

# UNITED GLOBAL RECOVERY FUNDS

**United Singapore Recovery Fund**  
**United High Grade Corporate Bond Fund**  
**United Asia Recovery Fund**  
**United China-India Dynamic Growth Fund**

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

# **UNITED GLOBAL RECOVERY FUNDS**

**COMPRISING THE FOLLOWING SUB-FUNDS:**

**United Singapore Recovery Fund  
United High Grade Corporate Bond Fund  
United Asia Recovery Fund  
United China-India Dynamic Growth Fund**

# UNITED GLOBAL RECOVERY FUNDS

## DIRECTORY

### **Managers**

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

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

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

### **Trustee**

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

*Registered Office 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 GLOBAL RECOVERY 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 30 January 2009 (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. Copies of the Deed are 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 each of the sub-funds of the Fund. This Prospectus may be supplemented or replaced from time to time to reflect material changes.

Investment in each sub-fund requires consideration of the usual risks involved in investing and participating in collective investment schemes and the risks of investing in that sub-fund. Details of the risks involved are set out in paragraph 8 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 any of the sub-funds 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 relevant 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 relevant sub-fund based on their personal circumstances.

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 of any relevant jurisdiction that may be applicable to them. No representation is made as to the tax status of any of the sub-funds.

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.

# UNITED GLOBAL RECOVERY FUNDS

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# UNITED GLOBAL RECOVERY FUNDS

The collective investment schemes offered in this Prospectus are sub-funds of United Global Recovery Funds (the “**Fund**”) and are each an authorised scheme constituted in Singapore under the Securities and Futures Act (Chapter 289) (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 these collective investment schemes. The meanings of terms not defined in this Prospectus can be found in the Deed.

## 1. STRUCTURE OF UNITED GLOBAL RECOVERY FUNDS

### 1.1 Name of the collective investment schemes

This Prospectus is in relation to United Global Recovery Funds (the “**Fund**”) which is an umbrella trust under which the Managers may establish sub-funds to be managed as separate and distinct trusts. The Fund is currently offering units (“**Units**”) in the following sub-funds (each a “**Sub-Fund**” and collectively, the “**Sub-Funds**”):

- (a) United Singapore Recovery Fund
- (b) United High Grade Corporate Bond Fund
- (c) United Asia Recovery Fund
- (d) United China-India Dynamic Growth Fund

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

The date of registration of this Prospectus with the Authority is 29 October 2009. This Prospectus is valid for 12 months after the date of registration (i.e., up to and including 28 October 2010) and will expire on 29 October 2010.

### 1.3 Sub-Funds

The general provisions applying to all Sub-Funds are set out in the main body of this Prospectus while details specific to each Sub-Fund are set out in the relevant Appendix set out below:

<b>Sub-Fund</b>	<b>Appendix</b>
United Singapore Recovery Fund	1
United High Grade Corporate Bond Fund	2
United Asia Recovery Fund	3
United China-India Dynamic Growth Fund	4

#### 1.4 Classes of Units

The Managers may at any time determine that different Classes or new Classes be established within each Sub-Fund. 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 9.9](#) below). Unitholders (“**Holders**”) of each Class have materially the same rights and obligations under the Deed. Investors should note that the assets of a Sub-Fund are pooled and invested as a single fund and are not segregated in respect of each Class.

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

Except for the United China-India Dynamic Growth Fund, there are no separate Classes of Units being offered under the Sub-Funds as at the date of this Prospectus. Please refer to [Appendix 4](#) of this Prospectus for a description of the Classes of Units currently being offered by the United China-India Dynamic Growth Fund.

#### 1.5 Trust Deed and supplemental deeds

- (a) The Fund is constituted as an umbrella unit trust by way of a deed of trust dated 30 January 2009 (the “**Principal Deed**”) made between 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>
8 July 2009	First Amending and Restating Deed
17 July 2009	Second Amending and Restating Deed
28 October 2009	Third 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 provisions found in the Deed, which have to a large extent been summarised and that not all provisions of the Deed are reflected in this Prospectus. *Investors should read the Deed for full details.*



- (e) Copies of the Deed are 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 to any person upon request at a charge of S\$25 per copy of the document (or such other amount as the Trustee and the Managers may from time to time agree).

## 1.6 Accounts and reports

As the Sub-Funds are newly established, reports and accounts relating to the Sub-Funds 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 Auditor's report on the annual accounts relating to each 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 AND SUB-MANAGER**

### 2.1 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 23 years and as of 31 August 2009, manages about S\$14.00 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 31 August 2009, UOBAM manages 47 unit trusts in Singapore, with total assets of about S\$2.67 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 in 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 103 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 31 August 2009, UOBAM has a staff strength of over 200 including 42 investment professionals in Singapore.

## 2.2 The Sub-Manager of United China-India Dynamic Growth Fund

The Sub-Manager of the India portfolio of the United China-India Dynamic Growth Fund is UTI International (Singapore) Private Limited (“UTIIS”), whose registered office is at 3 Raffles Place, #08-02 Bharat Building, Singapore 048617. UTIIS was incorporated in Singapore in 2006 and holds a capital markets services licence in fund management. It has been managing collective investment schemes and discretionary funds in Singapore for 2 years and as of 31 July 2009 manages about US\$65 million in clients’ assets.

UTIIS is a tripartite joint venture between UTI International Limited (a wholly-owned subsidiary of UTI Asset Management Company Limited, India (“**UTI AMC**”)), Shinsei Investments III Limited (a wholly-owned subsidiary of Shinsei Bank Limited, Japan) and Freedom Financial Services (Singapore) Pte Ltd. In performing its duties as a Sub-Manager of the India portfolio of the United China and India Equity Fund, UTIIS may engage UTI AMC as its investment adviser. UTI AMC is one of the oldest asset management companies in India and as of 31 July 2009 manages about US\$15 billion in mutual funds from about 10 million clients. It manages over 77 mutual funds in India ranging over most asset classes. In 2009, UTI AMC was awarded the “STAR FUND HOUSE OF THE YEAR” by ICRA, the leading rating agency in India. UTI AMC’s investment philosophy is to deliver consistent and stable risk adjusted returns in the medium to long term, as compared to the broad market, and believes in having a balanced and well-diversified portfolio for all the funds and a rigorous in-house, research based approach to all its investments.

*Investors should note that the past performance of the Managers or any Sub-Manager is not necessarily indicative of their future performance.*

## 3. **THE TRUSTEE AND CUSTODIANS**

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 United Singapore Recovery Fund is State Street Bank and Trust Company, whose registered office is at 225 Franklin Street, Boston, MA 02110, USA. The custodian for the United High Grade Corporate Bond Fund, United Asia Recovery Fund and United China-India Dynamic Growth Fund is HSBC Institutional Trust Services (Singapore) Limited. Other custodians may be appointed from time to time in respect of any of the Sub-Funds or its assets. All custodians shall collectively be referred to as 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. The Register is accessible to the public during normal business hours (subject to such reasonable restrictions as the registrar may impose). A copy of the Register will also be kept at 156 Cecil Street, #08-03, Far Eastern Bank Building, Singapore 069544.

The Register is conclusive evidence of the number of Units in a Sub-Fund or Class of a Sub-Fund held by each Holder. The entries in the Register shall prevail over 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. INVESTMENT OBJECTIVE, FOCUS AND APPROACH

The investment objective, focus and approach of each Sub-Fund are set out in the relevant Appendix for that Sub-Fund.

#### 6. AUTHORISED INVESTMENTS AND RISK MANAGEMENT PROCEDURES

##### 6.1 Authorised Investments

- (a) The authorised investments of each 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 of that Sub-Fund;
  - (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 of that Sub-Fund;
- (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) above, 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**.

- (b) The Investments described in sub-paragraphs (a)(v) and (a)(vii) above may be used for the purposes of hedging existing positions, efficient portfolio management and/or to meet the investment objectives of each Sub-Fund, subject to the investment policies of each Sub-Fund.
- (c) The investment guidelines and borrowing limits for non-specialised funds 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**”) will apply to each 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).

## 6.2 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 each Sub-Fund, subject to the investment policies of each Sub-Fund.
- (b) The Managers will ensure that the exposure of each Sub-Fund to financial derivative instruments will not at any time exceed 100% of the net asset value of the Deposited Property of that 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 each Sub-Fund. The decision to invest in any particular security or instrument on behalf of each Sub-Fund will reflect the Managers' judgment of the benefit of such transactions to that Sub-Fund and will be consistent with that 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 each Sub-Fund, and that best execution and fair allocation of trades are done. The Managers' Middle Office department will conduct periodic checks to ensure compliance with the investment objective, focus, approach and restrictions (if any) of each Sub-Fund. In the event of any non-compliance, Middle Office is empowered to instruct the relevant officers to rectify the same. Any non-compliance will be reported to higher management and monitored for rectification.
- (iii) *Liquidity.* In the event of unexpectedly large realisations of Units in a Sub-Fund, there may be a possibility that the assets of that 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 each Sub-Fund will be in liquid assets such as cash and cash-equivalents to meet expected realisations, net of new subscriptions.
- (iv) *Counterparty exposure.* Each Sub-Fund may have credit exposure to counterparties by virtue of positions in derivative instruments and other financial instruments held by that Sub-Fund. To the extent that a counterparty defaults on its obligations and relevant 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 relevant Sub-Fund's position with that counterparty as soon as practicable.
- (v) *Volatility.* To the extent that any 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 relevant Sub-Fund's assets will have a higher degree of volatility. A 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 each Sub-Fund to derivative positions will not exceed the net asset value of that Sub-Fund, as stated in sub-paragraph (b) above.

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

## **7. FEES AND CHARGES**

- 7.1 The fees and charges payable in relation to each Sub-Fund are set out in the relevant Appendix for that Sub-Fund. Investors should refer to the Deed for the full meaning and method of computation of the various fees and charges.
- 7.2 As required by the Code, all marketing, promotional and advertising expenses in relation to a Sub-Fund will be borne by the Managers and not debited from the Deposited Property of the Sub-Fund.
- 7.3 Any 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 relevant 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.
- 7.4 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, switching or realisation of Units of a Sub-Fund or Class to be issued to them respectively, or allow to investors discounts on such basis and to such extent as they may think fit (such discounts to be borne by the Managers and not by the Sub-Fund), or to waive such fees and charges.

