

UNITED EUROPEAN SMALL AND MID CAP FUND

P r o s p e c t u s

DIRECTORY

Managers

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

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

Directors of the Managers

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

Trustee

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

Custodian / Administrator / Registrar

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

Auditors

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

Solicitors to the Managers

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

Solicitors to the Trustee

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

DEFINITIONS

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

2010 Law	The Luxembourg law of December 17, 2010 on Undertakings for Collective Investment, as amended.
ATMs	Automated teller machines.
Authorised Investments	See <u>paragraph 5.6</u> of this Prospectus.
Authority	Monetary Authority of Singapore.
Business Day	A day (other than Saturday or Sunday or a gazetted public holiday) on which commercial banks are open for business in Singapore or any other day as the Managers and the Trustee may agree in writing.
Code	Code on Collective Investment Schemes issued by the Authority, as amended from time to time. The latest version is available at www.mas.gov.sg .
CSSF	Commission de Surveillance du Secteur Financier.
custodian	Includes any person or persons for the time being appointed as a custodian of the Fund or any of its assets.
Dealing Day	<p>In connection with the issuance, cancellation, valuation and realisation of Units, generally every Business Day. The Managers may change the Dealing Day with the Trustee's prior consultation, provided that the Managers give reasonable notice of such change to all Holders on terms approved by the Trustee.</p> <p>If on any day which would otherwise be a Dealing Day:</p> <ul style="list-style-type: none">(a) one or more Recognised Stock Exchanges or OTC Markets on which investments of the Fund are quoted, listed or dealt in are not open for normal trading; and/or(b) one or more underlying entities of the Fund do not carry out valuation or dealing, <p>and which affect investments of the Fund having in aggregate values amounting to at least 50% of the value of the Deposited Property of the Fund (as at the relevant Valuation Point), the Managers may determine that that day shall not be a Dealing Day.</p> <p>The Managers have also determined that a "Dealing Day" will exclude Business Days on which banks and the stock exchange are not open for business in Luxembourg.</p>
Dealing Deadline	The deadline set out in <u>paragraphs 8.3 and 10.1</u> or such other time as the Managers may determine subject to the provisions of the Deed.
Deed	See <u>paragraph 1.3</u> of this Prospectus.

Deposited Property	All the assets, including cash, and earnings on cash deposits, for the time being held or deemed to be held upon the trust of the Deed excluding any amount for the time being standing to the credit of the distribution account referred to in <u>Clause 17(D)</u> of the Deed.
EU	European Union.
FATCA	The U.S. Foreign Account Tax Compliance Act, as amended from time to time.
FDIs or derivatives	Financial derivative instruments.
Fund	United European Small and Mid Cap Fund.
Gross Investment Amount	The amount paid by an investor for the purpose of investing in Units, before deduction of the applicable Subscription Fee.
Gross Realisation Proceeds	The amount payable to a Holder upon the realisation of its Units, before deduction of the applicable Realisation Charge.
Group Fund	<p>A collective investment scheme the managers of which:</p> <ul style="list-style-type: none"> (a) are the Managers or a corporation under their control or under common control with them or at least 50% of the share capital of which is held by a corporation which is a shareholder of the Managers; and (b) approve the terms of any switch which may be made pursuant to <u>Clause 11</u> of the Deed.
Holder	A unitholder of the Fund.
IGA	Intergovernmental agreement.
Investment Manager	Amundi SGR S.p.A., Milan, the investment manager of the Underlying Fund.
Management Company	Amundi Luxembourg S.A., the management company of the Underlying Fund.
Managers or UOBAM	UOB Asset Management Ltd or any other person for the time being duly appointed as managers of the Fund. References to “ we ”, “ us ” or “ our ” shall be construed accordingly to mean UOB Asset Management Ltd.
Net Investment Amount	The amount paid by an investor for the purpose of investing in Units, after deduction of the applicable Subscription Fee.
Net Realisation Proceeds	The amount payable to a Holder upon the realisation of its Units, after deduction of the applicable Realisation Charge.
Register	The register of Holders of the Fund.
RSP	Regular savings plan.

SFA	Securities and Futures Act, Chapter 289 of Singapore, as amended from time to time.
Singapore dollars / SGD / S\$	The lawful currency of Singapore.
SRS	Supplementary Retirement Scheme.
Trustee	State Street Trust (SG) Limited or any other person for the time being duly appointed as trustee of the Fund.
U.S.	United States of America.
UCI	Undertaking for collective investment.
UCITS	Undertaking for Collective Investment in Transferable Securities.
Underlying Fund	See <u>paragraph 5.2</u> of of this Prospectus.
United States dollars / USD / US\$	The lawful currency of the U.S..
Units	Units of the Fund.
Valuation Point	The close of business of the last relevant market in relation to the relevant Dealing Day on which the value of the Deposited Property is to be determined or such other time as the Managers may determine with the prior approval of the Trustee who shall decide if a notice to notify the Holders of such determination is required to be given by the Managers.
VaR	Value at Risk.

IMPORTANT INFORMATION

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

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

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

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

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

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

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

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

Units are 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).

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

Prohibition against U.S. investors

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

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

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

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

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

FATCA

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

For the purpose of complying with FATCA, we, the Trustee and/or other service providers of the Fund may be required to report and disclose information on certain investors in the Fund to the U.S. tax authorities and/or such Singapore authority as may be required under Singapore laws and regulations to be implemented as part of any IGA entered into between the U.S. and Singapore¹ in connection with FATCA and/or withhold certain payments to such investors.

CRS

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

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

* * *

You are required to:

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

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

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

* * *

We may compulsorily realise all or any of your Units in any of the circumstances set out under paragraph 20.2 of this Prospectus.

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

You should note that both the Fund and the Underlying Fund may use or invest in FDIs. Further information is set out in paragraphs 5.3, 5.8 and 5.9 of this Prospectus. In particular, the Underlying Fund may invest in FDIs to reduce various risks, for efficient portfolio management and as a way to gain exposure (long or short) to various assets, markets or other investment opportunities (including derivatives which focus on equities).

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UNITED EUROPEAN SMALL AND MID CAP FUND

PROSPECTUS

1. BASIC INFORMATION

1.1 Fund details

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

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

The Fund is denominated in SGD.

1.2 Date of registration and expiry of Prospectus

The Authority registered this Prospectus on 20 October 2020. It is valid up to 19 October 2021 and will expire on 20 October 2021.

