared funds (save for those subscriptions made through the use of SRS monies).</li><li>• We and our authorised agents and distributors may request for such information and/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 Minimum subscription amounts and minimum holding

Minimum initial subscription*	Minimum subsequent subscription*	Minimum holding
S\$1,000 (or if subscribing in US dollars, US\$1,000)	S\$500 (or if subscribing in US dollars, US\$500)	1,000 Units or the number of Units which were or would have been purchased for S\$1,000 (or in the case where payment is made in US dollars, US\$1,000) or its equivalent in such other currency as we may decide at the prevailing issue price at the time of your initial subscription or purchase of Units (or such other number of Units or amount as may from time to time be determined by us either generally or in any particular case or cases upon giving prior written notice to the Trustee and as permitted by the Authority) rounded down to two decimal places

\* or its equivalent in such other currency as we may decide at the applicable rate of exchange.

Our authorised agents and distributors may impose a higher minimum initial subscription amount or minimum 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 for 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 for the next Dealing Day.</p>
Pricing basis:	Units are issued on a forward pricing basis.
Issue price:	<p>The issue price per Unit shall be ascertained by:</p> <ul style="list-style-type: none"> <li>calculating the Value (as described in paragraph 21.4) as at the Valuation Point in relation to the Dealing Day on which such issue occurs of the proportion of the Deposited Property represented by one Unit; and</li> <li>truncating the resultant amount to three decimal places</li> </ul> <p>(or such other method of determination or rounding or number of decimal places as determined by us with the approval of the Trustee).</p> <p>Any adjustments shall be retained by the Fund.</p> <p>If the Trustee determines (after consultation with us) that it would be detrimental to existing Holders for us to issue or continue to issue Units at a price based on the Value of the Deposited Property as described above, then the Trustee shall instruct us to substitute such Value with the fair value as determined according to the provisions of the Deed. Subject to the provisions of the Code, the Trustee may instruct us temporarily to suspend the issue of Units during any period of consultation or adjustment arising from the provisions of this paragraph 9.3.</p>
Deduction of Subscription Fee:	A Subscription Fee may be deducted from the total subscription monies paid by you (the “ <b>Gross Investment Amount</b> ”), and the remainder (the “ <b>Net Investment Amount</b> ”) will be applied towards your subscription of Units.
Conversion of issue price:	<p>We accept cash and SRS subscriptions in SGD. The issue price of the Units will be calculated and quoted in SGD.</p> <p>We accept cash subscriptions in USD. The issue price that is quoted will be a conversion of the SGD issue price to its equivalent in USD at an exchange rate determined by us (“<b>USD Reference Price</b>”).</p> <p>Your Units will be issued at the SGD issue price if you subscribe in SGD and at the USD Reference Price if you subscribe in USD.</p> <p>Any currency exchange cost to convert a foreign currency subscription to SGD will be borne by you.</p> <p>We may also accept payment in any other currency at our discretion and subject to such additional terms as we may impose from time to time. The costs and risks of such currency exchange will be borne by you.</p>
Confirmation of purchase:	A confirmation note detailing your investment amount and the number of Units allocated to you will be sent to you within 5 Business Days for cash applications or 11 Business Days for SRS applications, from the date of issue of Units.

## 9.4 Numerical example of how Units are allotted

The following is an example of the number of Units you will acquire based on an investment of S\$1,000.00:

S\$1,000.00	-	S\$50.00	=	S\$950.00
Gross Investment Amount		Subscription Fee (5%) <sup>^</sup>		Net Investment Amount
S\$950.00	÷	S\$1.000 <sup>^</sup>	=	950.00*
Net Investment Amount		Notional issue price		Number of Units allotted

<sup>^</sup> Based on an issue price of S\$1.000 and a Subscription Fee of 5%. This example is for illustrative purposes only and is not an indication of future or likely performance of the Fund. The value of Units and the resultant income may fluctuate.

\* The number of Units to be issued will be rounded down to two decimal places.