## **8. RISKS**

### **8.1 General risks**

Investment in a Sub-Fund is meant to produce returns over the medium to long term (and in the case of each of the United Singapore Recovery Fund and the United Asia Recovery Fund, over its defined 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 any Sub-Fund will be achieved.

Investors should consider and satisfy themselves as to the risks of investing in any 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, liquidity risk and derivatives risk. ***These and the risks described below are not exhaustive and investors should be aware that the Sub-Funds might be exposed to other risks of an exceptional nature from time to time.*** Investors should also note that the degree to which these risks affect investments in a collective investment scheme varies depending on the scheme's investment objectives, approach and focus and they should also consider the risks specific to each Sub-Fund as set out in the relevant Appendix for that Sub-Fund.

(a) Market risk

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

Furthermore, some of the markets or exchanges on which a 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) Foreign exchange and currency risk

The Sub-Funds which are denominated in Singapore Dollars may have exposure, either directly or indirectly, to a wide range of currencies. Where a Sub-Fund makes investments which are denominated in a foreign currency, fluctuations of the exchange rates of such foreign currency against the Singapore Dollar may affect the value of the Units of the Sub-Fund.

In the management of each 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 relevant Sub-Fund based on their historical trends. However, the foreign currency exposure of a Sub-Fund may not be fully hedged depending on the 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.

Additionally, a Sub-Fund may have Classes of Units that are denominated in currencies other than the denomination of the Sub-Fund. Changes in the exchange rate between the denominated currency of the Sub-Fund and the denominated currency of any such Class may lead to a depreciation of the value of the Units of the Class, as expressed in the denominated currency of the Class. The Managers may hedge against such exchange rate risks. Where a Class of Units is designated in a currency other than the denominated currency of the Sub-Fund, the Manager may or may not mitigate the exchange rate risk to the extent of the net asset value attributed to such Class. Although the financial instrument

used to mitigate the risk 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 relevant Class of Units of the Sub-Fund.

(c) Political, regulatory and legal risk

The value and price of each Sub-Fund's investments may be adversely affected by international political developments, changes in exchange controls, taxation policies, monetary and fiscal policies, foreign investment policies, government policies, restrictions on repatriation of investments and other changes in the laws, regulations, restrictions and controls in the relevant countries.

(d) Derivatives risk

As the Sub-Funds may be investing in financial derivative instruments for hedging their respective existing positions, efficient portfolio management and/or to meet their respective investment objective, they will be subject to risks associated with such investments. These financial derivative instruments include foreign exchange forward contracts and equity index future contracts. Investments in financial derivative instruments may require the deposit of initial margin and additional deposit of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, the relevant Sub-Fund's investments may be liquidated at a loss. Therefore, it is essential that such investments in financial derivative instruments are monitored closely. The Managers have the necessary controls for investments in financial derivative instruments and have in place systems to monitor the financial derivative instruments positions of the Sub-Funds. Please see [paragraph 6.2](#) above for more information on the risk management procedures of the Managers on the use of financial derivative instruments.

(e) 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 interest rates of the currencies in which investments of a Sub-Fund are denominated or fluctuations in interest rates of the currencies in which the underlying assets comprised in the investments of a Sub-Fund are denominated may affect the value of the Sub-Fund.

(f) Fixed income securities risk

Each of the Sub-Funds may invest in fixed income or debt securities, either as part of its investment objective, focus or approach or in the event that there are no suitable investment opportunities for the relevant Sub-Fund at any time. In such a case, the Sub-Fund may be subject to the risks that are typical of such



instruments, such as interest rate risks and default risk. Interest rate risks will arise from unexpected changes in the term structure of interest rates, which are in turn dependent on general economic conditions. In general, the prices of debt securities are subject to interest rate fluctuations; prices of debt securities generally rise when interest rate falls, and generally fall when interest rate rises. The longer the term of a debt security, the more sensitive it will be to fluctuations in value from interest rate changes. In addition, such investments are subject to the specific ability of the issuers of such securities to meet their 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.

Investments in fixed income or debt securities are subject to adverse changes in the financial condition of the issuer, or in general economic conditions, or both, or an unanticipated rise in interest rates, which may impair the ability of the issuer to make payments of interest and principal especially if the issuer is highly leveraged. Such issuer's ability to meet its debt obligations may also be adversely affected by specific corporate developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. Also, an economic downturn or an increase in interest rates may increase the potential for default by the issuers of these securities. Therefore, investments by a Sub-Fund in debt securities may lead to greater volatility in the value of Units of the Sub-Fund. Also, a change in the credit rating of a debt security as a result of any of the above factors can affect that security's liquidity and therefore have an impact on the value of Units in the Sub-Fund.

(g) Counterparty risks

The Sub-Funds will be exposed to credit risk on the counterparties with which it trades particularly in relation to options, futures, contracts and other derivative financial instruments that are not traded on a recognised market. Such instruments are not afforded the same protections as may apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house. The Sub-Funds will be subject to the possibility of the insolvency, bankruptcy or default of a counterparty with which the Sub-Funds trade, which could result in substantial losses to the Sub-Funds.

(h) 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-Funds 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 a 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 a Sub-Fund to dispose of assets at reduced prices, thereby adversely affecting that 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 that Sub-Fund's credit risk.

## **9. SUBSCRIPTION AND ISSUE OF UNITS**

### **9.1 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 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.

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. Applicants should contact the Managers for details regarding payment by telegraphic transfer. All bank charges incurred in respect of a telegraphic transfer will be borne by the applicant.

Investors have a choice of paying for Units with cash or SRS (as defined below) monies.

Investors wishing to use their SRS monies to purchase 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 Units applied for).

Currently, the Managers accept payment 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 Units of a Sub-Fund or, where applicable, Class which is denominated in Singapore Dollars. The Issue Price will be calculated in Singapore Dollars and (where applicable) in its equivalent in US Dollars by conversion at the applicable Rate of Exchange (as defined below). Investors who paid for their Units in Singapore Dollars will have their Units issued at the Issue Price (quoted in Singapore Dollars), and investors who paid for their subscriptions in US Dollars will have their Units issued at the Issue Price (converted at the applicable Rate of Exchange and quoted in US Dollars).

In respect of a subscription for Units of a Sub-Fund or, where applicable, Class which is denominated in a currency other than Singapore Dollars, the Managers will generally only accept payment in the relevant currency. The Issue Price for such Units will be calculated in the relevant currency.

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 investor. Investors should also be aware of the foreign exchange and currency risks of investing in any Sub-Fund or Class of a Sub-Fund, which is summarised in paragraph 8.1(b) above.

Units will generally only be issued when subscription monies have been received by the Trustee on a cleared funds basis in the relevant currency, although the Managers may at their discretion issue Units before receiving 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 as is necessary to verify the identity of an applicant.

In this Prospectus:

**“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 all 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.

## 9.2 Minimum initial subscription amount and minimum subsequent subscription amount

The minimum initial subscription amount and minimum subsequent subscription amount for each Sub-Fund or Class of a Sub-Fund are set out in the relevant Appendix for that Sub-Fund.

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.

## 9.3 Initial Issue Price and initial offer period

Where applicable, the initial Issue Price and initial offer period for each Sub-Fund or Class of a Sub-Fund are set out in the relevant Appendix for that Sub-Fund.

#### 9.4 Issue Price

After the initial offer period of a Sub-Fund or Class of a Sub-Fund, Units may be offered for such periods as the Managers may decide from time to time. Such 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. Investors should note that the Managers currently intend to offer Units in the United Singapore Recovery Fund and the United Asia Recovery Fund only for limited periods due to the nature of the investment focus and approach of these Sub-Funds, and should check with the Managers or their authorised distributors on when Units in these Sub-Funds are available for subscription.

Units offered after the relevant initial offer period will be issued on each Dealing Day (as defined in paragraph 9.5 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 relevant Sub-Fund represented by one Unit 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 relevant Sub-Fund. The Managers’ policy in relation to the valuation of the assets of each Sub-Fund is set out in paragraph 20.3.

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.

#### 9.5 Dealing Deadline and pricing basis

The Managers administer each Sub-Fund or Class of a Sub-Fund by stipulating the days on which transactions in Units are permitted, and the times by which (among other things) applications or instructions must be received for transactions in Units 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**”)<sup>1</sup>. Applications received and accepted by the Managers or any other 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 any other 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.

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<sup>1</sup> Subject to the terms of the Deed, the Managers may, in relation to certain investors or distributors and with the approval of the Trustee, from time to time determine such other time of day on or prior to a particular Dealing Day as the Dealing Deadline for those investors and distributors.

“**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 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 relevant Sub-Fund having in aggregate values amounting to at least 50% of the value of the assets of the relevant 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.

*Investors should note that the last Dealing Day for each of the United Singapore Recovery Fund and the United Asia Recovery Fund will be the Business Day immediately before its Maturity Date <sup>2</sup>, or such other date as the Managers may decide.*

“**Valuation Point**” means 7 a.m. Singapore time on the day following the relevant Dealing Day on which the net asset value of the relevant Sub-Fund or Class of a Sub-Fund 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 14](#) below.

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

The number of Units an investor will receive with a Gross Investment Amount of S\$1,000.00, based on a notional Issue Price of S\$1.000\* and 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 Units allotted

<sup>2</sup> The “**Maturity Date**” of: (a) the United Singapore Recovery Fund is defined in [paragraph 2.4](#) of Appendix 1; and (b) the United Asia Recovery Fund is defined in [paragraph 2.4](#) of Appendix 3.

- \* 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 Sub-Fund or a Class of a Sub-Fund will fluctuate according to the then prevailing net asset value of that Sub-Fund or Class of that Sub-Fund. Investors should note that Units in some Classes of Sub-Funds may be denominated in a currency other than Singapore Dollars.