1.3 Deed of trust and supplemental deeds

- (a) The Fund was constituted by way of a deed of trust dated 21 February 2000, which has since been amended by the following deeds:

First Supplemental Deed	28 December 2001
First Amendment Deed	10 December 2002
Second Amendment Deed	1 July 2003
Third Amendment Deed	30 December 2004
Fourth Amendment Deed	30 December 2005
Fifth Amendment Deed	28 December 2006
Sixth Amendment Deed	29 June 2007
Seventh Amendment Deed	21 December 2007
Eighth Amendment Deed	1 July 2008
Ninth Amendment Deed	16 December 2008
Tenth Amendment Deed	29 May 2009
Eleventh Amendment Deed	8 December 2009
Twelfth Amendment Deed	30 November 2010
Supplemental Deed of Appointment and Retirement of Trustee	26 January 2011
Thirteenth Amendment Deed	16 September 2011
Fourteenth Amendment Deed	3 November 2014
First Supplemental Deed	23 April 2015
Supplemental Deed of Appointment and Retirement of Trustee	24 February 2017
Second Supplemental Deed	3 April 2017
Third Supplemental Deed	25 October 2017
Fourth Supplemental Deed	20 October 2020

The trust deed dated 21 February 2000, as amended, shall be referred to as the “**Deed**”.

- (b) The Deed is binding on each Holder and all persons claiming through such Holder as if each of them had been a party to the Deed.

- (c) You may inspect a copy of the Deed free of charge at our operating office during normal business hours subject to such reasonable restrictions as we may impose. You may request for a copy at a charge not exceeding S\$25 per copy or such other amount as we and the Trustee may from time to time agree.

1.4 Accounts and reports

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

2. **THE MANAGERS, THEIR DIRECTORS AND KEY EXECUTIVES AND THE MANAGEMENT OF THE UNDERLYING FUND**

2.1 The Managers

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

UOBAM is a wholly-owned subsidiary of United Overseas Bank Limited (“**UOB**”). Established in 1986, UOBAM has been managing collective investment schemes and discretionary funds in Singapore for over 30 years. UOBAM is licensed and regulated by the Authority. UOBAM has an extensive presence in Asia with regional business and investment offices in Malaysia, Thailand, Brunei, Indonesia Taiwan and Japan. UOBAM has a joint venture with Ping An Fund Management Company Limited and strategic alliances with Wellington Management and UTI International (Singapore) Private Limited.

Through its network of offices, UOBAM offers global investment management expertise to institutions, corporations and individuals, through customised portfolio management services and unit trusts. As at 31 August 2020, UOBAM manages 59 unit trusts in Singapore. UOBAM is one of the largest unit trust managers in Singapore in terms of assets under management.

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

Since 1996, UOBAM has won a total of 198 awards in Singapore. These awards recognise UOBAM's investment performance across different markets and sectors.

As at 31 August 2020, UOBAM and its subsidiaries in the region have a staff strength of over 400 including about 44 investment professionals in Singapore.

We may delegate certain or all of our duties. Currently, we have delegated certain administration and valuation functions and certain transfer agency functions, in respect of the Fund, to the administrator, whose details are set out in [paragraph 3.3](#) below.

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

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

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

2.2 Directors and key executives of the Managers

Lee Wai Fai, Director and Chairman

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

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

Thio Boon Kiat, Director and Chief Executive Officer

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

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

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

Eric Tham Kah Jin, Director

Mr Tham joined UOB in 2004 and heads Group Commercial Banking which oversees the medium enterprise business. He is responsible for driving UOB group’s expansion in the medium enterprise business in Singapore as well as Malaysia, Thailand, Indonesia, China, Hong Kong, Myanmar, Taiwan and Vietnam.

Mr Tham holds a Master of Business Administration degree in Accounting from Nanyang Technological University. He was conferred the title “Distinguished Financial Industry Certified Practitioner” by The Institute of Banking & Finance of Singapore in 2010 and recognised as a Fellow Chartered Accountant of Singapore by the Institute of Singapore Chartered Accountants (ISCA) in 2015. Mr Tham has more than 30 years of experience in the financial sector.

Peh Kian Heng, Director

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

Chong Jiun Yeh, Chief Investment Officer, UOB Asset Management

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

Prior to joining UOBAM in 2008, Mr Chong was the Managing Director (Fund Management) and Co-Head of Portfolio Management for ST Asset Management (STAM), a wholly owned subsidiary of Temasek Holdings.

Before that, he was Head of Fixed Income and Currencies at OUB Asset Management. He has vast experience in managing equities, fixed income and structured investment portfolios, including emerging market local currencies debts, G7 FX overlays as well as Asia-Pacific equities.

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

2.3 Management Company and Investment Manager of the Underlying Fund

The Fund invests all or substantially all of its assets in shares of the Underlying Fund. Details of the management company and investment manager of the Underlying Fund are set out below:

Management Company

The Management Company of the Underlying Fund is Amundi Luxembourg S.A., a company incorporated in the Grand Duchy of Luxembourg belonging to the Amundi group, organised under chapter 15 of the 2010 Law. The Management Company is regulated by the CSSF and has been managing collective investment schemes and discretionary funds for more than 20 years since 1996.

Investment Manager

The Management Company has delegated the investment management of the Underlying Fund to the Investment Manager, Amundi SGR S.p.A., Milan. The Investment Manager is an asset management company domiciled in Milan, Italy, a member of the Amundi group. The Investment Manager is regulated by the Banca d'Italia and the Commissione Nazionale per le Società e la Borsa, and has been managing collective investment schemes and discretionary funds for more than 30 years since 1987.

Past performance of the Management Company and Investment Manager is not necessarily indicative of their future performance.

3. **THE TRUSTEE, CUSTODIAN AND ADMINISTRATOR**

3.1 The Trustee

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

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

3.2 The custodian

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

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

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

in multiple markets, although unique market service requirements may result in the selection of an entity as sub-custodian that is more local in scope.

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

See paragraph 20.3 below for further details of the custodial arrangement in respect of the Deposited Property.

3.3 The administrator

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

4. **OTHER PARTIES**

4.1 The registrar

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

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

4.2 The auditors

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

5. **INVESTMENT CONSIDERATIONS**

5.1 Investment objective of the Fund

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

5.2 Investment focus and approach of the Fund

We intend to achieve the investment objective of the Fund by investing all or substantially all of the Fund's assets in shares of Amundi Funds European Equity Small Cap² (the "**Underlying Fund**"), a sub-fund of Amundi Funds.

