

PROSPECTUS  
United Financials Multi-Strategy Funds

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UNITED  
**ASIA**  
**FINANCIALS**  
FUND

# UNITED FINANCIALS MULTI-STRATEGY FUNDS

## **Directory**

### **Managers**

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

*Registered Address:*  
80 Raffles Place, UOB Plaza  
Singapore 048624

*Operating Address:*  
80 Raffles Place, 6th Storey  
UOB Plaza 2  
Singapore 048624

### **Trustee**

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

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

### **Auditors**

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

### **Solicitors to the Managers**

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

### **Solicitors to the Trustee**

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

## Important Information

UOB Asset Management Ltd (the “**Managers**”) accept full responsibility for the accuracy of the information contained in this Prospectus of the **UNITED FINANCIALS MULTI-STRATEGY FUNDS** (the “**Fund**”) and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no facts the omission of which would make any statement herein misleading. Unless otherwise stated or the context otherwise requires, all undefined terms in this Prospectus have the same meanings as ascribed to them in the deed of trust dated 2 June 2008 (as may be amended) relating to the Fund (the “**Deed**”).

Investors should refer to the provisions of the Deed and obtain independent professional advice in the event of any doubt or ambiguity relating thereto. A copy of the Deed is available for inspection at the Managers’ office during normal business hours (subject to such reasonable restrictions as the Managers may impose).

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and may only be used in connection with the offering of units (“**Units**”) in the **UNITED ASIA FINANCIALS FUND** (the “**Sub-Fund**”), a sub-fund of the Fund. This Prospectus may be supplemented or replaced from time to time to reflect material changes.

Investment in the Sub-Fund requires consideration of the usual risks involved in investing and participating in collective investment schemes and the risks of investing in the Sub-Fund. Details of the risks involved are set out in paragraph 9 of this Prospectus. Investors should consider these risks carefully before making an investment decision. Investors should note that their investments can be volatile and there can be no assurance that the Sub-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 Sub-Fund. An investment should only be made by those persons who can sustain losses on their investments. Investors should satisfy themselves of the suitability to them of an investment in the Sub-Fund based on their personal circumstances.

Potential investors should seek independent professional advice to ascertain (a) the possible tax consequences, (b) the legal requirements, and (c) any foreign exchange restrictions or exchange control requirements which they may encounter under the laws of the countries of their citizenship, residence or domicile and which may be relevant to the subscription, holding or disposal of Units and should inform themselves of and observe all such laws and regulations in any relevant jurisdiction that may be applicable to them. No representation is made as to the tax status of the Sub-Fund.

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

Investors should note that the Units are not listed on any stock exchange. Investors may subscribe for or realise their Units through the Managers or any agent or distributor appointed by the Managers subject to the ultimate discretion of the Managers in respect of the subscription, sale, switching, conversion or realisation of an investor's Units in accordance with and subject to the provisions in the Deed.

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

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

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# UNITED FINANCIALS MULTI-STRATEGY FUNDS

## PROSPECTUS

*United Asia Financials Fund (the “**Sub-Fund**”) is a sub-fund of United Financials Multi-Strategy Funds (the “**Fund**”) and is an authorised scheme constituted in Singapore under the Securities and Futures Act (Chapter 289 of Singapore)(the “**SFA**”). A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “**Authority**”). The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the SFA, or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the Sub-Fund.*

### 1. BASIC INFORMATION

#### 1.1 Name of the collective investment scheme

United Financials Multi-Strategy Funds (the “**Fund**”) is an umbrella trust under which the Managers may establish sub-funds to be managed as separate and distinct trusts. There are current two sub-funds established under the Fund, United Financials Opportunities Fund and United Asia Financials Fund. This prospectus dated 22 April 2010 pertains to the offer of units in United Asia Financials Fund (the “**Sub-Fund**”) only. The prospectus relating to the other sub-fund of the Fund, the United Financials Opportunities Fund, expired on 2 June 2009.

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

The date of registration of this Prospectus with the Authority is 22 April 2010. This Prospectus is valid for 12 months after the date of registration (i.e., up to and including 21 April 2011) and will expire on 22 April 2011.

#### 1.3 Classes of Units

The following Classes of Units have been established within the Sub-Fund and are currently being offered for subscription by the Managers:

- (a) Class SGD (denominated in Singapore Dollars); and
- (b) Class JPY (denominated in Japanese Yen).

Class JPY Units will be offered only to collective investment schemes established in Japan. Investors should note that Class JPY Units may be subject to foreign exchange risks and currency conversion costs.

Classes of Units may differ in terms of their base currency (or denomination), Management Fee, Subscription Fee, Realisation Fee, Switching Fee, minimum subscription amounts, Minimum Holding or the availability of participation in the RSP (as defined in paragraph 11 below). In addition, a separate net asset value per Unit (denominated in the base

currency of the Class), which may differ as a consequence of such variable factors, will be calculated for each Class. Save for the above, Unitholders (“**Holders**”) of each Class have materially the same rights and obligations under the Deed. Investors should note that the assets of the Sub-Fund are pooled and invested as a single fund and are not segregated in respect of each Class.

References to “**Units**” will denote either Units of each Class or all Classes of Units within the Sub-Fund (as the case may be).

The Managers may at any time determine that new Classes be established within the Sub-Fund.

#### 1.4 Principal Deed and Supplemental Deeds

- (a) The Fund is constituted as an umbrella unit trust by way of a deed of trust dated 2 June 2008 (the “**Principal Deed**”) made between UOB Asset Management Ltd (the “**Managers**”) and HSBC Institutional Trust Services (Singapore) Limited (the “**Trustee**”).
- (b) The Principal Deed has been amended by the following deeds (the “**Supplemental Deeds**”):

<b>Date</b>	<b>Supplemental Deeds</b>
29 May 2009	First Amending and Restating Deed
22 April 2010	Second Amending and Restating Deed

The Principal Deed as amended by the Supplemental Deeds will be referred to as the “**Deed**”.

- (c) The Deed is binding on the Managers, the Trustee and each Holder and all persons claiming through the Holders as if such persons had each been a party to the Deed.
- (d) Investors should note that this Prospectus includes some of the provisions found in the Deed, which have to a large extent been summarised. **Not all provisions of the Deed are reflected in this Prospectus and investors should read the Deed for full details.**
- (e) A copy of the Deed is available for inspection at the Managers’ operating office at 80 Raffles Place, 6th Storey, UOB Plaza 2, Singapore 048624 during normal business hours (subject to such reasonable restrictions as the Managers may impose) and will be supplied by the Managers upon request at a charge not exceeding S\$25 per copy of the document (or such other amount as the Trustee and the Managers may from time to time agree).

## 1.5 Accounts and reports

As the Sub-Fund is newly established, reports and accounts relating to the Sub-Fund are not available as at the date of this Prospectus. Copies of the latest semi-annual and annual reports, semi-annual and annual accounts as well as the Auditors' report on the annual accounts relating to the Sub-Fund, where available, may be obtained during normal business hours (subject to such reasonable restrictions as the Managers may impose) from the Managers at their operating office at 80 Raffles Place, 6th Storey, UOB Plaza 2, Singapore 048624, upon request.

## 2. **THE MANAGERS**

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

UOBAM is a wholly-owned subsidiary of UOB Group. Established in 1986, UOBAM has been managing collective investment schemes and discretionary funds in Singapore for 24 years and as of 28 February 2010 manages about S\$14.69 billion in clients' assets. UOBAM also has investment operations in Malaysia and Thailand.

UOBAM offers global investment management expertise to institutions, corporations and individuals, through customised portfolio management services and unit trusts. As at 28 February 2010, UOBAM manages 49 unit trusts in Singapore, with total assets of about S\$3.06 billion under management. UOBAM is one of the largest unit trust managers in Singapore in terms of assets under management.

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

In addition, UOBAM is committed to achieving consistently good performance. Since 1996, UOBAM has won 109 awards for investments in local, regional and global markets, and across global sectors such as Banking and Finance, Technology, Healthcare, as well as Gold and Mining.

As at 28 February 2010, UOBAM has a staff strength of over 200 including 46 investment professionals in Singapore.

***Investors should note that the past performance of the Managers is not necessarily indicative of their future performance.***



### 3. THE TRUSTEE AND THE CUSTODIAN

The trustee of the Fund is HSBC Institutional Trust Services (Singapore) Limited (the “**Trustee**”), whose registered office is at 21 Collyer Quay, #14-01, HSBC Building, Singapore 049320.

The custodian of the Sub-Fund is the Trustee and/or such other custodian as may be appointed from time to time in respect of the Sub-Fund or any of its assets (the “**Custodian**”).

### 4. OTHER PARTIES

#### 4.1 The Registrar

The registrar of the Fund is the Trustee and the register of Holders (the “**Register**”) is kept and maintained at 60 Alexandra Terrace, #10-12/13, The Comtech, Singapore 118502. A copy of the Register is also kept at 156 Cecil Street, #08-03, Far Eastern Bank Building, Singapore 069544. Both the Register and the copy of the Register are accessible to the public during normal business hours (subject to such reasonable restrictions as the registrar or the Managers (as the case may be) may impose). Under the Deed, the Trustee may appoint any other party (including, without limitation, the Managers) to carry out and administer the Trustee’s duties in relation to the Register.

The Register is conclusive evidence of the number of Units in each Class and in the Sub-Fund held by each Holder and the entries in the Register will prevail in the event of any discrepancy between the entries in the Register and the details appearing on any statement of holdings, unless the Holder proves to the satisfaction of the Managers and the Trustee that the Register is incorrect.

#### 4.2 The Auditors

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

### 5. STRUCTURE OF THE FUND AND THE SUB-FUND

The Fund is an umbrella trust under which the Managers may establish sub-funds to be managed as separate and distinct trusts. This prospectus relates to the offering of Units in the Sub-Fund, United Asia Financials Fund, only.

The United Asia Financials Fund is a non-specialised, open-ended collective investment scheme, which is denominated in Singapore Dollars.