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).

#### 9.7 Confirmation of purchase

An investor who invests in a 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 Units.

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

Where applicable, the minimum fund size and other conditions to the launch of a Sub-Fund or a Class of a Sub-Fund are set out in the relevant Appendix for that Sub-Fund.

#### 9.9 Regular savings plan

Currently, a regular savings plan (“**RSP**”) is available for Class SGD Units of the United China-India Dynamic Growth Fund only.

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

A Holder may opt to invest a minimum sum of S\$100 on a fixed day per month or S\$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) (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 25<sup>th</sup> calendar day (or next Business Day if that day is not a Business Day) of (a) each month (in the case of monthly RSP subscriptions) and (b) the last month of each calendar quarter (in the case of quarterly subscriptions). The investment will be made on the same day after payment has been debited with the allotment of Units made normally within 2 Business Days thereafter.

In the event that the debit is unsuccessful, no investment will be made for that month 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.

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

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

## 10. REALISATION OF UNITS

### 10.1 How Units may be realised

Holders who wish to realise their Units<sup>3</sup> may do so on any Dealing Day (as defined at paragraph 9.5 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 agents or distributors, if applicable), or through the Managers' website at uobam.com.sg or any other website designated by the Managers, or any other channels, if applicable.

### 10.2 Minimum holding amount and minimum realisation amount

A Holder who realises his Units (and in the case of each of the United Singapore Recovery Fund and the United Asia Recovery Fund, prior to its Maturity Date) 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 Sub-Fund or Class thereof would be reduced to less than the Minimum Holding for that Sub-Fund or Class thereof. Where any realisation request would result in the Holder holding less than the relevant Minimum Holding, the Managers will require such Holder to realise all of his holding of Units.

The Minimum Holding for each Sub-Fund or Class of a Sub-Fund is set out in the relevant Appendix for that Sub-Fund. 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 a Sub-Fund or Class of a Sub-Fund and with the approval of the Trustee, limit the total number of Units of a Sub-Fund or Class of a Sub-Fund which Holders may realise on any Dealing Day to 10% of the total number of Units of the Sub-Fund or Class then in issue (disregarding any Units which have been agreed to be issued). Such limitation will be applied pro rata to all Holders 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.

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<sup>3</sup> In the case of each of the United Singapore Recovery Fund and the United Asia Recovery Fund, before its Maturity Date.

The Deed sets out the circumstances in which the issue of Units may be suspended. The relevant provisions are summarised in paragraph 14 below.

### 10.3 Dealing Deadline and pricing basis

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 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 so required, 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 relevant 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 investor. Currently, the Managers permit the realisation of Units in both Singapore Dollars and US Dollars in respect of a realisation of Units of a Sub-Fund or, where applicable, Class which is denominated in Singapore Dollars, and will quote the Realisation Price in Singapore Dollars and its equivalent in US Dollars at the applicable Rate of Exchange.

In respect of a realisation of Units of a Sub-Fund or, where applicable, Class which is denominated in a currency other than Singapore Dollars, the Managers will generally only permit realisation of Units in the relevant currency. The Realisation Price for such Units will be calculated in the relevant currency.

In future, the Managers may permit the realisation of Units in any other foreign currency and will in such event 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 on the realisation of Units, to the Holder 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.

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

The Net Realisation Proceeds payable to a Holder on the realisation of 500 Units and on a notional Realisation Price of S\$0.900\* and a Realisation Fee of 0.5% will be calculated as follows:

500.00 Units	x	S\$0.900	=	S\$450.00
Your realisation request		Realisation Price*		Gross Realisation Proceeds
S\$450.00	-	S\$2.250	=	S\$447.75
Gross Realisation Proceeds		Realisation Fee (0.5%)**		Net Realisation Proceeds

\* The example above is a hypothesis and is not indicative of any future Realisation Price. The actual Realisation Price of a Sub-Fund or Class of a Sub-Fund will fluctuate according to the then prevailing net asset value of that Sub-Fund. Investors should note that Units in some Classes of Sub-Funds may be denominated in a currency other than Singapore Dollars.

\*\* The United Asia Recovery Fund currently charges a Realisation Fee of 0.5%. There is no Realisation Fee currently charged in respect of the other Sub-Funds.

#### 10.5 Payment of realisation proceeds<sup>4</sup>

The Net Realisation Proceeds will normally be paid by cheque or credited to the Holder's SRS Account, as applicable, within 6 Business Days (or such other period as may be permitted by the Authority) from the Dealing Day on which the realisation form is received and accepted 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 14](#) below.

<sup>4</sup> In the case of each of the United Singapore Recovery Fund and the United Asia Recovery Fund, prior to its Maturity Date.

## 11. SWITCHING OF UNITS

- 11.1 The Managers may allow a Holder to switch his Units in any Sub-Fund to units of another Sub-Fund, or to units in other collective investment schemes managed by the Managers, or for a different class of Units of the Sub-Funds (if established), upon such terms and conditions as the Managers may from time to time determine in accordance with the provisions of the Deed.
- 11.2 Applications for switching of Units of any Sub-Fund or Class of a Sub-Fund (the “**original Sub-Fund**” or “**original Class**”, as the case may be) into Units of another Sub-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.
- 11.3 Save as hereafter provided, the switching of Units of any Sub-Fund or Class of a Sub-Fund shall be made on the day which is both a Dealing Day in relation to Units of the original Sub-Fund or original Class (as the case may be) 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.
- 11.4 Switching of the Units of the original Sub-Fund or original Class (as the case may be) 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.
- 11.5 Switching shall be subject to the Holder maintaining the applicable Minimum Holding of the original Sub-Fund or original Class (as the case may be) 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.
- 11.6 No Units shall be switched during any period where the realisation of Units is limited (as described in paragraph 10.1 above), or suspended in accordance with paragraph 14 below.
- 11.7 Subject to the provisions of the Deed, the Managers may on the application of a Holder effect the switching of Units 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 Sub-Fund or original Class (as the case may be) 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.

## 12. CANCELLATION OF SUBSCRIPTION FOR UNITS

- 12.1 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.
- 12.2 A Holder may choose to realise his Units under paragraph 10 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 12 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.*

## 13. OBTAINING PRICES OF UNITS

The indicative Realisation Price for Units (except for Class JPY Units of the United China-India Dynamic Growth Fund) 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 (where applicable). Investors should note that the frequency of the publication of the prices is dependent on the publication policies of the publisher concerned.

The indicative Realisation Price for Class JPY Units of the United China-India Dynamic Growth Fund 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 newspaper or such other publication or for any non-publication or late publication of prices by such publisher.

#### **14. SUSPENSION OF DEALINGS**

14.1 The Managers or the Trustee may, with the prior written approval of the other, suspend the issue, realisation and valuation of Units of a Sub-Fund or Class of a Sub-Fund during:

- (a) any period when the Recognised Market on which any Authorised Investments forming part of the Deposited Property of such Sub-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 such Sub-Fund or Class as a whole or of the Deposited Property of such 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 such 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 money which will or may be involved in the realisation of such Authorised Investments or in the payment for such Authorised Investments for the time being constituting the Deposited Property of such Sub-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 such Sub-Fund or Class or the Fund (or any adjourned meeting thereof);

- (h) any period when the business operations of the Managers or the Trustee in relation to the operation of the Fund or such 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; or
- (i) in respect of a Sub-Fund which is a feeder fund or a fund of funds, any period when dealings in any Underlying Entity in which it is invested are suspended.

14.2 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 14.1 above 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.

## **15. PERFORMANCE OF THE SUB-FUNDS**

The performance and benchmark against which the performance of each Sub-Fund is measured, and the expense and turnover ratios of each Sub-Fund, are set out in the relevant Appendix for that Sub-Fund.

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

The Managers may from time to time receive and/or enter into soft-dollar commissions/arrangements in respect of each 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 as to 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 relevant 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 any Sub-Fund.

## 17. CONFLICTS OF INTEREST

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

- (a) All investment ideas are shared equally among fund managers.
- (b) 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.
- (c) 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 Sub-Fund.
- (d) 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 will adopt an average pricing policy whereby orders that are partially fulfilled on a particular day will be allotted proportionately among the funds based on their respective initial order size and such quantity allotted will be at the average price of such investments on that particular day.

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

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

## 18. REPORTS

The financial year-end of each Sub-Fund is 31 December. The annual report, auditors' report on annual accounts and annual accounts in relation to each Sub-Fund will be prepared and sent to Holders within 3 months of the financial year-end to which the reports 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 each Sub-Fund will be prepared and sent 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).

## 19. QUERIES AND COMPLAINTS

All enquiries and complaints about any Sub-Fund or 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>

## 20. OTHER MATERIAL INFORMATION

### 20.1 Market timing

Each Sub-Fund is designed and managed to support its investment objective, focus and approach for the duration of that Sub-Fund. 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 interests of other investors.

In addition, short-term trading in Units increases the total transaction costs of the relevant 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 relevant Sub-Fund, which may disrupt the investment strategies to the detriment of other 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 Fund or any Sub-Fund (as provided in the Code), the Managers will inform 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 interests of investors in each Sub-Fund.

## 20.2 Distributions

- (a) Where the Managers have indicated an intention to make any distributions to the Holders of any Sub-Fund (as set out in the relevant Appendix for such Sub-Fund), investors should note that the intention of the Managers to make such distributions is not guaranteed and there is no assurance that any distribution or distribution level will be met. 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 the distributions and the discretion to determine whether distributions will be paid out or reinvested. Distributions from a Sub-Fund may be made out of the Net Income and/or (in the event that the Net Income is insufficient) out of the capital of that Sub-Fund.
- (b) The Managers have the absolute discretion to determine whether a distribution is to be made. If distributions are made, such distributions are not in any way a forecast, indication or projection of the future or likely performance of the relevant Sub-Fund.
- (c) 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:
  - (i) the Net Income of the relevant 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 relevant Sub-Fund; or
  - (ii) in the event that the Net Income or net capital gains of the relevant Sub-Fund are insufficient, the capital of the relevant Sub-Fund; or
  - (iii) 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 any Sub-Fund, Holders will be notified of the proportion of the distribution that is made out of the capital of that 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 relevant Sub-Fund.*

- (d) To the extent permitted by the Managers in respect of any Sub-Fund or Class, a Holder may at the time of an initial application for Units make a request in writing (a “**Distribution Reinvestment Mandate**”) to elect for the automatic reinvestment of all but not part of the net amount of distributions to be received by him in the purchase of further Units of the relevant Sub-Fund or Class. Please see Clause 22.4 of the Deed for more information on Distribution Reinvestment Mandates.



