

# UNITED JAPAN SMALL AND MID CAP FUND

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

Jul '23



Right By You



## **DIRECTORY**

### **Managers**

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

<i>Registered office:</i>	<i>Operating office:</i>
80 Raffles Place	80 Raffles Place
UOB Plaza	3 <sup>rd</sup> Storey
Singapore 048624	UOB Plaza 2
	Singapore 048624

### **Directors of the Managers**

Lee Wai Fai  
Thio Boon Kiat  
Peh Kian Heng  
Edmund Leong Kok Mun

### **Sub-Managers**

Sumitomo Mitsui DS Asset Management Company, Limited  
Toranomon Hills Business Tower 26F  
1-17-1 Toranomon, Minato-ku  
Tokyo 105-6426, Japan

### **Trustee**

State Street Trust (SG) Limited  
(Company Registration No. 201315491W)  
168 Robinson Road  
#33-01 Capital Tower  
Singapore 068912

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

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

### **Auditors**

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

### **Solicitors to the Managers**

Tan Peng Chin LLC  
50 Raffles Place  
#27-01 Singapore Land Tower  
Singapore 048623

### **Solicitors to the Trustee**

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

## DEFINITIONS

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

Accumulation Class	A Class of the Fund which does not declare or pay distributions but accumulates investment gains and income in its NAV.
ATMs	Automated teller machines.
Authorised Investments	See <u>paragraph 6.6</u> of this Prospectus.
Authority	Monetary Authority of Singapore.
Business Day	A day (other than Saturday, Sunday or a gazetted public holiday) on which commercial banks are open for business in Singapore and Japan, or any other day as the Managers and the Trustee may agree in writing.
Class	Any class of Units in the Fund which may be designated as a class distinct from another class in the Fund as may be determined by the Managers from time to time.
Class currency	The currency of denomination of the relevant Class.
CMP Regulations	means:  (a) MAS Notice SFA 04-N12: Notice on the Sale of Investment Products issued by the Authority; and  (b) Securities and Futures (Capital Markets Products) Regulations 2018.
Code	Code on Collective Investment Schemes issued by the Authority, as amended from time to time. The latest version is available at <u><a href="http://www.mas.gov.sg">www.mas.gov.sg</a></u>
custodian	Includes any person or persons for the time being appointed as a custodian of the Fund or any of its assets.
Dealing Day	<p>In connection with the issuance, cancellation, valuation and realisation of Units, generally every Business Day. The Managers may change the Dealing Day with the Trustee's approval, provided that the Managers give reasonable notice of such change to all Holders on terms approved by the Trustee.</p> <p>If on any day which would otherwise be a Dealing Day the Recognised Market on which investments of the Fund having in aggregate values amounting to at least 50% of the value of the assets of the 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.</p>
Dealing Deadline	The deadline set out in <u>paragraphs 9.3 and 11.1</u> or such other time as the Managers may determine subject to the provisions of the Deed.

Deed	See <u>paragraph 1.4</u> of this Prospectus.
Deposited Property	All of the assets for the time being comprised in the Fund or deemed to be held upon the trusts of the Deed for account of the Fund excluding any amount for the time being standing to the credit of the distribution account referred to in <u>Clause 22.3</u> of the Deed.
Distribution Class	A Class of the Fund which declares and pays distributions in accordance with the applicable distribution policies.
Excluded Investment Products	are defined: <ul style="list-style-type: none"> <li>(a) as such under MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products issued by the Authority; and</li> <li>(b) as “prescribed capital markets products” under the Securities and Futures (Capital Markets Products) Regulations 2018.</li> </ul>
FATCA	The U.S. Foreign Account Tax Compliance Act, as amended from time to time.
FDIs or derivatives	Financial derivative instruments.
Fund	United Japan Small and Mid Cap Fund.
Fund currency	The currency of denomination of the Fund.
Gross Investment Amount	The amount paid by an investor for the purpose of investing in Units, before deduction of the applicable Subscription Fee.
Gross Realisation Proceeds	The amount payable to a Holder upon the realisation of its Units, before deduction of the applicable Realisation Fee.
Group Fund	A collective investment scheme the managers of which: <ul style="list-style-type: none"> <li>(a) are the Managers or a corporation under their control or under common control with them or at least 50% of the share capital of which is held by a corporation which is a shareholder of the Managers; and</li> <li>(b) have approved the terms of any switch which may be made pursuant to the Deed.</li> </ul>
Hedged Class	A Class to which the currency hedging strategy as described under the heading “Hedged Classes” in <u>paragraph 8.2(c)</u> is applied.
Holder	A unitholder of the Fund.
IGA	Intergovernmental agreement.
Japanese yen / JPY / ¥	The lawful currency of Japan.

Managers or UOBAM	UOB Asset Management Ltd or any other person for the time being duly appointed as managers of the Fund. References to “ <b>we</b> ”, “ <b>us</b> ” or “ <b>our</b> ” shall be construed accordingly to mean UOB Asset Management Ltd.
NAV	Net asset value.
Net Investment Amount	The amount paid by an investor for the purpose of investing in Units, after deduction of the applicable Subscription Fee.
Net Realisation Proceeds	The amount payable to a Holder upon the realisation of its Units, after deduction of the applicable Realisation Fee.
Register	The register of Holders of the Fund.
RSP	Regular savings plan.
SFA	Securities and Futures Act 2001, as amended from time to time.
Singapore dollars / SGD / S\$	The lawful currency of Singapore.
SRS	Supplementary Retirement Scheme.
Sub-Managers	Sumitomo Mitsui DS Asset Management Company, Limited.
Trustee	State Street Trust (SG) Limited or any other person for the time being duly appointed as trustee of the Fund.
U.S.	United States of America.
United States dollars / USD/ US\$	The lawful currency of the U.S..
Units	Units of the relevant Class or all relevant Classes (as the case may be).
Valuation Point	The close of business of the last relevant market in relation to the relevant Dealing Day on which the NAV of the Fund or Class (as the case may be) is to be determined or such other time on the relevant Dealing Day or such other day as the Managers may determine with the prior approval of the Trustee who shall decide if a notice to notify the Holders of such determination is required.

## IMPORTANT INFORMATION

The collective investment scheme offered in this Prospectus is constituted in Singapore and is an authorised scheme under the SFA. A copy of this Prospectus has been lodged with and registered by the Authority. The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the SFA or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the Fund.

We have taken all reasonable care to ensure that the information in this Prospectus is, to the best of our knowledge and belief, accurate and does not omit anything which would make any statement in this Prospectus misleading.

You should refer to the Deed in conjunction with this Prospectus. A copy of the Deed is available for inspection at our operating office during normal business hours (subject to such reasonable restrictions as we may impose). If you are in any doubt about the contents of this Prospectus or the Deed, you should seek independent professional advice.

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

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

You should seek independent professional advice to ascertain (a) the possible tax consequences, (b) the applicable legal requirements and (c) any foreign exchange restrictions or exchange control requirements, which you may encounter under the laws of the country of your citizenship, residence or domicile and which may be relevant to your subscription, holding or disposal of Units. We make no representation as to the tax status of the Fund. You should keep yourself informed of, and observe, all such laws and regulations in any relevant jurisdiction that may be applicable to you.

Units are offered on the basis of the information contained in this Prospectus and the documents referred to in this Prospectus. No person is authorised to give any information or make any representations concerning the Fund other than as contained in this Prospectus. Any investment made on the basis of information or representations not contained in or inconsistent with the information or representations in this Prospectus will be solely at your risk. This Prospectus may be updated from time to time to reflect material changes and you should check if a more recent Prospectus or supplement is available. Certain minor updates to the information in this Prospectus may be announced on our website at [uobam.com.sg](http://uobam.com.sg) or any other website designated by us from time to time.

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

Units are Excluded Investment Products.

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

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

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

- (i) U.S. Persons (as defined in Regulation S promulgated under the Securities Act of 1933 of the U.S., as amended (the “**U.S. Securities Act**”)) in reliance on Regulation S promulgated under the U.S. Securities Act; or
- (ii) “United States persons” (as defined in Section 7701(a)(30) of the U.S. Internal Revenue Code, as amended, and referred to herein as “**U.S. Taxpayers**”). Currently, the term “**U.S. Taxpayer**” includes: a U.S. citizen or resident alien of the United States (as defined for U.S. federal income tax purposes); any

entity treated as a partnership or corporation for U.S. tax purposes that is created or organized in, or under the laws of, the United States or any state thereof (including the District of Columbia); any other partnership that may be treated as a U.S. Taxpayer under future U.S. Treasury Department regulations; any estate, the income of which is subject to U.S. income taxation regardless of source; and any trust over whose administration a court within the United States has primary supervision and all substantial decisions of which are under the control of one or more U.S. fiduciaries. Persons who have lost their U.S. citizenship and who live outside the United States may nonetheless, in some circumstances, be treated as U.S. Taxpayers. Persons who are aliens as to the United States but who have spent 183 days or more in the United States in any of the last two years should check with their tax advisors as to whether they may be considered residents of the United States.

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

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

### **FATCA**

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

For the purpose of complying with FATCA, we, the Trustee and/or other service providers of the Fund may be required to report and disclose information on certain investors in the Fund to the U.S. tax authorities and/or such Singapore authority as may be required under Singapore laws and regulations to be implemented as part of any IGA entered into between the U.S. and Singapore<sup>1</sup> in connection with FATCA and/or withhold certain payments to such investors.

### **CRS**

CRS, endorsed by the Organisation for Economic Co-operation and Development (OECD) and the Global Forum for Transparency and Exchange of Information for Tax Purposes, is an internationally agreed standard for the automatic exchange of information on financial accounts between jurisdictions with the objective of detecting and deterring tax evasion through the use of offshore bank accounts.