## 6. INVESTMENT OBJECTIVE, FOCUS AND APPROACH OF UNITED ASIA FINANCIALS FUND

### 6.1 Investment objective and policies

The investment objective of the Sub-Fund is to achieve long term capital growth by investing primarily in equities or equity-related securities of corporations in, or corporations listed or to be listed on stock exchanges in, or corporations (wherever located) which, in the opinion of the Managers, derive significant revenue or profits from or have significant assets or business interests in, the financial sector in the Asian region (excluding Japan).

The Sub-Fund will invest in a wide range of sub-sectors within the financial sector in the Asian region (excluding Japan). Such sub-sectors include, but are not limited to, the banking, insurance and diversified financial services industries.

### 6.2 Investment focus and approach

The Sub-Fund offers an opportunity for investors to tap the growth prospects of Asia's financial sector (excluding Japan).

The Manager aims to construct a diversified portfolio of equities or equity-related securities issued by companies in the financial sector in the Asian region (excluding Japan). For the avoidance of doubt, the geographical allocation of the Sub-Fund's investments is not limited to the East Asian region but may also include the greater Asian region. The Managers will systematically vary the portfolio's investments in the Asian region (excluding Japan) to reflect prevailing market dynamics and valuations. The Managers will review the geographical asset allocation of the Sub-Fund from time to time and at least on a quarterly basis, and variations may be made to the Sub-Fund's asset mix depending on prevailing market conditions.

In order to achieve its investment objective, the Sub-Fund will invest primarily in the listed equity securities of financial institutions, that is, corporations that derive a significant portion of their income from the provision of financial services. Financial services include the taking of deposits, extension of loans, underwriting of securities, provision of transaction and payment services (including clearing and settlement services), provision of fiduciary services including asset management, trust, and custody, the provision of insurance services and dealing in securities. The Sub-Fund will seek to target for investment, leading financial institutions in the Asian region (excluding Japan) with strong underlying customer franchises and minimum or manageable exposure to credit risk or systemic pricing dislocation.

The Sub-Fund's investment criteria include:

- (a) strong individual franchises with a margin of safety in terms of strong solvency and liquidity;
- (b) strong core profitability (albeit experiencing cyclical contraction in performance);

- (c) businesses that can improve their competitive position during difficult operating periods;
- (d) strong growth driver in terms of product mix or market exposure; and
- (e) stocks which are at significant discount to their intrinsic franchise values.

The rationale behind this investment strategy is to take advantage of opportunities in Asia's financial sector (excluding Japan) arising from the continuing global recovery from the US sub-prime and broader credit market and liquidity challenges.

The Sub-Fund may also invest in fixed income instruments, unlisted securities, distressed securities, American Depositary Receipts, Global Depositary Receipts, convertible bonds, warrants and structured products (including securitised instruments) issued by or relating to various financial institutions and in other Authorised Investments (as defined below) to achieve its investment objective. The Sub-Fund may temporarily invest in money market instruments, short term debt securities with credit ratings of A1 by Moody's Investors Service (or their equivalent) or higher, or hold cash deposits. The Sub-Fund may also hold part of its assets in liquid investments or cash for liquidity purposes. The above investments may be made where the Managers deem it to be in the Sub-Fund's interests, including where they see good investment opportunities or where there are no better or suitable investment opportunities (such as during extreme market conditions or severe market downturns). In all cases, the Sub-Fund's investments in unlisted securities should not exceed 10% of the Deposited Property of the Sub-Fund (with an additional 10% in investment grade unlisted debt securities) as set out in Appendix 1 of the Code on Collective Investment Schemes issued by the Authority, as may be amended from time to time (the "Code").

Up to 10% of the Deposited Property of the Sub-Fund may also be invested into other collective investment schemes as may be determined by the Managers from time to time.

In managing the Sub-Fund, the Managers will employ a multi-step investment process, combining a bottom-up investment process that involves rigorous company research, with a top-down process to review asset allocation at the geographic and sub-sectoral levels. Geographic and sub-sectoral allocation is derived after analysing macroeconomic trends and country dynamics. The Managers believe that long-term investment performance can be achieved by employing a rigorous research process that enables them to identify sound and profitable companies that generate superior returns as well as by identifying companies that are undervalued.

**There is no guarantee that the Sub-Fund will meet its investment objective.**

## 7. AUTHORISED INVESTMENTS AND RISK MANAGEMENT PROCEDURES

### 7.1 Authorised Investments

- (a) The authorised investments of the Sub-Fund (“**Authorised Investments**”) are as follows:
- (i) any Quoted Investment which is selected by the Managers for the purpose of investment of the Deposited Property;
  - (ii) any Investment in respect of which an application for listing or permission to deal has been made to a Recognised Market and the subscription for or purchase of which is either conditional upon such listing or permission to deal being granted within a specified period not exceeding 12 weeks (or such other period as may be agreed between the Managers and the Trustee) or in respect of which the Managers are satisfied that the subscriptions or other transactions will be cancelled if the application is refused;
  - (iii) any Unquoted Investment which is selected by the Managers for the purpose of investment of the Deposited Property;
  - (iv) any Investment which is a unit in any unit trust scheme or a share or participation in an open-ended mutual fund or other collective investment scheme;
  - (v) the currency of any country or any contract for the spot purchase or sale of any such currency or any forward contract of such currency;
  - (vi) any Investment denominated in any currency;
  - (vii) any Investment which is a future, option, forward, swap, collar, floor or other derivative; and
  - (viii) any Investment which is not covered by sub-paragraphs (i) to (vii), as selected by the Managers and approved by the Trustee.

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

The Investments described in sub-paragraphs (v) and (vii) above may be used for the purposes of hedging existing positions, efficient portfolio management and/or to meet the investment objective of the Sub-Fund.

- (b) The investment guidelines and borrowing limits for non-specialised funds set out in Appendix 1, Annex 1a and Annex 1b of the Code will apply to the Sub-Fund. Investors may obtain the latest version of the Code from the Authority’s website, [www.mas.gov.sg](http://www.mas.gov.sg).

## 7.2 Risk management procedures of the Managers

- (a) The Managers may use financial derivative instruments for the purposes of hedging existing positions, efficient portfolio management and/or to meet the investment objective of the Sub-Fund.
- (b) The Managers will ensure that the exposure of the Sub-Fund to financial derivative instruments will not at any time exceed 100% of the net asset value of the Deposited Property of the Sub-Fund. Such exposure will be calculated by converting the derivative positions into equivalent positions in the underlying assets embedded in those derivatives.
- (c) Description of risk management and compliance procedures and controls adopted by the Managers:
  - (i) The Managers will implement various procedures and controls to manage the risk of the assets of the Sub-Fund. The decision to invest in any particular security or instrument on behalf of the Sub-Fund will reflect the Managers' judgment of the benefit of such transactions to the Sub-Fund and will be consistent with the Sub-Fund's investment objective in terms of risk and return.
  - (ii) *Execution of Trades.* Prior to each trade, the Managers will ensure that the intended trade will comply with the stated investment objective, focus, approach and restrictions (if any) of the Sub-Fund, and that best execution and fair allocation of trades are done. The Managers' middle office department will conduct periodic checks to ensure compliance with the investment objective, focus, approach and restrictions (if any) of the Sub-Fund. In the event of any non-compliance, the Managers' middle office department is empowered to instruct the relevant officers to rectify the same. Any non-compliance will be reported to higher management and monitored for rectification.
  - (iii) *Liquidity.* In the event of unexpectedly large realisation of Units in the Sub-Fund, there may be a possibility that the assets of the Sub-Fund may be forced to be liquidated at below their fair and expected value, especially in illiquid public exchanges or over-the-counter markets. The Managers will ensure that a sufficient portion of the Sub-Fund will be in liquid assets such as cash and cash-equivalents to meet expected realisations, net of new subscriptions.
  - (iv) *Counterparty exposure.* The Sub-Fund may have credit exposure to counterparties by virtue of positions in derivative instruments and other financial instruments held by the Sub-Fund. To the extent that a counterparty defaults on its obligations and the Sub-Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its assets and in its income stream and incur extra costs associated with the exercise of its financial rights. The

Managers will restrict their 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 by Fitch Inc. or a financial strength rating of above C by Moody's Investors Service or an equivalent rating from any other reputable rating agency. If any approved counterparty fails this criterion subsequently, the Managers will take steps to unwind the Sub-Fund's position with that counterparty as soon as practicable.

- (v) *Volatility.* To the extent that the Sub-Fund has exposure to derivative instruments that allow a larger amount of exposure to a security for no or a smaller initial payment than the case when the investment is made directly into the underlying security, the value of the Sub-Fund's assets will have a higher degree of volatility. The Sub-Fund may use derivatives for hedging purposes for reducing the overall volatility of the value of its assets. At the same time, the Managers will ensure that the total exposure of the Sub-Fund to derivative positions will not exceed the net asset value of the Sub-Fund, as stated in [paragraph 7.2\(b\)](#).
- (vi) *Valuation.* The Sub-Fund may have exposure to over-the-counter derivatives that are difficult to value accurately, particularly if there are complex positions involved. The Managers will ensure that independent means of verifying the value of such instruments are available and will conduct such verification on a regular basis, which is expected to be at least once a month.
- (vii) *Fixed income securities.* The Sub-Fund will invest in fixed income securities and will be subject to the risks that are typical of such instruments, such as interest rate risks and default risk. Interest rate risks will arise from unexpected changes in the term structure of interest rates, which are in turn dependent on general economic conditions. In addition, such investments are subject to the specific ability of the issuers of such securities to meet its debt obligations and are hence dependent on the financial health of the issuers, which may change adversely over time due to their specific business conditions and general market conditions. The Managers will restrict investments in fixed income securities to those issued or guaranteed by sovereign or other governmental, quasi-government or supranational entities or agencies, or those fixed income securities issued by organisations, companies and other entities that have a credit rating of at least Baa3 by Moody's Investors Service, or BBB- by Standard and Poor's, or an equivalent rating from any other reputable rating agency.
- (viii) *Foreign Exchange/Currency Risk.* The Sub-Fund may have exposure, either directly or indirectly to a wide range of currencies, some of which may be restricted in terms of convertibility. The Managers may hedge the exposure to these currencies to the Singapore Dollar, possibly leading to a reduced overall gain or greater loss on currency swap transactions entered into by the Sub-Fund. The Sub-Fund may also employ strategies to invest in certain currencies while borrowing in other currencies, and this may result in losses if the net movements of the various currencies pairs move in unfavourable

directions. The Managers will select transactions in currencies that are likely to yield favourable returns to the Sub-Fund based on their historical trends.