## 9.5 Cancellation of initial subscription

Subject to the provisions of the Deed and to 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 from the date of subscription or purchase of Units (or such longer period as may be agreed between us and the Trustee or such other period as may be prescribed by the Authority), provided that where the last day of such time period falls on a Sunday or a public holiday in Singapore, the time period shall be extended to the next calendar day, not being a Sunday or a public holiday. However you will have to 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 9.5 (i.e. the Subscription Fee will not be refunded and a Realisation Charge (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 Charge (if any) imposed.

**Please refer to the terms and conditions for cancellation of subscription in the cancellation form before subscribing for Units.**

## 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 of Units as specified in paragraph 9.2.
Minimum investment sum:	S\$100 monthly or S\$500 quarterly.
Method of payment:	<p>Cash:</p> <p>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.</p> <p>SRS monies:</p> <p>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.</p> <p>Please note that the authorised agent or distributor may require other forms to be completed.</p>

When payment is debited:	<p>Payment will be debited from the relevant account on:</p> <ul style="list-style-type: none"> <li>• <i>for monthly RSP subscriptions</i>: the 25<sup>th</sup> calendar day of each month;</li> <li>• <i>for quarterly RSP subscriptions</i>: 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 may be terminated.</p> <p>You will not be notified of any unsuccessful debit or termination.</p>
Termination of RSP:	You may terminate your participation in any RSP without penalty by giving not less than 30 days' 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 information on the RSP offered before applying.

We will not assume any liability for any losses arising from 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>• websites designated by us</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 paragraph 9.2.</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 the price per Unit ascertained by:</p> <ul style="list-style-type: none"> <li>calculating the Value 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 represented by one Unit; and</li> <li>truncating the resultant amount to three decimal places</li> </ul> <p>(or such other method of determination or rounding or number of decimal places as determined by us with the approval of the Trustee).</p> <p>Any adjustments shall be retained by the Fund.</p> <p>If the Trustee determines (after consultation with us) that it would be detrimental to the remaining Holders to realise or continue to realise Units at a price ascertained on the basis of the Value of the Deposited Property as described above, then the Trustee shall instruct us either to substitute such Value with the fair value as determined according to the provisions of the Deed or subject to the provisions of the Code, the Trustee may instruct us to temporarily suspend the realisation of Units during any period of consultation or adjustment arising from the provisions of this paragraph 11.1.</p>
Deduction of Realisation Charge:	<p>A Realisation Charge may be deducted from the total amount payable to you (the “<b>Gross Realisation Proceeds</b>”), and the remainder (the “<b>Net Realisation Proceeds</b>”) will be paid to you.</p>
Conversion of realisation price:	<p>We may, upon request, effect payment of realisation monies in currencies other than SGD, at the applicable rate of exchange determined by us, prior to payment to you. Any costs incurred in and risks associated with effecting such currency exchange will be borne by you.</p> <p>Currently, we permit realisations in SGD and USD, and we will quote the realisation price in SGD and its equivalent in USD at the applicable rate of exchange.</p> <p>If we decide to permit realisations in any other currency in the future, we will quote the realisation price in such foreign currency at the applicable rate of exchange determined by us.</p>
When will Net Realisation Proceeds be paid to you:	<p>Within seven Business Days after the relevant Dealing Day (or such other period as may be permitted by the Authority). There may be delays in cases where the realisation of Units has been limited or suspended in accordance with paragraphs 11.3 or 14 of this Prospectus.</p> <p>Proceeds will be paid by cheque or (where applicable) credited to your designated bank account or SRS account.</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 or any of our authorised agents or distributors receive 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 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\$0.950*	=	S\$950.00
Your realisation request		Notional realisation price		Gross Realisation Proceeds
S\$950.00	-	S\$0.00	=	S\$950.00
Gross Realisation Proceeds		Realisation Charge (0%)*		Net Realisation Proceeds

*\* Based on a realisation price of S\$0.950. There is currently no Realisation Charge imposed. This example is for illustrative purposes only and is not a forecast or indication of any future or likely performance of the Fund.*

## 11.3 Limit on realisations

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 ten per cent. (10%) of the total number of Units then in issue. Such limitation will be applied pro rata to us and all Holders who have validly requested realisations on such Dealing Day. Any Units which are not realised or cancelled will be realised or cancelled on the next Dealing Day, subject to the same limitation and Provided That any Units which have been so carried over shall on any such succeeding Dealing Day be realised or cancelled in priority to any new Units due to be realised or cancelled on that Dealing Day. If realisation requests are so carried forward, we will notify the affected Holders within seven days.