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

\* \* \*

You are required to:

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

---

<sup>1</sup> Pursuant to the IGA entered into between Singapore and the U.S. on 9 December 2014, Singapore-based financial institutions (such as us) will report information on financial accounts held by U.S. Taxpayers to the Inland Revenue Authority of Singapore (IRAS), which will in turn provide the information to the U.S. tax authorities.



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

\* \* \*

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

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

## TABLE OF CONTENTS

Contents	Page
1. BASIC INFORMATION.....	1
2. THE MANAGERS, THEIR DIRECTORS AND KEY EXECUTIVES .....	2
3. THE SUB-MANAGERS.....	4
4. THE TRUSTEE, CUSTODIAN AND ADMINISTRATOR .....	5
5. OTHER PARTIES.....	5
6. INVESTMENT CONSIDERATIONS .....	6
7. FEES AND CHARGES .....	10
8. RISKS.....	11
9. SUBSCRIPTION OF UNITS .....	15
10. REGULAR SAVINGS PLAN.....	18
11. REALISATION OF UNITS.....	19
12. SWITCHING OF UNITS.....	21
13. OBTAINING PRICES OF UNITS .....	22
14. SUSPENSION OF DEALINGS .....	23
15. PERFORMANCE OF THE FUND.....	24
16. SOFT DOLLAR COMMISSIONS/ARRANGEMENTS.....	25
17. CONFLICTS OF INTEREST .....	26
18. REPORTS .....	30
19. QUERIES AND COMPLAINTS .....	30
20. OTHER MATERIAL INFORMATION .....	30
21. PROVISIONS OF THE DEED.....	31

# UNITED JAPAN SMALL AND MID CAP FUND

## PROSPECTUS

### 1. BASIC INFORMATION

#### 1.1 Fund details

This is a Prospectus for United Japan Small and Mid Cap Fund.

The Fund is an open-ended, stand-alone unit trust constituted in Singapore with no fixed maturity.

The Fund is denominated in SGD.

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

The Authority registered this Prospectus on 27 July 2023. It is valid up to 26 July 2024 and will expire on 27 July 2024.

#### 1.3 Classes of Units

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

*Note on naming convention:*

- *Classes designated “A” are available for subscription by all investors.*
- *The currency stated in the name of a Class is its Class currency: e.g. the Class currency of Class USD is USD.*
- *“Dist” or “Acc” refers to whether the Class is a Distribution Class (which may make distributions) or Accumulation Class respectively.*
- *If the Class name contains “(Hedged)” then it is a Hedged Class.*

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

The following Classes of Units have been established:

- Class JPY
- Class SGD
- Class SGD (Hedged)
- Class USD

**Important note: we intend to standardise the naming convention of the classes of units of our collective investment schemes and accordingly, the above Classes will respectively be renamed as follows with effect from such date as we and the Trustee may agree<sup>2</sup>:**

- Class A JPY Acc
- Class A SGD Acc
- Class A SGD Acc (Hedged)
- Class A USD Acc

#### 1.4 Trust deed and supplemental deeds

- (a) The Fund was constituted by way of a trust deed dated 27 September 2013, which has since been amended by the following deeds:

First Supplemental Deed	23 April 2015
Supplemental Deed of Appointment and Retirement of Trustee	24 February 2017
Second Supplemental Deed	14 September 2017
Third Supplemental Deed	1 June 2022

The trust deed dated 27 September 2013, as amended, shall be referred to as the “**Deed**”.

- (b) The Deed is binding on each Holder and all persons claiming through such Holder as if each of them had been a party to the Deed.
- (c) You may inspect a copy of the Deed free of charge at our operating office during normal business hours, subject to such reasonable restrictions as we may impose. You may request for a copy at a charge not exceeding S\$25 per copy or such other amount as we and the Trustee may from time to time agree.

#### 1.5 Accounts and reports

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

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

### 2.1 The Managers

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

UOBAM is a wholly-owned subsidiary of United Overseas Bank Limited (“**UOB**”). Established in 1986, UOBAM has been managing collective investment schemes and discretionary funds in Singapore for over 35 years. UOBAM is licensed and regulated by the Authority. UOBAM has an extensive presence in Asia with regional business and investment offices in Malaysia, Thailand, Brunei, Indonesia, Taiwan, Japan and Vietnam. UOBAM has a joint venture with Ping An Fund Management Company Limited. In addition, it also has strategic alliances with Wellington Management and UTI International (Singapore) Private Limited.

Through its network of offices, UOBAM offers global investment management expertise to institutions, corporations and individuals, through customised portfolio management services and unit trusts. As at 30 April 2023, UOBAM manages 58 unit trusts in Singapore. UOBAM is one of the largest unit trust managers in Singapore in terms of assets under management.

UOBAM's investments team conducts independent and rigorous fundamental research within a proven investment process and framework. In equities, UOBAM's team has acquired specialist skills in investment

---

<sup>2</sup> The new Class names will be reflected in the monthly statement sent to you at the relevant time.

in global markets and major global sectors. It combines a disciplined research effort that aims to identify and invest in high performing businesses at the right price, with a systematic model portfolio construction process, to diversify sources of alpha to achieve more consistent performance over time. In fixed income, UOBAM's coverage spans a wide spectrum comprising G10 government bonds, developed market corporate bonds, Asia sovereigns and corporates, emerging market bonds and Singapore fixed income. In addition to independent research to uncover relative value opportunities, UOBAM adopts diversified investment strategies including responsible investment practices combined with active risk management to generate sustainable total return for its portfolios.

Since 1996, UOBAM has won a total of 222 awards in Singapore. These awards recognise UOBAM's investment performance across different markets and sectors.

As at 30 April 2023, UOBAM and its subsidiaries in the region have a staff strength of over 500 including more than 40 investment professionals in Singapore.

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

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

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

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

## 2.2 [Directors and key executives of the Managers](#)

### [Lee Wai Fai, Director and Chairman](#)

Mr Lee joined UOB in 1989 and is presently Group Chief Financial Officer with UOB. Mr Lee has previously held senior positions in the UOB group, including being head of international branches and regional banking subsidiaries, Deputy Chief Executive Officer of UOB Radanasin Bank Public Company Limited, Head of Finance as well as Head of Policy and Planning of UOB.

Mr Lee holds a Bachelor of Accountancy (Honours) degree from the National University of Singapore and a Master of Business Administration degree in Banking and Finance from the Nanyang Business School, Nanyang Technological University, and has more than 25 years of experience in the banking sector.

### [Thio Boon Kiat, Director and Chief Executive Officer](#)

Mr Thio is a Chartered Financial Analyst charter holder and graduated with a Bachelor of Business Administration (First Class Honours) degree from the National University of Singapore. In 2004, he attended the Investment Management Program at Harvard Business School. In 2006, he also attended the Mastering Alternative Investments programme at Insead University.

Mr Thio has over 20 years of investment management experience. He joined UOBAM in 1994 from the Government of Singapore Investment Corporation (GIC), as a portfolio manager managing Singapore, and subsequently Asia Pacific and Global Equity portfolios. Over the years, he also headed the International Equities and Global Technology teams. In 2004, Mr Thio was appointed as Chief Investment Officer of UOBAM, a position he held until 2011 when he was promoted to his current appointment of Chief Executive Officer.

Mr Thio was recognised as "CEO of the Year in Asia" for two consecutive years by Asia Asset Management in its "Best of the Best Regional Awards 2015" and "Best of the Best Regional Awards 2014" for his outstanding contributions to UOBAM. He was also conferred the "IBF Fellow" title by the Institute of Banking and Finance in 2015.

#### Peh Kian Heng, Director

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

#### Edmund Leong Kok Mun, Director

Mr Leong is the Managing Director, Head of Group Investment Banking of United Overseas Bank Limited (UOB) and oversees businesses spanning capital markets, mergers and acquisitions, leveraged finance, project finance and mezzanine capital.

He has more than 22 years of origination and execution experience specializing in capital markets and leveraged finance as well as advisory services across Asia. Prior to joining UOB in 2015, he led the debt capital markets team at the investment banking arm of an international financial group. He also held senior roles specializing in capital markets at several international banks.

Mr Leong graduated from the University of Cambridge, United Kingdom (UK) with a Master of Philosophy in Management Studies and the University of Wales, Cardiff, UK with a Bachelor of Science in Accounting (First Class Honours). He is a Chartered Financial Analyst charterholder.

#### Chong Jiun Yeh, Chief Investment Officer, UOB Asset Management

As Chief Investment Officer of UOB Asset Management, Mr Chong leads the investment team in developing the firm's long-term investment strategy and in managing asset allocation with the objective to maximise the value of investments in assets for our investors. He has oversight for the teams managing Equities, Fixed Income, Multi-Asset, including spearheading the firm's strategic thrusts in sustainable investing and investment technology.

Prior to joining UOBAM in 2008, Mr Chong was the Managing Director (Fund Management) and Co-Head of Portfolio Management for ST Asset Management (STAM), a wholly owned subsidiary of Temasek Holdings. Before that, he was Head of Fixed Income and Currencies at OUB Asset Management. He has vast experience in managing equities, fixed income and structured investment portfolios, including emerging market local currencies debts, G7 FX overlays as well as Asia-Pacific equities.

Mr Chong graduated with a Bachelor of Science (Estate Management) (Second Upper Honours) degree from the National University of Singapore.

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

We have appointed Sumitomo Mitsui DS Asset Management Company, Limited ("**SMDAM**") as the Sub-Managers of the Fund.