- (d) The Managers will ensure that the risk management and compliance procedures and controls adopted are adequate and that they have the necessary expertise to control and manage the risks relating to the use of financial derivative instruments. The Managers may modify the risk management and compliance procedures and controls as they deem fit and in the interests of the Sub-Fund.

## 8. FEES AND CHARGES

### 8.1 Fees and charges table

<b>Fees payable by a Holder</b>	
Subscription Fee	Class SGD Units: Currently 5%; maximum 5%. Class JPY Units: Currently 0%; maximum 5%.
Realisation Fee	Class SGD Units: Currently 0%; maximum 2%. Class JPY Units: Currently 0%; maximum 2%.
Switching Fee <sup>(1)</sup>	Class SGD Units: Currently 1%; maximum 2%. Class JPY Units: Currently 1%; maximum 2%.

<b>Fees payable by the Sub-Fund to the Managers, the Trustee and other parties</b>	
Management Fee	Class SGD Units: Currently 1.5% per annum; maximum 2% per annum. Class JPY Units: Currently less than 1% per annum; maximum 2% per annum.
Trustee Fee	Currently less than 0.1% per annum; maximum 0.1% per annum (subject always to a minimum of S\$5,000 per annum). One-time inception fee of S\$5,000.
Administration fee	Class SGD Units: 0.25% per annum. Class JPY Units: None.
Registrar fee	The higher of S\$15,000 per annum or 0.125% per annum, subject always to a maximum of S\$25,000 per annum.
Valuation and accounting fees	0.125% per annum.
Audit fee <sup>(2)</sup> payable to the Auditors), custodian fee <sup>(3)</sup> payable to the Custodian) and other fees and charges <sup>(4)</sup>	Subject to agreement with the relevant parties. Each fee or charge may exceed 0.1% per annum, depending on the proportion that each fee or charge bears to the net asset value of the Sub-Fund.

- (1) In the case of a switch of Units to units of any other fund managed by the Managers (“**New Fund**”), the switching fee referred to relates to the 1% subscription fee imposed by the Managers for investment into the New Fund. Such 1% switching fee would, in the case of a New Fund which normally imposes a subscription fee of more than 1%, effectively translate to a discount of the subscription fee of the New Fund.
  - (2) The audit fee is subject to agreement with the Auditors for the relevant financial year.
  - (3) The custodian fee payable to the Custodian is subject to agreement with the Custodian. The Custodian is also entitled to a transaction fee, which will depend on the number of transactions carried out and the place at which such transactions are effected in relation to the Sub-Fund.
  - (4) Other fees and charges include printing costs, professional fees, goods and services tax and other out-of-pocket expenses.
- 8.2 As required by the Code, all marketing, promotional and advertising expenses in relation to the Sub-Fund will be borne by the Managers and not charged to or borne by the Deposited Property of the Sub-Fund.
- 8.3 The Subscription Fee and Realisation Fee will be retained by the Managers for their own benefit, and will not form part of the Deposited Property of the Sub-Fund. Any commission, remuneration or other sum payable to agents in respect of the issue or sale of any Units will be paid by the Managers.
- 8.4 The Managers may at any time differentiate between applicants as to the amount of the Subscription Fee, Realisation Fee, Switching Fee and other charges (if any) payable to the Managers upon the issue, realisation or switch of Units of the Sub-Fund or any Class thereof, or allow to investors discounts on such basis and to such extent as they may think fit (such discounts will not be borne by the Sub-Fund), or to waive such fees and charges.

## **9. RISKS**

### **9.1 General risks**

Investment in the Sub-Fund is meant to produce returns over the long term and investors should not expect to obtain short-term gains from such investment. The value of Units and the income accruing from the Units may fall or rise and investors may not get back their original investment. There is no guarantee that the investment objective of the Sub-Fund will be achieved.

Investors should consider and satisfy themselves as to the risks of investing in the Sub-Fund. Generally, some of the risk factors that should be considered by investors are market risk, interest rate risk, foreign exchange risk, political risk, regulatory risk, repatriation risk, liquidity risk and derivatives risk.



## 9.2. Specific risks

### (a) ***Market risk***

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

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

### (b) ***Financial institution risk***

In comparison to the overall stock market, the value of shares of financial institutions is more likely to be adversely affected by falling interest rates and/or deteriorating economic conditions. Also, financial institutions are subject to greater regulation than other industries in the overall stock market. For example, industries like banking and insurance are subject to special regulatory schemes not shared by other industries. Additionally, tighter government regulation and potential government intervention of financial institutions in which the Sub-Fund invests may adversely affect the Sub-Fund by preventing the Sub-Fund's holdings from realising their growth potential.

### (c) ***Equity risk***

The Sub-Fund may invest in stocks and other equity securities which are subject to market risks that historically have resulted in greater price volatility than experienced by bonds and other fixed income securities. This in turn may affect the value or volatility of the Sub-Fund.

### (d) ***Fixed income securities risk***

The Sub-Fund may invest in fixed income securities and may be subject to the risks that are typical of such instruments, such as interest rate risk and default risk. Interest rate risk will arise from unexpected changes in the term structure of interest rates, which are in turn dependent on general economic conditions. In addition, such investments are subject to the specific ability of the issuers of such securities to meet its debt obligations and are hence dependent on the financial health of the issuers, which may change adversely over time due to their specific business conditions and general market conditions.

(e) ***Distressed securities risk***

The Sub-Fund may invest in distressed securities which are securities and obligations of entities that are experiencing significant financial or business difficulties. Distressed securities may result in significant returns, but also involve a substantial degree of risk. The Sub-Fund may lose a substantial portion or all of its investment in a distressed security or may be required to accept cash or securities with a value less than the Sub-Fund's investment. In addition, it frequently may be difficult for the Sub-Fund to obtain information as to the true condition of such issuers. The market price of such securities is subject to abrupt and erratic market movements and above average price volatility.

(f) ***Structured products risk***

The Sub-Fund may invest in structured products that provide exposure, synthetically or otherwise, to underlying assets and the risk/return profile is determined by the cash flows derived from such assets. Structured products generally involve multiple components (for example, derivatives and debt instruments) and are therefore exposed to the risks associated with such components. The price of such an investment could also be contingent on, or highly sensitive to, changes in the underlying components of the structured product. Some structured products may employ leverage which can cause the price of such products to be more volatile than if they had not employed leverage.

(g) ***Interest rate risk***

Interest rates are determined by factors of supply and demand in the international money markets which are influenced by macroeconomic factors, speculation and central bank and government intervention. Fluctuations in short term and/or long term interest rates may affect the value of the Sub-Fund. Fluctuations in interest rates of the currencies in which investments of the Sub-Fund are denominated and/or fluctuations in interest rates of the currencies in which the underlying assets comprised in the investments of the Sub-Fund are denominated may affect the value of the Sub-Fund.

(h) ***Foreign exchange / currency risk***

The Sub-Fund is denominated in Singapore Dollars and may have exposure, either directly or indirectly to a wide range of currencies. Where investments are made by the Sub-Fund in the form of foreign currency denominations, or where the underlying asset, reference rate or index linked to the derivatives (if any) are expressed in foreign currencies, fluctuations of the exchange rates of other foreign currencies against the Singapore Dollar may affect the value of the Units.

In the management of the Sub-Fund, the Managers adopt an active currency management approach and will select transactions in currencies that are likely to yield favourable returns to the Sub-Fund based on their historical trends. However, the foreign currency exposure of the Sub-Fund may not be fully hedged depending

on circumstances of each case. Such considerations will include but are not limited to the outlook on the relevant currency, the costs of hedging and the market liquidity of the relevant currency. Hedging for foreign exchange exposure may lead to a reduced overall gain or greater loss on foreign exchange transactions (if any) entered into by the Sub-Fund. The Sub-Fund may employ strategies to invest in certain currencies while borrowing in other currencies, and this may result in losses if the net movements of the various currency pairs move in unfavourable directions.

The Class JPY Units of the Sub-Fund are denominated in Japanese Yen, which is not the base currency of the Sub-Fund. Changes in the exchange rate between Japanese Yen and the base currency of the Sub-Fund may lead to a depreciation of the value of the Class JPY Units, as expressed in Japanese Yen. The Managers intend to adopt an active approach towards hedging against such exchange rate risks. In doing so, the Manager may or may not mitigate the exchange rate risk to the extent of the net asset value attributed to Class JPY. Investors should note that although any financial instrument used to mitigate such exchange rate risks is not in relation to the other Classes of Units within the Sub-Fund, the financial instrument will comprise the assets (or liabilities) of the Sub-Fund as a whole. The gains (or losses) on and the costs of the relevant financial instruments will, however, accrue solely to the Class JPY Units.

(i) ***Derivatives risk***

The Sub-Fund may enter into transactions involving derivative instruments, which are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. The derivative instruments may include options, warrants and swaps and the underlyings may include bonds, stocks, interest rates, currency exchange rates and indices.

The Managers may use derivatives for hedging existing positions, efficient portfolio management and/or to meet the investment objective of the Sub-Fund.

While the prudent and judicious use of derivatives by professional investment managers can be beneficial, derivatives involve risks different from, and, in some cases, greater than, the risks presented by more traditional securities investments. Some of the risks associated with derivatives are market risk, management risk, credit risk, liquidity risk and leverage risk.

Investments in “over-the-counter” (OTC) instruments may be illiquid and are sometimes subject to larger spreads than exchange-traded derivative instruments. Participants in such OTC markets are typically subject to less regulatory oversight than members of exchange-based markets.

Investments in derivatives may require the deposit of initial margin and additional deposit of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, the Sub-Fund’s investments may be liquidated at a loss. Therefore, it is essential that such investments in derivatives are monitored closely.

