

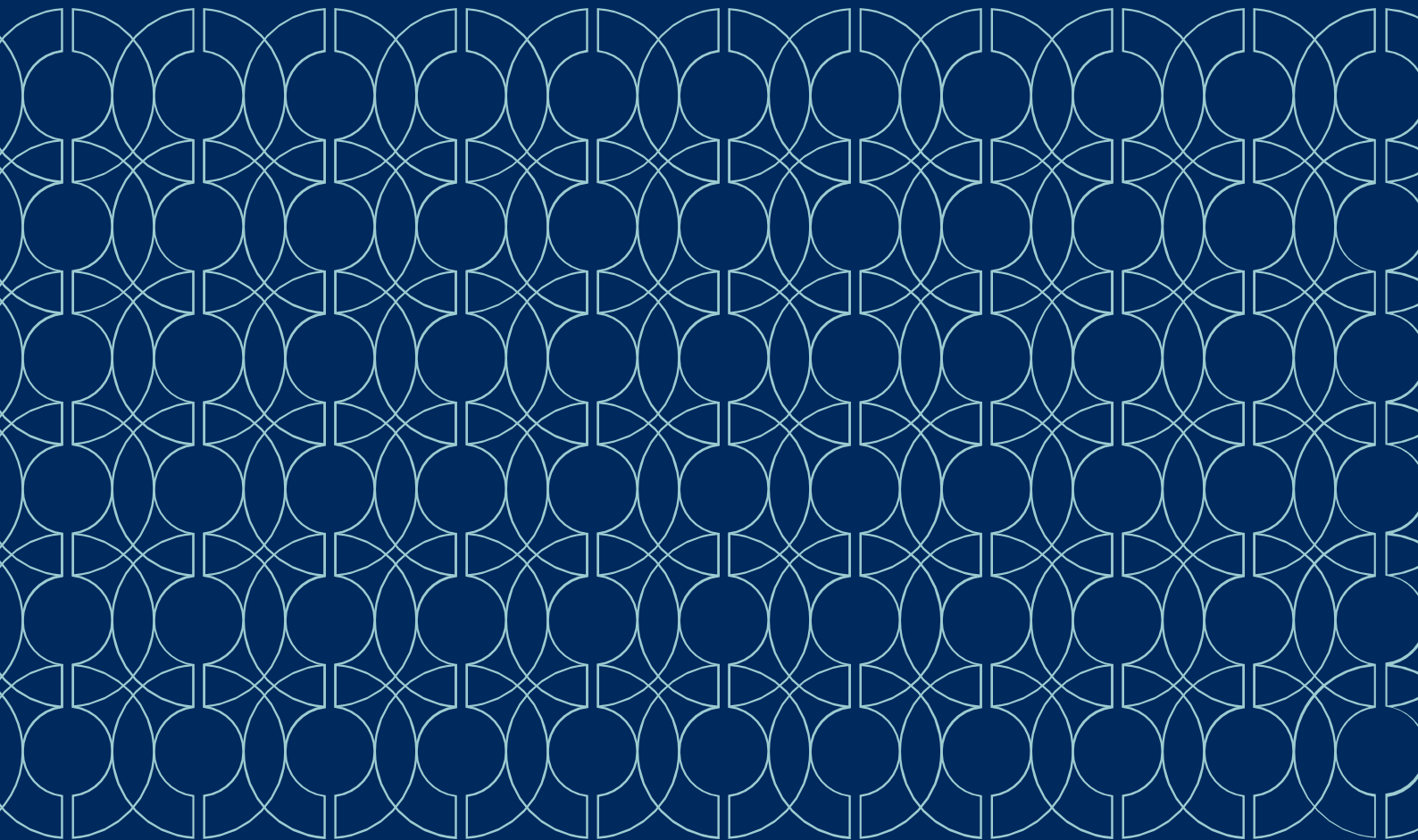
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Prospectus

Dated: 4 July 2083

Valid till: 84'5 dfJ'2024



**SCHRODER SINGAPORE FIXED INCOME FUND**

**PROSPECTUS**

**This Prospectus dated 4 July 2023 is a replacement prospectus lodged pursuant to Section 298 of the Securities and Futures Act of Singapore and replaces the prospectus which was registered by the Monetary Authority of Singapore on 25 April 2023.**

## **SCHRODER SINGAPORE FIXED INCOME FUND**

### **Directory**

#### **Manager**

Schroder Investment Management (Singapore) Ltd

Registered and operating address:

138 Market Street #23-01

CapitaGreen

Singapore 048946

(Company Registration Number: 199201080H)

#### **Directors of the Manager**

Wong Yoke Lin Martina

Chong Siok Chian Grace

Diao Wei Chien Roy

Lily Choh Chaw Lee

Paul Bernard Sidebottom

Durack Christopher James

#### **Trustee**

HSBC Institutional Trust Services (Singapore) Limited

10 Marina Boulevard

Marina Bay Financial Centre

Tower 2, #48-01

Singapore 018983

(Company Registration Number: 194900022R)

#### **Auditors**

KPMG LLP

12 Marina View, #15-01

Asia Square Tower 2

Singapore 018961

#### **Solicitors to the Manager**

Allen & Gledhill LLP

One Marina Boulevard #28-00

Singapore 018989

#### **Solicitors to the Trustee**

Shook Lin & Bok LLP

1 Robinson Road #18-00

AIA Tower

Singapore 048542

## SCHRODER SINGAPORE FIXED INCOME FUND

### Important Information

The manager of the Schroder Singapore Fixed Income Fund (the "**Fund**"), Schroder Investment Management (Singapore) Ltd (the "**Manager**"), accepts full responsibility for the accuracy of the information contained in this Prospectus and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, this Prospectus contains all information with respect to the Fund which is material in the context of the offer of units in the Fund ("**Units**") in this Prospectus and the statements contained in this Prospectus are in every material respect true and accurate and not misleading and there are no facts the omission of which would make any statement in this Prospectus misleading.

You, as the investor, should refer to the relevant provisions of the trust deed (as amended or supplemented from time to time) relating to the Fund (the "**Deed**") and obtain professional advice if there is any doubt or ambiguity relating thereto. You may inspect a copy of the Deed at the Manager's office at all times during usual business hours (subject to such reasonable restrictions as the Manager may impose). All capitalised terms and expressions used in this Prospectus shall, unless the context otherwise requires, have the same meanings ascribed to them in the Deed.

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and may only be used in connection with the offering of Units as contemplated herein. **To reflect material changes, this Prospectus may be updated, amended, supplemented or replaced from time to time and you should investigate whether any more recent Prospectus is available.**

Before investing, you should seek independent professional advice to ascertain (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange transactions or exchange control requirements which you may encounter under the laws of the country of your citizenship, residence, domicile and which may be relevant to the subscription, holding or disposal of Units and should inform yourself of and observe all such laws and regulations in any relevant jurisdiction that may be applicable to you. You should carefully consider the risks of investing in the Fund which are set out in paragraph 10 of this Prospectus.

No application has been made for the Units to be listed on any stock exchange. There is no secondary market for the Fund. You can purchase or sell Units from or through the Manager or any agent or distributor appointed by the Manager, subject to the ultimate discretion of the Manager in respect of the purchase, sale, switching, conversion or redemption of your Units in accordance with the provisions of the Deed.

As the Fund is not registered under the United States Securities Act of 1933 (the "**Securities Act**") or under the securities laws of any state of the United States of America ("**US**"), the Fund may not be offered or sold to or for the account of any US Person (as defined in Rule 902 of Regulation S under the Securities Act).

A US Person includes, inter alia, any natural person resident in the US and with regard to investors other than individuals (i) a corporation or partnership organised or incorporated under the laws of the US or any state thereof; (ii) a trust: (a) of which any trustee is a US Person except if such trustee is a professional fiduciary and a co-trustee who is not a US Person has sole or shared investment

discretion with regard to trust assets and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person or (b) where a court is able to exercise primary jurisdiction over the trust and one or more US fiduciaries have the authority to control all substantial decisions of the trust; and (iii) an estate: (a) which is subject to US tax on its worldwide income from all sources or (b) for which any US Person is executor or administrator except if an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with regard to the assets of the estate and the estate is governed by foreign law.

The term “**US Person**” also means any entity organised principally for passive investment (such as a commodity pool, investment company or other similar entity) that was formed: (a) for the purpose of facilitating investment by a US Person in a commodity pool with respect to which the operator is exempt from certain requirements of Part 4 of the regulations promulgated by the United States Commodity Futures Trading Commission by virtue of its participants being non-US Persons or (b) by US Persons principally for the purpose of investing in securities not registered under the Securities Act, unless it is formed and owned by “accredited investors” (as defined in Rule 501 (a) under the Securities Act) who are not natural persons, estates or trusts.

“**United States**” means the United States of America (including the States and the District of Columbia), its territories, its possessions and any other areas subject to its jurisdiction.

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

You should also refer to paragraph 21.11 of this Prospectus for information on the US tax reporting obligation under FATCA (as defined in paragraph 21.11 of this Prospectus).

The Units are capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

You should direct all enquiries in relation to the Fund to the Manager, Schroder Investment Management (Singapore) Ltd, or any distributor appointed by the Manager.

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## SCHRODER SINGAPORE FIXED INCOME FUND

*The collective investment scheme offered in this Prospectus is an authorised scheme under the Securities and Futures Act 2001 of Singapore (the “SFA”). A copy of this Prospectus has been lodged with, and where applicable registered by, the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of this Prospectus. Registration of the 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 collective investment scheme. The meaning of terms not defined in this Prospectus can be found in the trust deed (as may be amended or supplemented from time to time) constituting the Schroder Singapore Fixed Income Fund.*

### 1. BASIC INFORMATION

#### 1.1 Name of Fund

This Prospectus is in relation to the Singapore authorised open-ended standalone fund known as the Schroder Singapore Fixed Income Fund (the “**Fund**”). The Fund is constituted in Singapore. The Fund may be separated into separate and distinct classes (each a “**Class**” and collectively the “**Classes**”) of Units. Please refer to sub-paragraph 6.2 of this Prospectus for the description of the Classes of Units currently being offered by the Fund.

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

This Prospectus is a replacement prospectus lodged with the Authority on 4 July 2023. It replaces the prospectus that was registered by the Authority on 25 April 2023, and shall be valid for 12 months after the date of registration (i.e., up to and including 24 April 2024) and shall expire on 25 April 2024.

#### 1.3 Trust Deed and Amendment Deeds

The Fund is constituted as a unit trust by way of a Trust Deed dated 1 September 2005, as amended and restated by the following Amendment Deeds, entered into between Schroder Investment Management (Singapore) Ltd (the “**Manager**”) and HSBC Institutional Trust Services (Singapore) Limited (the “**Trustee**”):

- 1.3.1 the First Amendment Deed dated 1 September 2006;
- 1.3.2 the Second Amendment Deed dated 31 July 2009;
- 1.3.3 the Third Amendment Deed dated 28 October 2009;
- 1.3.4 the Fourth Amendment Deed dated 7 May 2010;
- 1.3.5 the Fifth Amendment Deed dated 5 May 2011;
- 1.3.6 the Sixth Amendment Deed dated 7 September 2011;
- 1.3.7 the Seventh Amendment Deed dated 10 May 2012;
- 1.3.8 the First Supplemental Deed dated 8 May 2013;
- 1.3.9 the Eighth Amendment Deed dated 1 February 2018;
- 1.3.10 the Ninth Amendment Deed dated 27 August 2018;

- 1.3.11 the Tenth Amendment Deed dated 26 August 2020;
- 1.3.12 the Eleventh Amendment Deed dated 30 October 2020;
- 1.3.13 the Twelfth Amendment Deed dated 27 April 2021;
- 1.3.14 the Thirteenth Amendment Deed dated 26 April 2022; and
- 1.3.15 the Fourteenth Amendment Deed dated 4 July 2023.

The terms and conditions of the Trust Deed and the Amendment Deeds (collectively referred to as the “**Deed**”) shall be binding on each unitholder (each a “**Holder**” and collectively the “**Holders**”) and all persons claiming through such Holder as if such Holder and persons had been a party to the Deed.

You may inspect copies of the Deed at the office of the Manager at 138 Market Street, #23-01, CapitaGreen, Singapore 048946 at all times during usual business hours (subject to such reasonable restrictions as the Manager may impose). Copies of the Deed shall be supplied by the Manager to any person on application at a charge of S\$50 per copy of the document (or such other amount as the Trustee and the Manager may from time to time agree in writing), such charge being payable to the Manager.

#### **1.4 Accounts and reports**

You may obtain copies of the latest annual and semi-annual accounts, semi-annual and annual reports and the auditor’s report on the annual accounts of the Fund from the Manager at 138 Market Street, #23-01, CapitaGreen, Singapore 048946.

Please refer to paragraph 19 of this Prospectus for details of the accounts and reports of the Fund.

### **2. THE MANAGER**

#### **2.1 Name and address of the Manager**

The Manager of the Fund is Schroder Investment Management (Singapore) Ltd whose registered office is at 138 Market Street, #23-01, CapitaGreen, Singapore 048946.

#### **2.2 Track record of the Manager**

The Manager was incorporated in Singapore in 1992 and has been managing collective investment schemes and discretionary funds in Singapore since 1992. The Manager is licensed and regulated by the Authority. The Manager is part of the Schroder group (“**Schroders**”). Schroders has been managing collective investment schemes and discretionary funds in Singapore since the 1970s.

Schroders is a leading global asset management company, whose history dates back over 200 years. The group's holding company, Schroders Plc, is and has been listed on the London Stock Exchange since 1959.

#### **2.3** Subject to Section 295 of the SFA, the Manager shall be subject to removal or the Fund may be terminated by the Trustee by notice in writing if the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms



previously approved in writing by the Trustee) or if a receiver or judicial manager shall be appointed of the undertaking of the Manager or any part thereof.

Please refer to the Deed for further information on the role and responsibilities of the Manager and what happens if it becomes insolvent.

***You should note that the past performance of the Manager is not necessarily indicative of the future performance of the Manager.***

## **2.4 Directors and key executives of the Manager**

As at the date of this Prospectus, the directors and key executives of the Manager are as follows.

### **(a) Chong Siok Chian Grace – Director**

Grace holds the position of Head of Compliance Asia Pacific at the Manager. She joined the Manager as Head of Compliance, Singapore in July 2007. In her current role, Grace oversees the compliance teams across 8 Asia Pacific offices. Grace sits on the Boards of several Schroders entities and is also a member of Global Compliance and Risks Senior Management Group.

In March 2023, Grace took on the additional responsibility for Operational Risk for Asia Pacific to further embed the synergies that exist between Compliance & Operational Risk in the Region.