SMDAM, located at Toranomon Hills Business Tower 26F, 1-17-1 Toranomon, Minato-ku, Tokyo 105-6426, is one of the leading asset management firms in Japan. SMDAM, previously known as Sumitomo Mitsui Asset Management Company Limited, changed its name at the occasion of a merger with Daiwa SB Investments ("**DSBI**"), effective from 1st April 2019. SMDAM is a subsidiary of Sumitomo Mitsui Financial Group, Inc. (TSE Code: 8316), one of the largest financial groups in Japan. SMDAM is domiciled in Japan and is regulated by the Financial Services Agency in Japan as an asset management firm. SMDAM has managed collective investment schemes and discretionary funds for over 10 years. As at 31 December 2022, SMDAM has assets under management of approximately US\$119 billion.

SMDAM has overseas subsidiaries in the United Kingdom, the United States and Hong Kong, Singapore and a representative office in Shanghai dedicated to research on equities and economic developments in the People's Republic of China. SMDAM and its group of companies worldwide ("**SMDAM Group**") provides investors with asset management services by leveraging its solid research platform, particularly focused on Japan and Asia-Pacific, with over 961 staff worldwide (as of 1 April 2023). SMDAM Group's experienced fund managers take advantage of original and in-depth analysis by in-house researchers in generating investment ideas to produce competitive investment performances.

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

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

### **4.1 The Trustee**

The Trustee of the Fund is State Street Trust (SG) Limited, a trust company approved by the Authority under Section 289(1) of the SFA to act as a trustee for collective investment schemes which are authorised under Section 286 of the SFA and constituted as unit trusts. The Trustee is regulated in Singapore by the Authority.

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

### **4.2 The custodian**

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

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

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

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

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

### **4.3 The administrator**

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

## **5. OTHER PARTIES**

### **5.1 The registrar**

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

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

## 5.2 The auditors

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

# 6. INVESTMENT CONSIDERATIONS

## 6.1 Investment objective

The investment objective of the Fund is to achieve long term capital growth through investing in securities of small and medium capitalisation corporations listed, domiciled, or having substantial operations, in Japan.

## 6.2 Investment focus and approach

- (a) We have delegated the investment management of substantially all the Fund's assets to the Sub-Managers.
- (b) The Sub-Managers' investment process in relation to the Fund is strictly bottom-up in nature and they seek to identify good quality companies in which they are able to achieve an in-depth understanding with a view to invest for the long term. The Sub-Managers conduct strong fundamental research further supported by dedicated analysts who specialise in small and mid cap research as well as analysts who provide coverage for large and mid cap stocks. The strategy is managed by a team of fund managers with each taking on the responsibility of contributing investment ideas. Every member of the team has to agree to the inclusion of a stock in the portfolio. The Japanese market has highly diversified industries and the Sub-Managers believe that a team-based investment management approach supported by analysts is a key contributing factor to the performance of this strategy in that it can provide more diverse investment ideas and in-depth analysis.
- (c) All listed Japanese stocks (excluding stocks in the TOPIX 100 Index) constitute the initial investment universe for the strategy.

The Sub-Managers believe that not having a specific investment universe other than the aforementioned mitigates the risk of missing good investment opportunities. Though the Sub-Managers do not set any quantitative screening criteria, they focus on companies that have the following qualitative characteristics:

- (i) growing companies in developing business sectors;
  - (ii) companies with unique business models or superior technologies; and
  - (iii) companies in mature markets that are still able to grow earnings through innovations.
- (d) As this is a small and mid cap strategy, many stocks are not covered by sell-side analysts and external research is not readily available. The Sub-Managers believe that this situation creates inefficiencies around stock prices and provide opportunities for excess return. Therefore, they rely on their internal research which includes extensive management interviews and site visits to generate investment ideas. In order for a stock to be selected, the Sub-Managers have to conduct a direct face-to-face interview with management/investor relations officers and establish a financial model with three-year forward earnings estimates to calculate Enterprise Value (EV) and Absolute Price Target calculation. The Sub-Managers' definition of EV is the sum of invested capital and Market Value Added (MVA). MVA is the sum of discounted values of future Economic Value Added (EVA<sup>®3</sup>).

---

<sup>3</sup> EVA<sup>®</sup> is a registered trademark of Stern Stewart & Co.



- (e) Internal research is aimed at evaluating fundamental and valuation aspects of companies through the use of the Sub-Managers' financial models. The key purpose of this analysis is to identify companies:
  - (i) which fall under one of the above qualitative criteria;
  - (ii) whose Absolute Price Targets calculated based on intrinsic EV indicate more than 20% upside to current stock prices; and
  - (iii) which have positive MVA.

The Sub-Managers only include companies whose operational fundamentals are in excellent condition and are able to continue producing good economic return in the foreseeable future.

- (f) The Sub-Managers make investment decisions based on Absolute Price Targets because they believe that such investment decisions are more disciplined as they enable the Sub-Managers to have a built-in process of reviewing fundamentals, revising earnings estimates and price targets and making investment decisions based on revised price targets when fundamentals change against initial estimates. This also avoids any potential lock-up investment with ambiguous investment objectives.

A portion of the Fund's assets may be retained in liquid instruments and cash for liquidity purposes.

### 6.3 Investment style and benchmark usage

The Fund is actively managed with reference to its benchmark (as set out in paragraph 15.1), which is used for performance comparison purposes. The benchmark is neither used as a constraint on how the Fund's portfolio is to be constructed nor set as a target for the Fund's performance to beat.

However, the majority of the Fund's holdings could likely be components of the benchmark. As an actively managed fund, the Managers have absolute discretion over portfolio construction in terms of following the benchmark weights and investing in securities not included in the benchmark. As a result, it is expected that the risk-return characteristics of the Fund may deviate from the benchmark over time

### 6.4 Distribution policy

Currently, no distributions are made in respect of the Fund.

### 6.5 Product suitability

The Fund is only suitable for investors who:

- (a) seek long term capital growth; and
- (b) are comfortable with the volatility and risks of a fund which invests in securities of small and medium capitalisation corporations listed, domiciled, or having substantial operations, in Japan.

### 6.6 Authorised Investments

The authorised investments of the Fund ("**Authorised Investments**") are as follows:

- (a) any Quoted Investment which is selected by us for the purpose of investment of the Deposited Property;
- (b) any Investment in respect of which an application for listing or permission to deal has been made to a Recognised Market and the subscription for or purchase of which is either conditional upon such listing or permission to deal being granted within a specified period not exceeding 12 weeks (or such other period as may be agreed between the Trustee and us) or in respect of which we are satisfied that the subscriptions or other transactions will be cancelled if the application is refused;

- (c) any Unquoted Investment which is selected by us for the purpose of investment of the Deposited Property;
- (d) any Investment which is a unit in any unit trust scheme or a share or participation in an open-ended mutual fund or other collective investment scheme;
- (e) the currency of any country or any contract for the spot purchase or sale of any such currency or any forward contract of such currency;
- (f) any Investment denominated in any currency;
- (g) any Investment which is a future, option, forward, swap, collar, floor or other derivative; and
- (h) any Investment which is not covered by sub-paragraphs (a) to (g) above, as selected by us and approved by the Trustee,

only to the extent allowed under the CMP Regulations for the purposes of classifying the Units as Excluded Investment Products.

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

***The Fund intends to use or invest in FDIs. Further information is set out in paragraph 6.8 of this Prospectus.***

#### 6.7 Investment restrictions

- (a) The investment guidelines and borrowing limits set out under Appendix 1 of the Code apply to the Fund.
- (b) The Units are Excluded Investment Products. Accordingly, the Fund will not invest in any product or engage in any transaction which may cause the Units not to be regarded as Excluded Investment Products.
- (c) Currently, the Fund does not intend to carry out securities lending or repurchase transactions but may do so in the future in accordance with the provisions of the Code. Accordingly, the Fund may at such time in the future become subject to the provisions on securities lending and repurchase transactions as set out in the Code. The Managers shall not engage in securities lending or repurchase transactions for the Fund, except where such securities lending or repurchase transactions are carried out solely for the purpose of efficient portfolio management and do not amount to more than 50% of the NAV of the Fund.

#### 6.8 Risk management procedures of the Managers on certain investments

- (a) Subject to the provisions on FDIs set out in the CMP Regulations for the purpose of classifying Units of the Fund as Excluded Investment Products, the Fund may use or invest in FDIs for the purposes of hedging existing positions, efficient portfolio management or a combination of both purposes.
- (b) We will use the commitment approach to determine the Fund's global exposure to FDIs by converting its positions in the FDIs into equivalent positions in the FDIs' underlying assets. Such exposure will be calculated in accordance with the provisions of the Code. We will ensure that the global exposure of the Fund to FDIs or embedded FDIs will not exceed 100% of the Fund's NAV.
- (c) Below is a description of risk management and compliance procedures and controls adopted by us:
  - (i) We will implement various procedures and controls to manage the risk of the Fund's assets. Our decision to invest in any particular security or instrument on behalf of the Fund will be based on our judgment of the benefit of such transactions to the Fund and will be consistent with the Fund's investment objective in terms of risk and return.