(j) ***Counterparty risk***

The Sub-Fund will be exposed to the credit risk of the counterparties of the instruments into which the Sub-Fund invests and the ability of the counterparty to satisfy the terms of such instruments. The Sub-Fund is exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Sub-Fund could experience delays in liquidating the position and thereby incur significant losses, including declines in the value of its investment during the period in which the Sub-Fund seeks to enforce its rights, inability to realise any gains on its investment during such period and the incurrence of fees and expenses in enforcing its rights. There is also a possibility that the contracts may be terminated due to, for instance, bankruptcy, supervening illegality or change in the tax or accounting laws relative to those laws existing at the time the agreement was entered into.

(k) ***Political risk***

The investments in the Sub-Fund may be adversely affected by political instability as well as exchange controls, changes in taxation, monetary and fiscal policies, 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. In particular, exposure of the Sub-Fund to any underlying assets, securities, investment/trading strategies and/or indices of derivative instrument which is, as the case may be, located in or focused on any particular market may in turn expose the Sub-Fund to the political risks of that market.

(l) ***Regulatory risk***

The Sub-Fund's investments in emerging markets in Asia are also subject to regulatory risks, for example, the introduction of new laws, the imposition of exchange controls, the adoption of restrictive provisions by individual companies or where a limit on the holding of the Sub-Fund in a particular company, sector or country by non-residents (individually or collectively) has been reached.

(m) ***Repatriation risk***

Investments in emerging markets in Asia could be adversely affected by delays in, or refusal to grant, relevant approvals for the repatriation of funds or by any official intervention affecting the process of settlement of transactions. Consents granted prior to investment being made in any particular country may be varied or revoked, and new restrictions may be imposed.

(n) ***Risk of exceptional market conditions***

Under certain market conditions, it may be difficult or impossible to liquidate or rebalance positions. For example, this may occur during volatile markets or crisis situations or where trading under the rules of the relevant stock exchange is suspended, restricted or otherwise impaired. During such times, the Sub-Fund

may be unable to dispose of certain assets due to thin trading or lack of a market or buyers. Placing a stop-loss order may not necessarily limit the Sub-Fund's losses to intended amounts as market conditions may make it impossible to execute such an order at the ideal price. In addition, such circumstances may force the Sub-Fund to dispose of assets at reduced prices, thereby adversely affecting the Sub-Fund's performance. Further, such investments may be difficult to value with any degree of accuracy or certainty. The dumping of securities in the market could further deflate prices. If the Sub-Fund incurs substantial trading losses, the need for liquidity could rise sharply at the same time that access to liquidity is impaired. Further, in a market downturn, the Sub-Fund's counterparties' financial conditions could be weakened, thereby increasing the Sub-Fund's credit risk.

(o) ***Single sector risk***

As investments by the Sub-Fund are concentrated within a specific economic sector, it is therefore subject to greater risks and market volatility than investments in a broader range of securities covering various economic sectors.

(p) ***Risk of use of rating agencies and other third parties***

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

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

(q) ***Risk of institutional investors***

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

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

## 10. SUBSCRIPTION AND ISSUE OF UNITS

### 10.1 How Units may be subscribed and paid for

Applications for Units may be made to the Managers by submitting the application form attached to this Prospectus, or through any agents or distributors appointed by the Managers from time to time, or through automated teller machines (“ATMs”) (as and when ATM applications are made available by the Managers or their authorised agents or distributors, if applicable), or through the Managers’ website at [uobam.com.sg](http://uobam.com.sg) or any other website designated by the Managers or any other sales channel, if applicable. The acceptance or non-acceptance of applications for Units shall be at the absolute discretion of the Managers acting in consultation with the Trustee and in the best interests of the Sub-Fund or the relevant Class.

Applications should be accompanied by such documents as may be required, with the subscription monies in full, failing which the Managers reserve the right to reject the relevant application. Applicants may make payment for Units by telegraphic transfer and should contact the Managers for details regarding such payment. All bank charges incurred in respect of a telegraphic transfer will be borne by the applicant.

Investors have a choice of paying for Class SGD Units with cash or SRS (as defined below) monies. Subscriptions for Class JPY Units may only be paid for in cash.

Investors wishing to use their SRS monies to purchase Class SGD Units should indicate this on the application form (which will contain the investor’s instructions to his SRS Operator (as defined below) to withdraw from his SRS Account (as defined below) the subscription monies in respect of the Class SGD Units applied for).

Currently, the Managers accept payment in respect of a subscription for Class SGD Units in Singapore Dollars (for payment using SRS monies) and in both Singapore Dollars and US Dollars (for cash payment). In respect of a subscription for Class JPY Units, the Managers will generally only accept payment in Japanese Yen.

The Issue Price of Class SGD Units will be calculated in Singapore Dollars. Investors who paid for their Units in Singapore Dollars will have their Units issued at the relevant Issue Price (quoted in Singapore Dollars), and investors who paid for their subscriptions in US Dollars will have their Units issued at the relevant Issue Price (converted at the applicable Rate of Exchange and quoted in US Dollars). The Issue Price of Class JPY Units will be calculated and quoted in Japanese Yen.

As the Class SGD Units are denominated in Singapore Dollars, investors should note that any subscription monies paid in US Dollars will be converted to Singapore Dollars at

the applicable Rate of Exchange prior to such subscription monies being invested in the Sub-Fund, and the costs of such currency exchange, if any, will be borne by the relevant investor.

The Managers may also accept payment in any other currency from time to time at their sole discretion and subject to such additional terms as they may impose from time to time. The costs of any currency exchange will be borne by the relevant investor. Investors should also be aware of the foreign exchange and currency risks of investing in the Sub-Fund, which is summarised in paragraph 9.2(h) above.

Units will generally only be issued when subscription monies have been received by the Trustee on a cleared funds basis (save for those subscriptions made through the use of SRS monies) in the relevant currency, although the Managers may at their discretion issue Units before the Trustee receives full payment in cleared funds or, if required, conversion to the relevant currency.

For compliance with anti-money laundering laws and guidelines, the Managers or their authorised distributors reserve the right to request such information or documents as is necessary to verify the identity of an applicant.

In this Prospectus:

“**Japanese Yen**” or “**¥**” means the lawful currency of Japan.

“**Rate of Exchange**” means such exchange rate (whether official or otherwise) which the Managers, after consultation with the Trustee or in accordance with a method approved by the Trustee, deem appropriate in the circumstances.

“**SRS**” means the scheme referred to by the Minister of Finance as the Supplementary Retirement Scheme or such other scheme as shall replace or supersede the Supplementary Retirement Scheme from time to time.

“**SRS Account**” means an account opened by an investor with a participating branch of a designated SRS Operator for the purpose of an investment under the SRS.

“**SRS Operator**” means any of the designated banks as appointed by the Minister of Finance from time to time to operate SRS Accounts.

“**US Dollars**” or “**US\$**” means the lawful currency of the United States of America.

## 10.2 Issue Price and Initial Offer Period

The initial offer period for Class JPY Units and Class SGD Units is from 26 April 2010 to 4 June 2010 or for such other period as the Managers may determine from time to time in respect of each Class, upon notification to the Trustee (the “**Initial Offer Period**”).

During the Initial Offer Period, Class SGD Units will be offered at the initial issue price of S\$1.00 (or its equivalent in US Dollars) and Class JPY Units will be offered at the initial issue price of ¥1,000.

After the Initial Offer Period, Units will be issued on a forward pricing basis. Therefore, the Issue Price of such Units will not be ascertainable at the time an application is made.

Units offered after the Initial Offer Period will be issued on each Dealing Day (as defined in [paragraph 10.4](#) below) at an Issue Price that is ascertained by the Managers by calculating the net asset value as at the Valuation Point in relation to the Dealing Day on which such issue occurs of the proportion of the Deposited Property of the Sub-Fund represented by one Unit of the relevant Class and truncating the resultant amount to 3 decimal places (or such other method of adjustment or number of decimal places as determined by the Managers with the approval of the Trustee). The Managers may, if so required, charge a Subscription Fee which is deducted from the total amount paid by the investor for the subscription of Units (the “**Gross Investment Amount**”), and the resultant amount (the “**Net Investment Amount**”) will be applied towards the subscription of Units. The Subscription Fee will be retained by the Managers for their own benefit and the amount of the adjustment will be retained by the Sub-Fund. The Managers’ policy in relation to the valuation of the assets of the Sub-Fund is set out in [paragraph 22.3](#).

The Managers may, in consultation with the Trustee and in accordance with the provisions of the Deed, make fixed price offers of Units from time to time.

No certificates for Units will be issued.

Any change to the method of determining the Issue Price will be effected with the consent of the Trustee, who will determine whether Holders should be informed of the change.

### 10.3 [Minimum subscription amounts](#)

The minimum initial subscription amount and minimum subsequent subscription amount in respect of Units of each Class are set out below. The Managers may vary these amounts from time to time, either generally or in respect of any particular transaction, upon prior written notice to the Trustee:

<b>Class</b>	<b>Minimum initial subscription amount*</b>	<b>Minimum subsequent subscription amount*</b>
Class SGD	S\$1,000 (or its equivalent in US Dollars)	S\$500 (or its equivalent in US Dollars)
Class JPY	At Managers' discretion	At Managers' discretion

\* or its equivalent in such other currencies at the applicable Rate of Exchange, as the Managers may decide.



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

#### 10.4 Dealing Deadline

The Managers administer the Sub-Fund and each Class by stipulating the days on which transactions in Units of the relevant Class are permitted, and the times by which (among other things) applications or instructions must be received for transactions in Units of the relevant Class to take place as of a particular day or time.

The dealing deadline is 3 p.m. Singapore time on any Dealing Day (“**Dealing Deadline**”). Applications received and accepted by the Managers or their authorised agent or distributor by the Dealing Deadline will be transacted on that day at that Dealing Day’s Issue Price. Applications received and accepted by the Managers or their authorised agent or distributor after the Dealing Deadline or on a day which is not a Dealing Day will be transacted on the next Dealing Day.