Grace's career spans across the public and private sectors. She started as an auditor with Price Waterhouse in 1990. She moved on to be the Financial Controller, and subsequently promoted to Assistant General Manager, in Summit Securities (S) Pte Ltd. Prior to joining Schroders in 2007, Grace was with the MAS and headed the asset management cluster in the Capital Markets Intermediaries Division.

Grace is a Chartered Accountant (Singapore) and a member of the Institute of Singapore Chartered Accountants. She holds a Masters in Business Administration (Banking & Finance – Dean's Honours List) from the Nanyang Business School and a Bachelor of Accountancy from the National University of Singapore.

### **(b) Wong Yoke Lin Martina – Director**

Martina is the Chief Financial Officer, Asia Pacific at the Manager. She joined Schroders in July 2014.

Martina served as the General Manager of The Straits Times School Pocket Money Fund prior to joining Schroders. She commenced her career in the financial industry with the predecessor firm of Merrill Lynch (Smith New Court) in 1989. She served in various capacities at Merrill Lynch Singapore, including as Chief Administrative Officer and as Chief Financial Officer. From June 2003 to December 2008, she was the Chief Executive Officer of Merrill Lynch Singapore. After leaving Merrill Lynch Singapore, she also held the position of Senior Vice President, Head of Finance with the Singapore Exchange Ltd.

Martina is a Chartered Accountant (Singapore) and a member of the Institute of Singapore Chartered Accountants. She graduated with a Bachelor in Accountancy from the National University of Singapore.

(c) Diao Wei Chien Roy - Director

Roy is the Head of Asian Fixed Income at the Manager. He has more than 30 years of investment experience and was the Chief Executive Officer (“**CEO**”) and Head of Business Development at Oddo Meriten Asset Management Asia before joining Schrodgers in July 2017.

Prior to that, Roy was the CEO for BNP Paribas Investment Partners Singapore. During the 1990s, Roy joined Fischer Francis Trees & Watts, Singapore as a Senior Portfolio Manager, before becoming a Managing Director as well as the Head of Business Development and Client Services, Asia ex Japan. He started his investment career as an Associate with JP Morgan & Co., New York (“**JPM NY**”), before becoming the Vice President of Asian Foreign Exchange and an interest rate trader at JP Morgan & Co., Singapore and subsequently the Vice President of Asian Foreign Exchange and an interest rate product manager at JPM NY.

Roy holds a Bachelor of Science in Applied Mathematics and Economics from Brown University in the United States of America (“**USA**”).

(d) Lily Choh Chaw Lee - Director

Lily holds the position of Country Head, Singapore at the Manager. She joined Schrodgers as Head of Institutional Business in 2008 to lead business development for the Manager’s South East Asian institutional business. She was appointed as Head of Distribution for South East Asia in 2017 whereby she was responsible for the management of the institutional and intermediary business, strategic partnership and activities across South East Asia. She was appointed Head of Institutional for Asia Pacific in 2019 and Deputy CEO in 2020.

Prior to joining Schrodgers, Lily was a Senior Research Consultant at Mercer, overseeing Asia ex Japan equity and Asian Fixed Income manager research. She also previously chaired the Asia Pacific rating review committee in Mercer. Prior to joining Mercer, she was with the Government of Singapore Investment Corporation from 1998 to 2004, where her responsibilities included appointing and managing external fund managers in public markets to enhance investment returns, capabilities and harness investment insights.

Lily holds a Bachelor of Science in Chemistry from the National University of Singapore. She is also a Chartered Financial Analyst.

(e) Paul Bernard Sidebottom – Director

Paul is the Head of Technology (CTO) for Asia Pacific at Schrodgers, where he is responsible for Technology across Asia Pacific and is a board member for Schrodgers Investment Management Singapore Ltd. and Schroder and Co. (Asia) Ltd. Prior to this, he was the Head of Digital Technology at Schrodgers, overseeing digital and marketing technology across the group.

Prior to joining Schrodgers, Paul held a variety of leadership roles in FTSE100 online businesses such as easyJet, Dominos Pizza and Arcadia Group. Prior to this, Paul spent nearly a decade working for Volkswagen Financial Services and Volkswagen Bank GmbH.

Paul holds a BSc (Hons) in Information Systems with Management from De Montfort University, United Kingdom and attended the Royal Latin Grammar School from 1993-1999.

(f) Durack Christopher James - Director

Christopher Durack is the Head of Asia Pacific for Schroders, based in Singapore.

Christopher re-joined Schroders in January 2023, having previously worked in Schroders for over a decade from 2011, in roles including Australian Director and Head of Product and Distribution, Hong Kong CEO and Head of the Institutional Business for Asia Pacific, and then Australia CEO and Co-Head of Asia Pacific.

During his time in Hong Kong, Christopher was Chairman of the Pensions Committee and an Executive Committee member for the Investment Funds Association (IFA). He has also lectured in post graduate financial economics at the University of Sydney, and in 2022 was a Non-Executive Director of IFM Investors, a major global infrastructure manager.

Prior to joining Schroders, Christopher was the Chief Executive Officer for NSW State Super, and has previous funds management experience through senior roles with two large Australian fund managers Perpetual Limited and Challenger Limited.

Christopher holds a Master's degree in Economics (First Class Honours) from the University of Sydney, and Bachelor of Commerce (with Honours) from the University of Melbourne.

(g) Ang Chow Yang - Key executive

Chow Yang is a Fixed Income Portfolio Manager of the Manager.

Chow Yang joined the Manager in 2001 as an equity fund manager's assistant and in August 2004, he joined the Asian fixed income team. Chow Yang is responsible for Asian interest rate and foreign exchange strategies for Asia (ex Japan) fixed income portfolios. He is also the lead-Portfolio Manager for Singapore dollar and Hong Kong dollar fixed income portfolios.

Chow Yang holds a Bachelor of Business from Nanyang Technological University. He is also a Chartered Financial Analyst.

Chow Yang is a key executive of the Manager in relation to the Fund.

*Please take note that the list of directors and key executives of the Manager may be changed from time to time without notice. Information on the latest list of directors and key executives may be obtained by contacting the Manager in the manner set out in paragraph 20 below.*

- 2.5** The Manager has delegated its accounting and valuation functions in respect of the Fund to HSBC Institutional Trust Services (Singapore) Limited.

**3. THE TRUSTEE AND THE CUSTODIAN**

The Trustee of the Fund is HSBC Institutional Trust Services (Singapore) Limited whose registered office is at 10 Marina Boulevard, Marina Bay Financial Centre, Tower 2, #48-01, Singapore 018983. The Trustee is regulated in Singapore by the Authority.

If the Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or of amalgamation) or if a receiver or judicial manager of its undertaking is appointed, the Manager shall forthwith by instrument in writing remove the Trustee from its

appointment under the Deed and shall by the same or some other instrument in writing appoint as trustee some other trustee duly approved as may be required by the law for the time being applicable to the Deed.

Please refer to the Deed for further information on the role and responsibilities of the Trustee and what happens if it becomes insolvent.

The custodian of the Fund is The Hongkong and Shanghai Banking Corporation Limited (the “**Custodian**”) whose registered office is at 1 Queen’s Road Central, Hong Kong. The Custodian is regulated by the Hong Kong Monetary Authority and authorised as a registered institution by the Securities and Futures Commission of Hong Kong.

The Trustee has appointed the Custodian as the global custodian to provide custodial services to the Fund globally. The Custodian is entitled to appoint sub-custodians to perform any of the Custodian’s duties in specific jurisdictions where the Fund invests.

The Custodian is a global custodian with direct market access in certain jurisdictions. In respect of markets for which it uses the services of selected sub-custodians, the Custodian shall use reasonable care in the selection and monitoring of its selected sub-custodians.

The criteria upon which a sub-custodian is appointed is pursuant to all relevant governing laws and regulations and subject to satisfying all requirements of the Custodian in its capacity as global custodian. Such criteria may be subject to change from time to time and may include factors such as financial strength, reputation in the market, systems capability, operational and technical expertise, clear commitment to the custody business, adoption of international standards etc. All sub-custodians appointed will, if required by the law applicable to them, be licensed and regulated under applicable law to carry out the relevant financial activities in the relevant jurisdiction.

If the Custodian becomes insolvent, the Trustee may by notice in writing, terminate the custodian agreement entered into with the Custodian and appoint such person as the new custodian to provide custodial services to the Fund globally.

#### **4. REGISTRAR AND TRANSFER AGENT**

The registrar for the Fund is the Trustee, HSBC Institutional Trust Services (Singapore) Limited, who has delegated the registrar’s functions to The Hongkong and Shanghai Banking Corporation Limited (“**HBAP**”). Holders may inspect the register of Holders of the Fund (the “**Register**”) at 138 Market Street #23-01, CapitaGreen, Singapore 048946 during usual business hours subject to such reasonable closure of the Register and such restrictions as the Manager or the Trustee may impose.

The transfer agent for the Fund is the Manager. The Manager has delegated its transfer agent functions to HBAP.

The Register is conclusive evidence of the number of Units held by each Holder.

#### **5. THE AUDITORS**

The auditors of the Fund are KPMG LLP whose registered office is at 12 Marina View, #15-01, Asia Square Tower 2, Singapore 018961.

## 6. STRUCTURE OF THE FUND

6.1 The Fund is a Singapore-dollar (“**SGD**”) denominated open-ended standalone unit trust.

### 6.2 Classes of Units

The Manager may establish Classes of Units within the Fund. Different Classes within the Fund have different features. Where a new Class is established, the Manager may at their discretion re-designate any existing Class as long as there is no prejudice to existing Holders of such Class.

The Fund currently offers three Classes of Units, namely Class SGD A Accumulation Units (“**Class SGD A Acc Units**”), Class SGD I Accumulation Units (“**Class SGD I Acc Units**”) and Class SGD I2 Accumulation Units (“**Class SGD I2 Acc Units**”).

The Classes differ in terms of the Preliminary Charge, Switching Fee, Management Fee, minimum initial subscription amount, minimum subsequent subscription amount, minimum realisation amount and availability of switching. All Classes will constitute the Fund and will not be separate sub-funds under the Fund. Any expense, income and/or gain which is attributable to a particular Class shall be deducted from or added to (as the case may be) the value of the Fund which is attributable to that Class.

Please refer to the below table which sets out the availability of the different types of Classes of Units within the Fund and the target investor for each Class of Unit.

<b>Class</b>	<b>Target Investor</b>
A Units	All investors
I Units, I2 Units	Institutional clients who have an agreement with the Manager covering the fee structure relevant to their investments in such units, and/or such other person as the Manager may from time to time determine in their sole discretion

## 7. INVESTMENT OBJECTIVE, FOCUS AND APPROACH

### 7.1 Investment objective / Product Suitability

The Fund aims to provide investors with diversified exposure to the Singapore fixed income market through investment in SGD denominated bonds or where denominated in a foreign currency, hedged back to SGD.

The Fund is suitable for investors who:

- seek long-term capital growth; and
- understand the risks of investing in SGD denominated bonds or bonds denominated in a foreign currency, hedged back to SGD.

#### **Benchmark**

### **Investment style / Benchmark**

The Fund is actively managed with reference to the benchmark, Markit iBoxx ALBI Singapore Index. In doing so, the Fund aims to achieve a net of fee return that exceeds that of the benchmark over the medium to long term.

The benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate benchmark in relation to the return that the Fund aims to provide.

The benchmark does not take into account the environmental and social characteristics of the Fund.

### **Degree of Active Management**

The Fund's investment universe is expected to overlap to a limited extent with the components of the benchmark. The Manager invests on a discretionary basis and the Fund is not limited to investing in accordance with the composition of the benchmark. The Manager will invest in companies or sectors not included in the benchmark in order to take advantage of specific investment opportunities.

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

## **7.2 Investment focus and approach**

The Fund invests in a diversified portfolio of SGD denominated fixed income securities or where denominated in a foreign currency, hedged back to SGD by adopting a passive hedging policy, including debt securities issued by the Singapore government, Singapore statutory boards and Singapore incorporated corporates with issuer credit ratings of at least Baa by Moody's, BBB by Standard and Poor's or BBB by Fitch Inc (including sub-categories or gradations therein). The Fund may also invest in non-rated debt securities issued by Singapore incorporated entities and Singapore statutory boards.

In managing the Fund, the Manager's investment philosophy is that the bond markets are global, interrelated and generally efficient - but can overreact to events. A globally integrated team of specialist analysts and portfolio managers, researching ideas in local markets, provides a performance advantage.

The Manager's investment approach when investing in bonds combines both top-down macro-economic analysis and bottom-up sector and security selection, utilising the resources and strength of its global and regional fixed income teams to identify opportunities to outperform the benchmark of the Fund and deliver the objectives of the Fund. It adopts a methodology based on fundamental analysis, with an emphasis on relative value. Portfolios are constructed in a manner that aims to profit from market opportunities when they arise.

The Fund may use derivatives for the purposes of hedging and/or efficient portfolio management.

The Fund maintains a higher overall sustainability score than the Markit iBoxx ALBI Singapore Index, based on the Manager's rating criteria. More details on the investment process used to achieve this can be found in the "Sustainability Criteria" section set out in paragraph 7.5 below.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under the 'Sustainability Information' section on the Fund's webpage accessed via

[https://api.schroders.com/document-store/SSFI\\_Sustainability%20disclosure%20Final.pdf](https://api.schroders.com/document-store/SSFI_Sustainability%20disclosure%20Final.pdf).

- 7.3** The CPF Investment Guidelines issued by the CPF Board, which guidelines may be amended from time to time, shall apply to the Fund.

The investment and borrowing restrictions of Appendix 1 of the Code shall also apply to the Fund.

The Fund currently does not intend to carry out securities lending or repurchase transactions but may in the future do so, in accordance with the applicable provisions of the Code.

#### **7.4 Authorised Investments**

The Fund is authorised to invest in the following investments, subject to the provisions of the Code ("**Authorised Investments**"):

- (i) any Quoted Investment<sup>1</sup> which is selected by the Manager for the purpose of investment of the deposited property of the Fund; or
- (ii) any investment in respect of which application for listing or for permission to deal has been made to a Recognised Stock Exchange<sup>2</sup> 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 Manager and the Trustee) or in respect of which the Manager is satisfied that the subscription or other transactions will be cancelled if the application is refused; or
- (iii) any Unquoted Investment<sup>3</sup> which is selected by the Manager for the purpose of investment of the deposited property of the Fund; or
- (iv) any investment denominated in any currency; or
- (v) 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; or
- (vi) any investment which is a future, option, forward, swap, collar, floor or other derivative; or

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<sup>1</sup> "**Quoted Investment**" means any investment which is quoted, dealt with or listed or in respect of which permission to deal is effective on a Recognised Stock Exchange.