- (ii) *Execution of trades.* Prior to each trade, we will ensure that the intended trade will comply with the stated investment objective, focus, approach and restrictions (if any) of the Fund, and that best execution and fair allocation of trades are done. Our Governance and Compliance department will conduct periodic checks to ensure compliance with the investment objective, focus, approach and restrictions (if any) of the Fund. If there is any non-compliance, our Governance and Compliance department is empowered to instruct the relevant officers to rectify the same. Any non-compliance will be reported to higher management and monitored for rectification.
- (iii) *Liquidity.* If there are any unexpectedly large realisations of Units, it is possible that the assets of the Fund may be forced to be liquidated at below their fair and expected value, especially in illiquid Recognised Markets. Also, under certain market conditions such as during volatile markets, crisis situations or trading disruptions, it may be difficult or impossible to liquidate or rebalance positions. While we will ensure that a sufficient portion of the Fund will be in liquid assets such as cash and cash-equivalents to meet expected realisations (net of new subscriptions), we may in certain situations employ liquidity management tools such as limiting or suspending realisations in accordance with paragraphs 11.3 or 14. If such tools are employed, you may not be able to realise your Units during any suspension period or the realisation of your Units may be delayed.
- (iv) *Counterparty exposure.* The Fund may have credit exposure to counterparties by virtue of positions in FDIs and other financial instruments held by the Fund. To the extent that a counterparty defaults on its obligations and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its assets and in its income stream and incur extra costs associated with the exercise of its financial rights. Subject to the provisions of the Code, we will restrict our dealings with counterparties to entities that have a minimum long-term issuer credit rating of above BB+ by Standard and Poor's, an individual rating of above C or viability ratings of above bbb by Fitch Inc., a baseline credit assessment of above a3 by Moody's Investors Service or an equivalent rating from any other reputable rating agency. If any approved counterparty fails this criterion subsequently, we will take steps to unwind the Fund's position with that counterparty as soon as practicable.
- (v) *Volatility.* To the extent that the Fund has exposure to FDIs that allow a larger amount of exposure to a security for no or a smaller initial payment than the case where the investment is made directly into the underlying security, the value of the Fund's assets will have a higher degree of volatility. The Fund may use FDIs for hedging purposes to reduce the overall volatility of the value of its assets. At the same time, we will ensure that the global exposure of the Fund to FDIs and embedded FDIs will not exceed the NAV of the Fund, as stated in sub-paragraph (b) above.
- (vi) *Valuation.* The Fund may have exposure to over-the-counter FDIs that are difficult to value accurately, particularly if there are complex positions involved. We will ensure that independent means of verifying the fair value of such instruments are available, and will conduct such verification at an appropriate frequency.
- (d) We will ensure that the risk management and compliance procedures and controls adopted by us are adequate and have been implemented, and that we have the necessary expertise to control and manage the risks relating to the use of FDIs. We may modify the risk management and compliance procedures and controls as we deem fit and in the interests of the Fund, but subject always to the requirements under the Code.
- (e) The Fund may net its over-the-counter derivative positions with a counterparty through bilateral contracts for novation or other bilateral agreements with the counterparty, provided that such netting arrangements satisfy the relevant conditions described in the Code.
- (f) Where the Fund uses or invests in FDIs on commodities, all such transactions shall be settled in cash at all times.

## 7. FEES AND CHARGES

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

Payable by you	
Subscription Fee	All Classes: Currently up to 5%; maximum 5%.
Realisation Fee	All Classes: Currently none; maximum 2%.
Switching Fee <sup>(1)</sup>	All Classes: Currently 1%; maximum 1%.
Payable by the Fund to the Managers, the Trustee and other parties	
Management Fee (a) Retained by Managers (b) Paid by Managers to financial adviser (trailer fee)	All Classes: Currently 1.75% p.a.; maximum 2.5% p.a.. (a) 68.57% to 96.43% of Management Fee (b) 3.57% to 31.43% <sup>4</sup> of Management Fee
Trustee Fee	Currently not more than 0.05% p.a.; maximum 0.125% p.a.. (Subject always to a minimum of S\$5,000 p.a..)
Administration fee	Currently 0.075% p.a..
Registrar and transfer agent fee	The higher of S\$15,000 p.a. or 0.125% p.a., subject always to a maximum of S\$25,000 p.a..
Valuation and accounting fees	0.125% p.a..
Audit fee, custodian fee, transaction costs <sup>(2)</sup> and other fees and charges <sup>(3)</sup>	Subject to agreement with the relevant parties. Each fee or charge may amount to or exceed 0.1% p.a., depending on the proportion that it bears to the NAV of the Fund.  Based on the audited accounts and the average NAV of the Fund for the financial year ended 31 December 2022: <ul style="list-style-type: none"> <li>• Audit fee: less than 0.1%.</li> <li>• Custodian fee: less than 0.1%.</li> <li>• Transaction costs: less than 0.1%.</li> <li>• Other fees and charges: 0.15%</li> </ul>

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

<sup>(2)</sup> Transaction costs (which do not include the transaction fees mentioned below) include all expenses relating to the purchase and sale of financial instruments.

<sup>(3)</sup> Other fees and charges may include transaction fees payable to the custodian (the amount of which will depend on the number of transactions carried out and the place at which such transactions are effected), printing costs, professional fees, goods and services tax, bank charges and other out-of-pocket expenses.

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

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

<sup>4</sup> Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Managers.

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

## 8. RISKS

### 8.1 General risks

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

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

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

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

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

### 8.2 Specific risks

#### (a) Market risk

You should consider and satisfy yourself 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.

#### (b) Equity risk

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

#### (c) Foreign exchange and currency risk

##### *General*

The Fund is denominated in SGD. Where the Fund makes investments which are denominated in a currency (the "**Portfolio Currency**") that is different from the Fund currency or the relevant Class currency, fluctuations of the exchange rates between the Fund currency or Class currency and the Portfolio Currency may affect the value of the relevant Units.

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

Additionally, where a Class currency is different from the Fund currency, changes in the exchange rate between the Class currency and the Fund currency may adversely affect the value of the Units of such Class, as expressed in the Class currency. Subject to the same considerations in

the sub-paragraph above, we may or may not mitigate the exchange rate risks to the extent of the value of the assets of the Fund attributed to such Class by hedging such exchange rate risks, and to the extent that we do not do so, investors will be exposed to exchange rate risks.

Although a financial instrument used to mitigate the exchange rate risks of a Class may not be used in relation to the other Classes of Units within the Fund, the financial instrument will comprise the assets (or liabilities) of the 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 Fund.

### *Hedged Classes*

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

A Hedged Class allows us to use currency hedging transactions to reduce the effect of exchange rate fluctuations between the Portfolio Currency and the Hedged Currency. The effects of hedging will be reflected in the value of the Hedged Class. The aim is that the Hedged Class should reflect the actual return of the Portfolio Currency within the Fund, as applicable, plus or minus the interest rate differential between the Hedged Currency and the Portfolio Currency. However, other factors may impact the return of the Hedged Class which means that the Hedged Class may not perfectly achieve this aim. These factors include but are not limited to:

- (i) any unrealised profit/loss on the currency forward remaining un-invested until the hedge is rolled over and any profit or loss is crystallised;
- (ii) transaction costs;
- (iii) short term interest rate changes;
- (iv) the timing of the market value hedge adjustments relative to the Fund’s or Hedged Class’ Valuation Point; and
- (v) intra-day volatility of the value of the Portfolio Currency in relation to the existing hedge.

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

Subject to the provisions of the Code, we will aim to hedge not more than 100% of the proportion of the NAV attributable to the relevant Hedged Class. When assessing the hedging transactions in respect of a Hedged Class, both the capital and income values of the Hedged Class will be taken into account.

Hedging transactions may be entered into whether the Hedged Currency is declining or increasing in value relative to the Portfolio Currency; consequently, where such hedging is undertaken, it may protect investors in the relevant Hedged Class against a decrease in the value of the currency being hedged but it may also preclude investors from benefiting from an increase in the value of such currency. Investors in a Hedged Class will still be exposed to the market risks that relate to the underlying investments in the Fund and any exchange rate risks that arise from the policy of the Fund that is not fully hedged.

There is no guarantee that the hedging strategy applied in a Hedged Class will entirely eliminate the adverse effects of changes in exchange rates between the Portfolio Currency and the Hedged Currency.



(d) Political, regulatory and legal risk

The value and price of the 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.

(e) Derivatives risk

As the Fund may use or invest in FDIs, it will be subject to risks associated with such FDIs. FDIs include foreign exchange forward contracts and equity index future contracts. An investment in a FDI may require the deposit of an initial margin and additional deposit of margin on short notice if the market moves against the investment position. If the required margin is not provided in time, the investment may be liquidated at a loss. Therefore, it is essential that investments in FDIs are monitored closely. We have controls for investments in FDIs and have in place systems to monitor the FDI positions of the Fund. See paragraph 6.8 for more information on our risk management procedures on certain investments.

(f) Single country risk

The Fund's investments will be focused mainly in Japan. While such concentrated exposure may present greater opportunities and potential for capital appreciation, the Fund may be subject to higher risks as there may be less diversification than a regional or global portfolio.

(g) Small and medium capitalisation companies risk

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

(h) Counterparty risk

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

(i) Exceptional market conditions risk

Under certain market conditions such as during volatile markets or crisis situations or where trading on the relevant stock exchange is suspended, restricted or otherwise impaired, it may be difficult or impossible to liquidate or rebalance positions. During such times, the Fund may be unable to dispose of certain assets due to thin trading or lack of a market or buyers. Placing a stop-loss order may not necessarily limit the Fund's losses to intended amounts as market conditions may make it impossible to execute such order at the ideal price. In addition, such circumstances may force the Fund to dispose of assets at reduced prices, thereby adversely affecting the Fund's performance. Investments may also be difficult to value with any degree of accuracy or certainty. The dumping of securities in the market could further deflate prices. If the 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 financial conditions of the Fund's counterparties could be weakened, thereby increasing the Fund's credit risk.

(j) Actions of institutional investors

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

(k) Liquidity risk of investments

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

(l) Broker risk

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

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

(m) Investment management risk

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

(n) Risk of using rating agencies and other third parties

Credit ratings of instruments invested into by the Fund represent our and/or rating agencies' opinion regarding the credit quality of the instrument or the institution and are not a guarantee of quality. Rating methodologies generally rely on historical data, which may not be predictive of future trends and adjustments to credit ratings in response to subsequent changes in circumstances may take time. When a debt security is rated, the downgrading of such debt security could decrease the value and liquidity of the security.