### 20.3 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 each Sub-Fund with reference to any Authorised Investment which is:

- (a) a Quoted Investment, shall be calculated, as the case may be, by reference to the official closing price, the last known transacted price or the last transacted price (or, with the prior approval of the Trustee, the last bid price) as at the last official close on 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 be no such official closing price, last known transacted price or last transacted price, the value shall be calculated by reference to the last available prices quoted by responsible firms, corporations or associations on a Recognised 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 may designate); (iii) the sale prices of recent public or private transactions in the same or similar Investments; or (iv) 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 20.3(a) to 20.3(e) above are not available, or if the value of the Authorised Investment determined in the manner described in paragraphs 20.3(a) to 20.3(e) above, 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.

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

- (a) 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.
- (b) 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.
- (c) 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 or the Trustee’s delegates. Whenever pursuant to any provision of the Deed, any certificate, notice, instruction or other communication is to be given by the Trustee (or its delegates) to the Managers, the Managers may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Trustee (or the relevant delegate) by any one person whose signature the Managers are for the time being authorised by the Trustee (or as the case may be, by the relevant delegate) to accept and may act on verbal, electronic mail and facsimile instructions given by authorised officers of the Trustee (or the relevant delegate) specified in writing by the Trustee (or as the case may be, by the relevant delegate) to the Managers.
- (d) 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.

- (e) 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 any Sub-Fund) or any Holder or any company or body any of whose shares or other securities form part of the Deposited Property of any 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.
- (f) 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 or the delegates or distributors appointed by the Managers. Whenever pursuant to any provision of the Deed, any certificate, notice, instruction or other communication is to be given by the Managers (or the delegates or distributors appointed 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 (or the relevant delegate or distributor) by any one person whose signature the Trustee is for the time being authorised by the Managers (or as the case may be, by the relevant delegate or distributor) to accept, and may act on verbal, electronic mail and facsimile instructions given by authorised officers of the Managers (or the relevant delegate or distributor) specified in writing by the Managers (or as the case may be, by the relevant delegate or distributor) to the Trustee.
- (g) 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.
- (h) 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.

- (i) 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 of any Sub-Fund 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.
- (j) In no event shall a Holder have or acquire any rights against the Trustee and the Managers 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.
- (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 20.4(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) 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.
- (m) 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 on account of the Deposited Property in respect of all such matters as fall within Clause 34 of the Deed.
- (n) The Trustee shall not be under any liability except for fraud or wilful default or such liability as may be assumed by it under the Deed nor shall the Trustee (save as otherwise appears in the Deed) be liable for any act or omission of the Managers.
- (o) 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.

- (p) 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.
- (q) 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 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.
- (r) 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.
- (s) 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 of the Fund or any Sub-Fund, exempt them or indemnify them against any liability for breach of trust.
- (t) 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 and the Sub-Funds and neither of them shall in any way be liable to account to the Fund or any Sub-Fund or any other person for any profit or benefit made or derived hereby or in connection therewith.
- (u) 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 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 any 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) by any corporation controlled by any such person, firm or corporation, or (3) by any director of the Trustee or of the Managers, or of any delegate (being a corporation) or of any such corporation, or (4) by any partner of any such firm. Each of such person or body (other than the Trustee and the Managers) referred to in this paragraph 20.4(u) shall be known in this paragraph as a “**connected person**”. Nothing shall prevent:

- (i) any sale for account of the Fund or any Sub-Fund of any Authorised Investment to, or any purchase for account of the Fund or any Sub-Fund of any Authorised Investment from, the trustee or managers of any other unit trust 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 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;
- (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 delegate 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 delegates and 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 any Sub-Fund and other funds managed by the Managers by which the Managers or any delegate or any connected person may be provided with research, statistical or other essential investment services for which the Managers or any delegate 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 any 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 relevant 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-Funds. 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 relevant 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.

- (v) 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.
- (w) Neither the Managers nor the Trustee shall be liable for any loss suffered by the Deposited Property of any of the Sub-Funds or any Holder for any loss or damage arising from reasons or crisis beyond its or their control, or the control of any of its or their respective employees including without limitation nationalisation, expropriation, acts of war, terrorism, insurrection, revolution, civil interest, riots, strikes, nuclear fission or acts of God.
- (x) 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 and each of the Sub-Funds at any time after the expiration of 6 years from the termination of the Fund or the relevant 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 20.4(x) 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 20.4(x) include references to the disposal thereof in any manner.
- (y) Before making any distribution or other payment in respect of any Unit or the management fee or the performance fee or the trustee fee relating to any Sub-Fund, 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.



## 20.5 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 of each of the Sub-Funds 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 Deposited Property of the relevant Sub-Fund.
- (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 20.5(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;

- (ii) the Trustee shall not incur any liability in respect of or be responsible for losses incurred through the insolvency of or any act or omission of any nominee, custodian, joint custodian or sub-custodian appointed by the Trustee except where the Trustee has failed to exercise reasonable skill and care in the selection, appointment and monitoring of such appointee (having regard to the market in which the relevant appointee is located) or the Trustee is in wilful default; and
- (iii) the Trustee shall not incur any liability in respect of or be responsible for losses 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. For the avoidance of doubt, the Trustee shall not incur any liability or suffer any responsibility as aforesaid by approving or consenting to the appointment of any such sub-custodian which it had neither procured nor recommended for appointment.

#### 20.6 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.

## APPENDIX 1 – UNITED SINGAPORE RECOVERY FUND

This Appendix sets out the details of United Singapore Recovery Fund (referred to in this Appendix as the “**Sub-Fund**”), a sub-fund of the Fund.

### 1. **Structure of the Sub-Fund**

The Sub-Fund is a non-specialised, open-ended collective investment scheme, which is denominated in Singapore Dollars and has a fixed investment term of 2 years.

### 2. **Investment objective, focus and approach of the Sub-Fund**

#### 2.1 Investment objective

The investment objective of the Sub-Fund is to achieve capital appreciation and to make regular distributions through investment in a generally fixed, diversified portfolio of equity or equity linked securities which are listed or quoted on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). There will be no specific industry or sector emphasis.

#### 2.2 Investment focus and approach

The Managers aim to manage the Sub-Fund in a similar manner as a “unit investment trust” (“**UIT**”). A UIT’s investment approach is typically to buy and hold a fixed, defined portfolio of securities for a fixed, defined period. Generally, a UIT’s securities will not be sold or new ones bought except in certain circumstances. ***Please see below for more information on when the Sub-Fund may buy or sell securities.***

This investment approach employed by a UIT maintains that it is potentially better to purchase a well-chosen portfolio and to hold it for a period of time, rather than attempt to time the market in buying and selling securities. This investment approach requires the investor to be patient and disciplined, rather than attempt to chase short-term performance. This investment approach has the potential to reward investors over the defined term of the UIT, while allowing them to be less concerned with the day-to-day fluctuations of the market.

The investment focus of the Managers will be equity or equity linked securities of issuers listed or quoted on the SGX-ST, which are, in the Managers’ view, leaders in their respective sectors and industries, and whose securities are undervalued as a result of the current economic climate. These issuers typically have strong records of profit growth and/or dividend payment, reputations for quality management, products and services, and strong balance sheets. Such qualities would enable them to consolidate and grow market share as their competition faces constraints in the current economic downturn.

Other selection criteria include, without limitation:

- (a) balance sheets and cashflows with adequate margins of safety in terms of solvency and liquidity;
- (b) strong core profitability (albeit experiencing cyclical contractions in performance); and
- (c) strong growth drivers in terms of product mix or market exposure.

The Managers aim to create a diversified portfolio of securities of such issuers, from different sectors and industries. There will be no specific industry or sector emphasis. Securities in the portfolio may include ordinary shares, preferred shares, rights issues, options, warrants or bonus shares that may be issued by such issuers. Investors should note that an issuer whose securities are selected by the Managers for the Sub-Fund may meet some only (and not all) of the abovementioned criteria.

Investors should note that the Sub-Fund will hold fewer securities than a typical collective investment scheme. As at the date of registration of this Prospectus, the Sub-Fund holds the securities of 12 different issuers. ***There are risks in investing in a fund with a limited portfolio; for a description of such risks, see paragraph 3 of this Appendix.***

Information on the securities selected for the Sub-Fund is published on the Managers' website (uobam.com.sg).

In the event the Managers find that there are no suitable investment opportunities for the Sub-Fund at any time, the Sub-Fund may temporarily invest in debt securities and/or deposits held as cash. The Sub-Fund may also invest part of its assets in liquid investments and/or deposits held as cash for liquidity.

It is the intention of the Managers that the portfolio of the Sub-Fund will remain generally fixed for the duration of the Sub-Fund. However, the Managers may buy securities for or sell the securities of the Sub-Fund in certain circumstances, which are described below:

- ***Mid-term review and rebalancing*** – On or around the first anniversary of the Investment Date<sup>5</sup>, the Managers will perform a review of the portfolio of the Sub-Fund, and may, at their discretion, rebalance and adjust the holdings in the portfolio in such manner as they deem fit taking into account of any new investment opportunity or outlook. Any rebalancing and adjustment may involve selling existing securities and buying securities of both existing and new issuers in the portfolio. Information on the updated securities holdings of the Sub-Fund will be published on the Managers' website (uobam.com.sg) as soon as reasonably practicable after the review.
- ***Corporate actions*** – The Managers may, at their discretion, buy the securities of issuers in the Sub-Fund's portfolio that are issued or offered as a result of corporate actions such as rights or bonus issues.