The Fund may also hold liquid assets such as cash deposits and/or cash equivalents (including money market instruments, short term commercial paper, certificates of deposit, treasury bills, floating rate notes and fixed or variable rate commercial paper) for liquidity purposes.

It is intended that the Fund will invest in Class X EUR (C) shares of the Underlying Fund, although the Fund may invest in other classes of the Underlying Fund in the future.

5.3 The Underlying Fund and its investment objectives and policies

The Underlying Fund is not authorised or recognised in Singapore by the Authority under the SFA. Nothing in this prospectus constitutes an offer or solicitation to anyone in any jurisdiction in respect of shares of the Underlying Fund.

² While the Underlying Fund invests mainly in equities of small cap companies, its investments may from time to time also comprise equities of mid cap and large cap companies.

(a) General

The Underlying Fund is a sub-fund of Amundi Funds. Amundi Funds is an open-ended investment company organised as a *société anonyme* and qualifying as a *société d'investissement à capital variable* (SICAV) under the laws of the Grand Duchy of Luxembourg.

It was formed in 1985 as Groupe Indosuez Funds FCP, a mutual unincorporated investment fund and was later incorporated on 15 March 1999 as GIF SICAV II. After several name changes, it was renamed Amundi Funds on 2 March 2010.

Amundi Funds functions as an “umbrella fund” under which sub-funds, including the Underlying Fund, are created and operated. The Underlying Fund is domiciled in Luxembourg.

(b) Investment objective of the Underlying Fund

Seeks to increase the value of your investment over the recommended holding period³.

(c) Investment policy and details of the Underlying Fund

Investments

The Underlying Fund invests mainly in a broad range of equities of small cap companies that are based in, or do most of their business in Europe.

The Underlying Fund defines small cap companies as those that, at the time of purchase, are within the market capitalization range of the MSCI Europe Small Companies Index. The Underlying Fund will invest at least 75% in equities issued by companies having their head office in the EU.

The Underlying Fund may invest up to 10% of its assets in other UCIs and UCITS.

Derivatives

The Underlying Fund makes use of derivatives to reduce various risks, for efficient portfolio management and as a way to gain exposure (long or short) to various assets, markets or other investment opportunities (including derivatives which focus on equities).

Management process (investment approach)

The investment manager uses fundamental analysis of individual issuers to identify equities with superior long-term prospects.

Techniques and instruments

Please refer to paragraph 5.9 for information regarding the maximum and expected proportions of the Underlying Fund's assets that may be subject to securities financing transactions and total return swaps.

Base currency

EUR

Risk management method

Commitment method: The Underlying Fund calculates all derivatives exposures as if they were direct investments in the underlying positions. This allows the Underlying Fund to include the effects of any hedging or offsetting positions as well as positions taken for efficient portfolio management. The Underlying Fund using this approach must ensure that its overall market exposure from derivatives commitments does not exceed 210% of total assets (100% from direct investment, 100% from derivatives and 10% from borrowings).

The Underlying Fund intends to use or invest in financial derivatives. Further information is set out in paragraph 5.9 of this Prospectus.

³ In relation to the Underlying Fund, the recommended holding period is 5 years.

5.4 Distribution policy

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

5.5 Product suitability

The Fund is only suitable for investors who:

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

5.6 Authorised Investments

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

- (a) any Quoted Investment;
- (b) any Unquoted Investment;
- (c) for purposes of hedging and efficient portfolio management only, any derivative including but not limited to any swap, futures contract, forward contract, option, index futures, foreign exchange transaction and forward rate transaction (including but not limited to currency options) or any combination or variation of these derivatives; and
- (d) any other investments not covered by paragraphs (a), (b) and (c) above but approved by the Trustee (such approval to be confirmed in writing).

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

The Fund intends to use or invest in FDI's. Further information is set out in paragraph 5.8 of this Prospectus.

5.7 Investment restrictions

- (a) The investment guidelines and borrowing limits set out under Appendix 1 of the Code apply to the Fund.
- (b) The Underlying Fund is authorised by the CSSF as a UCITS and is subject to the investment and borrowing guidelines under the applicable laws and regulations governing UCITS as implemented in Luxembourg and, in particular, Part I of the 2010 Law.
- (c) Currently, the Fund does not intend to carry out securities lending or repurchase transactions but may do so in the future in accordance with the provisions of the Code. Accordingly, the Fund may at such time in the future become subject to the provisions on securities lending and repurchase transactions as set out in the Code.
- (d) The Underlying Fund may engage in securities lending transactions. See paragraph 5.9 below for further information.

5.8 Risk management procedures of the Managers on certain investments

- (a) The Fund may use or invest in FDI's for the purposes of hedging existing positions in a portfolio, efficient portfolio management or a combination of both purposes.
- (b) We will use the commitment approach to determine the Fund's global exposure to FDI's by converting its positions in the FDI's into equivalent positions in the FDI's' underlying assets. Such exposure will be calculated in accordance with the provisions of the Code. We will ensure that the global exposure of the Fund to FDI's or embedded FDI's will not exceed 100% of the Fund's net asset value.