Where we rely on ratings issued by credit rating agencies, we have established a set of internal credit assessment standards and have put in place a credit assessment process to ensure that the Fund's investments are in line with these standards. Information on our credit assessment process will be made available to investors upon request.

We may rely, without independent investigation, upon pricing information and valuations furnished to the Fund by third parties, including pricing services and independent brokers/dealers. Their accuracy depends on these parties' methodology, due diligence and timely response to changing conditions. We will not be responsible for any failures by such parties in their valuations.



## 9. SUBSCRIPTION OF UNITS

### 9.1 How to subscribe and pay for Units

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

## 9.2 Minimum subscription amounts and minimum holding

Name of Class	Class SGD	Class SGD (Hedged)	Class USD	Class JPY
<b>Minimum initial subscription</b>	S\$1,000	S\$1,000	US\$1,000	¥100,000
<b>Minimum subsequent subscription</b>	S\$500	S\$500	US\$500	¥50,000
<b>Minimum holding</b>	1,000 Units or such number of Units as may be purchased for the relevant minimum initial subscription amount			

We may from time to time vary the minimum subscription amounts and minimum holding upon giving prior written notice to the Trustee.

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

## 9.3 Issue of Units

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

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

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

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

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

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

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

#### 9.5 Cancellation of subscription

Subject to the provisions of the Deed and the terms and conditions for cancellation of subscription in the cancellation form provided together with the application form for Units, you may cancel your subscription for Units by giving written notice or by submitting the cancellation form (whichever is applicable) to

us or our authorised agents or distributors within 7 calendar days<sup>5</sup>. However, you will take the risk of any change in the price of your Units since the date of your subscription and pay any bank charges, administrative or other fees imposed by the relevant authorised agent or distributor.

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

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

## 10. REGULAR SAVINGS PLAN

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

Salient terms relating to RSPs:

Minimum holding to invest in a RSP:	The minimum holding as set out in <a href="#">paragraph 9.2</a> .
Minimum investment sum:	S\$100 monthly or S\$500 quarterly.
Method of payment:	<ul style="list-style-type: none"> <li>• <u>Cash</u>: You must complete an Interbank GIRO form authorising periodic RSP payments and submit it together with the relevant application form as required by the authorised agent or distributor.</li> <li>• <u>SRS monies</u>: You must submit the relevant application form as required by the authorised agent or distributor. Before investing, you should check with your SRS operator bank on whether a RSP using SRS monies is available.</li> </ul>
When payment is debited:	<p>Payment will be debited from the relevant account on:</p> <ul style="list-style-type: none"> <li>• <u>for monthly RSP subscriptions</u>: the 25<sup>th</sup> calendar day of each month;</li> <li>• <u>for quarterly RSP subscriptions</u>: the 25<sup>th</sup> calendar day of the last month of each calendar quarter.</li> </ul> <p>If the 25<sup>th</sup> calendar day is not a Business Day, payment will be debited on the next Business Day.</p>
Allotment of Units:	Your investment will be made on the same Business Day (or the next Dealing Day if that day is not a Dealing Day) after payment has been debited, with the allotment of Units made normally within 2 Business Days after the debit.

<sup>5</sup> or such longer period as we and the Trustee may agree or such other period as the Authority may prescribe. Where the last day of such time period falls on a Sunday or public holiday in Singapore, the time period shall be extended to the next calendar day that is not a Sunday or public holiday in Singapore.

Unsuccessful debits:	<p>If a debit is unsuccessful, no investment will be made for that month or quarter (as the case may be).</p> <p>After 2 consecutive unsuccessful debits, the RSP will be terminated.</p> <p>You will not be notified of any unsuccessful debit or termination.</p>
Termination of RSP by you:	You may terminate your participation in any RSP without penalty by giving 30 days' prior written notice to the authorised agent or distributor from whom you applied for the RSP.

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

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

## 11. REALISATION OF UNITS

### 11.1 How to realise Units

How to request for realisation:	<p>You may request to realise your Units through the following channels:</p> <ul style="list-style-type: none"> <li>• authorised agents and distributors through whom your Units were originally purchased</li> <li>• ATMs (as and when available)</li> <li>• designated websites</li> <li>• other channels made available by us</li> </ul>
Minimum realisation amount:	<p>100 Units per request.</p> <p>You may not realise part of your holding of Units if, as a result of the realisation, your holding would be less than the minimum holding set out in <a href="#">paragraph 9.2</a>.</p>
Dealing Deadline:	<p>3 p.m. Singapore time on any Dealing Day.</p> <p>For requests received and accepted by us or our authorised agents or distributors by the Dealing Deadline of a Dealing Day, Units will be realised at the realisation price applicable to that Dealing Day.</p> <p>For requests received and accepted after the Dealing Deadline or on a day that is not a Dealing Day, Units will be realised at the realisation price applicable to the next Dealing Day.</p>
Pricing basis:	Units are realised on a forward pricing basis.

Realisation price:	<p>The realisation price per Unit shall be ascertained by:</p> <p>(a) determining the NAV as at the Valuation Point in relation to the Dealing Day on which the realisation request is received and accepted of the proportion of the Deposited Property of the Fund or Class represented by one Unit; and</p> <p>(b) truncating the resultant amount to 3 decimal places.</p> <p>We may use another method of determination or adjustment or number of decimal places with the approval of the Trustee.</p> <p>Any adjustments shall be retained by the Fund.</p>
Deduction of Realisation Fee:	<p>A Realisation Fee may be deducted from the Gross Realisation Proceeds, and the Net Realisation Proceeds will be paid to you.</p>
Conversion of realisation price:	<p>We will generally only permit realisation of Units in the relevant Class currency, and we will quote the realisation price in the relevant Class currency.</p> <p>If we decide to permit realisations in any other currency in the future, we will quote the realisation price in such currency at the applicable rate of exchange determined by us.</p>
When will Net Realisation Proceeds be paid to you:	<p>Within 7 Business Days after the relevant Dealing Day, or such other period as may be permitted by the Authority. There may be delays in cases where the realisation of Units has been limited or suspended in accordance with <u>paragraphs 11.3 or 14</u>.</p> <p>Proceeds will be paid by cheque or (where applicable) credited to your designated bank account or SRS account.</p>
Other salient terms:	<ul style="list-style-type: none"> <li>You will bear all bank charges incurred for any telegraphic transfer of realisation proceeds to your designated bank account.</li> <li>If you are resident outside Singapore, we will deduct from your Gross Realisation Proceeds any expenses actually incurred by us over the amount of expenses which we would have incurred if you had been resident in Singapore.</li> <li>If we receive and accept a realisation request for Units before the Trustee receives your subscription monies for such Units, we may refuse to realise such Units until the next Dealing Day after the Dealing Day on which your subscription monies for such Units are received by the Trustee.</li> <li>Subject to the prior approval of the Trustee, we may change the method of determining the realisation price and the Trustee shall determine if the affected Holders should be informed of such change.</li> </ul>

## 11.2 Numerical example of calculation of Net Realisation Proceeds

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

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

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

## 11.3 Limitation on realisation

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

Any Units which are not realised or cancelled will be realised or cancelled on the next Dealing Day, provided that if the number of Units to be realised or cancelled still exceeds such limit, we may continue to carry forward the realisation/cancellation requests in the same manner, until such time as the total number of Units to be realised or cancelled on a Dealing Day falls within such limit.

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

## 11.4 Compulsory realisations

We may compulsorily realise your holding of Units in certain circumstances. See [paragraph 21.2](#) for further details.

# 12. SWITCHING OF UNITS

How to switch your Units:	You may request to switch your Units for Units in a different Class, or for units of any other Group Fund (the “ <b>new units</b> ”) by giving us or our authorised agents or distributors a switching request in the prescribed form.
When switches are made:	<p>Switches will only be made on a day (“<b>Common Dealing Day</b>”) which is both a Dealing Day for your Units and a dealing day for the new units.</p> <p>For requests received and accepted by us or our authorised agents or distributors by the Dealing Deadline of a Common Dealing Day, Units will be switched on that Common Dealing Day.</p> <p>For requests received and accepted after the Dealing Deadline or on a day that is not a Common Dealing Day, Units will be switched on the next Common Dealing Day.</p>

How switches are carried out:	<p>A switch of Units will be effected as follows:</p> <p>(a) your Units will be realised at the realisation price calculated under <u>paragraph 11</u>;</p> <p>(b) the net realisation proceeds shall then be used (after deducting any Switching Fee payable) to subscribe for new units at the prevailing issue price of such new units. For the purposes of the switch, we may waive in whole or in part the subscription fee for the new units and/or the Realisation Fee (if any).</p>
Other salient terms:	<ul style="list-style-type: none"> <li>• Switches will be at our discretion.</li> <li>• You may withdraw a switching request only with our consent.</li> <li>• Switching is subject to the terms of the Deed and the constitutive documents of the Group Fund, including the provisions relating to the issue and realisation of Units.</li> <li>• Switches will not be allowed during the initial offer period of the relevant Class/Group Fund.</li> <li>• Switches will not be allowed if it results in you holding Units below any applicable minimum holding.</li> <li>• Switches will not be allowed between Units denominated in different currencies.</li> <li>• Switches will not be allowed during any period where the realisation of Units has been limited or suspended in accordance with <u>paragraphs 11.3 or 14</u>, or when the issue of new units is suspended.</li> <li>• Units purchased with cash or SRS monies (as the case may be) may only be switched to new units which may be purchased with the same payment method.</li> <li>• Neither we nor the Trustee shall have responsibility or liability to ensure that the provisions of the constitutive documents of the Group Fund relating to the issue, realisation or switching of units are complied with.</li> </ul>

### 13. OBTAINING PRICES OF UNITS

You may obtain indicative prices of Units:

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

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

Except for our own publications, we do not accept any responsibility for errors made by any publisher, whether in the published prices or for any non-publication or late publication of prices. We will not be liable in respect of any action taken or loss suffered by you arising from any publication by such publishers.