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<sup>5</sup> In this Appendix, the "Investment Date" means 16 March 2009.

- **Winding down the Sub-Fund** - To facilitate the orderly liquidation of the Sub-Fund, the Managers may, at their discretion, commence the sell down of the Sub-Fund's securities 3 months prior to the Maturity Date (as defined in paragraph 2.4 of this Appendix).
- **Liquidity** - The Managers may, at their discretion, sell securities in the portfolio to meet short-term liquidity requirements, such as to make payments for realisations, distributions and fees and expenses.
- **Investment of subscription monies** - In the event that new subscription monies are received by the Sub-Fund pursuant to any offering of Units in the Sub-Fund, the Managers may buy securities for the portfolio.
- **Compliance with law or regulation** - The Managers may sell securities in order to comply with any law or regulation affecting the Managers or the Sub-Fund or any directive or instruction or recommendation by any relevant regulatory authority (including, without limitation, the Code<sup>6</sup>) and following such sale, make adjustments to the Sub-Fund's portfolio (including holding sale proceeds in cash or replacing the sold securities with other securities).
- **Extraordinary circumstances** - The Managers may, in certain extraordinary circumstances, sell securities and make adjustments to the Sub-Fund's portfolio (including holding sale proceeds in cash or replacing the sold securities) in consultation with the Trustee. Such circumstances include the following:
  - (A) any event or circumstance occurs which, in the opinion of the Managers, may have a material adverse effect on the price or value of the securities issued by any issuer (referred to as the "**Issuer**" in this sub-paragraph (A)) held by the Sub-Fund and/or the overall value of the Sub-Fund. Without prejudice to the generality of the foregoing, below are some examples of such events and circumstances:
    - the commission of any fraud by the Issuer or any of the Issuer's officers or employees;
    - the Issuer or any of its group entities is or becomes unable to pay its debts as they fall due or suspends or threatens to suspend making payments with respect to all or any class of its debts or otherwise becomes or is declared insolvent;
    - a large downgrade in the Issuer's credit rating (if any);
    - any legal or licensing issues affecting the Issuer's business;
    - any merger, acquisition, amalgamation, reconstruction or other action involving the Issuer's securities;

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<sup>6</sup> Please see paragraph 6.1(c) of the Prospectus for further information.

- any assets of the Issuer being subject to receivership, enforcement, nationalisation, seizure or other similar action; and
  - any large decline in the price of the Issuer's securities (at least 20% from the point of purchase); and
- (B) any other event or circumstance in respect of which such actions have been approved by the Trustee in writing.

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

### 2.3 Distributions

The Managers aim to make distributions of 2.5% per annum of the initial issue price of S\$1.00 per Unit. It is intended that distributions will be made every 6 months during the term of the Sub-Fund, with the first distribution to be made on or around the date falling 6 months after the Investment Date (each date on which a distribution is or is to be made shall be referred to as a “**Distribution Date**”). The Managers may vary the Distribution Dates and the frequency and rate of such distributions at their sole discretion.

The distributions shall be based on the number of Units held by each Holder as at the Distribution Date as evidenced by the Register. Distributions will be sent by cheque to Holders or credited to Holders' SRS Accounts (as defined in paragraph 9.1 of this Prospectus) (as the case may be) within 30 days from the relevant Distribution Date. For clarity, where a Distribution Date falls on a Dealing Day, Holders who realise their Units on a Distribution Date or who submit a realisation request on a Distribution Date (whether before or after the Dealing Deadline) or whose realisation request is in the course of being processed on a Distribution Day will not be treated as a registered Holder in respect of the Units realised on that Distribution Date or as set out in the realisation request and therefore, will not receive the relevant distribution in relation to those Units.

Please see paragraph 20.2 of this Prospectus for further details on distributions.

*Investors should note that the making of distributions is at the absolute discretion of the Managers and that distributions are not guaranteed. 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. Distributions from the Sub-Fund may be made out of the Net Income and/or (in the event that the Net Income is insufficient) out of the capital of the Sub-Fund. Where distributions are to be made out of the capital of the Sub-Fund, Holders will be notified accordingly of the proportion of the distribution which is made out of the capital of the Sub-Fund.*

### 2.4 Maturity and automatic termination

The Sub-Fund will mature and terminate on the second anniversary of the Investment Date (referred to as the “**Maturity Date**” in this Appendix).

In the event that the Maturity Date falls on a non-Business Day, the Maturity Date will be deemed to fall on the next Business Day. Termination of the Sub-Fund pursuant to this paragraph 2.4 is without prejudice to the other methods of terminating the Fund and Sub-Fund under the Deed.

### 3. Risks specific to the Sub-Fund

The general risk factors set out in paragraph 8.1 of this Prospectus apply to the Sub-Fund. In addition, the following risk factors apply to the Sub-Fund. These risk factors may not be a complete list of all the risk factors associated with an investment in the Sub-Fund:

(a) Equity risk

The Sub-Fund invests 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.

(b) Concentration risk

The Sub-Fund holds fewer securities than a typical collective investment scheme. As such, a decline in the relative performance of any of the securities will cause the Sub-Fund's overall value to decline to a greater degree than if the Sub-Fund was exposed to a less concentrated portfolio. The Sub-Fund may therefore be subject to a higher level of risk than a portfolio with more securities or a more diversified exposure.

Furthermore, the Sub-Fund's securities are equity or equity linked securities listed on the SGX-ST. Usually, investments in a single country fund may present greater opportunities and potential for capital appreciation, but may in turn be subject to higher risks as they may be less diversified than a global or regional portfolio.

(c) Fixed duration risk

The Sub-Fund's fixed investment term and Maturity Date would give rise to the risk that the Maturity Date may fall during a period when economic conditions have not significantly improved, or may even have worsened, since the inception of the Sub-Fund. In such a case, investors who hold their Units to maturity may receive less than what they originally invested as the net proceeds per Unit upon liquidation of the Sub-Fund may be lower than the price they paid for their Units.

(d) Sub-Fund is not actively managed

As the Sub-Fund is not actively managed by traditional methods, adverse financial conditions of the issuers of the securities held by the Sub-Fund may not result in

the sale of such securities, and this will be likely to adversely affect the Sub-Fund's net asset value. This may be mitigated in part by the ability of the Managers to buy and sell securities or otherwise adjust the portfolio of the Sub-Fund in the circumstances described in paragraph 2.2 of this Appendix.

(e) Large company risk

The investment objective, focus and approach of the Sub-Fund may lead the Managers to focus on larger companies. Investors should note the risk that companies with large market capitalisations go in and out of favour based on market and economic conditions. Larger companies tend to be less volatile than companies with smaller market capitalisations. In exchange for this potentially lower risk, the Sub-Fund's value may not rise as much as the value of funds that emphasise companies with smaller market capitalisations.

(f) Value style risk

The Managers may invest in issuers whose securities are undervalued because of the current economic climate. These types of securities may present risks in addition to the general risks associated with investing in equity and equity linked securities, including the risk that securities that are perceived as "undervalued" may not perform as well as securities that are perceived as "growth" stocks during periods when the market favours growth stocks generally over undervalued stocks.

#### 4. Fees and charges table

<b>Fees payable by a Holder</b>	
Subscription Fee	Currently 3%; maximum 3%.
Realisation Fee	Currently none; maximum 2%.
Switching Fee <sup>(1)</sup>	Currently 1%; maximum 1%.
<b>Fees payable by the Sub-Fund to the Managers, the Trustee and other parties</b>	
Management Fee	Currently 0.5% per annum; maximum 0.5% per annum.
Trustee Fee	Maximum 0.1% per annum (subject always to a minimum of S\$15,000 per annum). One-time inception fee of S\$5,000.
Administration fee	0.125% per annum.
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 is subject to agreement with the Custodian and will include a transaction fee, the amount of 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.

## **5. Minimum initial subscription amount, minimum subsequent investment amount and Minimum Holding**

- 5.1 The minimum initial subscription amount for the Sub-Fund is S\$5,000 (or in the case where payment is made in US Dollars, US\$5,000) or its equivalent in such other currencies at the applicable Rate of Exchange, as the Managers may decide.
- 5.2 The minimum subsequent subscription amount for the Sub-Fund is S\$1,000 (or in the case where payment is made in US Dollars, US\$1,000) or its equivalent in such other currencies at the applicable Rate of Exchange, as the Managers may decide.
- 5.3 The Minimum Holding for the Sub-Fund is 5,000 Units or such number of Units as may be purchased for S\$5,000 (or in the case where the purchase was made in US Dollars, US\$5,000) or its equivalent in such other currency as the Managers may decide or such other number of Units or amount as may from time to time be determined by the Managers.

## **6. Maturity and Automatic Termination**

No realisation of Units of the Sub-Fund is permitted on or after the Maturity Date.

Upon maturity and automatic termination, the assets of the Sub-Fund will be liquidated in accordance with the termination provisions set out at Clause 40 of the Deed and the net cash proceeds will be paid to Holders within 14 days of the Maturity Date, or such other period as may be permitted by the Authority.

***Investors should note that the net proceeds upon liquidation of the Sub-Fund may be lower than the net asset value of the Sub-Fund on the Maturity Date.***

The Manager will be entitled to permit Holders (at their request) to receive their net proceeds in a foreign currency. Currently, the Managers permit the payment of net proceeds in both Singapore Dollars and US Dollars (converted at the applicable Rate of Exchange). The cost of the currency exchange, if any, will be borne by the Holder.

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, 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.

## **7. Performance of the Sub-Fund**

### **7.1 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 lodgement of this Prospectus.

The benchmark against which the performance of the Sub-Fund will be measured is FTSE-ST Index (formerly known as Singapore Straits Times Index).

### **7.2 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 lodgement of this Prospectus. As such, no expense ratio or turnover ratio is currently available.