- (c) Below is a description of risk management and compliance procedures and controls adopted by us:
- (i) We will implement various procedures and controls to manage the risk of the Fund's assets. Our decision to invest in any particular security or instrument on behalf of the Fund will be based on our judgment of the benefit of such transactions to the Fund and will be consistent with the Fund's investment objective in terms of risk and return.
 - (ii) *Execution of trades.* Prior to each trade, we will ensure that the intended trade will comply with the stated investment objective, focus, approach and restrictions (if any) of the Fund, and that best execution and fair allocation of trades are done. Our Governance department will conduct periodic checks to ensure compliance with the investment objective, focus, approach and restrictions (if any) of the Fund. If there is any non-compliance, our Governance department is empowered to instruct the relevant officers to rectify the same. Any non-compliance will be reported to higher management and monitored for rectification.
 - (iii) *Liquidity.* If there are any unexpectedly large realisations of Units, it is possible that the assets of the Fund may be forced to be liquidated at below their fair and expected value, especially in illiquid public exchanges or over-the-counter markets. Also, under certain market conditions such as during volatile markets, crisis situations or trading disruptions, it may be difficult or impossible to liquidate or rebalance positions. While we will ensure that a sufficient portion of the Fund will be in liquid assets such as cash and cash-equivalents to meet expected realisations (net of new subscriptions), we may in certain situations employ liquidity management tools such as limiting or suspending realisations in accordance with paragraphs 10.3 or 13. If such tools are employed, you may not be able to realise your Units during any suspension period or the realisation of your Units may be delayed.
 - (iv) *Counterparty exposure.* The Fund may have credit exposure to counterparties by virtue of positions in FDIs and other financial instruments held by the Fund. To the extent that a counterparty defaults on its obligations and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its assets and in its income stream and incur extra costs associated with the exercise of its financial rights. Subject to the provisions of the Code, we will restrict our dealings with counterparties to entities that have a minimum long-term issuer credit rating of above BB+ by Standard and Poor's, an individual rating of above C or viability ratings of above bbb by Fitch Inc., a baseline credit assessment of above a3 by Moody's Investors Service, or an equivalent rating from any other reputable rating agency. If any approved counterparty fails this criterion subsequently, we will take steps to unwind the Fund's position with that counterparty as soon as practicable.
 - (v) *Volatility.* To the extent that the Fund has exposure to FDIs that allow a larger amount of exposure to a security for no or a smaller initial payment than the case where the investment is made directly into the underlying security, the value of the Fund's assets will have a higher degree of volatility. The Fund may use FDIs for hedging purposes to reduce the overall volatility of the value of its assets. At the same time, we will ensure that the global exposure of the Fund to FDIs and embedded FDIs will not exceed the net asset value of the Fund, as stated in sub-paragraph (b) above.
 - (vi) *Valuation.* The Fund may have exposure to over-the-counter FDIs that are difficult to value accurately, particularly if there are complex positions involved. We will ensure that independent means of verifying the fair value of such instruments are available, and will conduct such verification at an appropriate frequency.
- (d) We will ensure that the risk management and compliance procedures and controls adopted by us are adequate and have been implemented, and that we have the necessary expertise to control and manage the risks relating to the use of FDIs. We may modify the risk management and compliance procedures and controls as we deem fit and in the interests of the Fund, but subject always to the requirements under the Code.
- (e) The Fund may net its over-the-counter derivative positions with a counterparty through bilateral contracts for novation or other bilateral agreements with the counterparty, provided that such netting arrangements satisfy the relevant conditions described in the Code.

- (f) Where the Fund uses or invests in FDIs on commodities, all such transactions shall be settled in cash at all times.

5.9 Risk management procedures relating to the use of FDIs in respect of the Underlying Fund

MANAGEMENT AND MONITORING OF GLOBAL RISK EXPOSURE

The Management Company uses a risk-management process, approved and supervised by its board, that enables it to monitor and measure the overall risk profile of the Underlying Fund. Risk calculations are performed every trading day.

For purposes of compliance and risk monitoring, any derivatives embedded in transferable securities or money market instrument count as derivatives, and any exposure to transferable securities or money market instruments gained through derivatives (except for index-based derivatives) counts as investment in those securities or instruments.

Derivatives contracts carry significant counterparty risk. Although the Underlying Fund uses various techniques to mitigate exposure to counterparty risk, this risk is still present and could affect investment results. Counterparties used by Amundi Funds are identified in the annual report of Amundi Funds, which we will procure to be provided to investors on request.

TYPES OF DERIVATIVES THE UNDERLYING FUND MAY USE

A derivative is a financial contract whose value depends on the performance of one of more reference assets (such as a security or basket of securities, an index or an interest rate). Always consistent with its investment policy, the Underlying Fund may invest in any type of financial derivative instrument. These may include the following types currently making up the most common derivatives:

- currency forwards (including non-deliverable forwards), currency options currency swaps, equity swaps, futures contracts, interest rate swaps, inflation-linked swaps, interest rate swaps options, options on futures contracts, contracts for difference, volatility futures, variance swaps, warrants.
- Total return swaps (“TRS”) are contracts where one party transfers to another party the total performance of a reference assets, including all interest, fee income, market gains or losses, and credit losses. The maximum and expected exposure of the Underlying Fund’s assets to TRS are set out in the table under the section “**LIMITATIONS ON EXPOSURE TO DERIVATIVES**” below. In certain circumstances these proportions may be higher.
- credit derivatives, such as credit default swaps are contracts where a bankruptcy, default, or other “credit event” triggers a payment from one party to the other
- to-be-announced securities (“TBA”) derivatives (forward contracts on a generic pool of mortgages. Overall characteristics of this pool is specified but the exact securities to be delivered to the buyer are determined 2 days before delivery, rather than at the time of the original trade)
- structured financial derivatives, such as credit-linked and equity-linked securities
- contracts for difference are contracts whose value is based on the difference between two reference measurements such as a basket of securities

Futures are generally exchange-traded. All other types of derivatives are generally OTC (“over the counter”). For any index-linked derivatives, the index provider determines the rebalancing frequency.

The Underlying Fund will, at any given time, be capable of meeting all its payment and delivery obligations incurred by transactions involving derivatives.

PURPOSES OF DERIVATIVES USE

Consistent with its investment policy, the Underlying Fund may use derivatives for hedging against various types of risk, for efficient portfolio management or to gain exposure to certain investments or markets.

Currency hedging The Underlying Fund may engage in direct hedging (taking a position in a given currency that is in the opposite direction from the position created by other portfolio investments) and in cross-hedging (reducing the effective exposure to one currency while increasing the effective exposure to another).

Currency hedging can be done at the sub-fund level and at the share class level (for share classes that are hedged to a different currency than the Underlying Fund’s base currency).

When the Underlying Fund holds assets that are denominated in multiple currencies, there is a greater risk that currency fluctuations will in practice not be fully hedged.

Interest rate hedging For interest rate hedging, the Underlying Fund typically uses interest rate futures, interest rate swaps, writing call options on interest rates or buying put options on interest rates.

Credit risk hedging The Underlying Fund can use credit default swaps to hedge the credit risk of its assets. This includes hedges against the risks of specific assets or issuers as well as hedges against securities or issuers to which the Underlying Fund is not directly exposed.