## 11.4 Compulsory realisations

We may compulsorily realise your holding of Units in certain circumstances. Please see paragraph 21.5 for further details.

## 12. Switching of Units

How to switch your Units:	You may request to switch your Units to units of any other Group Fund 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 units of the Group Fund.</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 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> <p>(a) your Units will be realised at the realisation price calculated under paragraph 11.1;</p> <p>(b) the net realisation proceeds shall then be used (after deducting any switching fee payable (in lieu of charging a subscription fee for the units of the Group Fund provided that such switching fee shall not be more than the subscription fee for the units of the Group Fund)) to subscribe for units of the Group Fund at the prevailing issue price of such units of the Group Fund. For the purposes of the switch, we may waive in whole or in part the subscription fee for the units of the Group Fund and/or the Realisation Charge (if any).</p>



Other salient terms:	<ul style="list-style-type: none"> <li>• There will be a switching fee payable by you (as set out in paragraph 7 above).</li> <li>• Switches will be at our discretion.</li> <li>• Switching is subject to the provisions of the Deed.</li> <li>• Switches will not be allowed if they result in you holding Units or units in the Group Fund below the minimum holding applicable to your Units or the Group Fund.</li> <li>• Switches will not be allowed during any period where the realisation of Units has been limited or suspended in accordance with paragraph 11.3 or 14 of this Prospectus.</li> <li>• Units purchased with cash or SRS monies (as the case may be) may only be switched to units of a Group Fund which may be purchased with the same payment method.</li> </ul>
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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 two Business Days after the relevant Dealing Day in both Singapore dollars and US dollars. 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 or non-publication by such publishers.

### 14. Suspension of Dealing

**14.1** Subject to the provisions of the Code, we may, with the prior written approval of the Trustee, suspend the issue and realisation of Units during:

- any period when the Recognised Stock Exchange or the OTC Market on which any Authorised Investments forming part of the Deposited Property for the time being are listed or dealt in is closed (otherwise than for ordinary holidays) or during which dealings are restricted or suspended;
- the existence of any state of affairs which, in our opinion might seriously prejudice the interests of the Holders as a whole or of the Deposited Property;
- any breakdown in the means of communication normally employed in determining the price of any of such Authorised Investments or the current price thereof on that Recognised Stock Exchange or that OTC Market or when for any reason the prices of any of such Authorised Investments 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 money which will or may be involved in the realisation of such Authorised Investments or in the payment for such Authorised Investments cannot, in our opinion, be carried out at normal rates of exchange;
- any 48 hour period (or such longer period as the Trustee and we may agree) prior to the date of any meeting of the Holders (or any adjourned meeting thereof);
- any period where dealing of Units is suspended pursuant to any order or direction of the Authority;



- (vii) any period when the Trustee's or our business operations in relation to the operation of the 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; or
- (viii) such circumstances as may be required under the provisions of the Code.

**14.2** Such suspension shall take effect upon our providing a written declaration to the Trustee or vice versa (as the case may be) and subject to the provisions of the Code, shall end on the day following the first Business Day on which the condition giving rise to the suspension no longer exists and no other conditions under which suspension is authorised under this paragraph 14 exist upon our (or, as the case may be, the Trustee) providing a written declaration of the same.