## APPENDIX 2 – UNITED HIGH GRADE CORPORATE BOND FUND

This Appendix sets out of the details of United High Grade Corporate Bond Fund (referred to in this Appendix as the “**Sub-Fund**”), a sub-fund of the Fund.

### 1. **Structure of the Sub-Fund**

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

### 2. **Investment objective, focus and approach of the Sub-Fund**

#### 2.1 Investment Objective

The investment objective of the Sub-Fund is to maximise returns over the long term through investments in a portfolio which consists mainly of investment grade corporate bonds issued globally.

#### 2.2 Investment focus and approach

The Managers aim to create a portfolio which consists mainly of investment grade bonds, fixed income securities, debt securities, fixed and floating rate securities and other similar instruments (collectively referred to as “**bonds**” in this [paragraph 2](#)), denominated in any currency and issued by corporations anywhere in the world. The Managers may also invest in bonds of governments, government agencies and supra-nationals worldwide.

A bond is considered investment grade (or IG) if it is rated BBB- or higher by Standard & Poor’s or Fitch Inc or Baa3 or higher by Moody’s Investor’s Service. The Managers may also consider the equivalent ratings issued by other reputable rating agencies as determined by the Managers. Generally, IG bonds are judged by the relevant rating agency as likely enough to meet payment obligations that banks are allowed to invest in them. Bonds that are not rated as IG bonds are known as high yield bonds or “junk” bonds. The Managers may, at their discretion, rely on any of the available ratings in the selection and ongoing monitoring of securities for the Sub-Fund.

If a bond is downgraded below IG by any one or more of the major reputable rating agencies after the initial investment by the Sub-Fund, the Sub-Fund may continue to hold that bond, but may not make additional investments in that bond. The Sub-Fund may also continue to hold bonds which ratings have been withdrawn by all major reputable rating agencies. If the aggregate of all investments described in this sub-paragraph exceeds 20% of the net asset value of the Sub-Fund at any time, the Managers will use their best endeavours to ensure that any portfolio management action does not increase the proportion of the net asset value of the Sub-Fund that is held in investments described in this sub-paragraph.

The Managers take an active approach to fund management. Through its disciplined research and investment processes, the Managers will seek to optimise portfolio performance by focusing on and investing in selected sectors and individual credits that have the potential to outperform while maintaining adequate portfolio diversification.

The research process consists of a team of analysts who specialise in company fundamental analysis and valuation. The research process enables the team of analysts to identify the best investments on a risk-adjusted basis in their respective sectors subject to the applicable investment guidelines and restrictions.

The investment process is driven by the Managers' assessment of the macro and technical factors which are important to the performance of the Sub-Fund. The Managers may choose to increase exposure to selected sectors that have the potential to outperform and reduce exposure to sectors that may underperform.

This top-down approach is supplemented by bottom-up analysis to arrive at the final investment decision. The Sub-Fund's portfolio will be reviewed regularly so as to enable a switch out of overvalued securities or sectors to undervalued securities or sectors.

The Managers maintain a continuous review of their processes and models in line with market developments. The portfolio management process emphasises teamwork. In addition, compliance and performance attribution are strongly emphasised and overseen by independent units of the Managers.

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

### 2.3 Distributions

While it is currently not the intention of the Managers to make any distributions in respect of the Sub-Fund, the Managers may, from time to time, decide to make distributions at such rate and frequency as they may decide in their absolute discretion.

*Investors should note that the making of distributions is at the absolute discretion of the Managers and that distributions are not guaranteed. 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. Distributions from the Sub-Fund may be made out of the Net Income and/or (in the event that the Net Income is insufficient) out of the capital of the Sub-Fund. Where distributions are to be made out of the capital of the Sub-Fund, Holders will be notified accordingly of the proportion of the distribution which is made out of the capital of the Sub-Fund.*

Please see paragraph 20.2 of the Prospectus for further details on distributions.

### 3. **Risks specific to the Sub-Fund**

The general risk factors set out in paragraph 8.1 of this Prospectus apply to the Sub-Fund. In addition, the following risk factors apply to the Sub-Fund. These risk factors may not be a complete list of all the risk factors associated with an investment in the Sub-Fund:

(a) Liquidity risk

The Managers anticipate some liquidity risk in the fixed income markets owing to the portfolio size of the Sub-Fund relative to the size of the markets. Liquidity may restrict the ease with which such securities may be bought or sold.

(b) Credit risk

Investments in debt securities are subject to adverse changes in the financial condition of the issuer, or in general economic conditions, or both, or an unanticipated rise in interest rate, which may impair the ability of the issuer to make payments of interest rate and principal especially if the issuer is highly leveraged. Such issuer's ability to meet its debt obligations may also be adversely affected by specific corporate developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. Also, an economic downturn or an increase in interest rates may increase the potential for default by the issuers of these securities.

(c) Risk associated with lower-rated debt securities

The lower credit ratings of certain debt securities reflect the greater possibility that adverse changes in the financial condition of the issuer, or rising interest rates, may impair the ability of the issuer to make payments to holders of the securities.

Given that the Sub-Fund may continue to hold debt securities that are downgraded below investment grade following their purchase (subject to the limits described in paragraph 2.2 of this Appendix), the Sub-Fund may have exposure to securities which are subject to greater market and credit risks than higher rated securities.

(d) Reliability of credit ratings

The Sub-Fund may, in accordance with its investment objective, focus and approach, invest mainly in securities of a certain credit rating. Credit ratings may, however, not always be an accurate or reliable measure of the strength of the securities being invested in. Where such credit ratings prove inaccurate or unreliable, losses may be incurred by the Sub-Fund.

#### 4. Fees and charges table

<b>Fees payable by a Holder</b>	
Subscription Fee	Currently 3%; maximum 3%.
Realisation Fee	Currently none; maximum 2%.
Switching Fee <sup>(1)</sup>	Currently 1%; maximum 1%.
<b>Fees payable by the Sub-Fund to the Managers, the Trustee and other parties</b>	
Management Fee	Currently 1% per annum; maximum 2% per annum.
Trustee Fee	Maximum 0.1% per annum (subject always to a minimum of S\$15,000 per annum). One-time inception fee of S\$5,000.
Administration fee	0.125% per annum.
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 is subject to agreement with the Custodian and will include a transaction fee, the amount of 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.

#### 5. Minimum initial subscription amount, minimum subsequent investment amount and Minimum Holding

5.1 The minimum initial subscription amount for the Sub-Fund is S\$5,000 (or in the case where payment is made in US Dollars, US\$5,000) or its equivalent in such other currencies at the applicable Rate of Exchange, as the Managers may decide.

- 5.2 The minimum subsequent subscription amount for the Sub-Fund is S\$1,000 (or in the case where payment is made in US Dollars, US\$1,000) or its equivalent in such other currencies at the applicable Rate of Exchange, as the Managers may decide.
- 5.3 The Minimum Holding for the Sub-Fund is 1,000 Units or such number of Units as may be purchased for S\$1,000 (or in the case where the purchase was made in US Dollars, US\$1,000) or its equivalent in such other currency as the Managers may decide or such other number of Units or amount as may from time to time be determined by the Managers.

## **6. Performance of the Sub-Fund**

### **6.1 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 lodgement of this Prospectus.

The benchmark against which the performance of the Sub-Fund will be measured is Merrill Lynch Global Large Cap Corporate Index, 1-10 Yrs.

### **6.2 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 lodgement of this Prospectus. As such, no expense ratio or turnover ratio is currently available.

## APPENDIX 3 – UNITED ASIA RECOVERY FUND

This Appendix sets out of the details of United Asia Recovery Fund (referred to in this Appendix as the “**Sub-Fund**”), a sub-fund of the Fund.

### 1. **Structure of the Sub-Fund**

The Sub-Fund is a non-specialised, open-ended collective investment scheme, which is denominated in Singapore Dollars and has a fixed investment term of 2 years.

### 2. **Investment objective, focus and approach of the Sub-Fund**

#### 2.1 Investment objective

The investment objective of the Sub-Fund is to achieve capital appreciation and to make regular distributions through investment in a generally fixed, diversified portfolio of equity or equity linked securities which are listed or quoted on the exchanges in Asia (excluding Japan). There will be no specific industry or sector emphasis.

#### 2.2 Investment focus and approach

The Managers aim to manage the Sub-Fund in a similar manner as a “unit investment trust” (“**UIT**”). A UIT’s investment approach is typically to buy and hold a fixed, defined portfolio of securities for a fixed, defined period. Generally, a UIT’s securities will not be sold or new ones bought except in certain circumstances. ***Please see below for more information on when the Sub-Fund may buy or sell securities.***

This investment approach employed by a UIT maintains that it is potentially better to purchase a well-chosen portfolio and to hold it for a period of time, rather than attempt to time the market in buying and selling securities. This investment approach requires the investor to be patient and disciplined, rather than attempt to chase short-term performance. This investment approach has the potential to reward investors over the defined term of the UIT, while allowing them to be less concerned with the day-to-day fluctuations of the market.

The investment focus of the Managers will be equity or equity linked securities of issuers listed or quoted on exchanges in Asia (excluding Japan) which are, in the Managers’ view, leaders in their respective sectors and industries, and whose securities are undervalued as a result of the current economic climate. These issuers typically have strong records of profit growth and/or dividend payment, reputations for quality management, products and services, and strong balance sheets. Such qualities would enable them to consolidate and grow market share as their competition faces constraints in the current economic downturn.



Other selection criteria include, without limitation:

- (a) balance sheets and cashflows with adequate margins of safety in terms of solvency and liquidity;
- (b) strong core profitability (albeit experiencing cyclical contractions in performance); and
- (c) strong growth drivers in terms of product mix or market exposure.

The Managers aim to create a diversified portfolio of securities of such issuers, from different sectors and industries. There will be no specific industry or sector emphasis. Securities in the portfolio may include ordinary shares, preferred shares, rights issues, options, warrants or bonus shares that may be issued by such issuers. Investors should note that an issuer whose securities are selected by the Managers for the Sub-Fund may meet some only (and not all) of the abovementioned criteria.