## 14. SUSPENSION OF DEALINGS

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

- (a) any period when the Recognised Market on which any Authorised Investments forming part of the Deposited Property of the Fund for the time being are listed or dealt in is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;
- (b) the existence of any state of affairs which, in the Trustee's and our opinion, might seriously prejudice the interests of the Holders in relation to the Fund or Class as a whole or of the Deposited Property of the 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 of our liability and/or the liability of the Trustee for the account of the Fund, cannot be promptly and accurately ascertained (including any period when the fair value of a material portion of the Authorised Investments cannot be determined);
- (d) any period when remittance of moneys which will or may be involved in the realisation of such Authorised Investments or in the payment for such Authorised Investments for the time being constituting the Deposited Property cannot, in the Trustee's and our opinion, be carried out at normal rates of exchange;
- (e) any period whereby 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 of the Authority;
- (g) any 48 hour period (or such longer period as may be agreed between the Trustee and us) prior to the date of any meeting of Holders of the Fund or Class (or any adjourned meeting thereof);
- (h) any period when the Trustee's or our business operations in relation to the operation of the Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolutions, civil unrest, riots, strikes or acts of God;
- (i) any period when dealings in any underlying entity in which the Fund is invested are suspended;
- (j) exceptional circumstances, where we have determined that such suspension is in the best interest of the Holders; or
- (k) such other circumstances as may be required under the provisions of the Code.

14.2 Subject to the provisions of the Code, we and/or the Trustee may from time to time also suspend the issue and/or realisation of Units in certain situations as set out in the Deed, including suspending the realisation of Units for such reasonable period as may be necessary to effect an orderly redemption of investments in accordance with Clause 16.8 of the Deed.

14.3 Subject to the provisions of the Code, any such suspension will take effect upon our written declaration to the Trustee (or vice versa, as the case may be) and will end as soon as practicable when the condition giving rise to the suspension no longer exists and no other condition under which suspension is authorised under this paragraph 14 or the applicable provisions of the Deed exists upon our (or, as the case may be, the Trustee's) written declaration of the same and in any event, within such period as may be prescribed by the Code. The period of suspension may be extended in accordance with the Code. Subject to the provisions of the Code, payment for any Units realised before the commencement of any such suspension which has not been paid before the commencement thereof may, if we and the Trustee agree, be deferred until immediately after the end of such suspension.

## 15. PERFORMANCE OF THE FUND

### 15.1 Performance of the Fund

The past performance of the Fund and its benchmark as at 28 April 2023, and its expense ratio are set out below.

	1 year (%)	3 years (%)	5 years (%)	10 years (%)	Since inception (%)	Expense ratio (%) <sup>(3)</sup>
<b>Class JPY</b> <b>(Inception date:</b> <b>10 March 2014)</b>						
(NAV-NAV) <sup>(1)</sup>	4.45	8.74	0.71	N.A.	9.35	2.22
(NAV-NAV <sup>^</sup> ) <sup>(2)</sup>	-0.77	6.90	-0.32	N.A.	8.74	
Benchmark (in JPY): MSCI Japan SMID Cap Index	11.74	12.67	3.06	N.A.	7.56	
<b>Class SGD</b> <b>(Inception date:</b> <b>11 August 2014)</b>						
(NAV-NAV) <sup>(1)</sup>	-3.41	-1.46	-3.53	N.A.	5.75	2.22
(NAV-NAV <sup>^</sup> ) <sup>(2)</sup>	-8.24	-3.13	-4.51	N.A.	5.13	
Benchmark (in SGD): MSCI Japan SMID Cap Index	2.72	2.10	-1.20	N.A.	4.53	
<b>Class SGD</b> <b>(Hedged) (Inception</b> <b>date: 11 August</b> <b>2014)</b>						
(NAV-NAV) <sup>(1)</sup>	7.98	9.99	1.95	N.A.	9.30	2.21
(NAV-NAV <sup>^</sup> ) <sup>(2)</sup>	2.58	8.13	0.91	N.A.	8.66	
Benchmark (in SGD): MSCI Japan SMID Cap Index	2.72	2.10	-1.20	N.A.	4.53	
<b>Class USD</b> <b>(Inception date:</b> <b>24 July 2015)</b>						
(NAV-NAV) <sup>(1)</sup>	0.44	0.39	-3.58	N.A.	4.15	2.22
(NAV-NAV <sup>^</sup> ) <sup>(2)</sup>	-4.58	-1.31	-4.56	N.A.	3.46	
Benchmark (in USD): MSCI Japan SMID Cap Index	6.32	3.95	-1.35	N.A.	3.06	

Notes:

Source: Morningstar.

<sup>^</sup> Taking into account the Subscription Fee.

<sup>(1)</sup> Calculated on a NAV-to-NAV basis as at 28 April 2023, with all dividends and distributions reinvested (net of reinvestment charges). Figures for one year show the percentage change, while figures for more than one year show the average annual compounded return.

- (2) Calculated on a NAV-to-NAV basis as at 28 April 2023, taking into account the Subscription Fee and Realisation Fee (if any), with all dividends and distributions reinvested (net of reinvestment charges). Figures for one year show the percentage change, while figures for more than one year show the average annual compounded return.
- (3) The expense ratio is calculated in accordance with the requirements in the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios (the "**IMAS Guidelines**") and is based on the Fund's latest audited accounts for the financial year ended 31 December 2022. The following expenses (where applicable) as set out in the IMAS Guidelines (as may be updated from time to time), are excluded from the calculation of the expense ratio:
- (a) brokerage and other transaction costs associated with the purchase and sales of investments (such as registrar charges and remittance fees);
  - (b) foreign exchange gains and losses, whether realised or unrealised;
  - (c) front-end loads, back-end loads and other costs arising on the purchase or sale of other funds;
  - (d) tax deducted at source or arising on income received, including withholding tax;
  - (e) interest expense; and
  - (f) dividends and other distributions paid to the Holders.

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

## 15.2 Turnover ratio

The turnover ratio of the Fund for the financial year ended 31 December 2022 is 32.24%.

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

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

Subject to the provisions of the Code, we may from time to time receive or enter into soft dollar commissions/arrangements in our management of the Fund. We will comply with applicable regulatory and industry standards on soft dollars. The soft dollar commissions/arrangements may include specific advice as to the advisability of dealing in, or the value of, any investments, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis, and custodial service in relation to the investments managed for clients.

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

We will not accept or enter into soft dollar commissions/arrangements unless (a) such soft dollar commissions/arrangements can reasonably be expected to assist us in the management of the Fund, (b) best execution is carried out for the transactions, and (c) no unnecessary trades are entered into in order to qualify for such soft dollar commissions/arrangements.

We do not, and are not entitled to, retain cash or commission rebates for our own account in respect of rebates earned when transacting in securities for account of the Fund.

The Sub-Managers do not receive or enter into soft-dollar commissions/arrangements in respect of the sub-management of the Fund.

## 17. CONFLICTS OF INTEREST

### 17.1 Managers' conflicts of interest disclosures

We are of the view that there is no conflict of interest in our management of other funds and the Fund because of the following structures in place:

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

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

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

We and our related entities, officers or employees may from time to time invest and deal in Units in the Fund for each of our respective individual accounts or (in our case and in the case of our related entities) for the account of another person (including, without limitation, our and our related entities' other clients).

In such an event, we will have regard to our obligations to the Fund and, in particular, our obligation to act in the best interests of the Fund and its Holders so far as practicable, having regard to applicable laws and our obligations to our other clients. If a conflict of interest does arise, we will endeavour to ensure that such conflict is resolved fairly.

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

- (i) invest monies of the Fund in the securities of any of our related corporations (as defined in Section 4 of the Companies Act 1967) (each, a "**related corporation**");
- (ii) invest monies of the Fund in other collective investment schemes managed by us or our related corporations; and

- (iii) deposit monies of the Fund in the ordinary course of business of the Fund with our related corporations which are banks licensed under the Banking Act 1970, finance companies licensed under the Finance Companies Act 1967, merchant banks approved as financial institutions under Section 28 of the Monetary Authority of Singapore Act 1970 or any other deposit-taking institution licensed under an equivalent law in a foreign jurisdiction.

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

## 17.2 Sub-Manager's conflicts of interest disclosures

As SMDAM manages funds on behalf of many customers and is also a member of the Sumitomo Mitsui Banking Corporation (SMBC) Group with a wide range of businesses, there is a risk that various conflicts of interest may arise between customers, SMDAM, its officers or employees, shareholders, SMDAM's group of companies (hereinafter, with SMDAM, referred to as "**Group Companies**"), other customers, and/or other third parties. Therefore, from the point of view of complying with the applicable laws, regulations and fiduciary duties ("**FD**"), SMDAM will establish a mechanism to appropriately control such conflicts of interest as described below to prevent unreasonable damage to the customers' interests.

### (a) Transactions subject to control

#### (i) Transactions with a risk of conflict of interest subject to control

A transaction with a risk of conflict of interest that is subject to control under SMDAM's conflicts of interest policy is a conflict of interest between the customer and the Group Companies or other customer or other third party due to an action taken by the Group Companies, or an investment decision or the exercise of rights or other action in the management of funds that the customer has entrusted to SMDAM to manage ("**Trust Assets**"), and is referred to as a "**Transactions with Conflicts of Interest**" below.

#### (ii) Main examples of Transactions with Conflicts of Interest

The main examples of Transactions with Conflicts of Interest are as follows. However, these do not cover all conflicts of interest, and are not uniformly prohibited.