<sup>2</sup> "**Recognised Stock Exchange**" means any stock exchange, futures exchange or commodities exchange and in relation to any particular investment shall be deemed to include any responsible market maker and authorised dealer in the market in which the investment is traded and any over-the-counter or electronic or telephone market of repute and any responsible firm, corporation or association in any part of the world dealing in the investment and any responsible mutual fund or subsidiary thereof or unit trust scheme issuing and redeeming participations or Units (as the case may be) so as to provide in the opinion of the Manager with the approval of the Trustee a satisfactory market for the investment and in such a case the investment shall be deemed to be the subject of an effective permission to deal or listing on a Recognised Stock Exchange deemed to be constituted by such person, firm, corporation, association, mutual fund, subsidiary thereof or unit trust scheme.

<sup>3</sup> "**Unquoted Investment**" means any investment which is not quoted, dealt with or listed on a Recognised Stock Exchange.

- (vii) the currency of any country or any contract for the spot purchase or sale of any such currency, any foreign exchange transaction or any forward contract of such currency; or
- (viii) if the Fund is a CPFIS Included Fund, any investment for the time being approved by the relevant authorities for the purposes of unit trust schemes included under the CPFIS Regulations for investment by members of the CPF; or
- (ix) any investment which is not covered in (i) to (viii) above but is selected by the Manager for the purpose of investment of the deposited property of the Fund and approved by the Trustee.

## 7.5 Sustainability Criteria

The Manager applies governance and sustainability criteria when selecting investments for the Fund.

The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:

- (i) the exclusion of issuers that the Manager deems to have businesses that are materially damaging to the climate and impose unjustifiable social costs, and
- (ii) the inclusion of issuers that demonstrate stable and improving sustainability trajectories, and issuers demonstrating good governance based on the Manager's sustainability rating methodology.

The Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.

The primary sources of information used to perform the analysis are the Manager's proprietary tools and research, third-party research, NGO reports and expert networks. The Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Manager's approach to sustainability and its engagement with companies are available at <https://mybrand.schroders.com/m/3222ea4ed44a1f2c/original/schroders-engagement-blueprint-2022.pdf>.

## 8. CENTRAL PROVIDENT FUND ("CPF") INVESTMENT SCHEME

The Fund is included under the CPF Investment Scheme ("CPFIS") and is classified under the category of "Low to Medium - Narrowly Focused - Country - Singapore".

The CPF interest rate for the CPF ordinary account ("OA") is based on the 3-month average of major local banks' interest rates. Under the CPF Act, the CPF Board pays a minimum interest of 2.5% per annum when this interest formula yields a lower rate.

Savings in the CPF special account ("SA") and CPF medisave account ("SMA") are invested in Special Singapore Government Securities (SSGS) which earn an interest rate pegged to



either the 12-month average yield of 10-year Singapore Government Securities (10YSGS) plus 1%, or 4% per annum whichever is the higher, adjusted quarterly.

New CPF retirement account (“**RA**”) savings are invested in SSGS which earn a fixed coupon rate equal to either the 12-month average yield of the 10YSGS plus 1% computed for the year, or 4% per annum, whichever is the higher. The interest credited to the RA is based on the weighted average interest rate of the entire portfolio of these SSGS invested using new and existing RA savings and is adjusted yearly in January.

As at the date of this Prospectus, the Singapore government will maintain the 4% per annum minimum rate for interest earned on all SMA and RA monies until 31 December 2023. Thereafter, interest rates on all CPF account monies will be subject to a minimum rate of 2.5% per annum. The interest rates on CPF OA and SMA monies are reviewed quarterly, while the interest rate of RA monies is reviewed annually.

The first S\$60,000 of a CPF member’s combined CPF accounts (capped at S\$20,000 for CPF OA) earns an extra 1% interest. To enable members to earn extra interest, only monies in excess of S\$20,000 in a member’s CPF OA and S\$40,000 in the member’s CPF SA can be invested.

In addition, CPF members aged 55 and above will also earn an additional 1% extra interest on the first S\$30,000 of their combined CPF balances (capped at S\$20,000 for CPF OA).

You should note that the applicable interest rates for each of the CPF accounts may be varied by the CPF Board from time to time.

## 9. FEES & CHARGES #

- 9.1 The following tables set out the fees and charges payable by a Holder of the relevant Class and fees in respect of the relevant Class payable out of the Fund to the Manager and the Trustee.

### Fees payable by a Holder

	Class SGD A Acc Units	Class SGD I Acc Units	Class SGD I2 Acc Units
<b>Preliminary Charge*</b>	<u>Cash Units and SRS Units:</u> Currently up to 5% of the Gross Investment Sum <sup>4</sup> ; Maximum 5%  <u>CPF Units:</u> Nil	Currently nil; Maximum 3%	Currently nil; Maximum 3%

<sup>4</sup> “**Gross Investment Sum**” means the aggregate amount paid or to be paid by, or received or to be received from, an applicant for the subscription or purchase of Units, inclusive of the Preliminary Charge and any applicable Fiscal and Purchase Charges in respect thereof.

<b>Realisation Charge</b>	Currently nil; Maximum 2%		
<b>Switching Fee</b>	Currently 1% (maximum of 1% and minimum of S\$5)	Nil	Nil

**Fees payable out of the assets of the Fund<sup>^</sup>**

	<b>Class SGD A Acc Units</b>	<b>Class SGD I Acc Units</b>	<b>Class SGD I2 Acc Units</b>
<b>Management Fee</b> (a) Retained by Manager (b) Paid by Manager to financial adviser (trailer fee)	Currently 0.50% per annum; Maximum 1.25% per annum - (a) 35% to 100% of Management Fee - (b) 0% to 65% <sup>5</sup> of Management Fee** **Median trailer fee = 20%	Currently 0.20% per annum; Maximum 1.25% per annum	Currently 0.12% per annum on the first S\$100,000,000 of the assets attributable to the Class; 0.10% per annum on the next S\$200,000,000 and 0.08% per annum on amounts exceeding S\$300,000,000; Maximum 1.25% per annum
<b>Trustee fee</b>	Currently not more than 0.05% per annum (currently not subject to any minimum amount); Maximum 0.25% per annum		

# Please note that if you choose to pay any subscription amount in a currency other than the base currency of the relevant Class or request to receive your realisation proceeds in a currency other than the base currency of the relevant Class (including, where relevant, any applicable subscription amount or realisation proceeds to be paid or received (as the case may be) in a currency other than the base currency of the relevant Class in which you are switching into or out of (as the case may be), the associated foreign exchange charges levied by the Manager (if any) shall be borne by you and, to the extent permitted by the Code or the Authority, be retained by the Manager.

\* The Preliminary Charge is paid to the distributor and/or the Manager.

<sup>5</sup> Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Manager.

\*\* The median trailer fee is derived based on the trailer fees payable only to direct Singapore retail distributors for the Class A Acc Units. Institutional or accredited investors, or non-Singapore distributors are excluded in the computation of the median trailer fee whereby a trailer fee arrangement may not be applicable.

<sup>^</sup> All fees applicable to the Fund are calculated prior to any dilution adjustments. Please refer to paragraph 21.1 of the Prospectus for more details on dilution adjustment.

**9.2 Some distributors may charge other fees which are not listed in this Prospectus, and you should check with the relevant distributor on whether there are any other fees payable to the distributor.**

**10. RISKS**

**10.1 General risks**

**10.1.1** Investments in the Fund are subject to economic, political, interest rate, liquidity, default, regulatory and industry risks.

**10.1.2** Investments in the Fund are meant to produce returns over the long-term and are not suitable for short-term speculation. You should not expect to obtain short-term gains from such investments.

**10.1.3** You should be aware that the price of Units, and the income from them, if any, may fall or rise and that past performance is not necessarily a guide to future performance. You may not get back your original investment and your principal may be at risk.

**10.2 Specific risks**

**10.2.1 Market risk in Singapore**

The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

**10.2.2 Financial Derivatives risk**

**The Fund may use or invest in financial derivatives for the purposes of hedging and/or efficient portfolio management.** Where such financial derivatives are financial derivatives on commodities, such transactions shall be settled in cash at all times. The Fund's use of futures, options, warrants, forwards, swaps or swap options involves increased risk. If the Fund invests in such instruments, the Fund's ability to use such instruments successfully depends on the Manager's ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the Manager's predictions are wrong, or if the derivatives do not work as anticipated, the Fund could suffer greater losses than if the Fund had not used the derivatives. If the Fund invests in over-the-counter derivatives, there is increased risk that a counterparty may fail to honour its contract. The Fund will not use derivatives transactions for speculation or leverage. If the Manager uses such instruments, it will ensure that the risk management and compliance procedures and controls adopted are adequate and have been or will be implemented and that it has the requisite expertise and experience to manage and contain such investment risks. The global exposure of the

Fund to financial derivative instruments or embedded financial derivative instruments will not exceed 100% of the net asset value of the Fund at all times. Such exposure will be calculated using the commitment approach as described in, and in accordance with the provisions of, the Code. Investments in derivatives would normally be monitored and controlled by the Manager with regular mark-to-market valuations, careful research prior to investment and compliance monitoring to ensure careful compliance with the investment restrictions set out in the Deed with regard to derivatives.

Schroders, being the group of companies to which the Manager belongs, has established a Group Derivatives Committee (the "**Committee**") which reviews and monitors the adequacy and effectiveness of the processes managing operational risks faced by Schroders from the use of derivatives, and will escalate significant issues relating to derivatives to key stakeholders.

The Committee reviews and approves funds using derivatives and new derivative instruments to ensure that the key operational risks have been identified and mitigated before the launch of the fund or execution of the instrument, and is responsible for the policy on new instruments. After approval by the Committee, new derivative instruments are recorded in a derivative-instruments register. This process is designed to ensure that new derivative instruments are assessed prior to investment by the funds to ensure that the Manager has the appropriate processes and controls in place to mitigate operational, investment and credit risks.

The Manager's fund managers have primary responsibility for ensuring that derivative transactions are consistent with the investment objective of a fund. Derivative positions are monitored to ensure that derivative usage is consistent with the fund's investment objectives and in line with the way a fund is offered. Funds are categorised by their performance/risk profiles and risk-related parameters are set for each fund category. The risk-related parameters are monitored by an independent investment risk team, and exceptions are investigated and resolved.

The Manager's fund managers are required to liaise with the risk team or portfolio compliance team to agree on how the derivative investments should be monitored and to clarify any uncertainty in relation to the interpretation of rules or monitoring requirements prior to investing or as soon as the uncertainty arises. The portfolio compliance team is responsible for performing independent compliance monitoring of investment restrictions. The compliance team ensures that the fund managers are made aware of changes to regulations, including those in relation to derivatives usage. The Manager has a system in place to monitor investment restrictions. Where the system does not have the capability to monitor a particular instrument or restriction, the monitoring process is supplemented either by in-house or external systems and/or manual processes.

### **10.2.3 Interest rate risk**

Deposits in financial institutions and investments in bonds, debentures, loan stocks, convertibles and other debt securities may decline in value if interest rates change. In

general, the price of debt securities will rise when interest rates fall, and fall when interest rates rise.

#### **10.2.4 Credit risk**

The Fund is subject to the risk that some issuers of debt securities and other investments made by the Fund may not make payments on such obligations, or an issuer (or counterparty) may suffer adverse changes in its financial condition that could lower the credit quality of a security, leading to greater volatility in the price of the security and subsequently in the value of the Fund. A change in the quality rating of a security can also affect the security's liquidity and make it more difficult to sell.

#### **10.2.5 Industry risks**

The value of the Units in the Fund will be susceptible to factors affecting the respective industries that it covers and may be subject to greater risks and market volatility than an investment in a broader range of securities covering various economic sectors.

#### **10.2.6 Sustainability Risks**

The Manager takes sustainability risks into account in the management of the Fund. A sustainability risk is an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of an investment and the returns of the Fund. There is also the risk that new regulations, taxes or industry standards to protect or encourage sustainable businesses and practices may be introduced – such changes may negatively impact issuers that are poorly placed to adapt to new requirements.

The regulatory framework applying to sustainable products and sustainable investing is rapidly evolving. As such, the sustainable investing characteristics of the Fund and how it is described for investors may be subject to change over time in order to comply with new requirements or applicable regulatory guidance.

The Fund has environmental and/or social characteristics. There may be limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Manager. As investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular investor.

**The above is not an exhaustive list of the risks which you as the potential investor should consider before investing in the Fund.**

## **11. SUBSCRIPTION OF UNITS**

### **11.1 Subscription procedure**

**11.1.1** The Manager currently offers Class SGD A Acc Units, Class SGD I Acc Units and Class SGD I2 Acc Units of the Fund for subscription. You may apply for Units of any Class on an application form provided by the Manager or its appointed distributors.

- 11.1.2 You may apply for Class SGD A Acc Units using cash, your CPF Contributions (as defined in the CPFIS Regulations) or Supplementary Retirement Scheme (“SRS”) monies, subject to any restrictions from time to time imposed on applications using CPF Contributions or SRS monies by any applicable authority. You should contact the Manager or the relevant distributors for more information on the availability of subscriptions using CPF Contributions or SRS monies. Presently, you may only purchase Class SGD I Acc Units and Class SGD I2 Acc Units from the Manager or its appointed distributors using cash.

For subscriptions using cash, you must complete the application form provided by the Manager or its appointed distributors and send it, together with a cheque for the application monies made payable to the Manager or its appointed distributors.

For subscriptions using SRS monies or CPF Contributions, you must complete the application form provided by the Manager or its appointed distributors and send the application form to the Manager or its appointed distributors. You should instruct (whether via the application form or otherwise) your SRS operator bank or CPF agent bank (as the case may be) to withdraw from your SRS account or CPF account (as the case may be), the SRS monies or the CPF monies (as the case may be) in respect of the Units applied for.

- 11.1.3 Please note that if you choose to pay any subscription amount in a currency other than the base currency of the relevant Class, the associated foreign exchange charges levied by the Manager (if any) shall be borne by you and, to the extent permitted by the Code or the Authority, be retained by the Manager.

***You should note that distributors of the Fund may provide a nominee service for investors who invest in the Fund through them. If you make use of such service, the distributor will hold units in its name for and on your behalf and the distributor will be entered in the Register as the Holder of the relevant Units and will be the only person recognised as having an interest in the relevant Units.***

## 11.2 Cancellation of initial subscription

Subject to the provisions of the Deed and to the terms and conditions for cancellation of subscription in the cancellation form provided together with the application form for Units, you may cancel your subscription for Units by giving written notice or by submitting the cancellation form to the Manager or its agents within 7 calendar days (or such longer period as may be agreed between the Manager and the Trustee) from the date of your subscription. However, you will have to take the risk for any price changes in the net asset value (“NAV”) of the Fund since the time you purchased it. ***You should refer to the terms and conditions for cancellation of subscription attached to the cancellation form before purchasing Units in the Fund.***

## 11.3 Minimum subscription amount

The minimum initial subscription and minimum subsequent subscription amounts are as set out below, or such other amount as the Manager may from time to time determine upon giving prior notice to the Trustee:

	<b>Class SGD A Acc Units</b>	<b>Class SGD I Acc Units</b>	<b>Class SGD I2 Acc Units</b>
<b>Minimum initial subscription amount*</b>	S\$1,000	S\$100,000	S\$1,000,000
<b>Minimum subsequent subscription amount*</b>	S\$500	S\$1,000	S\$1,000

\*The Manager may from time to time and in its sole discretion, waive (in whole or in part) the minimum initial subscription amount and/or minimum subsequent subscription amount in any particular case or generally.