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

“**Dealing Day**”, in connection with the issuance, cancellation, switching and realisation of Units, means every Business Day or such other day or days at such intervals as the Managers may from time to time determine with the prior consultation of the Trustee provided that reasonable notice of any such determination will be given by the Managers to all Holders at such time and in such manner as the Trustee may approve provided that if on any day which would otherwise be a Dealing Day the Recognised Market on which investments of the Sub-Fund having in aggregate values amounting to at least 50% of the value of the assets of the Sub-Fund (as at the relevant Valuation Point) are quoted, listed, or dealt in is not open for normal trading, the Managers may determine that that day shall not be a Dealing Day.

“**Valuation Point**” means 7 a.m. Singapore time on the day following the relevant Dealing Day on which the net asset value of the Sub-Fund or relevant Class thereof is to be determined or such other time as the Managers may determine with the prior approval of the Trustee who will determine if a notice to notify the Holders of such change is required.

The Deed sets out the circumstances in which the issue of Units may be suspended. The relevant provisions are summarised in paragraph 16.

#### 10.5 Numerical example of the computation of Units allotted

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

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

\* The example above is a hypothesis and is not indicative of any future Issue Price. The actual Issue Price after the Initial Offer Period of a Class will fluctuate according to the then prevailing net asset value of that Class. Investors should note that Class JPY Units are denominated in Japanese Yen.

The number of Units to be issued to an investor will be rounded down to 2 decimal places (the method of adjustment and the number of decimal places to which adjustment occurs may be varied by the Managers from time to time with the approval of the Trustee).

#### 10.6 Confirmation of purchase

An investor who invests in the Sub-Fund will be sent a confirmation of his purchase within 5 Business Days for cash applications and within 11 Business Days for SRS applications from the date of issue of the Units.

#### 10.7 Minimum fund size and other conditions to the launch of the Sub-Fund or Class

The Managers reserve the right not to proceed with the launch of the Sub-Fund in the event that:

- (a) the aggregate capital raised for the Sub-Fund as at the close of the Initial Offer Period is less than the equivalent of S\$5,000,000; or
- (b) the Managers are of the view that it is not in the interest of the investors or it is not commercially viable to proceed with the Sub-Fund.

The Managers reserve the right not to proceed with the launch of a Class in the event that:

- (i) the capital raised for the Class as at the close of the Initial Offer Period is less than S\$5,000,000 or its equivalent in the Base Currency of the Class; or
- (ii) the Managers are of the view that it is not in the interest of the investors of the Class or it is not commercially viable to proceed with the Class.

In such event, the Sub-Fund or Class (as the case may be) shall be deemed not to have commenced and the Managers shall notify the relevant investors of the same and return

the subscription monies received (without interest) to the relevant investors no later than 30 Business Days after the close of the Initial Offer Period. For subscriptions in currencies other than the base currency of the relevant Class, the investor bears the risk of any exchange rate fluctuations from the time of subscription to the return of monies to the investor, including any conversion costs.

## 11. REGULAR SAVINGS PLAN

Currently, a regular savings plan (“**RSP**”) is available for Holders of Class SGD Units only.

A Holder must have a minimum holding of 1,000 Class SGD Units or the number of Class SGD Units which would have been purchased for S\$1,000 or its equivalent in US Dollars or such other currency as the Managers may decide based on the issue price of Class SGD Units prevailing on the date of application (or such other number of Class SGD Units as the Managers may from time to time determine) to join the RSP.

A Holder may opt to invest a minimum sum of S\$100 (or in the case where payment is made in US Dollars, US\$100) on a fixed day per month or S\$500 (or in the case where payment is made in US Dollars, US\$500) on a fixed day per quarter through Interbank GIRO payment (or such other amounts or in such other currencies as the Managers may determine from time to time) (the “**RSP sum**”).

For RSP using cash, Holders must complete an Interbank GIRO Form authorising the payment for the RSP (or such other form or method as the Managers may determine from time to time) and submit it together with the application form.

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

The RSP sum will be debited from the account indicated on the relevant RSP transaction form on the 25th calendar day (or the next Business Day if that day is not a Business Day) of (i) each month (in the case of monthly RSP subscriptions) or (ii) the last month of each calendar quarter (in the case of quarterly RSP subscriptions) or on such other date as the Managers may determine. The investment will be made on the same day after payment has been debited for cash or SRS monies with the allotment of Class SGD Units made normally within 2 Business Days thereafter.

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

An investor may terminate his participation in the RSP without penalty upon giving not less than 1 month’s written notice to the Managers. The Managers reserve the right to terminate or suspend the RSP at any time in their absolute discretion by giving at least 1 month’s notice to the affected Holders.

The Managers will not assume any liability for any losses attributable to a Holder's participation in the RSP.

## 12. REALISATION OF UNITS

### 12.1 How Units may be realised

Holders who wish to realise their Units may do so on any Dealing Day (as defined at [paragraph 10.4](#) above). Requests for realisation of Units may be made by submitting realisation forms, which may be obtained from any agent or distributor appointed by the Managers from time to time, or through an ATM (as and when ATM realisations are made available by the Managers or their duly authorised agents or distributors, if applicable), or through the Managers' website at [uobam.com.sg](http://uobam.com.sg) or any other website designated by the Managers, or any other channels, if applicable.

The Net Realisation Proceeds (as described in [paragraph 12.3](#)) will normally be paid by cheque or credited to the Holder's relevant account as applicable within 6 Business Days (or such other period as may be permitted by the Authority) from the date of receipt and acceptance of the realisation form by the Managers or their authorised agent or distributor, unless the realisation of Units has been suspended in accordance with the events set out in [paragraph 16](#) below.

### 12.2 Minimum holding amount and minimum realisation amount

A Holder who realises his Units may realise his Units in full or partially, but will not be entitled to realise part of his holding of Units if, as a consequence of such realisation, his holding in the relevant Class would be reduced to less than the Minimum Holding. Where any realisation request would result in the Holder holding less than the Minimum Holding for a relevant Class, the Managers will require such Holder to realise all of his holding of Units of that Class.

“**Minimum Holding**” means 1,000 Units or such number of Units as may be purchased for the minimum initial subscription amount of the relevant Class as stated in [paragraph 10.3](#) or such other number of Units or amount as may from time to time be determined by the Managers.

Presently, no Holder may realise less than 500 Units in each request.

The Managers may, with a view to protecting the interests of all Holders of the Sub-Fund or of a Class and with the approval of the Trustee, limit the total number of Units of the Sub-Fund or Class (as the case may be) which Holders may realise on any Dealing Day to 10% of the total number of Units of the Sub-Fund or Class (as the case may be) then in issue (disregarding any Units which have been agreed to be issued). Such limitation will be applied pro rata to all Holders of the Sub-Fund or Class (as the case may be) who have validly requested realisations on such Dealing Day. In such circumstances, which could arise where there is an exceptionally large number of realisation requests received in respect of any Dealing Day, affected investors may experience a delay in their receipt of the realisation proceeds.

The Deed sets out the circumstances in which the realisation of Units may be suspended. The relevant provisions are summarised in [paragraph 16](#).

### 12.3 Pricing and Dealing Deadline

Requests for realisation of Units received and accepted by the Managers or any of their authorised agents or distributors by way of realisation forms (or in such other form or manner as may be approved from time to time by the Managers) by the Dealing Deadline (i.e. 3 p.m. Singapore time on any Dealing Day) will be transacted on that day at that Dealing Day's Realisation Price. Requests received and accepted by the Managers after the Dealing Deadline or on a day not being a Dealing Day will be transacted on the next Dealing Day at that Dealing Day's Realisation Price.

Units are realised on a forward pricing basis. Therefore, the Realisation Price cannot be ascertained at the time of request. The Realisation Price per Unit is ascertained by the Managers by calculating the net asset value as at the Valuation Point in relation to the Dealing Day on which the realisation request is received and accepted of the proportion of the Deposited Property then represented by one Unit of the relevant Class and truncating the resultant amount to 3 decimal places (or such other method of adjustment or other number of decimal places as determined by the Managers with the approval of the Trustee). The Managers may, if applicable, charge a Realisation Fee which is deducted from the total amount payable to the investor in respect of the realisation of Units (the "**Gross Realisation Proceeds**"), and the resultant amount (the "**Net Realisation Proceeds**") will be paid to the investor. The Realisation Fee will be retained by the Managers for their own benefit and the amount of the adjustment aforesaid will be retained by the Sub-Fund.

The Managers will be entitled to convert the Realisation Price to a foreign currency at the applicable Rate of Exchange. The cost of the currency exchange, if any, will be borne by the relevant investor. Currently, the Managers permit the realisation of Class SGD Units in both Singapore Dollars and US Dollars and the realisation of Class JPY Units in Japanese Yen. The Managers will quote the Realisation Price of the Class SGD Units in Singapore Dollars and its equivalent in US Dollars at the applicable Rate of Exchange and will quote the Realisation Price of the Class JPY Units in Japanese Yen. In future, the Managers may permit the realisation of Units in any other foreign currency subject to such additional terms as they may impose from time to time. In such event, the Managers will quote the Realisation Price in such currency at the applicable Rate of Exchange.

If a Holder is resident outside Singapore, the Managers will be entitled to deduct from the total amount which would otherwise be payable to the Holder on realisation, an amount equal to the excess of the expenses actually incurred over the amount of expenses, which would have been incurred if the Holder had been resident in Singapore.

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

Bank charges (if any) incurred in respect of a telegraphic transfer of realisation proceeds to a Holder's bank account will be borne by the Holder.

#### 12.4 Numerical example of the computation of Net Realisation Proceeds

The Net Realisation Proceeds payable to a Holder on the realisation of 1,000 Class SGD Units and on a notional Realisation Price of S\$0.900\* and a Realisation Fee of 0% will be calculated as follows:

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

\* The example above is a hypothesis and is not indicative of any future Realisation Price. The actual Realisation Price of a Class will fluctuate according to the then prevailing net asset value of that Class. Investors should note that Class JPY Units are denominated in Japanese Yen.