- A. Examples in research and investment decision making: Transactions that take place between the Trust Assets and SMDAM; inclusion of securities issued by the Group Companies in the Trust Assets; inclusion of securities underwritten by the Group Companies in the Trust Assets at the request of the relevant underwriter when it is expected that the acquisition or the offer to buy will not reach the planned amount; transactions undertaken between the Trust Assets and another customer's trust assets; and exercise of shareholder rights such as voting rights in conflict with the customer's interest.
- B. Examples in trading operations: Ordering a transaction in securities within the Trust Assets from a financial instruments business operator among the Group Companies which is not a financial instruments business operator offering the best terms; and unfair allocation of newly-issued securities or bulk-ordered securities among the Trust Assets and other customers' trust assets.
- C. Examples in product development operations: Setting unreasonable trust fee rates; and product design that prioritises business policies of the seller rather than the customer's needs.
- D. Examples in customer service: Recommending investments or products that are not suitable for the customer or the investment purpose of the customer.
- E. Examples in information management: Transactions by the Group Companies that utilize transaction information from the Trust Assets or information obtained from the customer; use of information obtained from the customer in the Group Companies' sales activities; and

transactions that utilize information concerning SMDAM's investment decisions pertaining to the customer's Trust Assets.

(b) Systems for controlling conflicts of interest

(i) Establishment of a general administration section and assigning the person responsible

The department responsible for general management of conflict of interests, which will ensure that conflicts of interest are controlled and managed appropriately, shall be the Legal & Compliance Department, and the person with overall responsibility for controlling the conflicts of interest with authority and responsibility for the department's control of conflicts of interest and establishment of mechanisms to do so shall be the executive officer in charge of the department.

(ii) Internal audits

The status of development of the mechanism for appropriately controlling and managing Transactions with Conflicts of Interest and its validity will be subject to audits by the Internal Audit Department.

(iii) Supervision and audits by external auditors

SMDAM's business operations including control of Transactions with Conflicts of Interest are supervised by SMDAM's Board of Directors, which includes external officers who are independent of the Group Companies, and also by the responsible investment committee, and audited by SMDAM's auditors (Board of Auditors).

(iv) Control of conflicts of interest in stewardship activities

SMDAM has a process in place to obtain a decision from SMDAM's CEO regarding conflicts of interest in stewardship activities including constructive "dialogue with purpose" (engagement) based on an in-depth understanding of companies that are issuers of the stock included in the Trust Assets and, amongst other considerations, their operating environment. This decision is obtained after consulting with, amongst others, the Risk Management Committee, Compliance Committee and Management Committee, depending on the particular case, and is also subject to paragraphs 17.2 (b)(iii) and (iv).

(c) Methods of controlling Transactions with Conflicts of Interest

The main methods of controlling Transactions with Conflicts of Interest are as follows:

- (i) ensuring independence in decision-making pertaining to research and investment decisions;
- (ii) blocking information pertaining to research and investment decisions from shareholders and Group Companies;
- (iii) organizational separation and check of the Investment Decision Department and Trading Department, and appropriate assignment of the executive officer in charge;
- (iv) organizational separation of the Investment Decision Department and Proprietary Asset Management Department;
- (v) blocking information obtained from customers from being accessed by shareholders and Group Companies;
- (vi) deliberation on stewardship activities within the meeting body in charge;
- (vii) validation of appropriateness of sales activities by the Customer Experience Enhancement Section;



- (viii) disclosure of Transactions with Conflicts of Interest to customers and obtaining their consent; and
  - (ix) refusal, amendment, or cancellation of all or part of a transaction.
- (d) Continuous improvement

SMDAM will regularly check the effectiveness of control of Transactions with Conflicts of Interest and strive for continuous improvement. Should any situation that would unjustly damage a customer's interest arise, SMDAM will promptly, accurately, and transparently deal with it and implement reliable preventative measures.

### 17.3 Trustee's conflicts of interest disclosures

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

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

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

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

- (a) State Street Bank and Trust Company, acting through its Singapore Branch, a party related to the Trustee, has been appointed as custodian of the Fund. The custodian may also appoint related parties as sub-custodians. Cash will be placed with the custodian as banker or may, at the discretion of the Managers, be invested in certificates of deposit or banking instruments issued by a related party of the Trustee, including the custodian. Money may also be borrowed by the Fund from a State Street entity. In its capacities as custodian and banker, State Street will earn fees/ interest for such services and may receive other benefits in connection with such services.
- (b) Where foreign exchange transactions, including but not limited to spot, forward or swap transactions (collectively "**foreign exchange transactions**"), are entered into for or on behalf of the Fund with an affiliate of the Trustee (a "**State Street counterparty**"), the State Street counterparty will enter into such transaction as principal counterparty and not as agent or fiduciary for the Trustee, the Managers or the Fund and such State Street counterparty shall be entitled to retain for its own use and benefit any benefit which it may derive from any such foreign exchange transactions or the holding of any cash in connection with such transactions. Foreign exchange transactions may also be entered into for or on behalf of the Fund with counterparties other than a State Street counterparty.

## 18. REPORTS

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

The reports and accounts of the Fund will be sent or made available to Holders by post or by such electronic means as may be permitted under the Code within the following periods or such other periods as may be permitted by the Authority:

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

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

## 19. QUERIES AND COMPLAINTS

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

Hotline No : 1800 22 22 228  
Operating hours : 8 a.m. to 8 p.m. daily (Singapore time)  
Fax No : 6532 3868  
Email : [uobam@uobgroup.com](mailto:uobam@uobgroup.com)

## 20. OTHER MATERIAL INFORMATION

### 20.1 Market timing

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

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

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

### 20.2 Information on investments

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



## 20.3 Indemnities

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

## 20.4 Liquidation of the Managers, the Trustee, the Sub-Managers or the custodian

Subject to the provisions of the Deed, if the Managers or the Trustee go into liquidation (except for a voluntary liquidation for the purpose of reconstruction or amalgamation), new managers or a new trustee (as the case may be) may be appointed or the Fund may be terminated. See the Deed for further details on what happens if the Managers or the Trustee go into liquidation.

Subject to the provisions of the relevant sub-management agreement between the Managers and the Sub-Managers, if the Sub-Managers becomes insolvent (except for a voluntary liquidation for the purpose of reconstruction or amalgamation or merger on terms previously approved in writing by the Managers), the Managers may appoint a new sub-manager for the Fund or decide to manage the Fund themselves.

### **Custodial risk**

There are risks involved in dealing with the custodian who holds the Fund's investments or settles the Fund's trades. It is possible that, in the event of the insolvency or bankruptcy of the custodian, the Fund would be delayed or prevented from recovering its assets from the custodian, or its estate, and may have only a general unsecured claim against the custodian for those assets. In recent insolvencies of financial institutions, the ability of certain customers to recover their assets from the insolvent financial institution's estate has been delayed, limited, or prevented, often unpredictably, and there is no assurance that any assets held by the Fund with the custodian will be readily recoverable by the Fund. In addition, there may be limited recourse against non-U.S. sub-custodians in those situations in which the Fund invests in markets where custodial and/or settlement systems and regulations are not fully developed, including emerging markets, and the assets of the Fund have been entrusted to such non-U.S. sub-custodians.

## **21. PROVISIONS OF THE DEED**

Some of the provisions of the Deed are set out below. ***See the Deed for the full terms and conditions of the Fund.***

### 21.1 Valuation

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

- (a) a Quoted Investment, shall be calculated, as the case may be, by reference to the official closing price, the last known transacted price or the last transacted price (or, with the prior approval of the Trustee, the last bid price) as at the last official close on the relevant Recognised Market (or at such other time as the Managers may from time to time 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 Markets for the foregoing purposes and, if there is no such official closing price, last known transacted price or last transacted price, the value shall be calculated by reference to the last available prices quoted by responsible firms, corporations or associations on a Recognised Market at the time of calculation (or at such other time as the Managers may from time to time after consultation with the Trustee determine), and where there is no Recognised Market, the price of the relevant Investment as quoted by a person, firm or institution making a market in that Investment, if any (and if there shall be more than one such market maker, then such market maker as the Managers shall designate);

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

provided that, if the quotations referred to in paragraphs 21.1(a) to 21.1(e) above are not available, or if the value of the Authorised Investment determined in the manner described in paragraphs 21.1(a) to 21.1(e) above is determined by the Managers with due care and in good faith to not be representative of the value of such Authorised Investment, then the value shall be such value as the Managers may with due care and in good faith consider in the circumstance to be the fair value and is approved by the Trustee. The Managers shall notify the Holders of such change if required by the Trustee. For the purposes of this proviso, the “**fair value**” shall be determined by the Managers in consultation with a stockbroker or an approved valuer and with the approval of the Trustee in accordance with the Code. Where the fair value of a material portion of the Deposited Property of the Fund cannot be determined, the Managers shall, subject to the provisions of the Code, suspend valuation and dealing in the Units of the Fund.