## **15. Performance of the Fund**

### **15.1 Past performance of the Fund and its benchmark as at 29 December 2017**

	<b>One Year</b>	<b>Three Year</b>	<b>Five Year</b>	<b>Ten Year</b>	<b>Since Inception<sup>2</sup></b>
NAV-NAV <sup>3</sup>	-0.96%	2.48%	5.69%	-0.71%	-0.11%
NAV-NAV <sup>4</sup>	-5.91%	0.74%	4.61%	-1.22%	-0.39%
Benchmark <sup>5</sup>	-0.36%	3.74%	7.99%	1.14%	0.03%

*\* Source: Lipper, a Thomson Reuters Company*

The benchmark of the Fund is the MSCI ACWI Telecoms.

*The past performance of the Fund is not necessarily indicative of its future performance.*

### **15.2 Expense ratio**

The expense ratio of the Fund for the financial year ending 31 December 2016 is 2.09%<sup>6</sup>.

### **15.3 Turnover ratio**

The turnover ratio of the Fund for the financial year ending 31 December 2016 is 34.47%<sup>7</sup>.

<sup>2</sup> Inception date is 16 August 1999.

<sup>3</sup> Calculated in S\$ on a NAV-to-NAV basis as at 29 December 2017, with all dividends and distributions reinvested (net of reinvestment charges). Figures over the last one year show the percentage change, while figures for more than one year show the average annual compounded return.

<sup>4</sup> Calculated in S\$ on a NAV-to-NAV basis as at 29 December 2017, taking into account the Subscription Fee and Realisation Charge (if any), with all dividends and distributions reinvested (net of reinvestment charges). Figures over the last one year show the percentage change, while figures for more than one year show the average annual compounded return.

<sup>5</sup> Formerly known as MSCI All Countries World Index (ACWI) Telecoms Index.

<sup>6</sup> 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 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 of the Fund, whether realised or unrealised;
- (c) front-end loads, back-end loads and other costs arising on the purchase or sale of a foreign unit trust or mutual fund;
- (d) tax deducted at source or arising from income received, including withholding tax;
- (e) interest expense; and
- (f) dividends and other distributions paid to Holders.

<sup>7</sup> The turnover ratio is calculated based on the lesser of purchases or sales of underlying investments of the Fund expressed as a percentage of daily average NAV over the same period used for calculating the expense ratio.

## **16. Soft Dollar Commissions/Arrangements**

- 16.1** Subject to the provisions of the Code, we may from time to time receive or enter into soft-dollar commissions/arrangements in the management of the 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 of 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, 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/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.
- 16.2** We will not accept or enter into soft-dollar commissions/arrangements in respect of the Fund unless (a) such soft-dollar commissions/arrangements can reasonably be expected to assist us in our management of the 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.
- 16.3** 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 Fund.

## **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 Fund because of the following structures in place:

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

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

Save as provided in the Deed, our associates may be engaged to provide banking, brokerage, financial or other services to the Fund or buy, hold and deal in any investments, enter into contracts or other arrangements with the Trustee or us and make profits or derive benefits from these activities. Such services to the Fund, 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 Fund and, in particular, our obligation to act in the best interests of the Fund and the Holders so far as practicable, having regard to applicable laws and our obligations to our other clients. If a conflict of interest does arise, we will endeavour to ensure that such conflict is resolved fairly.

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

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

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

## 17.2 Trustee's conflicts of interest disclosures

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

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

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

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

- (a) State Street Bank and Trust Company, acting through its Singapore Branch, a party related to the Trustee, has been appointed as custodian of the Fund. The custodian may also appoint related parties as sub-custodians. Cash will be placed with the custodian as banker or may, at our discretion, be invested in certificates of deposit or banking instruments issued by a related party of the Trustee, including the custodian. Money may also be borrowed by the Fund from a State Street entity. In its capacities as custodian and banker, State Street will earn fees/interest for such services and may receive other benefits in connection with such services; and

- (b) where foreign exchange transactions, including but not limited to spot, forward or swap transactions (collectively “**foreign exchange transactions**”), are entered into for or on behalf of the Fund with an affiliate of the Trustee (a “**State Street counterparty**”), the State Street counterparty will enter into such transaction as principal counterparty and not as agent or fiduciary for the Trustee, us or the Fund and such State Street counterparty shall be entitled to retain for its own use and benefit any benefit which it may derive from any such foreign exchange transactions or the holding of any cash in connection with such transactions. Foreign exchange transactions may also be entered into for or on behalf of the Fund with counterparties other than a State Street counterparty.