### 13. SWITCHING OF UNITS

- 13.1 The Managers may allow a Holder to switch his Units in the Sub-Fund to units of another sub-fund of the Fund, or to units in other collective investment schemes managed by the Managers, or for a different class of Units, upon such terms and conditions as the Managers may from time to time determine in accordance with the provisions of the Deed.
- 13.2 Applications for switching of Units of any Class (the “**original Class**”) into Units of another sub-fund of the Fund or Class (the “**new Sub-Fund**” or “**new Class**”, as the case may be) may be made via switching forms which may be obtained from any Singapore branches of the UOB Group or Invest Shops, or any agent or distributor of the Managers.
- 13.3 Save as hereafter provided, the switching of Units of any Class shall be made on the day which is both a Dealing Day in relation to Units of the original Class and a Dealing Day in relation to Units of the new Sub-Fund or new Class (as the case may be) (“**Common Dealing Day**”) on which the switching form is received by the Managers by 3 p.m. (Singapore time) on such Common Dealing Day. For a switching form received on a day which is not a Common Dealing Day or received after 3 p.m. (Singapore time) on a Common Dealing Day, such switching form shall be treated as having been received before 3 p.m. (Singapore time) on the next Common Dealing Day.

- 13.4 Switching of the Units of the original Class shall be effected by the cancellation of such Units and by the issue of Units of the new Sub-Fund or new Class (as the case may be), such cancellation and issue taking place on the relevant Common Dealing Day, and the number of Units of the new Sub-Fund or new Class (as the case may be) to be issued on switching shall be determined by the Managers in accordance with the provisions of the Deed.
- 13.5 Switching shall be subject to the Holder maintaining the applicable Minimum Holding of the original Class and the new Sub-Fund or new Class (as the case may be) or such other number of Units or amount as the Managers may from time to time determine upon giving prior notice to the Trustee either generally or in any specific or class of transactions.
- 13.6 No Units shall be switched during any period where the realisation of Units of the original Class is limited (as described in paragraph 12.2 above), or suspended in accordance with paragraph 16 below.
- 13.7 Subject to the provisions of the Deed, the Managers may on the application of a Holder effect the switching of Units of any Class for units of any other Group Trust (as defined below). Switching shall be subject to the Holder maintaining the applicable Minimum Holding of the original Class and the Group Trust or such other number of Units or amount as the Managers may from time to time determine upon giving prior notice to the Trustee either generally or in any specific or class of transactions.

“**Group Trust**” means a collective investment scheme the manager of which:

- (a) is the Managers or a corporation under their control or under common control with them or at least 50% of the share capital of which is held by a corporation which is a shareholder of the Managers; and
- (b) has approved the terms of any switching which may be made pursuant to the Deed.

## 14. CANCELLATION OF SUBSCRIPTION FOR UNITS

- 14.1 Subject to the provisions of the Deed and to the terms and conditions for cancellation of subscription in the cancellation form to be provided together with the application form for Units, every Holder will have the right by notice in writing delivered to the Managers or their authorised agents or distributors, to cancel his subscription for Units within 7 calendar days (or such longer period as may be agreed between the Managers and the Trustee or such other period as may be prescribed by the Authority) from the date of his initial subscription (the “**Cancellation Period**”) provided that where the last day of the Cancellation Period falls on a Sunday or public holiday in Singapore, the Cancellation Period will be extended to the next calendar day not being a Sunday or public holiday in Singapore.

- 14.2 A Holder may choose to realise his Units under paragraph 12 instead of cancelling his subscription for Units but should note that he will not be able to enjoy the benefits of a cancellation under this paragraph 14 if he chooses to realise his Units (i.e. there will be no refund of the Subscription Fee and the prevailing Realisation Fee, if any, may be imposed) and the net realisation proceeds may be lower than the cancellation proceeds if the appreciation in the value of the Units is less than the aggregate of the Subscription Fee and Realisation Fee.

*Investors should refer to the terms and conditions for the cancellation of subscriptions in the cancellation form before subscribing for Units.*

## 15. OBTAINING PRICES OF UNITS

The indicative Issue Price and Realisation Price of Class SGD Units will be published in The Straits Times, The Business Times, Lianhe Zaobao, Today, Teletext and such other foreign publication as the Managers may decide upon and can also be obtained from the Managers' website at [uobam.com.sg](http://uobam.com.sg) or any other website designated by the Managers if applicable or by calling the Managers' 24-hour hotline at telephone number 1800 22 22 228. The actual prices quoted will generally be published 2 Business Days after the relevant Dealing Day in Singapore Dollars and in US Dollars (in the case of Class SGD Units). Investors should note that the frequency of the publication of the prices is dependent on the publication policies of the publisher concerned.

The indicative Issue Price and Realisation Price of Class JPY Units may be obtained from the Managers.

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

## 16. SUSPENSION OF DEALINGS

- 16.1 The Managers or the Trustee may, with the prior written approval of the other, suspend the issue, realisation or valuation of Units in relation to the Sub-Fund or any Class of the Sub-Fund during:
- (a) any period when the Recognised Market on which any Authorised Investments forming part of the Deposited Property (whether of the Sub-Fund or of the Fund) for the time being are listed or dealt in is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;
  - (b) the existence of any state of affairs which, in the opinion of the Managers and the Trustee, might seriously prejudice the interests of the Holders in relation to the Sub-Fund or the relevant Class as a whole or of the Deposited Property of the Sub-Fund;



- (c) any breakdown in the means of communication normally employed in determining the price of any of such Authorised Investments, or the current price on the relevant Recognised Market, or when for any reason the prices of any of such Authorised Investments, or the amount of any liability of the Trustee and/or the Managers for the account of the Fund or the Sub-Fund, cannot be promptly and accurately ascertained (including any period when the fair value of a material portion of the Authorised Investments cannot be determined);
- (d) any period when remittance of moneys which will or may be involved in the realisation of such Authorised Investments or in the payment for such Authorised Investments for the time being constituting the Deposited Property (whether of the Sub-Fund or of the Fund) cannot, in the opinion of the Managers and the Trustee, be carried out at normal rates of exchange;
- (e) any period whereby, subject to the approval of the Trustee, dealing of Units has to be suspended to effect the subdivision or consolidation of Units;
- (f) any period when the dealing of Units is suspended pursuant to any order or direction issued by the Authority;
- (g) any 48 hour period (or such longer period as may be agreed between the Managers and the Trustee) prior to the date of any meeting of Holders of the Sub-Fund or the relevant Class or the Fund (or any adjourned meeting thereof); or
- (h) any period when the business operations of the Managers or the Trustee in relation to the operation of the Fund or Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

16.2 Such suspension will take effect forthwith upon the declaration in writing thereof to the Trustee by the Managers (or, as the case may be, to the Managers by the Trustee) and will terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other condition under which such suspension is authorised under paragraph 16.1 shall exist upon the declaration in writing thereof by the Managers (or, as the case may be, the Trustee). Any payment for any Units realised before the commencement of any such suspension but for which payment has not been made before the commencement thereof may, if the Managers and the Trustee so agree, be deferred until immediately after the end of such suspension.

## **17. PERFORMANCE OF THE SUB-FUND**

### **17.1 Performance of the Sub-Fund**

As the Sub-Fund is newly established, a track record of at least 1 year is not available for the Sub-Fund at the time of lodgment of this Prospectus.

The benchmark against which the performance of the Sub-Fund will be measured is the MSCI Asia ex Japan Financials ex Real Estate.

## 17.2 Expense ratio and turnover ratio

As the Sub-Fund is newly established, the audited accounts for the Sub-Fund are not available at the time of lodgment of this Prospectus. As such, no expense ratio or turnover ratio is currently available.

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

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

Soft-dollar commissions/arrangements will not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payment.

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

## 19. **CONFLICTS OF INTEREST**

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

- (a) Investment decisions for each fund are made impartially. There are no preferred customers or funds and all accounts are treated equally.
- (b) All investment ideas are shared equally among fund managers.
- (c) The Managers subscribe to the Code of Ethics and the Standards of Professional Conduct as prescribed by the CFA Institute in U.S.A. CFA Institute is the primary professional organisation for security analysts, investment managers and others who are involved in the investment decision-making process. All Certified Financial Analyst charter holders of CFA Institute and candidates who are in pursuit of

the charter, including those from Singapore, are expected to comply with CFA Institute standards. The Code of Ethics and the Standards of Professional Conduct are in place to ensure high ethical and professional standards of the investment professionals as well as fair treatment to the investing public.

- (d) In addition, despite the possible overlap in the scope of investments, none of the funds are identical to one another and investment decisions are made according to the individual risk-return characteristic of each fund.
- (e) Most importantly, the Managers' usual fair and unbiased practice is to allocate investment between various funds which place the same orders simultaneously on a pro rata basis. However, should any potential conflicts of interest arise from a situation of competing orders for the same securities, the Managers adopt an average pricing policy whereby orders that are partially fulfilled on a particular day will be allotted proportionately among the funds based on their respective initial order size and such quantity allotted will be at the average price of such investments on that particular day.

The Managers and the Trustee will conduct all transactions for and on behalf of the Sub-Fund on an arm's length basis.

Associates of the Trustee may be engaged to provide banking, brokerage or financial services to the Sub-Fund. Such services, where provided, will be on an arm's length basis.

## **20. REPORTS**

The financial year-end of the Sub-Fund is 31 December. The annual report, auditors' report on annual accounts and annual accounts in relation to the Sub-Fund will be prepared and sent to Holders within 3 months of the financial year-end to which the report and accounts relate (or such other period as may be permitted by the Authority). The semi-annual report and semi-annual accounts in relation to the Sub-Fund will be prepared and sent to Holders within 2 months of the financial half-year end to which the report and accounts relate (or such other period as may be permitted by the Authority).

## **21. QUERIES AND COMPLAINTS**

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

24 hour Hotline No	:	1800 22 22 228
Fax No	:	6532 3868
Email	:	<a href="mailto:uobam@uobgroup.com">uobam@uobgroup.com</a>

## 22. OTHER MATERIAL INFORMATION

### 22.1 Market timing

The Sub-Fund is designed and managed to support medium to long-term investments. In this regard, the Managers take a serious view of, and strongly discourage the practice of market timing (that is, investors conducting short-term buying or selling of Units to gain from inefficiencies in pricing) as such practices may cause an overall detriment to the long-term interests of other investors.