***The Manager reserves the right at its discretion to decline any application for Units in the Fund and to return the application monies received for subscription of Units to you no later than 14 Business Days (as defined in paragraph 11.4 of this Prospectus) after the receipt of the application monies by the Manager.***

#### **11.4 Pricing basis and Dealing Deadline**

As Units are priced on a forward basis, the issue price for Units of the Fund or the relevant Class cannot be calculated at the time of application.

The issue price per Unit of the Fund or the relevant Class on each Dealing Day shall be an amount equal to the NAV per Unit of the Fund or the relevant Class as at the Valuation Point calculated in accordance with the Deed and rounded to the nearest 4 decimal places (or such other manner of rounding and to such other number of decimal places as may from time to time be determined by the Manager after consulting the Trustee). The NAV per Unit of the Fund or the relevant Class so determined may be subject to “dilution adjustment”, as described in paragraph 21.1 below. The Manager may, subject to the prior approval of the Trustee, change the method of determining the issue price and the Trustee shall determine if the Holders should be informed of such change.

Where your application for Units has been received by the Manager or its agents on or before the Dealing Deadline in relation to a particular Dealing Day, you will pay an issue price per Unit based on the NAV of the Fund or the relevant Class at the Valuation Point of that Dealing Day. Where your application for Units has been received by the Manager or its agents after the Dealing Deadline in relation to a particular Dealing Day or at any time on a day which is not a Dealing Day, you will pay an issue price per Unit based on the NAV of the Fund or the relevant Class at the Valuation Point of the next Dealing Day.

“**Dealing Day**” means such Business Day(s) which is/are determined by the Manager (considering various factors including whether the Recognised Stock Exchange or Exchanges on which a substantial portion of the deposited property of the Fund are quoted, listed or dealt in is or are not open for normal trading) with the approval of the Trustee.

A list of expected non-Dealing Days for the Fund is available on request.

“**Business Day**” in relation to the Fund, means any day (other than a Saturday or Sunday or a public holiday) on which banks in the Republic of Singapore or any other place or places

determined by the Manager (with prior notice to the Trustee) are open for business or any other day as the Manager and the Trustee may agree in writing.

The “**Dealing Deadline**” is 5 p.m. on each Dealing Day (or such other time on or prior to such Dealing Day as the Manager may from time to time determine with the approval of the Trustee and so that nothing in the Deed shall prevent the Manager from determining that the time of day shall in relation to any Dealing Day be a time of day on any day selected by the Manager which precedes that Dealing Day provided always that reasonable notice of any change shall be given by the Manager to all Holders if required by the Trustee).

For example, if you buy on or before 5 p.m. on a Dealing Day, the price you pay will be based on the issue price of the Units on that Dealing Day. If you buy after 5 p.m. on a Dealing Day, the price you pay will be based on the issue price of the Units on the next Dealing Day. The issue price of Units in the Fund or in a Class of the Fund for any Dealing Day is always calculated on the next Dealing Day.

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

## 11.5 How Units are issued

The number of Units (rounded to the nearest 2 decimal places) to be issued is calculated by dividing the Net Investment Sum<sup>6</sup> by the issue price per Unit for the relevant Class of the Fund.

An example of the number of Units you will receive with an investment of S\$1,000 in respect of Class SGD A Acc Units, S\$100,000 in respect of Class SGD I Acc Units and S\$1,000,000 in respect of Class SGD I2 Acc Units is as follows:-

### Class SGD A Acc Units

Gross Investment Sum	-	(Preliminary Charge	x	Gross Investment Sum)	=	Net Investment Sum
S\$1,000.00	-	(5%	x	S\$1,000.00)	=	S\$950.00

Net Investment Sum	/	Issue price (NAV per Unit)	=	Number of Units allotted
S\$950.00	/	S\$1.0000*	=	950.00

\* Notional price used for illustrative purposes only

<sup>6</sup> “**Net Investment Sum**” means the amount paid or to be paid to the Manager by an applicant for the subscription or purchase of Units, net of the Preliminary Charge and any applicable Fiscal and Purchase Charges in respect thereof.



Class SGD I Acc Units #

Gross Investment Sum	/	Issue price (NAV per Unit)	=	Number of Units allotted
S\$100,000.00	/	S\$1.0000*	=	100,000.00

# No Preliminary Charge for Class SGD I Acc Units

\* Notional price used for illustrative purposes only

Class SGD I2 Acc Units#

Gross Investment Sum	/	Issue price (NAV per Unit)	=	Number of Units allotted
S\$1,000,000.00	/	S\$1.0000*	=	1,000,000.00

# No Preliminary Charge for Class SGD I2 Acc Units

\* Notional price used for illustrative purposes only

For Class SGD A Acc Units, the Manager may on any day differentiate between applicants as to the amount of the Preliminary Charge and may on any day of the issue of Units allow any applicants a discount on the Preliminary Charge, in accordance with the provisions of the Deed.

## **11.6 Confirmation of purchase**

A statement of account is normally issued within ten (10) Business Days from the date of receipt of the application form and subscription monies by the Manager.

## **12. MONTHLY INVESTMENT PLAN**

**12.1** The Manager does not currently offer Monthly Investment Plans for the Fund directly. However, the Manager's appointed distributors may from time to time at their sole discretion offer Monthly Investment Plans for the Fund. Currently, a Monthly Investment Plan ("**MIP**") is offered for the Class SGD A Acc Units. A MIP is not available for the Class SGD I Acc Units and Class SGD I2 Acc Units.

If applicable, you may purchase Class SGD A Acc Units under the MIP through (a) GIRO (for Cash Units), (b) CPF Contributions (for CPF Units) and/or (c) monies withdrawn from your SRS account ("**SRS Contributions**") (for SRS Units), subject to any restrictions imposed from time to time on applications using CPF Contributions or SRS Contributions by any applicable authority.

**12.2** You may cease participating in such a MIP by giving notice in writing to the relevant distributors. You should contact the relevant distributors for more information on the MIP (including the minimum periodic contributions, timing of the investment deduction, Unit allocation as well as notice period and/or any penalty for cessation of participation in the MIP).

## **12A. SWITCHING OF UNITS**

**12A.1** Subject to the Manager's absolute discretion to reject any switching notice without providing any reason and the provisions of Clause 9(B) of the Deed, Holders may, if permitted by the

Manager, request to switch their Units of any Class in the Fund into units of any other trust managed, or any other collective investment scheme (whether authorised or recognised under the SFA) made available for investment, by the Manager ("**new Trust**") in accordance with the provisions in Clause 9A(B) to 9A(E) of the Deed, Provided That CPF Units and Units purchased with SRS monies ("**SRS Units**") may only be switched into a new Trust which is a CPF Included Fund or available for investment using SRS monies respectively, subject to any restrictions imposed from time to time on applications using CPF Contributions or SRS Contributions by any applicable authority. Holders should contact the Manager or the relevant distributors for more information. For the avoidance of doubt, (i) Class SGD A Acc Units may only be switched into class A units of a new Trust or (in relation to a new Trust which does not comprise classes of units) existing units of a new Trust if permitted by the Manager at its absolute discretion; (ii) Class SGD I Acc Units may only be switched into class I units of a new Trust or (in relation to a new Trust which does not comprise classes of units) existing units of a new Trust if permitted by the Manager at its absolute discretion; and (iii) Class SGD I2 Acc Units of the Fund may only be switched into units of a new Trust if permitted by the Manager at its absolute discretion. All Classes of the Fund may not be switched into another Class of the Fund. No switching is permitted if realisation of the Units of the relevant Class is suspended or if the issue of units of the new Trust is suspended on the relevant dealing day of such Class or the new Trust (as the case may be).

- 12A.2** Where a Holder switches Units of any Class of the Fund to units of a new Trust, the realisation price of Units of such Class of the Fund shall be the NAV per Unit of such Class on the relevant Dealing Day on which a switching notice is received and accepted by the Manager. The Manager shall not impose a preliminary charge in relation to the new Trust but shall be entitled to deduct a Switching Fee from the realisation proceeds from the Units of the said Class of the Fund and available for payment for units of the new Trust to be issued. Units of the new Trust shall be issued at the NAV of the new Trust on a dealing day of the new Trust to be determined, as soon as practicable, by the Manager subject to paragraph 12A.5 below and the trust deed of the new Trust. The NAV per Unit of the relevant Class may be subject to "dilution adjustment", as described in paragraph 21.1 below.
- 12A.3** The Switching Fee shall be retained by the Manager for its own benefit. The Manager may on any day differentiate between Holders who switch units as to the rate of the Switching Fee Provided Always That such rate shall be within the limits specified in paragraph 9.1 of this Prospectus and the Manager may on any day grant to any person a discount on the Switching Fee as it thinks fit. Please note that where relevant, in connection with any applicable subscription amount or realisation proceeds to be paid or received (as the case may be) in a currency other than the base currency of the relevant Class in which you are switching into or out of (as the case may be), the associated foreign exchange charges levied by the Manager (if any) shall be borne by you and, to the extent permitted by the Code or the Authority, be retained by the Manager.
- 12A.4** To request for a switching of Units, a Holder must deliver a duly completed switching notice to the Manager. In order for a switching notice to be effected on a particular Dealing Day of the Fund, it must be received by the Manager not later than the Dealing Deadline on that Dealing Day of the Fund. If any switching notice is received after the Dealing Deadline on that Dealing Day of the Fund or received on any day which is not a Dealing Day of the Fund,

such switching notice shall be treated as having been received before the Dealing Deadline on the next Dealing Day of the Fund.

- 12A.5** In effecting the duly completed switching notice submitted by the relevant Holder, the Manager may in its absolute discretion defer the subscription of units of a new Trust to a later dealing day of the new Trust in such circumstances which the Manager deems necessary to facilitate the switch into units of the new Trust (including but not limited to where the Fund and the new Trust are subject to different dealing days, or dealing deadlines, or valuation points, or if the Fund and the new Trust are subject to different fund holidays or different currency holidays during the settlement cycle) provided that the Manager shall not defer such subscription indefinitely.

### **13. REALISATION OF UNITS**

#### **13.1 Realisation procedure**

- 13.1.1** A Holder may at any time during the life of the Fund request in writing (a “**realisation request**”) to realise all or any Units held by him, subject to the suspension of realisation of Units as set out in paragraph 15 below.
- 13.1.2** Holders who wish to realise their Units may do so on a Dealing Day by submitting a realisation request to the Manager or its agents on or before the Dealing Deadline for that Dealing Day. Realisation of Units shall only be effected on the relevant Dealing Day in respect of a realisation request received by the Manager or its agents on or before the Dealing Deadline in respect of such Dealing Day.
- 13.1.3** Please note that if you request to receive your realisation proceeds in a currency other than the base currency of the relevant Class, the associated foreign exchange charges levied by the Manager (if any) shall be borne by you and, to the extent permitted by the Code or the Authority, be retained by the Manager.

#### **13.2 Minimum Holding and minimum realisation amount**

	<b>Class SGD A Acc Units</b>	<b>Class SGD I Acc Units</b>	<b>Class SGD I2 Acc Units</b>
<b>Minimum Holding*</b>	S\$1,000	S\$1,000	S\$1,000
<b>Minimum realisation amount*</b>	S\$500 <sup>7</sup>	S\$1,000 <sup>7</sup>	S\$1,000 <sup>7</sup>

\*The Manager may from time to time and in its sole discretion, waive (in whole or in part) the minimum holding and/or the minimum realisation amount in any particular case or generally.

#### **13.3 Dealing Deadline and pricing basis**

- 13.3.1** Where a realisation request has been received by the Manager or its agents on or before the Dealing Deadline in relation to a particular Dealing Day, the Holder will be paid a realisation price based on the NAV of the Fund or the relevant Class at the Valuation Point of that Dealing Day. Where a realisation request has been received

<sup>7</sup> The Manager or its appointed distributors may refuse a realisation request for less than the relevant minimum realisation amount or which would result in a Holder's holdings falling below the Minimum Holding.

by the Manager or its agents after the Dealing Deadline in relation to a particular Dealing Day or at any time on a day which is not a Dealing Day, the Holder will be paid a realisation price based on the NAV of the Fund or the relevant Class at the Valuation Point of the next Dealing Day.

- 13.3.2** As Units are priced on a forward basis, the realisation price for Units cannot be calculated at the time of request. The realisation price per Unit of the Fund or the relevant Class shall be the NAV per Unit of the Fund or the relevant Class ascertained in accordance with Clause 9(D) of the Deed and rounded to the nearest 4 decimal places (or such other manner of rounding and to such other number of decimal places as may from time to time be determined by the Manager after consulting the Trustee). The NAV per Unit of the Fund or the relevant Class so ascertained may be subject to “dilution adjustment”, as described in paragraph 21.1 below. The Manager may, subject to the prior approval of the Trustee, change the method of determining the realisation price and the Trustee shall determine if the Holders should be informed of such change.