Efficient portfolio management The Underlying Fund can use any allowable derivative for efficient portfolio management. Efficient portfolio management includes cost reduction, cash management, the orderly maintenance of liquidity and related practices (for instance, maintaining 100% investment exposure while also keeping a portion of assets liquid to handle redemptions of shares and the buying and selling of investments). Efficient portfolio management does not include any activities that create leverage at the overall portfolio level.

Gaining exposure The Underlying Fund can use any allowable derivative as a substitute for direct investment, that is, to gain investment exposure to any security, market, index, rate, or instrument that is consistent with the Underlying Fund's investment objective and policy. This exposure may exceed the one that would be obtained through direct investment in that position (leverage effect).

The Underlying Fund can also sell a credit default swap as a way of gaining a specific credit exposure. Selling a credit default swap could generate large losses if the issuer or security on which the swap is based experiences a bankruptcy, default or other "credit event".

TECHNIQUES AND INSTRUMENTS ON SECURITIES FINANCING TRANSACTIONS

Consistent with its investment policy the Underlying Fund may use the techniques and instruments on securities financing transactions described in this section.

The Underlying Fund must ensure that it is able at all times to meet its redemption obligations towards shareholders and its delivery obligations toward counterparties.

The Underlying Fund may not sell, pledge, or give as security any securities received through these contracts.

Securities lending and borrowing

In securities lending and borrowing transactions, a lender transfers securities or instruments to a borrower, subject to a commitment that the borrower will return equivalent securities or instruments on a future date or when requested by the lender. Through such transactions, the Underlying Fund may lend securities or instruments with any counterparty that is subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law.

The Underlying Fund may lend portfolio securities either directly or through one of the following:

- a standardised lending system organised by a recognised clearing institution
- a lending system organised by a financial institution that specializes in this type of transaction

The borrower must provide a guarantee, in the form of collateral, that extends throughout the loan period and is at least equal to the global valuation of the securities lent, plus the value of any haircut considered appropriate in light of the collateral quality.

The Underlying Fund may borrow securities only in exceptional circumstances, such as:

- when securities that have been lent are not returned on time
- when, for an external reason, the Underlying Fund could not deliver securities when obligated to

Reverse repurchase and repurchase agreement transactions

Under these transactions, the Underlying Fund respectively buys or sells securities and has either the right or the obligation to sell back or buy back (respectively) the securities at a later date and a specific price. The Underlying Fund may enter into repurchase agreements only with counterparties that are subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law.

The securities and counterparties allowed for these operations must comply with CSSF circular 08/356 and CSSF circular 13/559 and CSSF circular 14/592

Acceptable Collateral

As part of OTC Derivative transactions (including Total Return Swaps) and temporary purchases and sales of securities, the Underlying Fund may receive securities and cash as a guarantee (collateral).

Any collateral received other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation.

It should be sufficiently diversified in terms of country, markets, issue and issuers and shall not entail on an aggregate basis an exposure to a given issuer for more than 20%* of its net asset value (*30% for specific issuers in accordance with CSSF circular 14/592).

Securities received as collateral, in compliance with and as listed in the CSSF Circular 08/356 and CSSF circular 14/592 must adhere to the criteria defined by the management company. They must be:

- liquid;
- transferable at any time;
- diversified in compliance with the Underlying Fund's eligibility, exposure and diversification rules;
- issued by an issuer that is not an entity of the counterparty or its group and it is expected not to display a high correlation of the performance of the counterparty.

For bonds, securities will also be issued by high-quality issuers located in the OECD whose minimum rating may be AAA to BBB- on Standard & Poor's rating scale or with a rating deemed equivalent by the Management Company. Bonds must have a maximum maturity of 50 years.

Cash collateral received should only be (i) placed on deposit with entities prescribed in Article 41 1) (f) of the 2010 Law, (ii) invested in high-quality government bonds, (iii) used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Underlying Fund is able to recall at any time the full amount of cash on accrued basis, (iv) invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds.

These criteria are detailed in a Risks policy which we will, on request, procure to be provided to investors and may be subject to change, especially in the event of exceptional market circumstances.

The assets received as collateral are held in custody by the Depository.

Valuation of collateral

Collateral received is valued daily at market price (mark-to-market).

Haircuts may be applied to the collateral received (which depends on the type and sub-types of collaterals), taking into account credit quality, price volatility and any stress-test results. Haircuts on debt securities are namely based on the type of issuer and the duration of these securities. Higher haircuts are used for equities.

Margin calls are in principle made daily unless stipulated otherwise in a framework agreement covering these transactions if it has been agreed with the counterparty to apply a trigger threshold.

We will procure for the collateral policy of the SICAV to be made available to investors on request.

Reinvestment of cash provided as guarantee

Any cash provided as a guarantee can only be reinvested in keeping with CSSF circular 08/356 and CSSF circular 14/592.

Any other assets provided as a guarantee will not be sold, re-invested or pledged.

Operational costs

The net revenues achieved from efficient portfolio management transactions remain with the Underlying Fund. Direct and indirect operational costs may be deducted from the revenues delivered to the Underlying Fund.

Counterparties

Counterparties are selected through a strict selection process.

Counterparties analysis is based on credit risk analysis based on financial risk analysis (such as but not limited to earnings analysis, profitability evolution, structure of balance sheet, liquidity, capital requirement), and operational risk (such as but not limited to country, activity, strategy, business model viability, risk management and management track record).

The selection:

- only concerns financial institutions of OECD countries (without any legal status criteria) whose minimum rating ranges between AAA to BBB- by Standard and Poor's, at the moment of a transaction, or considered to be equivalent by the Management Company according to its own criteria; and
- is made from among reputable financial intermediaries on the basis of multiple criteria related to the provision of research services (fundamental financial analysis, company information, value added by partners, solid basis for recommendations, etc.) or execution services (access to market information, transaction costs, execution prices, good transaction settlement practices, etc.).

In addition, each of the counterparties retained will be analysed using the criteria of the Risk Department, such as country, financial stability, rating, exposure, type of activity, past performance, etc.

The selection procedure, implemented annually, involves the different parties of the front office and support departments. The brokers and financial intermediaries selected through this procedure will be monitored regularly in accordance with the Execution Policy of the Management Company.

As of 30 September 2018, the counterparties used for the efficient portfolio management transactions are Amundi Intermediation and CACEIS. Any counterparty newly appointed will be detailed in the annual report of Amundi Funds, which we will procure to be provided to investors on request.