## 18. Reports

### Financial year-end and distribution of reports and accounts

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

The reports and accounts 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 accounts and the auditors’ report on the annual accounts	Within 3 months from the end of the financial year.
(b) Semi-annual report and semi-annual accounts	Within 2 months from the end of the period to which the report and accounts relate.

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

## 19. Queries and Complaints

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

Hotline No. : 1800 22 22 228

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

For the reasons set out above, 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 (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 long-term interests of investors in the Fund.

## **20.2 Information on investments**

At the end of each calendar quarter, you will receive a statement showing the value of your investment. However, if you conduct any transaction(s) within a particular month, you will receive an additional statement at the end of that month.

## **20.3 Indemnity out of Deposited Property**

We and the Trustee are entitled to be indemnified out of or have recourse to the Deposited Property 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. *You should refer to the Deed for the full terms and conditions of the Fund.*

### **21.1 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 gains realised on the sale of Authorised Investments in respect of the amount available for distribution for each accounting period at such time and in accordance with such method of calculations as the Trustee and the Managers may agree having regard to the provisions of the Deed.

### **21.2 Custody of Deposited Property**

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

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

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

### **21.3 Holders' right to vote**

A meeting of Holders duly convened and held in accordance with the provisions of the Schedule of the Deed shall be competent by Extraordinary Resolution:

- (i) to sanction any modification, alteration or addition to the provisions of the Deed which shall be agreed by the Trustee and the Managers as provided in Clause 37 of the Deed;
- (ii) to sanction a supplemental deed increasing the maximum permitted percentage of the management fee or the remuneration of the Trustee;
- (iii) to terminate the Fund as provided in Clause 34(F) of the Deed;
- (iv) to remove the auditors as provided in Clause 30(D) of the Deed;
- (v) to remove the Trustee as provided in Clause 31(C)(iv) of the Deed;
- (vi) to remove the Managers as provided in Clause 32(A)(v) of the Deed;
- (vii) to direct the Trustee to take any action (including the termination of the Fund) pursuant to Section 295 of the SFA; and
- (viii) to sanction any other matter which the Trustee and/or the Managers may consider necessary to lay before a meeting of Holders,

but shall not have any further or other powers.

### **21.4 Valuation**

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

- (i) a Quoted Investment, shall be calculated, as the case may be, by reference to the official closing price, last known transacted price or the last transacted price as at the last official close on such Recognised Stock Exchange or OTC Market (or at such other time as the Managers may from time to time after consultation with the Trustee determine); where such Quoted Investment is listed, dealt or traded in more than one Recognised Stock Exchange or OTC Market, the Managers (or such person as the Managers shall appoint for the purpose) may in their absolute discretion select any one of such Recognised Stock Exchange or OTC Market for the foregoing purposes and, if there be no such official closing price, last known transacted price or last transacted price, the value shall be calculated by reference to the last available price(s) quoted by responsible firms, corporations or associates on a Recognised Stock Exchange or an OTC Market at the Valuation Point in respect of the Dealing Day on which the NAV is to be determined;
- (ii) an Unquoted Investment, shall be calculated by reference to, where applicable, (1) the initial value thereof being the amount expended in the acquisition thereof; (2) 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 particular market maker as the Managers may designate), as may be determined by the Managers to represent the fair value of such Authorised Investment; or (3) the sale prices of recent public or private transactions in the same or similar investments, valuation of comparable companies or discounted cash flow analysis, as may be determined to represent the fair value of such Authorised Investment, and 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;