#### **13.4 Numerical example**

The realisation proceeds paid to a Holder will be the realisation price per Unit of the relevant Class less any Realisation Charge multiplied by the number of Units to be realised. An example of the realisation proceeds a Holder will receive from realising 1,000 Class SGD A Acc Units, Class SGD I Acc Units or Class SGD I2 Acc Units based on a notional realisation price of S\$1.1000 per Unit is as follows:

1,000 Units	x	S\$1.1000	=	S\$1,100
No. of Units realised		Notional realisation price* per Unit		Realisation proceeds

*\* There is currently no Realisation Charge being imposed for Class SGD A Acc Units, Class SGD I Acc Units or Class SGD I2 Acc Units. For the avoidance of doubt, where applicable, any realisation charge and any Fiscal and Sale Charges which are foreign exchange charges levied by the Manager in relation to the realisation of any Units for which Holders request for proceeds to be paid in a currency other than the base currency of the relevant Class shall be retained by the Manager for its own benefit to the extent permitted by the Code or the Authority. You should note that the notional realisation price is used for illustrative purposes only and should not be construed as a forecast, prediction or projection of the future or likely performance of the Fund or the relevant Class.*

#### **13.5 Limit on realisations**

The Manager may, with the approval of the Trustee, limit the total number of Units of the Fund which Holders may realise and which the Manager is entitled to have cancelled pursuant to Clause 8(A) of the Deed on any Dealing Day to ten per cent. (10%) of the total number of Units of the Fund then in issue (disregarding any Units of the Fund which have been agreed to be issued), such limitation to be applied pro rata to all Holders of the Fund who have validly requested realisations on such Dealing Day and the Manager, so that the proportion so requested to be realised or cancelled pursuant to Clause 8(A) of the Deed is the same for all

Holders of the Fund and the Manager. Any Units which, by virtue of the powers conferred on the Manager by Clause 9(H) of the Deed, are not realised or cancelled (as the case may be) shall be realised or cancelled (subject to any further application of Clause 9(H) of the Deed) on the next succeeding Dealing Day Provided That if on such next succeeding Dealing Day, the total number of Units of the Fund to be cancelled or realised (as the case may be), including those carried forward from any earlier Dealing Day, exceeds such limit, the Manager may further carry forward the requests for realisation or cancellation (as the case may be) until such time as the total number of Units of the Fund to be realised or cancelled (as the case may be) on a Dealing Day falls within such limit and Provided Further That any Units of the Fund which have been carried over as aforesaid shall on any such succeeding Dealing Day be realised or cancelled in priority to any new Units of the Fund due to be realised or cancelled on that Dealing Day. If realisation requests are carried forward as aforesaid, the Manager shall, within seven (7) Business Days, give notice to the Holders affected thereby that such Units of the Fund have not been realised or cancelled and that (subject as aforesaid) they shall be realised or cancelled on the next succeeding Dealing Day.

### **13.6 Period and method of payment**

**13.6.1** The realisation proceeds are paid to Holders within seven Business Days (or such other period as may be prescribed by the Authority) in Singapore following the relevant Dealing Day.

**13.6.2** Any monies payable to a Holder in respect of:

- (i) CPF Units shall be paid by transferring the said amounts to the relevant Agent Bank for credit of such Holder's CPF Investment Account or where such account has been terminated, for credit of such Holder's CPF Ordinary Account or otherwise in accordance with the provisions of the CPF Regulations;
- (ii) Cash Units shall be paid by cheque or warrant sent through the post to the Holder at the address of such Holder. In the case of Joint-All Holders<sup>8</sup> and Joint-Alternate Holders<sup>9</sup>, the cheque or warrant shall be made payable to the Joint Holder first named in the Register; and
- (iii) SRS Units shall be paid by transferring the said amounts to the relevant SRS operator for credit of such Holder's SRS account or where such account has been terminated, to the Holder in accordance with any applicable laws and regulations.

**13.6.3** For CPF Units, such payment shall be a satisfaction of the monies payable and the receipt of the relevant Agent Bank or CPF Board (as the case may be) shall be a good discharge to the Manager or the Trustee (as the case may be). For Cash Units, payment of the cheque or warrant by the banker upon whom it is drawn shall be a satisfaction of the monies payable. For SRS Units, payment as set out in subparagraph 13.6.2(iii) above shall be a satisfaction of the monies payable and the

<sup>8</sup> "Joint-All Holders" means Joint Holders whose mandate the Manager and the Trustee shall act upon only if given by both of such Joint Holders.

<sup>9</sup> "Joint-Alternate Holders" means Joint Holders whose mandate the Manager and the Trustee shall act upon only if given by either of such Joint Holders.

receipt of the relevant SRS operator shall be a good discharge to the Manager or the Trustee (as the case may be). Where an authority in that behalf shall have been received by the Trustee or the Manager in such form as the Trustee shall consider sufficient, the Trustee or the Manager (as the case may be) shall pay the amount due to any Holder to his bankers or other agent and the receipt of such bankers or other agent shall be a good discharge therefor. No amount payable to any Holder shall bear interest.

- 13.6.4** If a Holder is resident outside Singapore, the Manager shall be entitled to deduct from the total amount which would otherwise be payable in accordance with the Deed on the purchase from the Holder an amount equal to the excess of the expenses actually incurred over the amount of expenses which would have been incurred if the Holder had been resident in Singapore.

#### **14. OBTAINING PRICES OF UNITS**

- 14.1** The NAV per Unit of each Class of the Fund is published at the Manager's website at <http://www.schroders.com.sg> one (1) Business Day after the relevant Dealing Day as well as available directly from the Manager.

#### **15. SUSPENSION OF DEALINGS**

- 15.1** Subject to the provisions of the Code, the Manager or the Trustee may, with the prior written approval of the other, suspend the issue and/or realisation of Units in relation to the Fund or a Class during:

- 15.1.1** any period when any market on which any investments of the deposited property of the Fund or the relevant Class for the time being are quoted is closed (otherwise than for ordinary holidays) or during which dealings thereon are restricted or suspended;
- 15.1.2** the existence of any state of affairs which, in the opinion of the Manager and the Trustee constitutes an emergency as a result of which disposition by the Fund or the relevant Class of its investments is not reasonably practicable or might seriously prejudice the interests of the Holders as a whole or of the deposited property of the Fund or the relevant Class;
- 15.1.3** any breakdown in the means of communication normally employed in determining the price of any of such investments or the current price on any market or when for any reason the prices of any investments cannot be promptly and accurately ascertained;
- 15.1.4** any period when the remittance of money which will or may be involved in the realisation of such investments or in the payment for such investments cannot, in the opinion of the Manager and the Trustee, be effected at normal rates of exchange;
- 15.1.5** any particular day when the requests for realisation of Units exceed 10% of the Units of the Fund or the relevant Class in issue and deemed to be in issue;
- 15.1.6** any period when the dealing of Units is suspended pursuant to any order or direction issued by the Authority;

- 15.1.7** any 48 hour period (or such longer period as may be agreed between the Manager and the Trustee) prior to the date of any meeting of Holders (or any adjourned meeting thereof);
- 15.1.8** any period when the business operations of the Manager or the Trustee in relation to the operations of the Fund or the relevant Class are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God; or
- 15.1.9** such circumstances as may be required under the provisions of the Code.
- 15.2** Such suspension shall take effect forthwith upon the declaration in writing thereof to the Trustee by the Manager (or, as the case may be, to the Manager by the Trustee) and subject to the provisions of the Code, shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other condition under which such suspension is authorised under the Deed shall exist upon the declaration in writing thereof by the Manager (or, as the case may be, the Trustee).
- 15.3** Any payment for any Units realised before the commencement of any such suspension but for which payment has not been made before the commencement thereof may, if the Manager and the Trustee so agree, be deferred until immediately after the end of such suspension.
- 15.4** Subject to the provisions of the Code, the Manager may suspend the realisation of Units in accordance with Clause 9(D)(ii) of the Deed for such reasonable period as may be necessary to effect an orderly realisation of investments.

## **16. PERFORMANCE OF THE FUND**

- 16.1** The returns of the Fund as of 28 February 2023 are tabled below.

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>	<b>Since Launch<sup>10</sup></b>
	<b>Total Return</b>	<b>Average Annual Compounded Return</b>			
Class SGD A Acc Units	-11.97%	-4.59%	-0.96%	0.28%	1.12%
Markit iBoxx ALBI Singapore Index	-6.73%	-2.47%	0.79%	1.19%	1.8%

*Source: Schroders; Performance in SGD; net dividends reinvested*

You should note that the performance returns of the Fund as shown in the table above are calculated based on the NAV of the Fund after dilution adjustments (if any) have been applied.

<sup>10</sup> The launch date of the Class SGD A Acc Units is 19 November 2009.

Returns are calculated on an offer-to-bid basis (taking into account the Preliminary Charge) and on the assumption that all dividends and distributions (if any) are reinvested, taking into account all charges which would have been payable upon such reinvestment.

- 16.2** The benchmark against which the performance of the Fund is measured is the Markit iBoxx ALBI Singapore Index.

With effect from 1 March 2017, the benchmark was changed from the UOB Singapore Government Securities Index – All to the Markit iBoxx ALBI Singapore Index as the index service provider for the UOB Singapore Government Securities Index – All will discontinue this index with effect from 1 June 2017 and the Manager believes that the Markit iBoxx ALBI Singapore Index is a good representation of the Singapore bond market and allows the Manager to manage the Fund in line with its existing investment objective and investment strategy.

**You should note that the past performance of the Fund is not necessarily indicative of the future performance of the Fund.**

**16.3 Expense ratios**

The expense ratios of the Fund (calculated in accordance with the guidelines on the disclosure of expense ratios issued by the Investment Management Association of Singapore and based on the figures in the Fund's latest audited accounts) from 1 July 2021 to 30 June 2022 are as follows:

Schroder Singapore Fixed Income Fund	Expense Ratio
Class SGD A Acc Units	0.69%
Class SGD I Acc Units	0.31%
Class SGD I2 Acc Units	0.22%

The following expenses (where applicable) are excluded from the calculation of the expense ratio(s):-

- 16.3.1** brokerage and other transaction costs associated with the purchase and sales of investments (such as registrar charges and remittance fees);
- 16.3.2** interest expense arising from bank lending and other loans to the Fund;
- 16.3.3** foreign exchange gains and losses of the Fund, whether realised or unrealised;
- 16.3.4** tax deducted at source or arising on income received including withholding tax;
- 16.3.5** front-end loads, back-end loads and other costs arising on the purchase or sale of a foreign unit trust or mutual fund; and
- 16.3.6** dividends and other distributions paid to Holders.

**16.4 Turnover ratio**



The turnover ratio of the Fund for the period from 1 July 2021 to 30 June 2022, calculated based on the lesser of purchases or sales of underlying investments of the Fund expressed as a percentage over daily average NAV of the Fund, is 73.93%.

**17. SOFT DOLLAR COMMISSIONS/ARRANGEMENTS**

In its management of the Fund, the Manager currently does not receive or enter into any soft-dollar commissions or arrangements.

**18. CONFLICTS OF INTEREST**

**18.1** The Manager will conduct all transactions with or for the Fund at arm's length. The Manager may from time to time have to deal with competing or conflicting interests of the Fund with other funds managed by the Manager. For example, the Manager may make a purchase or sale decision on behalf of some or all of the other funds managed by it without making the same decision on behalf of the Fund, as a decision whether or not to make the same investment or sale for the Fund depends on factors such as the cash availability and portfolio balance of the Fund. However, the Manager will use reasonable endeavours at all times to act fairly and in the interests of the Fund. In particular, after taking into account the availability of cash and relevant investment guidelines of the other funds managed by the Manager and the Fund, the Manager will endeavour to ensure that securities bought and sold will be allocated proportionately as far as possible among the Fund and the other funds managed by the Manager.

**18.2** The factors which the Manager will take into account when determining if there are any conflicts of interest as described in the paragraph above include the assets of the Fund. To the extent that another fund managed by the Manager intends to purchase substantially similar assets, the Manager will ensure that the assets are allocated fairly and proportionately and that the interests of all investors are treated equally between the Fund and the other funds.

**18.3** Associates of the Trustee may be engaged to provide financial, banking or brokerage services to the Fund or Classes of the Fund or buy, hold and deal in any investments, enter into contracts or other arrangements with the Trustee and make profits from these activities. Such services to the Fund or the relevant Class of the Fund, where provided, and such activities with the Trustee, where entered into, will be on an arm's length basis.

**19. REPORTS**

**19.1** The financial year-end of the Fund is 30 June. The annual report, the annual accounts and the auditor's report on the annual accounts of the Fund will be sent or made available to Holders within 3 months (or such other periods as may be permitted by the Authority) from the end of the financial year.

**19.2** The semi-annual report and semi-annual accounts of the Fund will be sent or made available to Holders within 2 months (or such other periods as may be permitted by the Authority) of each financial half-year end.

## **20. QUERIES AND COMPLAINTS**

All enquiries and complaints about the Fund should be directed to the Manager, Schroder Investment Management (Singapore) Ltd, at telephone number (65) 6534 4288.

## **21. OTHER MATERIAL INFORMATION**

### **21.1 Dilution And Dilution Adjustment**

The Fund is single priced and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions, realisations and/or switching in and out of the Fund. This is known as “dilution”. In order to counter this and to protect Holders’ interests, the Manager will apply “dilution adjustment” as part of its daily valuation policy. This will mean that in certain circumstances the Manager (if in its opinion in good faith it is in the interest of Holders to do so) will make adjustments in the calculations of the NAV per Unit, to counter the impact of dealing and other costs on occasions when these are deemed to be significant, as further described below.

In the usual course of business the application of a dilution adjustment will be triggered mechanically and on a consistent basis.

The need to make a dilution adjustment will depend upon the net value of subscriptions, switching and realisations received by the Fund for each Dealing Day. The Manager therefore reserves the right to make a dilution adjustment where the Fund experiences a net cash movement which exceeds a threshold set by the Manager from time to time of the previous Dealing Day’s total NAV. You should note that the value of the Units held by a Holder may therefore be diluted when the net value of subscriptions, switching and realisations received by the Fund for a Dealing Day is below such threshold.

The Manager may also make a discretionary dilution adjustment if, in its opinion, it is in the interest of existing Holders to do so.

Where a dilution adjustment is made, it will increase the NAV per Unit when there are net inflows into the Fund and decrease the NAV per Unit when there are net outflows. The NAV per Unit of the Fund or each Class in the Fund will be calculated separately but any dilution adjustment will, in percentage terms, affect the NAV per Unit of the Fund or each Class identically. All fees applicable to the Fund (including management fees and performance fees (if any)) are calculated prior to any dilution adjustments.

As dilution is related to the inflows and outflows of money from the Fund, it is not possible to accurately predict whether dilution will occur at any future point in time. Consequently it is also not possible to accurately predict how frequently the Manager will need to make such dilution adjustments.

Because the dilution adjustment for the Fund will be calculated by reference to the costs of dealing in the underlying investments of the Fund, including any dealing spreads, which can vary with market conditions, this means that the amount of the dilution adjustment can vary over time but shall not exceed 2% of the NAV per Unit on the relevant Dealing Day and the Manager reserves the right to adjust upwards or downwards the NAV per Unit on any Dealing Day in accordance with the foregoing without giving notice to relevant Holders, provided that

during circumstances which the Manager may deem as extraordinary market circumstances or significant unexpected changes in general market conditions (including but not limited to high market volatility, illiquidity in the markets, disruption of markets or slowdown of the economy caused by terrorist attack or war or other hostilities, a serious pandemic, or a natural disaster such as a hurricane or a super typhoon) in its absolute discretion, the Manager may temporarily increase the dilution adjustment beyond 2% of the NAV per Unit to such higher percentage as the Manager may determine from time to time in consultation with the Trustee, and such increase shall (if so required by the Authority and/or the Trustee) be notified to the Holders in such manner as the Manager and Trustee may agree.