LIMITATIONS ON EXPOSURE TO DERIVATIVES

For as long as may be necessary to comply with Taiwanese regulations, the Underlying Fund intends to limit its investments (total commitments taken and premiums paid) in derivatives (including derivatives used for hedging and netting purposes), to 40% of its net asset value.

Use of securities financing transactions and total return swaps

The Underlying Fund will not use buy-sell back transactions or sell-buy back transactions and margin lending transactions in the meaning of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse (SFTR).

Repo – Estimated (%)	Repo – Max (%)	Rev Repo – Estimated (%)	Rev Repo – Max (%)	Sec Lend – Estimated (%)	Sec Lend – Max (%)	Sec Borrow – Estimated (%)	Sec Borrow – Max (%)	TRS – Estimated (%)	TRS – Max (%)
-	20	-	20	15	90	-	20	-	-

We will, on request, procure the provision of supplementary information to investors relating to the risk management methods employed by or on behalf of the Underlying Fund, including the quantitative limits that are applied and any recent developments in the risk and returns characteristics of the main categories of investment.

6. FEES AND CHARGES

6.1 Fees and charges of the Fund

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

Payable by you	
Subscription Fee	Currently 5%; maximum 5%.
Realisation Charge	Currently none; maximum 2%.
Switching fee ⁽¹⁾	Currently 1%.
Payable by the Fund to the Managers, the Trustee and other parties	
Management fee (a) Retained by Managers (b) Paid by Managers to financial adviser (trailer fee)	Currently 1.75% p.a.; maximum 2% p.a.. (a) 50.00% to 96.43% of Management Fee (b) 3.57% to 50.00% ⁴ of Management Fee
Valuation fee	Currently 0.2% p.a.; maximum 0.2% p.a..
Registrar and transfer agent fees	The higher of S\$15,000 p.a. or 0.125% p.a.. (Subject always to a maximum of S\$25,000 p.a..)
Trustee remuneration	Currently not more than 0.05% p.a. (subject always to a minimum of S\$5,000 p.a.); maximum 0.2% p.a..
Audit fee, custodian fee, transaction costs ⁽²⁾ and other fees and charges ⁽³⁾	Subject to agreement with the relevant parties. Each fee or charge may amount to or exceed 0.1% p.a., depending on the proportion that it bears to the net asset value of the Fund. Based on the audited accounts and the average net asset value of the Fund for the financial year ended 30 June 2020: <ul style="list-style-type: none"> • Audit fee: 0.34%. • Custodian fee: 0.11%. • Transaction costs: less than 0.1%. • Other fees and charges: 1.10%.

⁽¹⁾ If you switch your Units to units of another fund managed by us (“**New Fund**”), we will charge you the switching fee instead of the subscription fee for the New Fund. If the subscription fee for the New Fund is more than the switching fee, you are effectively receiving a discount on the New Fund’s subscription fee.

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

- (2) Transaction costs (which do not include the transaction fees mentioned below) include all expenses relating to the purchase and sale of financial instruments.
- (3) Other fees and charges may include transaction fees payable to the custodian (the amount of which will depend on the number of transactions carried out and the place at which such transactions are effected), printing costs, legal and professional fees, goods and services tax and other out-of-pocket expenses.

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

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

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

6.2 Fees and charges of the Underlying Fund

Fees payable by the Fund	
Sales charge	Class X: No sales charge.
Redemption fee	Class X: No redemption fee.
Conversion fee	Class X: No conversion fee.
Fees payable by the Underlying Fund	
Management fee	Class X: The management fee will be charged and collected by the Management Company directly from the unitholder of the Underlying Fund and will not be charged to the Underlying Fund or reflected in its Net Asset Value ⁵ . The management fee may be calculated according to such methodology and payment terms as may be agreed between the Management Company and the relevant investor of the Underlying Fund. Currently, such management fee will be borne by us.
Distribution Fee	Class X: No distribution fee.
Performance Fee	Class X: Any performance fee will be charged and collected by the Management Company directly from the unitholders of the Underlying Fund and will not, therefore, be reflected in its net asset value. Currently, the Underlying Fund does not have a policy of charging performance fee in respect of the Fund's investment into Class X shares of the Underlying Fund.

7. RISKS

7.1 General risks

- (a) You should consider and satisfy yourself as to the risks of investing in the Fund.
- (b) Generally, some of the risk factors that you should consider are market risks, interest-rate risks, default risks, foreign exchange risks, liquidity risks and risks involved in investing in FDIs.
- (c) You should be aware that the price of Units and the income accruing from them may fall or rise and you

⁵ As defined in Appendix 1.

may not get back your original investment. There is no guarantee that the investment objective of the Fund will be achieved.

- (d) Investment in the Fund is not meant to produce returns over the short term and you should not expect to obtain short-term gains from such investment.
- (e) ***The general and specific risks described in this paragraph 7 are not exhaustive and you should be aware that the Fund may be exposed to other risks of an exceptional nature from time to time.***
- (f) ***You should also be aware that investments of the Underlying Fund may also be subject to the risks disclosed in the prospectus of the Underlying Fund and summarised in paragraph 7.3 below.***

7.2 Specific risks

(a) Market risk

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

Some of the markets or exchanges on which the Fund (by itself or through the Underlying Fund) may invest in may prove to be illiquid or highly volatile from time to time and this may affect the price at which the Fund (or the Underlying Fund) may liquidate its positions to meet realisation requests. In light of current fiscal conditions and concerns on sovereign debt of certain European countries, the Fund may also be subject to risks arising from a potential crisis in the Eurozone such as political risk, liquidity risk, currency risk and exceptional market conditions (as disclosed below in greater detail). Such risks may affect the performance of the Fund and the value of the Units of the Fund.

(b) Equity risk

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

(c) Foreign exchange/currency risk

The Fund is denominated in SGD. Where the Fund makes investments which are denominated in foreign currencies, fluctuations of the exchange rates of such currencies against the SGD may affect the value of the Units. In our management of the Fund, we may hedge the foreign currency exposure of the Fund and may adopt an active currency management approach. However, the foreign currency exposure of the Fund may not be fully hedged depending on the circumstances of each case. Such circumstances include but are not limited to the outlook, hedging costs and market liquidity of the relevant currency.

(d) Political risk

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

(e) Derivatives risk

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

(f) Liquidity risk of investments

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

(g) Small and medium capitalisation companies risk

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

(h) Risks of investing in a regional fund

While an investment in a regional fund (such as the Fund) may present greater opportunities and potential for capital appreciation, it may also be subject to higher risks as it may be less diversified than a global portfolio.