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

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

### 22.2 Distribution policy

The Managers have the absolute discretion to determine whether a distribution is to be made. Investors should note that distributions are not guaranteed. If distributions are made, such distributions are not in any way a forecast, indication or projection of the future or likely performance of the Sub-Fund. The making of any distribution shall not be taken to imply that further distributions will be made. The Managers reserve the right to vary the frequency and/or amount of distributions and the discretion to determine whether distributions will be paid out or reinvested.

As and when the Managers decide that a distribution is to be made, the Managers may by notice in writing direct the Trustee to distribute such part or all of:

- (a) the Net Income of the Sub-Fund and if the Managers deem fit, such part or all of the net capital gains realised on the sale of Authorised Investments in relation to the Sub-Fund;
- (b) or in the event that the income or capital gains of the Sub-Fund is insufficient, the capital of the Sub-Fund; or
- (c) a combination of any of the above,

in respect of the amount available for distribution referred to in the Deed for each Accounting Period or distribution period at such time and in accordance with such

method of calculation as the Trustee and the Managers may agree, having regard to the provisions of the Deed. Where distributions are to be made out of the capital of the Sub-Fund, Holders will be notified of the proportion of the distribution that is made out of the capital of the Sub-Fund.

Presently, the Managers do not intend to make distributions in respect of the Sub-Fund.

***Investors should note that any distributions made (whether out of capital or otherwise) may have the effect of lowering the net asset value of the Sub-Fund.***

### 22.3 Valuation

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

- (a) a Quoted Investment, shall be calculated, as the case may be, by reference to the official closing price, the last known transacted price or the last transacted price (or, with the prior approval of the Trustee, the last bid price) as at the last official close on such Recognised Market (or at such other time as the Managers may from time to time after consultation with the Trustee determine). Where such Quoted Investment is listed, dealt or traded in more than one Recognised Market, the Managers (or such person as the Managers may appoint for the purpose) may in their absolute discretion select any one of such Recognised Market for the foregoing purposes and, if there is no such official closing price, last known transacted price or last transacted price, the value shall be calculated by reference to the last available prices quoted by responsible firms, corporations or associations on a Recognised Market at the time of calculation (or at such other time as the Managers may from time to time after consultation with the Trustee determine);
- (b) an Unquoted Investment, shall be calculated by reference to, where applicable; (i) the initial value thereof being the amount expended in the acquisition thereof; (ii) the price of the relevant Investment as quoted by a person, firm or institution making a market in that Investment, if any (and if there shall be more than one such market maker, then such market maker as the Managers shall designate); (iii) the sale prices of recent public or private transactions in the same or similar Investments; (iv) or valuations of comparable companies or discounted cash flow analysis, as may be determined to represent the fair value of such Investment. In the valuation of such Investment, the Managers may take into account relevant factors including, without limitation, significant recent events affecting the issuer such as pending mergers and acquisitions and restrictions as to saleability or transferability;
- (c) cash, deposits and similar assets shall be valued (by a person approved by the Trustee as qualified to value such cash, deposits and similar assets) at their face value (together with accrued interest) unless, in the opinion of the Managers (after consultation with the Trustee), any adjustment should be made to reflect the value thereof;

- (d) a unit or share in a unit trust or mutual fund or collective investment scheme shall be valued at the latest published or available net asset value per unit or share, or if no net asset value per unit or share is published or available, then at their latest available realisation price; and
- (e) an Investment other than as described above, shall be valued by a person approved by the Trustee as qualified to value such an Investment in such manner and at such time as the Managers after consultation with the Trustee shall from time to time determine,

provided that if the quotations referred to in paragraphs 22.3(a) to 22.3(e) are not available, or if the value of the Authorised Investment determined in the manner described in paragraphs 22.3(a) to 22.3(e), in the opinion of the Managers, is not representative of the value of such Authorised Investment, then the value shall be such value as the Managers may with due care and in good faith consider in the circumstance to be fair and is approved by the Trustee. The Managers shall notify the Holders of such change if required by the Trustee. For the purposes of this proviso, the “**fair value**” shall be determined by the Managers in consultation with an approved stockbroker or an approved valuer and with the approval of the Trustee in accordance with the Code.

#### 22.4 Indemnities and protection accorded to the Managers and/or the Trustee

- (a) Neither the Trustee nor the Managers nor any company controlled by them or either of them nor any person, firm or corporation (hereinafter referred to as a “**delegate**”) entitled to exercise any investment powers or discretions under the Deed pursuant to a delegation by the Managers shall as principal sell, or deal in the sale of, Authorised Investments to the Trustee for account of the Fund or any Sub-Fund or vest Authorised Investments in the Trustee against the issue of Units or purchase Authorised Investments from the Trustee acting for the account of the Fund or Sub-Fund except as provided under sub-paragraphs (i), (ii) and (iii) below and each shall (without incurring any liability for failure to do so) use their/its best endeavours to procure that no such sale or dealing or vesting or purchase except as provided under sub-paragraphs (i), (ii) and (iii) below shall be made by (1) any person, firm or corporation holding or beneficially entitled to 10% or more of the share capital of the Trustee or the Managers or any delegate, or (2) any corporation controlled by any such person, firm or corporation, or (3) any director of the Trustee or of the Managers, or of any delegate (being a corporation) or of any such corporation, or (4) any partner of any such firm. Each such person or body (other than the Trustee and the Managers) referred to in this paragraph 22.4(a) shall be known in this paragraph 22.4(a) as a “**connected person**”. Nothing shall prevent:
  - (i) any sale for account of the Fund or Sub-Fund of any Authorised Investment to, or any purchase for account of the Fund or Sub-Fund of any Authorised Investment from, the Trustee or Managers or any delegate of any other collective investment scheme for account of such scheme, notwithstanding that the Trustee and/or the Managers and/or any delegate and/or any connected person may be, or be interested in, the Trustee or the Managers

or delegate of, or any person, firm or corporation to whom any investment powers or discretions may have been delegated under such a scheme provided that:

- (1) the value of the Authorised Investment in question is certified in writing for the purpose of the transaction by a stockbroker or an approved valuer; and
  - (2) the Trustee shall be of the opinion that the terms of such transaction shall not be such as are likely to result in any prejudice to Holders; or
- (ii) the Trustee or the Managers or any delegate or any connected person from becoming the owner of Units and holding, disposing of, or otherwise dealing with, the same, with the same rights (subject as provided in paragraph 2 of the schedule on meetings of Holders in the Deed) which they would have had if neither the Trustee nor the Managers nor any connected person were a party to, or delegate under, the Deed, provided that in so owning, holding or disposing of or otherwise dealing with Units, the Trustee and the Managers shall each maintain with respect to the Trustee or the Managers and any of its or their respective connected persons a register giving details of such transactions, including the prices, discounts, net prices, quantities of Units transacted and dates of and parties to such transactions, or from buying, holding or dealing in any Authorised Investments upon their respective individual accounts, notwithstanding that similar Authorised Investments may be held under the Deed as part of the Deposited Property; or
- (iii) the Managers or any delegate or any connected person from receiving commissions, terms and other benefits (through standing arrangements with brokers used for securities transactions relating to the Fund or Sub-Fund and other funds managed by the Managers by which the Managers or any connected person may be provided with research, statistical or other essential investment services for which the Managers or any connected person make or makes no direct payment but instead endeavour or endeavours to place business with such brokers) which they or it may receive in relation to any transaction effected for the account of the Fund or Sub-Fund provided that the amount of such commissions, terms and other benefits is not in excess of rates or terms commonly receivable by fund managers in like transactions and that they or it shall do so on the best terms reasonably obtainable having regard to the interests of the Fund and the Sub-Fund and provided further that any such commissions, terms or other benefits shall exclude cash rebates and shall be so received in circumstances that do not raise any financial burden for the Fund and the Sub-Fund. Such commissions, terms and other benefits received by the Managers shall be disclosed to Holders in the half-yearly reports referred to in Clause 25.1 of the Deed if required by the authorities.

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

- (b) In no event shall a Holder have or acquire any rights against the Managers and the Trustee or either of them except as expressly conferred on the Holder by the Deed nor shall the Trustee be bound to make any payment to any Holder except out of the funds held by it or paid to it for that purpose under the provisions of the Deed.
- (c) Neither the Trustee nor the Managers shall be responsible for any authenticity of any signature or of any seal affixed to any endorsement on any certificate or to any transfer or form of application, endorsement or other document affecting the title to or transmission of Units or be in any way liable for any forged or unauthorised signature on or any seal affixed to such endorsement, transfer or other document (sent by facsimile, electronic means or otherwise) or for acting upon or giving effect to any such forged or unauthorised signature or seal. The Trustee and the Managers respectively shall nevertheless be entitled but not bound to require that the signature of any person to any document required to be signed by him under or in connection with the Deed shall be verified to its or their reasonable satisfaction.
- (d) Nothing contained in the Deed shall be construed so as to prevent the Managers and the Trustee in conjunction or the Managers or the Trustee separately from acting as managers or trustees of funds separate and distinct from the Fund or Sub-Fund and neither of them shall in any way be liable to account to the Fund or Sub-Fund or any other person for any profit or benefit made or derived hereby or in connection therewith.
- (e) Neither the Trustee nor the Managers shall be responsible for acting upon any resolution purported to have been passed at any meeting of the Holders in respect whereof minutes shall have been made and signed even though it may be subsequently found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not binding upon all the Holders.
- (f) The Trustee and the Managers may accept as sufficient evidence of the value of any Authorised Investment or the cost price or sale price thereof or of any market quotation a certificate by a stockbroker or any other person, firm or association qualified in the opinion of the Managers and Trustee to provide such a certificate. At all times and for all purposes of the Deed, the Trustee and the Managers may rely upon the established practice and rulings of any Recognised Market and any committees and officials thereof on which any dealing in any Authorised Investment or other property is from time to time effected in determining what shall constitute a good delivery and any similar matters and such practice and rulings shall be conclusive and binding upon all persons under the Deed.