It is expected that there will be initially 14-18 different issuers represented in the portfolio of the Sub-Fund after the Investment Date<sup>7</sup>. Investors should note that the Sub-Fund will hold fewer securities than a typical collective investment scheme. ***There are risks in investing in a fund with a limited portfolio; for a description of such risks, see paragraph 3 of this Appendix.***

Information on the securities selected for the Sub-Fund will be published on the Managers' website (uobam.com.sg) as soon as reasonably practicable after the Investment Date.

In the event the Managers find that there are no suitable investment opportunities for the Sub-Fund at any time, the Sub-Fund may temporarily invest in debt securities and/or deposits held as cash. The Sub-Fund may also invest part of its assets in liquid investments and/or deposits held as cash for liquidity.

It is the intention of the Managers that the portfolio of the Sub-Fund will remain generally fixed for the duration of the Sub-Fund. However, the Managers may buy securities for or sell the securities of the Sub-Fund in certain circumstances, which are described below:

- ***Mid-term review and rebalancing*** – On or around the first anniversary of the Investment Date, the Managers will perform a review of the portfolio of the Sub-Fund, and may, at their discretion, rebalance and adjust the holdings in the portfolio in such manner as they deem fit taking into account of any new investment opportunity or outlook. Any rebalancing and adjustment may involve selling existing securities and buying securities of both existing and new issuers in the portfolio. Information on the updated securities holdings of the Sub-Fund will be published on the Managers' website (uobam.com.sg) as soon as reasonably practicable after the review.

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<sup>7</sup> In this Appendix, the "Investment Date" means 31 August 2009.

- **Corporate actions** – The Managers may, at their discretion, buy the securities of issuers in the Sub-Fund’s portfolio that are issued or offered as a result of corporate actions such as rights or bonus issues.
- **Winding down the Sub-Fund** – To facilitate the orderly liquidation of the Sub-Fund, the Managers may, at their discretion, commence the sell down of the Sub-Fund’s securities 3 months prior to the Maturity Date (as defined in [paragraph 2.4](#) of this Appendix).
- **Liquidity** – The Managers may, at their discretion, sell securities in the portfolio to meet short-term liquidity requirements, such as to make payments for realisations, distributions and fees and expenses.
- **Investment of subscription monies** – In the event that new subscription monies are received by the Sub-Fund pursuant to any offering of Units in the Sub-Fund, the Managers may buy securities for the portfolio.
- **Compliance with law or regulation** – The Managers may sell securities in order to comply with any law or regulation affecting the Managers or the Sub-Fund or any directive or instruction or recommendation by any relevant regulatory authority (including, without limitation, the Code<sup>8</sup>) and following such sale, make adjustments to the Sub-Fund’s portfolio (including holding sale proceeds in cash or replacing the sold securities with other securities).
- **Extraordinary circumstances** – The Managers may, in certain extraordinary circumstances, sell securities and make adjustments to the Sub-Fund’s portfolio (including holding sale proceeds in cash or replacing the sold securities) in consultation with the Trustee. Such circumstances include the following:
  - (A) any event or circumstance occurs which, in the opinion of the Managers, may have a material adverse effect on the price or value of the securities issued by any issuer (referred to as the “**Issuer**” in this [sub-paragraph \(A\)](#)) held by the Sub-Fund and/or the overall value of the Sub-Fund. Without prejudice to the generality of the foregoing, below are some examples of such events and circumstances:
    - the commission of any fraud by the Issuer or any of the Issuer’s officers or employees;
    - the Issuer or any of its group entities is or becomes unable to pay its debts as they fall due or suspends or threatens to suspend making payments with respect to all or any class of its debts or otherwise becomes or is declared insolvent;
    - a large downgrade in the Issuer’s credit rating (if any);

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<sup>8</sup> Please see [paragraph 6.1\(c\)](#) of the Prospectus for further information.

- any legal or licensing issues affecting the Issuer's business;
  - any merger, acquisition, amalgamation, reconstruction or other action involving the Issuer's securities;
  - any assets of the Issuer being subject to receivership, enforcement, nationalisation, seizure or other similar action; and
  - any large decline in the price of the Issuer's securities (at least 20% from the point of purchase); and
- (B) any other event or circumstance in respect of which such actions have been approved by the Trustee in writing.

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

### 2.3 Distributions

The Managers aim to make distributions of 2.5% per annum of the initial issue price of S\$1.00 per Unit. It is intended that distributions will be made every 6 months during the term of the Sub-Fund, with the first distribution to be made on or around the date falling 6 months after the Investment Date (each date on which a distribution is or is to be made shall be referred to as a “**Distribution Date**”). The Managers may vary the Distribution Dates and the frequency and rate of such distributions at their sole discretion.

The distributions shall be based on the number of Units held by each Holder as at the Distribution Date as evidenced by the Register. Distributions will be sent by cheque to Holders or credited to Holders' SRS Accounts (as defined in paragraph 9.1 of this Prospectus) (as the case may be) within 30 days from the relevant Distribution Date. For clarity, where a Distribution Date falls on a Dealing Day, Holders who realise their Units on a Distribution Date or who submit a realisation request on a Distribution Date (whether before or after the Dealing Deadline) or whose realisation request is in the course of being processed on a Distribution Day will not be treated as a registered Holder in respect of the Units realised on that Distribution Date or as set out in the realisation request and therefore, will not receive the relevant distribution in relation to those Units.

Please see paragraph 20.2 of this Prospectus for further details on distributions.

*Investors should note that the making of distributions is at the absolute discretion of the Managers and that distributions are not guaranteed. 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. Distributions from the Sub-Fund may be made out of the Net Income and/or (in the event that the Net Income is insufficient) out of the capital of the Sub-Fund. Where distributions are to be made out of the capital of the Sub-Fund, Holders will be notified accordingly of the proportion of the distribution which is made out of the capital of the Sub-Fund.*

## 2.4 Maturity and automatic termination

The Sub-Fund will mature and terminate on the second anniversary of the Investment Date (referred to as the “**Maturity Date**” in this Appendix).

In the event that the Maturity Date falls on a non-Business Day, the Maturity Date will be deemed to fall on the next Business Day. Termination of the Sub-Fund pursuant to this paragraph 2.4 is without prejudice to the other methods of terminating the Fund and Sub-Fund under the Deed.

## 3. **Risks specific to the Sub-Fund**

The general risk factors set out in paragraph 8.1 of this Prospectus apply to the Sub-Fund. In addition, the following risk factors apply to the Sub-Fund. These risk factors may not be a complete list of all the risk factors associated with an investment in the Sub-Fund:

### (a) Equity risk

The Sub-Fund invests 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.

### (b) Concentration risk

The Sub-Fund holds fewer securities than a typical collective investment scheme. As such, a decline in the relative performance of any of the securities will cause the Sub-Fund’s overall value to decline to a greater degree than if the Sub-Fund was exposed to a less concentrated portfolio. The Sub-Fund may therefore be subject to a higher level of risk than a portfolio with more securities or a more diversified exposure.

### (c) Fixed duration risk

The Sub-Fund’s fixed investment term and Maturity Date would give rise to the risk that the Maturity Date may fall during a period when economic conditions have not significantly improved, or may even have worsened, since the inception of the Sub-Fund. In such a case, investors who hold their Units to maturity may receive less than what they originally invested as the net proceeds per Unit upon liquidation of the Sub-Fund may be lower than the price they paid for their Units.

Moreover, investors should note that a Realisation Fee will be deducted from the realisation proceeds of any realisation requested for prior to the Maturity Date. This will have the effect of reducing the net return of an investor should he decide to realise any of his Units prior to the Maturity Date.

(d) Sub-Fund is not actively managed

As the Sub-Fund is not actively managed by traditional methods, adverse financial conditions of the issuers of the securities held by the Sub-Fund may not result in the sale of such securities, and this will be likely to adversely affect the Sub-Fund's net asset value. This may be mitigated in part by the ability of the Managers to buy and sell securities or otherwise adjust the portfolio of the Sub-Fund in the circumstances described in paragraph 2.2 of this Appendix.

(e) Large company risk

The investment objective, focus and approach of the Sub-Fund may lead the Managers to focus on larger companies. Investors should note the risk that companies with large market capitalisations go in and out of favour based on market and economic conditions. Larger companies tend to be less volatile than companies with smaller market capitalisations. In exchange for this potentially lower risk, the Sub-Fund's value may not rise as much as the value of funds that emphasise companies with smaller market capitalisations.

(f) Value style risk

The Managers may invest in issuers whose securities are undervalued because of the current economic climate. These types of securities may present risks in addition to the general risks associated with investing in equity and equity linked securities, including the risk that securities that are perceived as "undervalued" may not perform as well as securities that are perceived as "growth" stocks during periods when the market favours growth stocks generally over undervalued stocks.

#### 4. Fees and charges table

<b>Fees payable by a Holder</b>	
Subscription Fee	Currently 3%; maximum 3%.
Realisation Fee <sup>(1)</sup>	Currently 0.5%; maximum 2%.
Switching Fee <sup>(2)</sup>	Currently 1%; maximum 1%.
<b>Fees payable by the Sub-Fund to the Managers, the Trustee and other parties</b>	
Management Fee	Currently 0.5% per annum; maximum 0.5% per annum.
Trustee Fee	Maximum 0.1% per annum (subject always to a minimum of S\$15,000 per annum). One-time inception fee of S\$5,000.
Administration fee	0.125% per annum.
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>(3)</sup> (payable to the Auditors), custodian fee <sup>(4)</sup> (payable to the Custodian) and other fees and charges <sup>(5)</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) For the avoidance of doubt, no Realisation Fee will be deducted against the proceeds of any Units held until the Maturity Date.
- (2) 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.
- (3) The audit fee is subject to agreement with the Auditors for the relevant financial year.
- (4) The custodian fee payable is subject to agreement with the Custodian and will include a transaction fee, the amount of 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.
- (5) Other fees and charges include printing costs, professional fees, goods and services tax and other out-of-pocket expenses.