(i) Exceptional market conditions risk

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

(j) Actions of institutional investors

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

(k) Broker risk

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

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

(l) Counterparty risk

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

(m) Investment management risk

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

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

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

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

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

7.3 Risks relating to the Underlying Fund

The risk information below is intended to give an idea of the main and material risks associated with the Underlying Fund.

Any of these risks could cause the Underlying Fund to lose money, to perform less well than similar investments, to experience volatility (ups and downs in net asset value), or to fail to meet its objective over any period of time.

- **Counterparty risk** An entity with which the Underlying Fund does business could become unwilling or unable to meet its obligations to the Underlying Fund.
- **Currency risk** Changes in currency exchange rates could reduce investment gains or increase investment losses, in some cases significantly.
Exchange rates can change rapidly and unpredictably, and it may be difficult for the Underlying Fund to unwind its exposure to a given currency in time to avoid losses.
- **Default risk** The issuers of certain bonds could become unable to make payments on their bonds.
- **Derivatives risk** Certain derivatives could behave unexpectedly or could expose the Underlying Fund to losses that are significantly greater than the cost of the derivative.
- **Equity risk** Equities can lose value rapidly, and typically involve higher risks than bonds or money market instruments.
If a company goes through bankruptcy or a similar financial restructuring, its equities may lose most or all of their value.

- **Hedging risk** Any attempts to hedge (reduce or eliminate certain risks) may not work as intended, and to the extent that they do work, they will generally eliminate potentials for gain along with risks of loss. Any measures that the Underlying Fund takes that are designed to offset specific risks may work imperfectly, may not be feasible at times, or may fail completely. To the extent that no hedge exists, the Underlying Fund or share class will be exposed to all risks that the hedge would have protected against. The Underlying Fund may use hedging within its portfolio. With respect to any designated share classes, the Underlying Fund may hedge either the currency exposure of the class (relative to the portfolio's reference currency) or the effective duration of the class (relative to the duration of the Underlying Fund's reference indicator). The purpose of a duration hedge is to reduce interest rate risk. Hedging involves costs, which reduce investment performance.
- **Investment fund risk** As with any investment fund, investing in the Underlying Fund involves certain risks an investor would not face if investing in markets directly:
 - the actions of other investors, in particular sudden large outflows of cash, could interfere with orderly management of the Underlying Fund and cause its NAV to fall
 - the investor cannot direct or influence how money is invested while it is in the Underlying Fund
 - the Underlying Fund's buying and selling of investments may not be optimal for the tax efficiency of any given investor
 - the Underlying Fund is subject to various investment laws and regulations that limit the use of certain securities and investment techniques that might improve performance; to the extent that the Underlying Fund decides to register in jurisdictions that impose narrower limits, this decision could further limit its investment activities
 - because the Underlying Fund is based in Luxembourg, any protections that would have been provided by other regulators (including, for investors outside Luxembourg, those of their home regulator) may not apply
 - because Underlying Fund shares are not publicly traded, the only option for liquidating shares is generally redemption, which could be subject to delays and any other redemption policies set by the Underlying Fund
 - to the extent that the Underlying Fund invests in other UCITS / UCIs, it may incur a second layer of investment fees, which will further erode any investment gains
 - to the extent that the Underlying Fund uses efficient portfolio management techniques, such as securities lending, repurchase transactions and reverse repurchase transactions, and in particular if it reinvests collateral associated with these techniques, the Underlying Fund takes on counterparty, liquidity, custody (e.g. of the assets' segregation) and operational, risks, which can have an impact on the performance of the Underlying Fund concerned.
 - the investment manager or its designees may at times find their obligations to the Underlying Fund to be in conflict with their obligations to other investment portfolios they manage (although in such cases, all portfolios will be dealt with equitably)
- **Liquidity risk** Any security could become hard to value or to sell at a desired time and price. Liquidity risk could affect the Underlying Fund's ability to repay repurchase proceeds by the deadline stated in the prospectus. To the extent that the Underlying Fund uses derivatives to increase its net exposure to any market, rate, basket of securities or other financial reference source, fluctuations in the price of the reference source will be amplified at the sub-fund level.
- **Management risk** The Underlying Fund's management team may be wrong in its analysis, assumptions, or projections. This includes projections concerning industry, market, economic, demographic, or other trends.
- **Market risk** Prices of many securities change continuously, and can fall based on a wide variety of factors. Examples of these factors include:
 - political and economic news
 - government policy
 - changes in technology and business practices
 - changes in demographics, cultures and populations
 - natural or human-caused disasters
 - weather and climate patterns
 - scientific or investigative discoveries
 - costs and availability of energy, commodities and natural resources

The effects of market risk can be immediate or gradual, short-term or long-term, narrow or broad. In particular, commodity market risk may experience significant, sudden price variations that have a direct effect on the valuation of shares and securities that equate to the shares in which the Underlying Fund may invest and/or indices that the Underlying Fund may be exposed to. Moreover, the underlying assets may evolve in a markedly different way from traditional securities markets (equity markets, bond markets etc.)

- **Operational risk** In any country, but especially in emerging markets, there could be losses due to errors, service disruptions or other failures, as well as fraud, corruption, electronic crime, instability, terrorism or other irregular events. Operational risks may subject the Underlying Fund to errors affecting valuation, pricing, accounting, tax reporting, financial reporting, and trading, among other things. Operational risks may go undetected for long periods of time, and even if they are detected it may prove impractical to recover prompt or adequate compensation from those responsible.
- **Small & Mid Cap stock** Stocks of small and mid-size companies can be more volatile than stocks of larger companies. Small and mid-size companies often have fewer financial resources, shorter operating histories, and less diverse business lines, and as a result can be at greater risk of bankruptcy or other long-term or permanent business setbacks. Initial public offerings (IPOs) can be highly volatile and can be hard to evaluate because of a lack of trading history and relative lack of public information.