- (iii) 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, any adjustment should be made to reflect the value thereof;
- (iv) a unit or share in a unit trust or mutual fund or collective investment scheme shall be valued at the latest published or available NAV per unit or share, or if no NAV per unit or share is published or available, then at their latest available realisation price; and
- (v) an investment other than as described above, shall be valued by a person approved by the Trustee as qualified to value such an investment at such time as the Managers after consultation with the Trustee shall from time to time determine,

Provided That, if the quotations referred to in (i), (ii), (iii), (iv) or (v) above are not available, or if the value of the Authorised Investment determined in the manner described in (i), (ii), (iii), (iv) or (v) above, in the opinion of the Managers is not representative, then the Value shall be such value as the Managers may with due care and in good faith consider in the circumstances to be fair value and is approved by the Trustee and the Managers shall inform 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.

The Managers may, to the extent permitted by the Authority, and subject to the prior approval of the Trustee, change the method of valuation as provided in this paragraph 21.4.1 and the Trustee shall determine if the Holders should be informed of such change.

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

**21.4.2** The Value of the Deposited Property or any proportion thereof shall be calculated in accordance with Clause 1(A) of the Deed, which includes the following adjustments:

- (a) every Unit agreed to be issued by the Managers shall be deemed to be in issue and the Deposited Property shall be deemed to include not only cash or other assets in the hands of the Trustee but also the value of any cash, accrued interest on bonds or interest-bearing instruments or other assets to be received in respect of Units agreed to be issued after deducting therefrom or providing thereout the Subscription Fee and (in the case of Units issued against the vesting of Authorised Investments) any moneys payable out of the Deposited Property pursuant to Clause 10 of the Deed;
- (b) where Authorised Investments have been agreed to be purchased or otherwise acquired or sold but such purchase, acquisition or sale has not been completed, such Authorised Investments shall be included or excluded and the gross purchase, acquisition or net sale consideration excluded or included as the case may require as if such purchase, acquisition or sale had been duly completed;
- (c) where in consequence of any notice or request in writing given pursuant to Clause 12, 12A or 13 of the Deed a reduction of the Fund by the cancellation of Units is to be effected but such reduction has not been completed the Units in question shall not be deemed to be in issue and any amount payable in cash and the value of any Authorised Investments to be transferred out of the Deposited Property after deducting therefrom or providing thereout the Realisation Charge (if any) in pursuance of such reduction shall be deducted from the Value of the Deposited Property;
- (d) there shall be deducted on a proportionate basis any amounts not provided for above which are payable out of the Deposited Property including:
  - (i) any amount of the management fee, the setting-up fee, the remuneration of the Trustee and any other expenses accrued but remaining unpaid;
  - (ii) the amount of tax, if any, on capital gains (including any provision made for unrealised capital gains) accrued up to the end of the last accounting period and remaining unpaid;

- (iii) the amount in respect of tax, if any, on net capital gains realised during a current accounting period prior to the valuation being made as in the estimate of the Managers will become payable;
  - (iv) the aggregate amount for the time being outstanding of any borrowings effected under Clause 16(C) of the Deed together with the amount of any interest and expenses thereon accrued pursuant to Clause 16(C)(v) of the Deed and remaining unpaid; and
  - (v) all such costs, charges, fees and expenses as the Managers may have determined pursuant to the provisions of the Deed;
- (e) there shall be taken into account such sum as in the estimate of the Managers will fall to be paid or reclaimed in respect of taxation related to Income up to the time of calculation of the Value of the Deposited Property;
  - (f) there shall be added the amount of any tax, if any, on capital gains estimated to be recoverable and not received;
  - (g) any Value (whether of an Authorised Investment, cash or a liability) otherwise than in dollars and any non-dollar borrowing shall be converted into dollars at the rate (whether official or otherwise) which the Managers shall after consulting with or in accordance with a method approved by the Trustee deem appropriate to the circumstances having regard inter alia to any premium or discount which may be relevant and to the costs of exchange;
  - (h) where the current price of an Authorised Investment is quoted “ex” dividend, interest or other payment but such dividend, interest or other payment has not been received the amount of such dividend, interest or other payment shall be taken into account; and
  - (i) there shall be taken into account such estimated sum approved by the Trustee as in the opinion of the Managers represents provision for any nationalisation, expropriation, sequestration or other restriction relating to the Deposited Property,

provided that the Managers may, to the extent permitted by the Authority and subject to the prior approval of the Trustee, change the method of valuation provided in this paragraph 21.4.2, and the Trustee shall determine if the Holders should be informed of such change.