## **5. Minimum initial subscription amount, minimum subsequent investment amount and Minimum Holding**

- 5.1 The minimum initial subscription amount for the Sub-Fund is S\$5,000 (or in the case where payment is made in US Dollars, US\$5,000) or its equivalent in such other currencies at the applicable Rate of Exchange, as the Managers may decide.
- 5.2 The minimum subsequent subscription amount for the Sub-Fund is S\$1,000 (or in the case where payment is made in US Dollars, US\$1,000) or its equivalent in such other currencies at the applicable Rate of Exchange, as the Managers may decide.
- 5.3 The Minimum Holding for the Sub-Fund is 5,000 Units or such number of Units as may be purchased for S\$5,000 (or in the case where the purchase was made in US Dollars, US\$5,000) or its equivalent in such other currency as the Managers may decide or such other number of Units or amount as may from time to time be determined by the Managers.

## **6. Maturity and Automatic Termination**

No realisation of Units of the Sub-Fund is permitted on or after the Maturity Date.

Upon maturity and automatic termination, the assets of the Sub-Fund will be liquidated in accordance with the termination provisions set out at Clause 40 of the Deed and the net cash proceeds will be paid to Holders within 14 days of the Maturity Date, or such other period as may be permitted by the Authority. For the avoidance of doubt, no Realisation Fee will be deducted against the proceeds of any Units held until the Maturity Date.

***Investors should note that the net proceeds upon liquidation of the Sub-Fund may be lower than the net asset value of the Sub-Fund on the Maturity Date.***

The Manager will be entitled to permit Holders (at their request) to receive their net proceeds in a foreign currency. Currently, the Managers permit the payment of net proceeds in both Singapore Dollars and US Dollars (converted at the applicable Rate of Exchange). The cost of the currency exchange, if any, will be borne by the Holder.

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, 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.

## **7. Performance of the Sub-Fund**

### **7.1 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 lodgement of this Prospectus.

The benchmark against which the performance of the Sub-Fund will be measured is MSCI AC Far East ex Japan.

### **7.2 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 lodgement of this Prospectus. As such, no expense ratio or turnover ratio is currently available.

## APPENDIX 4 – UNITED CHINA-INDIA DYNAMIC GROWTH FUND

This Appendix sets out the details of United China-India Dynamic Growth Fund (referred to in this Appendix as the “**Sub-Fund**”), a sub-fund of the Fund.

### 1. **Structure of the Sub-Fund**

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

The Managers have appointed UTI International (Singapore) Private Limited as the sub-manager of the Sub-Fund’s India portfolio. Information on UTI International (Singapore) Private Limited can be found in paragraph 2.2 of this Prospectus.

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. 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.

### 2. **Investment objective, focus and approach of the Sub-Fund**

#### 2.1 Investment objective

The investment objective of the Sub-Fund is to achieve medium to long term capital appreciation through investing mainly in the 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 People’s Republic of China (“**China**”) or the Republic of India (“**India**”).

#### 2.2 Investment focus and approach

The Sub-Fund offers an opportunity for investors to tap the growth prospects of two emerging growth engines of the world – China and India.



The Managers aim to construct a diversified portfolio of China-related and India-related securities. The Managers will systematically vary the portfolio's investments in China and India-related securities to reflect prevailing market dynamics and valuations. Currently, the Managers anticipate that China-related securities and India-related securities will each comprise between 40% and 60% of the Sub-Fund's portfolio of securities at any one time. 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.

The Sub-Fund will invest mainly in listed equity securities. Subject to the policies stated in this paragraph 2.2, the Sub-Fund may also invest in American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs) and other Authorised Investments in order to meet its investment objective. The Managers do not intend to invest the Deposited Property of the Sub-Fund in any unlisted equity securities, convertible bonds, warrants, limited partnerships, structured products (including securitised instruments) and other collective investment schemes. Additionally, the Managers do not intend to use financial derivative instruments, including forward contracts (whether for hedging existing positions, efficient portfolio management or to meet the investment objectives of the Sub-Fund) save in exceptional circumstances as determined by the Managers.

In particular, investments in China-related securities may include:

- A- and B-shares (securities that are listed and traded on stock exchanges in China (such as the Shanghai Stock Exchange or Shenzhen Stock Exchange) and denominated in Renminbi, US Dollars or Hong Kong Dollars). As at the date of this Prospectus, the Sub-Fund is not able to invest directly in A-shares (securities listed on the stock exchanges within China and denominated in Renminbi) and in future, the Sub-Fund may invest directly in A-shares only to the extent it is permitted to do so under the applicable laws;
- H-shares (securities that are listed and traded on the Hong Kong Stock Exchange and which are mostly denominated in Hong Kong Dollars); and
- S-shares (securities that are listed and traded on the Singapore Exchange Securities Trading Limited and which are mostly denominated in Singapore Dollars).

Although the China portfolio will be focused primarily on China-related securities, the Managers have the discretion to include investments in corporations in Hong Kong in the China portfolio.

In the event the Managers find that there are no suitable investment opportunities for the Sub-Fund at any time, 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.

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 sector levels. Sector 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.*

### 3. Risks specific to the Sub-Fund

The general risk factors set out in paragraph 8.1 of this Prospectus apply to the Sub-Fund. In addition, the following risk factors apply to the Sub-Fund. These risk factors may not be a complete list of all the risk factors associated with an investment in the Sub-Fund:

(a) Equity risk

The Sub-Fund invests 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.

(b) Country risk

The Sub-Fund's exposure will be focused on China and India. Investors should be aware that while such concentrated exposure may present greater opportunities and potential for capital appreciation, they are subject to higher risks as there may be less diversification than a global portfolio.

(c) Small and medium capitalisation companies risk

Investments in small and medium capitalisation companies generally carry greater risk than is customarily associated with larger capitalisation companies, which may include, for example, less public information, more limited financial resources and product lines, greater volatility, higher risk of failure than larger companies and less liquidity. The result may be greater volatility in the share prices.

(d) Repatriation risk

Investments in emerging markets such as China and India 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.

(e) Regulatory risk

The Sub-Fund's investments in emerging markets such as China and India 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.

(f) Taxation risk

The Sub-Fund's investments may be adversely affected by changes in taxation, monetary and fiscal policies. New taxes imposed on the holding of investments in a particular jurisdiction, or any capital gains or income derived from such investments, may adversely affect the performance of such investments and consequently the value of Units and the income from them.

(g) Political risk

The Sub-Fund's investments in emerging markets such as China and India may be subject to higher than usual risks of political changes, government regulations, social instability or diplomatic developments (including war) which could adversely affect the economies of the relevant countries and thus the value of investments in those countries. There is also the risk that nationalisation or other similar action could lead to confiscation of assets under which shareholders in those companies would get little or no compensation.

China and India are heavily dependent on international trade and accordingly, may be adversely affected by trade barriers, or other protectionist measures and international economic developments generally.

4. Fees and charges table

<b>Fees payable by a Holder</b>	
Subscription Fee	Class SGD Units: Currently 5%; maximum 5%. Class JPY Units: Currently none; maximum 5%.
Realisation Fee	Class SGD Units: Currently none; maximum 2%. Class JPY Units: Currently none; maximum 2%.
Switching Fee <sup>(1)</sup>	Class SGD Units: Currently 1%; maximum 1%. Class JPY Units: Currently 1%; maximum 1%.
<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 up to 1% per annum; maximum 2% per annum.
Trustee Fee	Maximum 0.1% per annum (subject always to a minimum of S\$15,000 per annum). One-time inception fee of S\$5,000.
Administration fee	0.125% per annum (Class SGD Units only).
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	Maximum 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.

<sup>(1)</sup> 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.

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

<sup>(3)</sup> The custodian fee payable is subject to agreement with the Custodian and will include a transaction fee, the amount of 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.

<sup>(4)</sup> Other fees and charges include printing costs, professional fees, goods and services tax and other out-of-pocket expenses.

## 5. Initial Offer Period and Initial Issue Price

The initial offer period for Class SGD Units and Class JPY Units is from 16 November 2009 to 17 December 2009 or for such other period as the Managers may decide from time to time upon notification to the Trustee. During this initial offer period, Class SGD Units will be offered at the initial issue price of S\$1.00 and Class JPY Units will be offered at the initial issue price of ¥1,000.

## 6. Minimum subscription amounts and Minimum Holding

The minimum initial subscription amount, minimum subsequent subscription amount and Minimum Holding 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 notice to the Trustee:

<b>Class</b>	<b>Minimum initial subscription amount*</b>	<b>Minimum subsequent subscription amount*</b>	<b>Minimum Holding</b>
Class SGD	S\$1,000 (or in the case where payment is made in US Dollars, US\$1,000)	S\$500 (or in the case where payment is made in US Dollars, US\$500)	1,000 Units or such number of Units as may be purchased for the relevant minimum initial subscription amount
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.

## 7. Minimum size and other conditions to the launch of Sub-Fund or Class

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

- (a) the capital raised for the Sub-Fund as at the close of the initial offer periods for both Class SGD and Class JPY Units 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.

- 7.2 The Managers reserve the right not to proceed with the launch of a Class in the event that:
- (a) the capital raised for the Class as at the close of the applicable initial offer period is less than S\$5,000,000 or its equivalent in the Base Currency of the Class; 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 Class.
- 7.3 In such event, the Managers may at their discretion declare the Sub-Fund or Class (as the case may be) to be deemed not to have commenced, and shall notify the relevant investors of the same and return the subscription monies received (without interest) to the relevant investors no later than 30 Business Days after the close of the Initial Offer Period.

## **8. Performance of the Sub-Fund**

### **8.1 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 lodgement of this Prospectus.

The benchmark against which the performance of the Sub-Fund will be measured is a composite benchmark of 50% MSCI China and 50% MSCI India (converted to the relevant Base Currency).

### **8.2 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 lodgement of this Prospectus. As such, no expense ratio or turnover ratio is currently available.