- (g) The Trustee shall not be under any liability on account of anything done or suffered to be done by the Trustee in good faith in accordance with or in pursuance of any request or advice of the Managers. Whenever pursuant to any provision of the Deed, any certificate, notice, instruction or other communication is to be given by the Managers to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Managers by any one person whose signature the Trustee is for the time being authorised by the Managers to accept, and may act on verbal, written, electronic mail and facsimile instructions given by authorised officers of the Managers specified in writing by the Managers to the Trustee.
- (h) The Trustee may act upon any advice of or information obtained from the Managers or any bankers, accountants, brokers, lawyers, agents or other persons acting as agents or advisers of the Trustee or the Managers and the Trustee shall not be liable for anything done or omitted or suffered in reliance upon such advice or information provided the Trustee has acted in good faith. The Trustee shall not be responsible for any misconduct, mistake, oversight, error of judgment, forgetfulness or want of prudence on the part of any such banker, accountant, broker, lawyer, agent or other person as aforesaid or of the Managers. Any such advice or information may be obtained or sent by electronic mail, letter or facsimile and the Trustee shall not be liable for acting on any advice or information purported to be conveyed by any such electronic mail, letter or facsimile although the same contains some error or is not authentic.
- (i) Except if and so far as the Deed otherwise expressly provides, the Trustee shall as regards all the trusts, powers, authorities and discretions vested in it have absolute and uncontrolled discretion as to the exercise thereof whether in relation to the manner or as to the mode of and time for the exercise thereof and in the absence of proven fraud or negligence the Trustee shall not be in any way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise thereof.
- (j) Nothing contained in the Deed shall prevent the Trustee or an Associate thereof from contracting or entering into any financial, banking or any other type of transaction with the Managers or any Holder or any company or body any of whose shares or other securities form part of the Deposited Property or from being interested in any such contract or transaction. The Trustee or any Associate thereof shall not be liable to account either to the Managers or to the Holders or any of them for any profits or benefits made or derived from or in connection with any such transaction provided that any such transaction shall be on an arm's length basis.
- (k) The Trustee shall not be under any obligation to institute, acknowledge service of, appear in, prosecute or defend any action, suit, proceedings or claim in respect of the provisions of the Deed or in respect of the Deposited Property or any part thereof or any corporate or shareholders' action which in its opinion would or might involve it in expense or liability, unless the Managers shall so request in writing, and shall so often as required by the Trustee furnish it with an indemnity

satisfactory to it against any such expense or liability. Nothing in this paragraph (k) shall require or be deemed to require the Managers to make any such request or to agree to the provision of any such indemnity to the Trustee for the purpose of securing the action of the Trustee under this paragraph.

- (l) Subject as expressly provided in the Deed, the Trustee shall be entitled for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as Trustee to have recourse to the Deposited Property or any part thereof but this shall be without prejudice to the obligation of the Managers to reimburse the Trustee out of the Deposited Property in respect of all such matters as fall within Clause 34 of the Deed.
- (m) Before making any distribution or other payment in respect of any Unit or in respect of the Management Fee relating to the Sub-Fund or the remuneration of the Trustee, the Trustee may make such deductions as by the law of Singapore or by the law of any other country in which such payment or distribution is made the Trustee is required or entitled to make in respect of any Income or other taxes, charges or assessments whatsoever and the Trustee may also deduct the amount of any stamp duties or other governmental taxes or charges payable by it or for which it might be made liable in respect of such distribution or any documents signed by it in connection therewith. The Trustee shall not be liable to account to any Holder or otherwise for any payment made or suffered by the Trustee in good faith to any duly empowered fiscal authority of Singapore or elsewhere for taxes or other charges in any way arising out of or relating to any transaction of whatsoever nature under the Deed notwithstanding that any such payments ought not to be or need not have been made or suffered.
- (n) The Trustee shall not be responsible for verifying or checking any valuation of the Deposited Property or any part thereof or any calculation of the prices at which Units are to be issued or realised, except as expressly provided in the Deed, but shall be entitled at any time to require the Managers to justify the same.
- (o) The Trustee (or the Managers or other agents with the approval of the Trustee) shall (subject as provided in the Deed) be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of 6 years from the date of registration thereof and all distribution mandates which have been cancelled or lapsed at any time after the expiration of 6 years from the date of cancellation or lapse thereof and all notifications of change of address after the expiration of 6 years from the date of the recording thereof and all forms of proxy in respect of any meeting of Holders 6 years from the date of the meeting at which the same are used and all registers, statements and other records and documents relating to the Fund or Sub-Fund at any time after the expiration of 6 years from the termination of the Fund or Sub-Fund. Neither the Trustee nor the Managers nor their agents shall be under any liability whatsoever in consequence thereof and unless the contrary be proved every instrument of transfer so destroyed shall be deemed to have been a valid and effective instrument duly and properly registered and every certificate so destroyed shall be deemed to have been a valid certificate duly and properly cancelled and every other document hereinbefore mentioned

so destroyed shall be deemed to have been a valid and effective document in accordance with the recorded particulars thereof.

Provided always that:

- (i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
  - (ii) nothing in this paragraph 22.4(o) shall be construed as imposing upon the Trustee or the Managers or other agents any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of sub-paragraph (i) above are not fulfilled; and
  - (iii) references to the destruction of any document in this paragraph 22.4(o) include references to the disposal thereof in any manner.
- (p) In the absence of fraud or negligence or breach of the Deed by the Managers or the Trustee, neither the Managers nor the Trustee shall incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done by them or it (as applicable) in good faith under the Deed.
- (q) The Managers shall not be under any liability except for fraud or wilful default or such liability as may be assumed by them under the Deed nor shall the Managers (save as otherwise appears in the Deed) be liable for any act or omission of the Trustee.
- (r) Nothing contained in the Deed shall prevent the Managers or any Associate thereof from contracting or entering into any financial, banking or any other type of transaction with the Trustee (when acting other than in its capacity as trustee of the Fund or Sub-Fund) or any Holder or any company or body any of whose shares or other securities form part of the Deposited Property of the Sub-Fund or from being interested in any such contract or transaction. The Managers or any Associate thereof shall not be liable to account to the Trustee or to the Holders or any of them for any profits or benefits made or derived from or in connection with any such transaction provided that any such transaction shall be on an arm's length basis.
- (s) The Managers shall not be under any liability on account of anything done or suffered to be done by the Managers in good faith in accordance with or in pursuance of any request or advice of the Trustee. Whenever pursuant to any provision of the Deed any certificate, notice, instruction or other communication is to be given by the Trustee to the Managers, the Managers may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Trustee by any one person whose signature the Managers are for the time being authorised by the Trustee to accept and may act on verbal, written, electronic mail, and facsimile instructions given by authorised officers of the Trustee specified in writing by the Trustee to the Managers.

- (t) The Managers may act upon any advice of or information obtained from the Trustee or any bankers, accountants, brokers, lawyers, agents or other persons acting as agents or advisers of the Trustee or the Managers and the Managers shall not be liable for anything done or omitted or suffered in reliance upon such advice or information provided the Managers have acted in good faith. The Managers shall not be responsible for any misconduct, mistake, oversight, error of judgment, forgetfulness or want of prudence on the part of any such banker, accountant, broker, lawyer, agent or other person as aforesaid or of the Trustee. Any such advice or information may be obtained or sent by electronic mail, letter or facsimile and the Managers shall not be liable for acting on any advice or information purported to be conveyed by any such electronic mail, letter or facsimile although the same contains some error or is not authentic.
- (u) Neither the Managers nor the Trustee shall incur any liability in respect of any action taken or thing suffered by them in reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan or reorganisation or other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.
- (v) Neither the Managers nor the Trustee shall incur any liability to the Holders for doing or (as the case may be) failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order or judgment of any court of competent jurisdiction, or by reason of any request, announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (whether legally or otherwise) either they or either of them shall be directed or requested to do or perform or to forbear from doing or performing. If for any reason it becomes impossible or impracticable to carry out any of the provisions of the Deed, neither the Managers nor the Trustee shall be under any liability therefor or thereby.
- (w) Any indemnity expressly given to the Managers or the Trustee in the Deed is in addition to and without prejudice to any indemnity allowed by law provided that no provision in the Deed shall in any case where the Trustee or the Managers have failed to show the degree of care and diligence required of them as trustee and manager, exempt them or indemnify them against any liability for breach of trust.

## 22.5 Custody of Deposited Property

- (a) The Trustee shall be responsible for the safe custody of the Deposited Property. Any Authorised Investments forming part of the Deposited Property shall, whether in registered or bearer form, be paid or transferred to the order of the Trustee forthwith on receipt by the Managers and be dealt with as the Trustee may think proper for the purpose of providing for the safe custody thereof. The Trustee may act as custodian itself or may appoint such persons (including any Associate of the Trustee) as custodian or joint custodian (with the Trustee if acting as custodian or with any other custodian appointed by the Trustee) of the whole or any part of the Deposited Property and (where the Trustee is custodian) may appoint or (where

the Trustee appoints a custodian) may empower such custodian or joint custodian (as the case may be) to appoint, with prior consent in writing from the Trustee, sub-custodians. The fees and expenses of any such custodian, joint custodian or sub-custodian shall be paid out of the relevant Deposited Property.

- (b) The Trustee may at any time procure that:
- (i) the Trustee;
  - (ii) any officer of the Trustee jointly with the Trustee;
  - (iii) any nominee appointed by the Trustee;
  - (iv) any such nominee and the Trustee;
  - (v) any custodian, joint custodian or sub-custodian appointed pursuant to paragraph 22.5(a) above;
  - (vi) any company operating a depository or recognised clearing system in respect of the Authorised Investments involved; or
  - (vii) any broker, financial institution or other person (or in each case, its nominee) with whom the same is deposited in order to satisfy any requirement to deposit margin or security,

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

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

- (iii) the Trustee shall not incur any liability in respect of or be responsible for losses through the insolvency of or any act or omission of any sub-custodian not appointed by it, except where the Trustee has failed to exercise reasonable skill and care in the procurement of such sub-custodian.

## 22.6 Information on investments

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

发售计划说明书  
大华金融多元策略基金

大华  
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基金