## **21.5 Compulsory Realisations**

**21.5.1** The Managers have the right (in consultation with the Trustee) to compulsorily realise any holdings of Units in the 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 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 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 Fund, the 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 Fund in any jurisdiction or on the tax status of the Holders of the Fund; or



- (ii) may result in the Fund or other Holders of the Fund suffering any other legal or pecuniary or administrative disadvantage which the 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 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.

**21.5.2** 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.

**21.5.3** 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 21.5.

## **21.6 Termination of the Fund**

**21.6.1** Subject to Section 295 of the SFA, the Fund may be terminated:

- (i) either by the Trustee or the Managers in their absolute discretion by not less than six months' notice in writing to the other given so as to expire at the end of the accounting period current at the end of the fifth year after the date of the Deed or any year thereafter. Either the Trustee or the Managers shall be entitled by notice in writing as aforesaid to make the continuation of the Fund beyond any such date conditional on the revision to its or their satisfaction at least three months before the relevant date of its or their remuneration under the Deed. In the event that the Fund shall fall to be terminated or discontinued the Managers shall give notice thereof to all Holders not less than three months in advance;
- (ii) by the Trustee by notice in writing:
  - (a) if the Managers shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of their assets or if a judicial manager is appointed in respect of the Managers or if any encumbrancer shall take possession of any of their assets or if they shall cease business;

- (b) if any law shall be passed, any authorisation withdrawn or revoked or any direction issued by the Authority which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Fund; and
  - (c) if within the period of three months from the date of the Trustee expressing in writing to the Managers the desire to retire the Managers shall have failed to appoint a new trustee within the terms of Clause 31 of the Deed;
- (iii) by the Managers in their absolute discretion by notice in writing:
  - (a) on the third anniversary of the date of the Deed or on any date thereafter if on such date the aggregate Value of the Deposited Property shall be less than S\$5,000,000; or
  - (b) if any law shall be passed, any authorisation withdrawn or revoked or any direction issued by the Authority which renders it illegal or in the opinion of the Managers impracticable or inadvisable to continue the Fund; and
- (iv) at any time after five years from the date of the Deed by Extraordinary Resolution of a meeting of the Holders duly convened and held in accordance with the provisions contained in the schedule to the Deed.

**21.6.2** The party terminating the Fund shall give notice thereof to the Holders fixing the date at which such termination is to take effect which date shall not be less than three months after the service of such notice and the Managers shall give written notice thereof to the Authority not less than seven days (or such other period as may be permitted by the Authority) before such termination.

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

## **21.7 Voting rights in respect of the Deposited Property**

Subject to the Clause 21 of the Deed, the Managers may exercise or refrain from exercising any rights of voting conferred by any of the Deposited Property. The Managers shall be entitled to exercise the said rights 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 a conflict, between their own interest and that of the Holders, 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 shall be deemed to include not only a vote at a meeting but any consent to or approval of any arrangement, scheme or resolution or any alteration in or abandonment of any rights attaching to any part of the Deposited Property and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.

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

## **21.8 Saving Clause as to Indemnities**

Any indemnity expressly given to the Trustee or the Managers in the Deed is in addition to and without prejudice to any indemnity allowed by law; Provided Nevertheless That any provision of the Deed shall be void insofar as it would have the effect of exempting the Trustee or the Managers from or indemnifying 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 where they fail to show the degrees of diligence and care required of them having regard to the provisions of the Deed.



# 大华全球电信基金

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