## 21.2 Compulsory realisations

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

- (a) any Holder:
  - (i) whose subscription for or holding of Units, in the opinion of the Managers, is or may be in breach of any applicable law or regulation in any jurisdiction; or
  - (ii) where such realisation is, in the opinion of the Managers, necessary or desirable for the compliance of the Managers or the Fund with any applicable law or regulation in any jurisdiction (including any regulatory exemption conditions); or
- (b) any Holder whose holdings, in the opinion of the Managers:
  - (i) may cause the Fund to lose its authorised or registered status with any regulatory authority in any jurisdiction; or
  - (ii) may cause the offer of the Units of the Fund, the Fund, this Prospectus, the Deed, the Managers or the Trustee to become subject to any authorisation, recognition, approval or registration requirements under any law or regulation in any other jurisdiction; or

- (c) any Holder whose holdings, in the opinion of the Managers:
  - (i) may cause a detrimental effect on the tax status of the Fund in any jurisdiction or on the tax status of the Holders of the Fund; or
  - (ii) may result in the Fund or other Holders of the Fund suffering any other legal or pecuniary or administrative disadvantage which the Fund or Holders might not otherwise have incurred or suffered; or
- (d) any Holder who fails any anti-money laundering, anti-terrorist financing or know-your-client checks, or where information and/or documentary evidence requested by the Managers and/or the Trustee for the purposes of any anti-money laundering, anti-terrorist financing or know-your-client checks cannot be obtained from the Holder (or the Holder has failed to provide the same) in a timely manner; or
- (e) any Holder, where information (including but not limited to information regarding tax status, identity or residency), self-certifications or documents as may be requested by the Managers and/or the Trustee pursuant to laws, regulations, guidelines, directives or contractual obligations with other jurisdictions' authorities (including, without limitation, the FATCA and/or any Singapore laws, regulations, guidelines and directives implemented as part of any IGA entered into between the U.S. and Singapore in connection with FATCA) cannot be obtained from the Holder, or the Holder has failed to provide the same, in a timely manner; or
- (f) any Holder who does not consent, or withdraws his consent, for the Managers or the Trustee to collect, use and/or disclose information or data relating to the Holder, where (in the opinion of the Managers or the Trustee) such information or data is necessary or desirable for the Managers, the Trustee, their respective related corporations and/or other service providers to perform their respective services and/or duties to or in respect of the Fund and/or the Holder.

Any compulsory realisation under this paragraph may be carried out by the Managers on any Dealing Day, with prior notice to the relevant Holder, and shall be carried out in accordance with, and at the Realisation Price determined under, the applicable provisions on realisations in the Deed.

If the Managers and/or the Trustee are required to account to any duly empowered fiscal authority of Singapore or elsewhere for any income or other taxes, charges or assessments whatsoever on the value of any Units held by a Holder, the Managers (in consultation with the Trustee) shall be entitled, at any time with prior notice to that Holder, to realise such number of Units held by that Holder as may be necessary to discharge the liability arising. The Managers and/or the Trustee (as the case may be) shall be entitled to apply the proceeds of such realisation in payment, reimbursement and/or set-off against the liability.

The Managers, the Trustee and their respective delegates, agents or associates shall not be liable for any loss (whether direct or consequential and including, without limitation, loss of profit or interest) or damage suffered by any Holder or any party arising out of or caused in whole or in part by any actions which are taken by the Managers, Trustee and/or any of their respective delegates, agents or associates under this paragraph 21.2.

### 21.3 Custody of Deposited Property

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

- (b) The Trustee may at any time procure that:
- (i) the Trustee;
  - (ii) any officer of the Trustee jointly with the Trustee;
  - (iii) any nominee appointed by the Trustee;
  - (iv) any such nominee and the Trustee;
  - (v) any custodian, joint custodian or sub-custodian appointed pursuant to paragraph 21.3(a) above;
  - (vi) any company operating a depository or recognised clearing system in respect of the Authorised Investments involved; or
  - (vii) any broker, financial institution or other person (or in each case, its nominee) with whom the same is deposited in order to satisfy any requirement to deposit margin or security,

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

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

#### 21.4 Additional indemnity

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, exempt them or indemnify them against any liability for breach of trust.

#### 21.5 Termination of the Fund

- (a) The Fund is of indeterminate duration and may be terminated as provided in this paragraph 21.5.
- (b) Either the Managers or the Trustee may in their absolute discretion terminate the Fund by giving not less than two months' notice to the other provided that such termination shall take effect no earlier than five years after the date of the Deed.

(c) Termination by the Trustee:

(i) Notwithstanding paragraph 21.5(b), the Fund may be terminated by the Trustee if:

- (1) any law is passed or any direction is given by the relevant authority which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Fund;
- (2) if the Authority revokes or withdraws the authorisation of the Fund under Section 288 of the SFA;
- (3) within the period of 3 months after the date on which the Trustee gave notice in writing to the Managers that it wishes to retire pursuant to Clause 38.2 of the Deed, a new trustee has not been appointed in accordance with that Clause;
- (4) new managers have not been appointed in accordance with Clause 37.3 of the Deed, within the period of 3 months after the date on which the Trustee gave notice in writing to the Managers pursuant to Clause 37.1 of the Deed; or
- (5) within the period of 3 months from the date of the Managers giving notice of intent to retire (or such longer period as the Managers and the Trustee may mutually agree in writing), new managers have not been appointed in accordance with the terms of Clause 37.3 of the Deed.

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

(d) Termination by the Managers:

(i) Notwithstanding paragraph 21.5(b), the Fund may be terminated by the Managers:

- (1) on any date if on such date the aggregate of the value of the Deposited Property of the Fund is less than S\$10,000,000;
- (2) if the Trustee is no longer an approved trustee pursuant to Clause 38.3 of the Deed and a new trustee has not been appointed in accordance with the terms of the Deed;
- (3) if any law is passed or any direction is given by the relevant authority which renders it illegal or in the reasonable opinion of the Managers impracticable or inadvisable to continue the Fund;
- (4) if the Authority revokes or withdraws the authorisation of the Fund under Section 288 of the SFA;
- (5) in the event of the amalgamation, reconstruction, reorganisation, dissolution, liquidation, merger or consolidation of any underlying entity corresponding to the Fund, or a change in the managers or investment adviser of any such underlying entity; or
- (6) if in the reasonable opinion of the Managers, with the Trustee's prior approval, it becomes impracticable or inadvisable to continue the Fund in the interest of the Holders.

Subject to paragraph 21.5(d)(i)(6) the decision of the Managers in any of the events specified in paragraph 21.5(d)(i) shall be final and binding upon the Trustee and the Holders but the Managers shall be under no liability on account of any failure to terminate the Fund pursuant to paragraph 21.5(d)(i) or otherwise.

- (e) Notice of Termination: The party terminating the Fund in accordance with paragraph 21.5 shall give notice in writing of such termination to the Holders and by such notice fix the date at which such termination is to take effect which date shall not be less than two months or such other period as may be determined by the Managers with the Trustee's approval after the service of such notice (or such other date as may be necessary to comply with any law).
- (f) Extraordinary Resolution: The Fund may at any time be terminated by the Holders by Extraordinary Resolution and such termination shall take effect on the date on which the Extraordinary Resolution is passed or on such later date (if any) as the Extraordinary Resolution may provide.
- (g) The Managers shall give written notice of the termination of the Fund to the Authority at least 7 days before termination of the Fund (or such other number of days as may be required by the Authority).
- (h) Provided that the Holders of Units of the Fund or the relevant Class have been circulated with the particulars of a scheme of reconstruction or amalgamation to be entered into with the managers and the trustee of some other unit trust scheme or open-ended investment company and an Extraordinary Resolution of such Holders of Units of the Fund or Class has been duly passed authorising and directing the Managers and the Trustee to enter into the said scheme, then the said scheme shall take effect upon the passing of such Extraordinary Resolution or upon such later date as the scheme may provide, whereupon (i) the Deed shall, to the extent inconsistent with the scheme, be amended by the terms of the scheme, and (ii) the terms of such scheme shall be binding upon all the Holders of Units of the Fund or Class who shall be bound to give effect thereto accordingly and the Managers and the Trustee shall do all such acts and things as may be necessary for the implementation thereof.

#### 21.6 Termination of a Class

- (a) Any Class established shall be of indeterminate duration and may be terminated in accordance with this paragraph 21.6.
- (b) Either the Managers or the Trustee may in their absolute discretion terminate any Class by not less than one month's notice to the other. If the Class is to be terminated under this paragraph 21.6, the Managers or the Trustee (as the case may be) shall give notice thereof in writing to the Holders of that Class not less than one month in advance of such termination.
- (c) A Class may be terminated by the Trustee if any law is passed or any direction is given by the relevant authority which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue that Class. The decision of the Trustee in such event shall be final and binding upon the Managers and the Holders but the Trustee shall be under no liability on account of any failure to terminate the Class pursuant to this paragraph 21.6(c) or otherwise.
- (d) A Class may be terminated by the Managers:
  - (i) if the Units of that Class in issue fall below a number to be determined by the Managers;
  - (ii) if any law is passed or any direction is given by the relevant authority which renders it illegal or in the reasonable opinion of the Managers impracticable or inadvisable to continue the Class;
  - (iii) if the Authority revokes or withdraws the authorisation of the Fund under Section 288 of the SFA; or
  - (iv) if in the reasonable opinion of the Managers with the Trustee's prior approval it becomes impracticable or inadvisable to continue that Class in the interest of the Holders of that Class.

Subject to paragraph 21.6(d)(iv), the decision of the Managers in any of the events specified in this paragraph 21.6(d) shall be final and binding upon the Trustee and the Holders of the Class



but the Managers shall be under no liability on account of any failure to terminate the Class pursuant to this paragraph 21.6(d) or otherwise.

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

#### 21.7 Voting

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

However, notwithstanding the above, in respect of voting rights where the Managers may face conflicts of interests, the Managers shall cause such voting rights to be exercised in consultation with the Trustee.

The phrase “**rights of voting**” or the word “**vote**” used in this paragraph 21.7 shall be deemed to include not only a vote at a meeting but any consent to or approval of any arrangement, scheme or resolution or any alteration in or abandonment of any rights attaching to any part of the Deposited Property and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.

See the Deed for other provisions relating to voting.

This page is intentionally left blank



This page is intentionally left blank

This page is intentionally left blank



# 大华日本中小资本基金

## 发 售 计 划 说 明 书

Jul '23



Right By You