You should note that the performance returns of the Fund as shown in the tables in paragraph 16.1 above are calculated based on the NAV of the Fund after dilution adjustments (if any) have been applied. This could increase the variability of the returns of the Fund. You should also note that there is a possibility that the returns of the Fund may be influenced by the level of trading activity, in addition to the Fund's investments.

#### **21.2 Distribution of income and/or capital**

The Manager has the sole discretion to determine whether any distribution of income, gains and/or capital of the Fund should be made.

#### **21.3 Change of investment policy**

The Manager may from time to time, with prior notice to the Trustee, change the investment policy of the Fund in accordance with the Deed upon prior written notification of not less than three months to the Holders of the Fund (or such other period as may be agreed between the Manager and the Trustee in compliance with the Code).

#### **21.4 Custody of investments**

The Trustee shall be responsible for the safe custody of the deposited property of the Fund. Any Authorised Investments forming part of the deposited property of the Fund shall, if in bearer form, be held by or on behalf of or deposited with the Trustee for the purpose of safe custody. Any Authorised Investment in registered form shall, as soon as possible after receipt of the necessary documents be registered in the name of the Trustee or its nominee and shall remain so registered until disposed of in accordance with the provisions of the Deed. The Trustee may act as custodian itself or may from time to time as it thinks fit appoint such persons (including any associate of the Trustee) as custodian or joint custodians (with the Trustee if acting as custodian or with any other custodian appointed by the Trustee) of the whole or any part of the deposited property of the Fund and (where the Trustee is custodian) may from time to time as it thinks fit 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 of the Trustee, sub-custodians. The fees and expenses of any such custodian, joint custodian or sub-custodian shall be paid out of the deposited property of the Fund. The Trustee may at any time procure that:

- (i) the Trustee; or
- (ii) any officer of the Trustee jointly with the Trustee; or
- (iii) any nominee appointed by the Trustee; or

- (iv) any such nominee and the Trustee; or
- (v) any custodian, joint-custodian or sub-custodian appointed; or
- (vi) any company operating a recognised clearing system in respect of the Authorised Investments involved; or
- (vii) any broker, financial institution or other person with whom the same is deposited in order to satisfy any requirement to deposit margin or security,

take delivery of and retain and/or be registered as proprietor of any Authorised Investments or other property held upon the trusts of the Deed.

Notwithstanding anything contained in the Deed but subject to all applicable laws and regulations, the following provisions shall apply:

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

## **21.5 Termination of a Class or the Fund**

In accordance with the provisions of the Deed, the Manager may terminate a Class or the Fund by notice in writing in any of the following events:

- (i) if at any time the NAV of the Fund or a Class shall be less than S\$5,000,000; or
- (ii) if it becomes illegal in the Republic of Singapore to continue the Fund or a Class or if in the opinion of the Manager it becomes impracticable or inadvisable to continue the Fund or a Class in the interest of the Holders thereof; or
- (iii) if the Authority so directs pursuant to the SFA.

In the event of the termination of a Class or the Fund by the Manager, the Manager shall give notice thereof to the Holders of the relevant Class or the Fund as may be the case in the manner as provided under the Deed and by such notice fix the date at which such termination is to take effect (which date shall not be less than three months or such other shorter or longer period as may be determined by the Manager with the Trustee's approval after the service of such notice). The Manager also shall give not less than seven days prior written notice of such termination of the Fund to the Authority.

## **21.6 Value of Authorised Investments**

Save as otherwise expressly provided in the Deed and subject to the provisions of the Code, for the purposes of determining the net asset value of the Fund or a Class or any part thereof, any investment comprised or to be comprised therein shall be calculated as follows:

- (i) deposits placed with a bank or other financial institutions and bank bills, shall be determined by reference to the face value of such Authorised Investments and the accrued interest thereon for the relevant period;
- (ii) a unit or share in a unit trust or mutual fund or collective investment scheme shall be valued at the latest published or available net asset value per unit or share, or if no net asset value is published or available, then at their latest available realisation price;
- (iii) an Unquoted Investment (other than any deposit or bank bill or unit or share in a unit trust or mutual fund or collective investment scheme referred to in sub-paragraphs (i) and (ii) above), shall be calculated by reference to, but not limited to, the price of the investment if it is a component in a recognised bond index; or evaluated calculation from a reputable pricing vendor; or the mean of bid prices quoted by reputable institutions in the over-the-counter or telephone market at the close of trading in the relevant market on which the particular Authorised Investment is traded; or 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, than such market maker as the Manager may designate);
- (iv) a Quoted Investment, shall be calculated firstly by reference to the official closing price (however described and calculated under the rules of the relevant Recognised Stock Exchange) and, if no official closing price is available, by the last transacted price on such Recognised Stock Exchange and, by the official closing price at the end of prior day(s) where reasonable; and
- (v) an Authorised Investment other than as described above, shall be valued in such manner and at such time or times as the Manager after consultation with the Trustee shall from time to time determine.

Provided That, if the quotations referred to in (ii), (iii) or (iv) above are not available, or if the value of the Authorised Investments determined in the manner described in (i) to (v) above, in the opinion of the Manager, does not represent a fair value of such Authorised Investment, then the value shall be any reasonable value as may be determined by the Manager or by a person determined by the Manager as being qualified to value and approved by the Trustee. The fair valuation shall be determined with due care and good faith and the basis for determining the fair value of the Authorised Investment documented.

Neither the Trustee nor the Manager shall incur any liability by reason of the fact that a price reasonably believed by them to be the last known transacted price may be found not to be such Provided That it has acted in good faith without negligence and with due care.

## **21.7 Indemnities and protection accorded to the Manager and/or the Trustee**

**21.7.1** The Trustee and the Manager respectively shall incur no liability in respect of any action taken or thing suffered by them in reliance upon any notice, resolution,

direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganisation or other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.

- 21.7.2** Neither the Trustee nor the Manager shall be responsible for the authenticity of any signature on any statement of account or any seal affixed to any endorsement or any certificate or to any form of transfer or application, or other document (sent by mail, facsimile, electronic means or otherwise) affecting the title to or transmission of Units or be in any way liable for any forged or unauthorised signature on or a seal affixed to such endorsement, form of transfer or application or other document or for acting on or giving effect to any such forged or unauthorised signature or seal. The Trustee and the Manager respectively shall nevertheless be entitled but not bound to require that the signature of any Holder or Joint Holder to any document required to be signed by him under or in connection with the Deed shall be verified by a banker or broker or other responsible person or otherwise authenticated to its or their reasonable satisfaction.
- 21.7.3** The Trustee and the Manager shall incur no liability to the Holders for doing or (as the case may be) failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order or judgement of any court, or by reason of any request, announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (whether legally or otherwise) either they or any of them shall be directed or requested to do or perform or to forbear from doing or performing. If for any reason it becomes impossible or impracticable to carry out any of the provisions of the Deed neither the Trustee nor the Manager shall be under any liability therefor or thereby.
- 21.7.4** Any indemnity expressly given to the Trustee and/or the Manager in the Deed is in addition to and without prejudice to any indemnity allowed by law provided nevertheless that nothing in any of the provisions of the Deed shall in any case in which the Trustee and/or the Manager, as the case may be, have failed to show the degree of diligence and care required by them by the provisions of the Deed exempt them from or indemnify them against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of duty or trust of which they may be guilty in relation to their duties.
- 21.7.5** Neither the Manager nor the Trustee shall be responsible to the Fund or any Holder for any loss or damage arising from reasons or causes beyond their control, or the control of any of their employees, including without limitation, nationalisation, war, terrorism, currency restrictions, civil unrest, riots or strikes, nuclear fusion or acts of God.
- 21.7.6** In no event shall a Holder have or acquire any rights against the Trustee and the Manager or either of them save such as are expressly conferred upon such Holder by the Deed nor shall the Trustee be found to make any payment to any Holder except out of funds held by or paid to it for that purpose under the provisions of the Deed.

- 21.7.7** The Trustee shall not be under any liability on account of anything done or suffered by the Trustee in good faith in accordance with or in pursuance of any request or advice of the Manager and/or delegates appointed by the Manager. Whenever pursuant to any provision of the Deed any certificate, notice, instruction or other communication is to be given by the Manager and/or delegates appointed by the Manager to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Manager and/or delegates appointed by the Manager by any one person whose signature the Trustee is for the time being authorised in writing by the Manager and/or delegates appointed by the Manager to accept and may act on verbal, electronic and facsimile instructions given by authorised officers of the Manager and/or delegates appointed by the Manager specified in writing by the Manager and/or delegates appointed by the Manager to the Trustee.
- 21.7.8** Subject to any applicable laws and to the Deed (including but without limitations, Clause 19 (F) of the Deed) and without prejudice to any rights of indemnity by law given to trustees, the Trustee shall be entitled for the purposes of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as Trustee to have recourse to the deposited property of the Fund or any part thereof but this shall be without prejudice to the obligation of the Manager to reimburse the Trustee out of the deposited property of the Fund in respect of all such matters as fall within Clause 18(B) of the Deed.
- 21.7.9** The Trustee shall not be responsible for acting upon any resolution purported to have been passed at any meeting of the Holders in respect whereof minutes shall have been made and signed even though it may be subsequently found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not binding upon all the Holders.
- 21.7.10** In the absence of fraud or negligence or breach of the Deed by the Trustee, it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done by it in good faith thereunder.
- 21.7.11** In the absence of fraud, negligence or wilful default the Manager shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done by it in good faith hereunder and the Manager shall not be under any liability except such liability as may be expressly assumed by it under the Deed nor shall the Manager (save as therein otherwise provided) be liable for any act or omission of the Trustee.
- 21.7.12** Without prejudice to the powers, authorities and discretions of the Trustee under the Trustees Act 1967 of Singapore, the Trustee may act upon any advice of or information obtained from any advisers, bankers, accountants, brokers, lawyers or other persons on whom the Trustee has relied on for advice (hereinafter known as "**advisers**") either of the Trustee or of the Manager and the Trustee shall not be liable for anything done or omitted or suffered in good faith in reliance upon such advice or information or for any misconduct, mistake, oversight, error of judgement, forgetfulness or want of prudence on the part of any such advisers Provided That, in

the case of advisers of the Trustee, the Trustee shall have exercised due care and diligence in the appointment of such advisers of the Trustee. Any such advice or information may be obtained or sent by letter, electronic or facsimile message and the Trustee shall not be liable for acting on any advice or information purporting to be conveyed by any such letter, electronic or facsimile message although the same contains some error or shall not be authentic.

- 21.7.13 Save as otherwise expressly provided in the Deed, the Trustee shall as regards all the trusts, authorities and discretions vested in it have absolute and uncontrolled discretion as to the exercise thereof whether in relation to the manner or as to the mode of and time for the exercise thereof and in the absence of fraud or negligence the Trustee shall not be in any way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise thereof.
- 21.7.14 The Trustee may in relation to the acquisition, holding or disposal of any investment with the concurrence of the Manager utilise its own services or the services of any associate of the Trustee (if such associate is a banker) without there being any liability to account therefor and any charges or expenses incurred shall be payable out of the deposited property of the Fund.
- 21.7.15 The Trustee shall not be responsible for verifying or checking any valuation of the deposited property of the Fund or any calculation of the prices at which Units are to be issued or realised, except as provided in the Deed, but shall be entitled (but not bound) at any time to require the Manager to justify the same.
- 21.7.16 Unless otherwise provided in the Deed, neither the Trustee nor the Manager nor their agents shall be under any liability whatsoever in consequence of the destruction of any documents in accordance with the Deed.

## 21.8 Anti-Money Laundering

The Trustee or the Manager or their associates may take any action which the Trustee or the Manager or their associates, in its sole and absolute discretion, considers appropriate so as to comply with any law, regulation, request of a public or regulatory authority or any group policy of the Trustee or the Manager which relate to the prevention of fraud, money laundering, terrorism or other criminal activities or the provision of financial and other services to any persons or entities which may be subject to sanctions (collectively “**Relevant Requirements**”). Such action may include, but is not limited to, the interception and investigation of transactions in relation to the Holders (particularly those involving the international transfer of funds) including the source of or intended recipient of funds paid in or out in relation to the Holders and any other information or communications sent to or by the Holders or on the Holders’ behalf. In certain circumstances, such action may delay or prevent the processing of instructions, the settlement of transactions in respect of the Holders or the Trustee or the Manager’s performance of their obligations under this Deed, but where possible, the Trustee or the Manager will endeavour to notify the Holders of the existence of such circumstances. Neither the Trustee or the Manager nor any member of their associates will be liable for loss (whether direct or consequential and including, without limitation, loss of profit or interest) or damage suffered by any party arising out of or caused in whole or in part by any actions which are taken by the Trustee or the Manager or any agent or any member



of their associates to comply with the Relevant Requirements (including, without limitation, those actions referred to in this paragraph).

### **21.9 Compulsory realisations of Units**

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

- (a) any Holder:
  - (i) who, in the opinion of the Manager, 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 Manager, necessary or desirable for the compliance of the Manager 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 Manager:
  - (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 Manager 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 Manager:
  - (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 the 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 who is unable or unwilling to provide information and/or documentary evidence requested by the Manager for the purposes of any anti-money laundering, anti-terrorist financing or know-your-client checks.

### **21.10 Taxation in Singapore**

The following is a summary of certain Singapore tax consequences in relation to the Fund. This summary is based on the existing provisions of relevant tax law and the regulations thereunder, the circulars issued by the Authority and practices in effect as at the date of registration of this Prospectus, all of which are subject to change and differing interpretations, either on a prospective or retroactive basis. The summary is not intended to constitute a complete analysis of all the tax consequences relating to a participation in the Fund. Prospective investors should consult their own tax advisers concerning the tax consequences of their particular situations, including the tax consequences arising under the laws of any

other tax jurisdiction, which may be applicable to their particular circumstances. The summary does not constitute tax or legal advice.

It is emphasised that neither the Trustee nor the Manager or any persons involved in the issuance of the Units accept responsibility for any tax effects or liabilities resulting from the acquisition, holding or disposal/redemption of the Units.

### **Income tax**

Singapore income tax is imposed on income accruing in or derived from Singapore and on foreign-sourced income received or construed to be received in Singapore, subject to certain exceptions. Currently, the corporate income tax rate in Singapore is 17%.

### **Gains on disposal of investments**

Singapore does not impose tax on capital gains. However, gains from the disposal of investments may be construed to be of an income nature and subject to Singapore income tax. The determination of whether the gains from disposal of investments are income or capital in nature is based on a consideration of the facts and circumstances of each case. Generally, gains on disposal of investments are considered income in nature and sourced in Singapore if they arise from or are otherwise connected with the activities of a trade or business carried on in Singapore.

As the investment and divestment of assets of the Fund are managed in Singapore by the Manager, the income earned by the Fund may be considered to be sourced in Singapore and subject to Singapore income tax, unless the income is exempted from tax pursuant to section 13U of the Income Tax Act 1947 (the “**ITA**”) and the Income Tax (Exemption of Income Arising from Funds Managed in Singapore by Fund Manager) Regulations 2010 (collectively referred to as the “**Tax Exemption Scheme**”).

### **The Tax Exemption Scheme**

The Fund has been approved by the Authority for the Tax Exemption Scheme under section 13U of the ITA with effect from 30 May 2015.

Under the Tax Exemption Scheme, “specified income” derived from “designated investments” by an “approved person” will be exempt from tax in Singapore, if the “approved person” is managed in Singapore by a fund manager and certain prescribed conditions are met.

To qualify for the Tax Exemption Scheme in a particular year, the Fund must meet the following conditions:

- (a) The Fund must be managed or advised directly throughout each basis period relating to any year of assessment by a fund management company (“**FMC**”) in Singapore, where the FMC:
  - (i) must hold a capital markets services (“**CMS**”) licence for the regulated activity of fund management under the SFA or is exempt from the requirement to hold such a licence under the SFA, or as otherwise approved by the Minister for Finance or such other persons as he may appoint; and

- (ii) must employ at least three investment professionals (“investment professionals” refer to persons who are earning more than S\$3,500 per month and must be engaging substantially in the qualifying activity, e.g. portfolio managers, research analysts and traders);
- (b) The Fund must incur at least S\$200,000 business spending (according to accounting principles and includes, but is not limited to, the following expenses paid to Singapore entities: management fees, and other operating costs) in Singapore in each basis period relating to any year of assessment;
- (c) The Fund must not change its investment objective/strategy after being approved for the Tax Exemption Scheme unless such change is for bona fide commercial purposes and the change is approved by the Authority before the effective date of change in strategy;
- (d) The Fund does not concurrently enjoy other tax incentive schemes; and
- (e) The Fund meets such other conditions as specified in the letter of approval issued by the Authority.

If the Fund fails to satisfy the specific conditions for any basis period, the Fund will not enjoy the tax exemption on “specified income” derived from “designated investments” for that basis period. The Fund can, however, enjoy the tax exemption in any subsequent period if it is able to satisfy the specified conditions in that subsequent period.

“**Specified income**” is defined as:

Any income or gains derived on or after 19 February 2019 from “**designated investments**” except for the following:

- (a) Distributions made by a trustee of a real estate investment trust<sup>11</sup> within the meaning of section 43(10) of the ITA;
- (b) Distributions by a trustee of a trust who is resident in Singapore or a permanent establishment in Singapore, other than a distribution made by a trustee whose income is exempt from tax under sections 13D, 13F, 13L or 13U of the ITA;
- (c) Income or gain derived or deemed to be derived from Singapore; from a publicly-traded partnership, where tax is paid or payable in Singapore on such income of the partnership by deduction or otherwise; and
- (d) Income or gain derived or deemed to be derived from Singapore from a limited liability company, where tax is paid or payable in Singapore on such income of the limited liability company by deduction or otherwise.

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<sup>11</sup> As defined in section 43(10) of the ITA, this refers to a trust constituted as a collective investment scheme authorised under section 286 of the SFA and listed on the Singapore Exchange, and that invests or proposes to invest in immovable property and immovable property-related assets.

**“Designated investments”** is defined as:

- (a) Stocks and shares of any company, other than an unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);
- (b) Debt securities (i.e. bonds, notes, commercial papers, treasury bills and certificates of deposits), other than non-qualifying debt securities<sup>12</sup> issued by an unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);
- (c) Units in real estate investment trusts and exchange traded funds constituted in the form of trusts and or any other securities (not already covered in other sub-paragraphs of the list) but excluding any securities issued by any unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);
- (d) Futures contracts held in any futures exchanges;
- (e) Any immovable property situated outside Singapore;
- (f) Deposits placed with any financial institution;
- (g) Foreign exchange transactions;
- (h) Interest rate or currency contracts on a forward basis, interest rate or currency options, interest rate or currency swaps, and financial derivatives;
- (i) Units in any unit trust, except:
  - (i) A unit trust that invests in Singapore immoveable properties;
  - (ii) A unit trusts that holds stock, shares, debt or any other securities issued by any unlisted company that is in the business of trading or holding of Singapore immoveable properties (other than one that is in the business of property development); and
  - (iii) A unit trust that grants loans that are excluded under (j);
- (j) Loans<sup>13</sup>, except:
  - (i) Loans granted to any unlisted company that is in the business of trading or holding of Singapore immoveable properties (other than one that is in the business of property development);
  - (ii) Loans to finance / re-finance the acquisition of Singapore immoveable properties; and
  - (iii) Loans that are used to acquire stocks, shares, debt or any other securities issued by an unlisted company that is in the business of trading or holding of

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<sup>12</sup> “Non-qualifying debt securities” refers to debt securities that do not enjoy “Qualifying Debt Securities” tax status as defined under section 13(16) of the ITA.

<sup>13</sup> Including secondary loans, credit facilities and advances.

Singapore immoveable properties (other than one that is in the business of property development);

- (k) Commodity derivatives<sup>14</sup>;
- (l) Physical commodities if –
  - (i) the trading of those physical commodities by the approved person in the basis period for any year of assessment is done in connection with and is incidental to its trading of commodity derivatives (referred to in this paragraph as related commodity derivatives) in that basis period; and
  - (ii) the trade volume of those physical commodities traded by the approved person in that basis period does not exceed 15% of the total trade volume of those physical commodities and related commodity derivatives traded by the approved person in that basis period;
- (m) Units in a registered business trust;
- (n) Emission derivatives<sup>15</sup> and emission allowances;
- (o) Liquidation claims;
- (p) Structured products<sup>16</sup>;
- (q) Islamic financial products<sup>17</sup> and investments in prescribed Islamic financing arrangements under section 34B of the ITA that are commercial equivalents of any of the other designated investments;
- (r) Private trusts that invest wholly in designated investments;
- (s) Freight derivatives<sup>18</sup>;
- (t) Publicly-traded partnerships that do not carry on a trade, business, profession or vocation in Singapore;
- (u) Interests in limited liability companies that do not carry on any trade, business, profession or vocation in Singapore;
- (v) Bankers acceptances issued by financial institutions;
- (w) Accounts receivable and letters of credit; and
- (x) Interests in Tokumei Kumiai (TK)<sup>19</sup>.

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<sup>14</sup> Commodity derivatives means derivatives the payoffs of which are wholly linked to the payoffs or performance of the underlying commodities.

<sup>15</sup> Emission derivatives means derivatives the payoffs of which are wholly linked to the payoffs or performance of the underlying emission allowances.

<sup>16</sup> As defined under section 13(16) of the ITA.

<sup>17</sup> Recognised by a Shariah council, whether in Singapore or overseas.

<sup>18</sup> Freight derivatives means derivatives the payoffs of which are wholly linked to the payoffs or performance of the underlying freight rates.

<sup>19</sup> A TK is a contractual arrangement under which one or more silent investors (the TK investor) makes a contribution to a Japanese operating company (the TK operator) in return for a share in the profit/loss of a specified business conducted by the TK operator (the TK business).

A “**fund manager**” for the purpose of the Tax Exemption Scheme means a company holding a CMS licence under the SFA for fund management or one that is exempt under the SFA from holding such a licence. The Manager holds a CMS licence for fund management and fulfil this criteria.

The Manager will endeavour to conduct the affairs of the Fund in such a way that it will satisfy the qualifying conditions under the Tax Exemption Scheme for the life of the Fund. Notwithstanding the foregoing, there is no assurance that the Manager will, on an on-going basis, be able to ensure that the Fund will always meet all the qualifying conditions for the Tax Exemption Scheme. If the Fund is disqualified from the Tax Exemption Scheme, the Fund may be exposed to Singapore tax on its income and gains, wholly or partially as the case may be, at the prevailing corporate tax rate (currently 17%). The Fund can however, enjoy the tax exemption under the Tax Exemption Scheme in any subsequent period if it is able to satisfy the specified conditions in that subsequent period.

#### **Taxation of investors**

Distributions paid by the Fund out of income derived during the periods that the Fund enjoys the Tax Exemption Scheme will be exempted from Singapore tax in the hand of its investors.

#### **Reporting obligations**

Under the Tax Exemption Scheme, the Fund will be required to submit annual tax returns to the Comptroller of Income Tax (the “**Comptroller**”) in Singapore. In addition, the Fund must submit an annual declaration to the Authority. The annual declaration should be submitted within four months of the Fund's financial year end.

#### **Goods and services tax (“GST”)**

The Fund may incur Singapore GST on its expenses. Should there be GST incurred, the Fund shall be allowed to recover the GST if it meets the qualifying conditions through a GST remission which has been extended to 31 December 2024 as announced in the 2019 Budget Statement. The amount of GST claimed is based on a fixed percentage which is revised annually. The fixed percentage for 2023 is 91%.

However, should the Fund not meet the qualifying conditions, the GST incurred (if any) will become an additional cost to the Fund.

### **21.11 US tax reporting obligations under FATCA**

The provisions of the Foreign Account Tax Compliance Act (“**FATCA**”) were enacted on 18 March 2010 as part of the Hiring Incentive to Restore Employment Act. It includes provisions under which the Manager as a Foreign Financial Institution (“**FFI**”) may be required to report to the US Internal Revenue Service (“**IRS**”) certain information about Units held by US persons for the purposes of FATCA or other foreign entities subject to FATCA and to collect additional identification information for this purpose. A 30% withholding tax may apply pursuant to the FATCA provisions on certain US-source payments (and other payments relating to investments in certain US securities) made to the FFI, unless it has in effect a valid agreement with the Secretary of the US Treasury, or is subject to local FATCA disclosure obligations enacted to give effect to an intergovernmental agreement between the FFI's jurisdiction of incorporation / establishment / residence and the US. These agreements obligate a FFI

classified as a "Reporting Financial Institution" to obtain and verify certain information from investors and comply with annual reporting requirements with respect to certain direct or indirect US investors as well as satisfy other requirements. The provisions of FATCA are generally designed to require the reporting of US persons' direct and indirect ownership of non-US accounts and non-US entities to the IRS.

Singapore has concluded a Model I Intergovernmental Agreement with the US government (the "**Singapore-US IGA**"). Under the Singapore-US IGA, entities classified as "Reporting Singapore-based Financial Institutions" will be required to obtain certain information from investors and report requisite account information of investors who are Specified US Persons<sup>20</sup> or of controlling person(s) of an investing entity who is/are a Specified US Person(s) to the Inland Revenue Authority of Singapore (the "**IRAS**").

The Fund may accordingly be required to comply with the provisions of FATCA under the terms of the Singapore-US IGA and the Singapore legislation implementing the Singapore-US IGA.

In order to comply with its FATCA obligations, the Fund, the Trustee or the Manager may be required to obtain certain information from you so as to ascertain your US tax status. If you are a Specified US Person under the provisions of FATCA, US owned non-US entity, non-participating FFI or do not provide the requisite documentation, the Fund will need to report prescribed information on you to the IRAS, in accordance with applicable laws and regulations, which will in turn report this to the IRS. Provided that the Fund acts in accordance with these provisions it will not be subject to withholding tax under FATCA.

Distributors and Holders should note that it is the existing policy of the Manager that Units are not being offered or sold for the account of US Persons for the purposes of FATCA and that subsequent transfers of Units to such US Persons are prohibited. If Units are beneficially owned by any such US Person, the Manager (in consultation with the Trustee) may compulsorily redeem such Units. Holders should moreover note that under the FATCA legislation, the definition of "Specified US Persons" will include a wider range of investors than the current US Person definition.

You should consult your tax advisor should you have any concerns in this regard.

## **21.12 Tax reporting obligations under CRS**

The Common Reporting Standard ("**CRS**") is an internationally agreed standard endorsed by the Organisation for Economic Cooperation and Development ("**OECD**") and the Global Forum for Transparency and Exchange of Information for Tax Purposes. The CRS includes provisions under which a Financial Institution (as defined in the CRS) may be required to report to the IRAS, certain information about Units held by investors who are tax residents in jurisdictions which have committed to adopt CRS ("**CRS Participating Jurisdictions**") and to collect additional identification information for this purpose.

On 1 January 2017, the Income Tax (International Tax Compliance Agreements) (Common Reporting Standard) Regulations 2016 ("**Singapore CRS Regulations**") was brought into effect to implement the CRS in Singapore. Under the Singapore CRS Regulations, entities

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<sup>20</sup> A "Specified US Person" means any US Person (as defined in the FATCA) other than those specifically excluded under Article 1(bb) of the Singapore-US IGA.

classified as "Reporting Singapore-based Financial Institutions" will be required to obtain certain information from investors and report the prescribed account information of investors with direct or indirect ownership of that entity (in certain circumstances) and who are tax residents of jurisdictions with which Singapore has a bilateral exchange relationship for CRS in force ("**CRS Reportable Jurisdictions**").

The Fund may accordingly be required to comply with the provisions of CRS under the Singapore CRS Regulations.

In order to comply with its CRS obligations, the Fund, the Trustee, or the Manager may be required to obtain certain information from you so as to ascertain your tax residency status. If you (or the controlling person(s) of an investing entity, in certain circumstances) are a tax resident in a CRS Reportable Jurisdiction, or do not provide the requisite documentation, the Fund may need to report information on you to the IRAS, in accordance with applicable laws and regulations.

Distributors and Holders should note that it is the existing policy of the Manager that Units are not being offered or sold for the account of investors who do not provide the requisite information for CRS purposes and subsequent transfers of Units to such investors are prohibited. If Units are beneficially owned by any person who has not provided the requisite information for CRS purposes, the Manager (in consultation with the Trustee) may compulsorily redeem such Units.

Should you have any concerns in this regard, please consult your tax advisor on the possible tax and other consequences with respect to the implementation of the CRS.

### **21.13 Treatment of personal data**

If you are an individual investor, each time you voluntarily provide your personal data in order to carry out a transaction in relation to the Fund, you are deemed to have consented to the following:

- that the Manager and its related corporations from time to time (the "**Schroder Group**") and/or the Trustee shall collect, store and maintain the personal data and other information relating to you as received (whether in writing, electronically or otherwise) as part of the records of the Fund maintained by the Schroder Group and/or the Trustee (as the case may be);
- that such personal data collected, stored and maintained shall be used for the purposes of account maintenance and transaction purposes from time to time including but not limited to the processing of such personal data for record keeping purposes, compliance and regulatory (including complying with any anti-money laundering regulations) purposes, legal purposes, audit purposes, tax (including tax reporting) purposes and for the purpose of providing you with regular statements of account and other notices;
- that such personal data collected, stored and maintained shall be provided to and processed by third parties for the above purposes from time to time including but not limited to the registrar of the Fund, the agents and service providers employed by the Schroder Group, the distributors, banks (including Agent Banks and SRS operators



where applicable), insurers, fund managers, and other intermediaries of the Schroder Group, and the professional advisers to the Schroder Group of companies for the above purposes;

- that such personal data collected, stored and maintained shall be provided to any and all applicable regulatory authorities (including the Inland Revenue Authority of Singapore, the CPF Board and the Authority) upon request or as may be required by applicable law or regulation from time to time; and
- that such personal data shall be stored, maintained, used, processed, transferred or held in Singapore or outside Singapore, as the Schroder Group and/or the Trustee shall consider appropriate for the above purposes.

#### **21.14 Use of ratings issued by credit rating agencies**

Where the Manager relies on ratings issued by credit rating agencies, the Manager has established a set of internal credit assessment standards and has put in place a credit assessment process to ensure that the Fund's investments are in line with these standards. Information on the Manager's credit assessment process will be made available to you upon request. You may request for such information by contacting the Manager at telephone number (65) 6534 4288.

#### **21.15 Liquidity Risk Management of the Fund**

The Manager may employ liquidity risk management tools to manage the liquidity of the Fund. Please refer to paragraphs 13.5, 15 and 21.1 of this Prospectus for information on some the liquidity management tools that may be employed. If the liquidity risk management tools are employed, Holders may not be able to realise their Units during any suspension period, the realisation of their Units or the payment of the realisation proceeds for their Units may be delayed and/or a dilution adjustment may be made to the NAV per Unit which may affect the amount of the realisation proceeds for their Units.

#### **21.16 Best execution policy**

The Manager observes a best execution policy. More information about this policy may be obtained on the Manager's website.<sup>21</sup>

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<sup>21</sup> The Manager's best execution policy is available at <https://www.schroders.com/en-sg/sg/individual/footer/order-execution/>.

**BOARD OF DIRECTORS OF  
SCHRODER INVESTMENT MANAGEMENT (SINGAPORE) LTD**

Signed:

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Wong Yoke Lin Martina

Signed:

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Chong Siok Chian Grace

Signed:

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Diao Wei Chien Roy

Signed:

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Lily Choh Chaw Lee

Signed:

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Paul Bernard Sidebottom

Signed:

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Durack Christopher James

Prospectus of Schroder Singapore Fixed Income Fund

This Product Highlights Sheet is an important document.

- It highlights the key terms and risks of this investment product and complements the Prospectus<sup>1</sup>.
- It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.
- You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.
- If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.

## Schroder Singapore Fixed Income Fund (the “Fund”) - Class SGD A Acc Units

Product Type	Unit Trust	Launch Date	19 November 2009
Manager	Schroder Investment Management (Singapore) Ltd	Custodian	The Hongkong and Shanghai Banking Corporation Limited
Trustee	HSBC Institutional Trust Services (Singapore) Limited	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 30 June 2022	0.69%
Name of Guarantor	Not Applicable		

### PRODUCT SUITABILITY

#### WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek long-term capital growth; and
- understand the risks of investing in SGD denominated bonds or bonds denominated in a foreign currency, hedged back to SGD.

*Further Information*  
Refer to the “Investment Objective, Focus and Approach” section of the Prospectus for further information on product suitability.

### KEY PRODUCT FEATURES

#### WHAT ARE YOU INVESTING IN?

You are investing in a unit trust constituted in Singapore that aims to provide you with diversified exposure to the Singapore fixed income market through investment in SGD denominated bonds or where denominated in a foreign currency, hedged back to SGD.

Refer to the “Basic Information”, “Structure of the Fund” and “Investment Objective, Focus and Approach” sections of the Prospectus for further information on features of the product.

<sup>1</sup> The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at <http://www.schroders.com.sg>.

## Investment Strategy

The Fund invests in a diversified portfolio of SGD denominated fixed income securities or where denominated in a foreign currency, hedged back to SGD by adopting a passive hedging policy, including debt securities issued by the Singapore government, Singapore statutory boards and Singapore incorporated corporates with issuer credit ratings of at least Baa by Moody's, BBB by Standard and Poor's or BBB by Fitch Inc (including sub-categories or gradations therein). The Fund may also invest in non-rated debt securities issued by Singapore incorporated entities and Singapore statutory boards.

In managing the Fund, the Manager's investment philosophy is that the bond markets are global, interrelated and generally efficient - but can overreact to events. A globally integrated team of specialist analysts and portfolio managers, researching ideas in local markets, provides a performance advantage.

**The Fund may use or invest in financial derivatives for the purposes of hedging and/or efficient portfolio management.**

*Refer to the "Investment Objective, Focus and Approach" and "Risks" sections of the Prospectus for further information on the investment strategy of the Fund and its exposure to financial derivatives.*

## Parties Involved

### WHO ARE YOU INVESTING WITH?

- The Manager is Schroder Investment Management (Singapore) Ltd.
- The Trustee is HSBC Institutional Trust Services (Singapore) Limited.
- The custodian is The Hongkong and Shanghai Banking Corporation Limited.

*Refer to the "The Manager" and "The Trustee and the Custodian" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.*

## KEY RISKS

### WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

**The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:**

*Refer to the "Risks" section of the Prospectus for further information on risks of the product.*

## Market and Credit Risks

**You are exposed to market risk in Singapore.**

- The value of the investments made by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

**You are exposed to credit risk.**

- The Fund is subject to the risk that some issuers of debt securities and other investments made by the Fund may not make payments on such obligations, or an issuer (or counterparty) may suffer adverse changes in its financial condition that could lower the credit quality of a security, leading to greater volatility in the price of the security and subsequently in the value of the Fund.

**You are exposed to interest rate risk.**

- Deposits in financial institutions and investments in bonds, debentures, loan stocks, convertibles and other debt securities may decline in value if interest rates change.

## Liquidity Risks

**The Fund is not listed and you can redeem only on Dealing Days.**

- There is no secondary market for the Fund. All realisation requests should be made to the Manager or its appointed agents.

## Product-Specific Risks

### You are exposed to derivatives risk.

- The Fund's use of futures, options, warrants, forwards, swaps or swap options involves increased risk. If the Fund invests in such instruments, the Fund's ability to use such instruments successfully depends on the Manager's ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the Manager's predictions are wrong, or if the derivatives do not work as anticipated, the Fund could suffer greater losses than if the Fund had not used the derivatives.

## FEES AND CHARGES

### WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

#### Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Preliminary Charge	Cash Units and SRS Units: – Currently up to 5%; Maximum 5% CPF Units: Nil
Realisation Charge	– Currently nil; Maximum 2%
Switching Fee	– Currently 1% (maximum of 1% and minimum of S\$5)

*Refer to the "Fees & Charges" section of the Prospectus for further information on fees and charges.*

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor on whether there are any other fees payable to the distributor.

#### Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Manager and Trustee:

Management Fee	– Currently 0.50% per annum; Maximum 1.25% per annum
(a) Retained by Manager	– 35% to 100% of Management Fee
(b) Paid by Manager to financial adviser (trailer fee)	– 0% to 65% <sup>2</sup> of Management Fee* *Median trailer fee = 20%
Trustee Fee	– Currently not more than 0.05% per annum (currently not subject to any minimum amount); Maximum 0.25% per annum

## VALUATIONS AND EXITING FROM THIS INVESTMENT

### HOW OFTEN ARE VALUATIONS AVAILABLE?

The indicative NAV per Unit of Class A is published at the Manager's website at <http://www.schroders.com.sg> one (1) Business Day after the relevant Dealing Day as well as available directly from the Manager.

### HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may at any time during the life of the Fund request in writing (a "realisation request") to realise all or any Units held by you, subject to the suspension of realisation of Units.

If you wish to realise your Units, you may do so on a Dealing Day by submitting a realisation request to the Manager or its agents on or before the Dealing Deadline for that Dealing Day. Realisation of Units shall only be effected on the relevant Dealing Day in respect of a realisation request received by the Manager or its agents on or before the Dealing Deadline in respect of such Dealing Day.

*Refer to the "Subscription of Units", "Realisation of Units" and "Obtaining Prices of Units" sections of the Prospectus for further information on valuation and exiting from the product.*

<sup>2</sup> Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Manager.

\* The median trailer fee is derived based on the trailer fees payable only to direct Singapore retail distributors for the Class A Acc Units. Institutional or accredited investors, or non-Singapore distributors are excluded in the computation of the median trailer fee whereby a trailer fee arrangement may not be applicable.

The realisation proceeds are paid to you within seven Business Days (or such other period as may be prescribed by the Monetary Authority of Singapore) in Singapore following the relevant Dealing Day.

Your realisation price is determined as follows:

- If you submit the realisation request on or before 5 pm on a Dealing Day, you will be paid a price based on the NAV of the relevant Class at the close that Dealing Day.
- If you submit the realisation request after 5 pm on a Dealing Day, you will be paid a price based on the NAV of the relevant Class at the close of the next Dealing Day.

The realisation proceeds that you will receive will be the realisation price per Unit multiplied by the number of Units realised less any realisation charge. An example is as follows:

1,000 Units	x	S\$1.100	=	S\$1,100
Number of units realised		Notional realisation price* per Unit		Realisation proceeds

\* There is currently no realisation charge imposed.

If applicable to you as provided in the trust deed of the Fund, you can exit the Fund by delivering a notice in writing to the Manager or its agents to cancel your subscription for Units within 7 calendar days from the date of your subscription. However, you will have to take the risk for any price changes in the NAV of the Fund since the time you purchased it.

## CONTACT INFORMATION

### HOW DO YOU CONTACT US?

For enquiries, please contact

### Schroder Investment Management (Singapore) Ltd

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Singapore 048946 Tel: +65 6534 4288  
Website: [www.schroders.com.sg](http://www.schroders.com.sg)

Distributor

The Manager

## APPENDIX: GLOSSARY OF TERMS

**“Business Day”** in relation to the Fund, means any day (other than a Saturday or Sunday or a public holiday) on which banks in the Republic of Singapore or any other place or places determined by the Manager (with prior notice to the Trustee) are open for business or any other day as the Manager and the Trustee may agree in writing.

**“Class”** means a class of Units.

**“Dealing Day”** means such Business Day(s) which is/are determined by the Manager (considering various factors including whether the recognised stock exchange or exchanges on which a substantial portion of the deposited property of the Fund are quoted, listed or dealt in is or are not open for normal trading) with the approval of the Trustee.

A list of expected non-Dealing Days for the Fund is available on request.

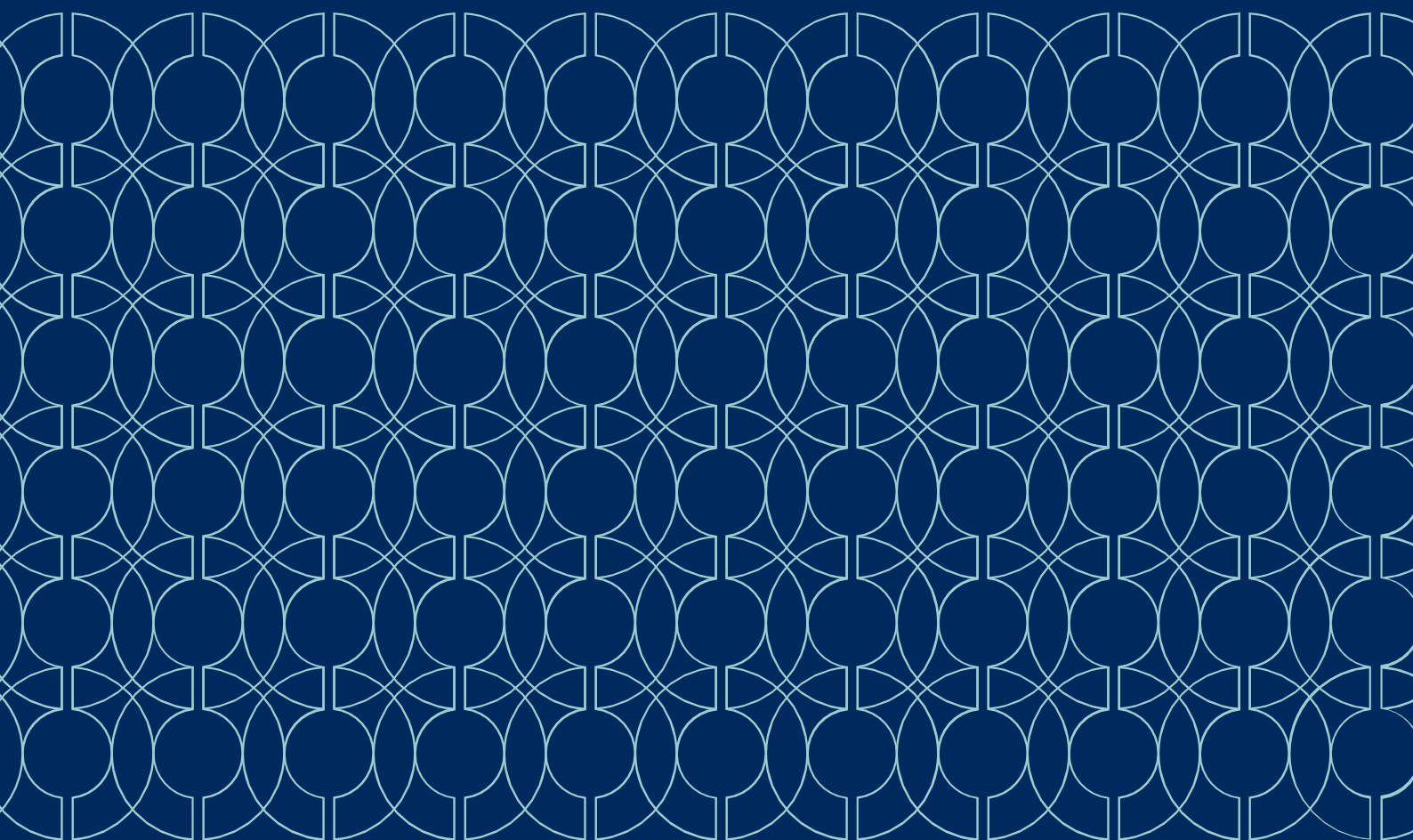
**“Dealing Deadline”** means 5 p.m. on each Dealing Day (or such other time on or prior to such Dealing Day as the Manager may from time to time determine with the approval of the Trustee and so that nothing in the trust deed of the Fund shall prevent the Manager from determining that the time of day shall in relation to any Dealing Day be a time of day on any day selected by the Manager which precedes that Dealing Day provided always that reasonable notice of any change shall be given by the Manager to all Holders if required by the Trustee).

**“Holder”** means a unitholder of the Fund.

**“NAV”** means net asset value.

**“SGD”** means Singapore dollars.

**“Unit”** means a unit of the Fund.



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