8. SUBSCRIPTION OF UNITS

8.1 How to subscribe and pay for Units

How to subscribe for Units:	<p>You may apply for Units through the following channels:</p> <ul style="list-style-type: none"> • authorised agents and distributors • ATMs (as and when available) • designated websites • other sales channels made available by us <p>You should include all required documents and subscription monies in full with your application, failing which your application may be rejected.</p>
How to pay for Units:	<ul style="list-style-type: none"> • By cheque in favour of the payee set out in the relevant application form. • By telegraphic transfer to the account set out in the relevant application form or as may be prescribed by us. All bank charges will be borne by you. • <u>SRS monies</u>: You should check with your SRS operator bank if you can invest in the Fund using SRS monies. You must indicate that you are using SRS monies in the relevant application form, which also contains your instructions to your SRS operator bank to withdraw the relevant subscription monies from your SRS account.

Other salient terms:	<ul style="list-style-type: none"> We may, acting in consultation with the Trustee, accept or reject any application for Units at our absolute discretion. Generally, Units will not be issued until the Trustee receives the relevant subscription monies in cleared funds in the relevant currency, although we may at our discretion issue Units before the Trustee receives full payment in cleared funds or, if required, conversion to the relevant currency. We and our authorised agents and distributors may request for such information or documents as may be necessary to verify your identity or to comply with any applicable laws, regulations or guidelines (including anti-money laundering laws). In the process of subscribing for Units, subscription monies paid by you to us will, pending payment to the Trustee, be deposited in an omnibus bank account and commingled with monies of our other customers. See uobam.com.sg for further disclosures in this regard.
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8.2 Minimum subscription amounts and minimum holding

Minimum initial subscription*	Minimum subsequent subscription*	Minimum holding
S\$1,000 (or if subscribing in USD, US\$1,000)	S\$500 (or if subscribing in USD, US\$500)	1,000 Units or the number of Units which were or would have been subscribed for S\$1,000 (or if subscribing in USD, US\$1,000) or its equivalent in such other currencies as we may decide (truncated but not rounded off to the nearest 2 decimal places) at the prevailing issue price at the time of the initial subscription of Units (or such other number of Units or amount as may from time to time be determined by us upon giving prior written notice to the Trustee).

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

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

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

8.3 Issue of Units

Dealing Deadline:	<p>3 p.m. Singapore time on any Dealing Day.</p> <p>For applications received and accepted by us or our authorised agents or distributors by the Dealing Deadline of a Dealing Day, Units will be issued at the issue price applicable to that Dealing Day.</p> <p>For applications received and accepted after the Dealing Deadline or on a day which is not a Dealing Day, Units will be issued at the issue price applicable to the next Dealing Day.</p>
Pricing basis:	Units are issued on a forward pricing basis.

Issue price:	<p>The issue price per Unit shall be ascertained by:</p> <p>(a) calculating the net asset value as at the Valuation Point in relation to the Dealing Day on which such issue occurs of the proportion of the Deposited Property represented by one Unit; and</p> <p>(b) truncating the resultant amount to 3 decimal places.</p> <p>We may use another method of determination or adjustment or number of decimal places with the approval of the Trustee.</p> <p>Any adjustments shall be retained by the Fund.</p>
Deduction of Subscription Fee:	<p>A Subscription Fee may be deducted from the Gross Investment Amount and the Net Investment Amount will be applied towards your subscription of Units.</p>
Conversion of issue price:	<p>Currently, we accept cash subscriptions in SGD and USD, and SRS subscriptions in SGD only.</p> <p>We will quote the issue price in SGD and its equivalent in USD at an exchange rate determined by us. Your Units will be issued at the SGD issue price if you subscribe in SGD and at the USD issue price if you subscribe in USD.</p> <p>Any currency exchange cost to convert a foreign currency subscription to the Fund's denominated currency will be borne by you.</p> <p>If we decide to accept subscriptions in any other currency in the future, we will quote the issue price in such currency at the applicable rate of exchange determined by us.</p> <p>Acceptance of subscriptions in currencies other than SGD is at our discretion and subject to such additional terms as we may impose from time to time.</p>
Confirmation of purchase:	<p>A confirmation of your purchase will be sent to you within 5 Business Days for cash applications, and 11 Business Days for SRS applications, from the date of issue of Units.</p>
Other salient terms:	<ul style="list-style-type: none"> • We may, in consultation with the Trustee, make fixed price offers of Units from time to time in accordance with the provisions of the Deed. • No certificates for Units will be issued. • If you are resident outside Singapore, we will deduct from your Gross Investment Amount any expenses actually incurred by us over the amount of expenses which we would have incurred if you had been resident in Singapore. • Subject to the prior approval of the Trustee, we may change the method of determining the issue price and the Trustee shall determine if the Holders should be informed of such change.

8.4 Numerical example of calculation of Units allotted

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

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

* Based on an issue price of S\$1.000 and a subscription fee of 5%. This example is a hypothetical and is not indicative of any future issue price. The actual issue price will fluctuate according to the net asset value of the Fund.

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

8.5 Cancellation of subscription

Subject to the provisions of the Deed and the terms and conditions for cancellation of subscription in the cancellation form provided together with the application form for Units, you may cancel your subscription for Units by giving written notice or by submitting the cancellation form (whichever is applicable) to us or our authorised agents or distributors within 7 calendar days⁶. However, you will take the risk of any change in the price of your Units since the date of your subscription and pay any bank charges, administrative or other fees imposed by the relevant authorised agent or distributor.

Instead of cancelling your subscription, you may choose to realise your Units in accordance with paragraph 10, but you will not enjoy the benefits of cancellation under this paragraph (i.e. the Subscription Fee will not be refunded and a Realisation Charge (if any) may be imposed). Further, the Net Realisation Proceeds may be lower than the cancellation proceeds if any appreciation in the value of the Units is less than the aggregate of the Subscription Fee and Realisation Charge (if any) imposed.

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

9. REGULAR SAVINGS PLAN

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

Salient terms relating to RSPs:

Minimum holding to invest in a RSP:	The minimum holding as set out in <u>paragraph 8.2</u> .
Minimum investment sum:	S\$100 monthly or S\$500 quarterly.

⁶ or such longer period as we and the Trustee may agree or such other period as the Authority may prescribe. Where the last day of such time period falls on a Sunday or public holiday in Singapore, the time period shall be extended to the next calendar day that is not a Sunday or public holiday in Singapore.

Method of payment:	<ul style="list-style-type: none"> • <u>Cash</u>: You must complete an Interbank GIRO form authorising periodic RSP payments and submit it together with the relevant application form as required by the authorised agent or distributor. • <u>SRS monies</u>: You must submit the relevant application form as required by the authorised agent or distributor. Before investing, you should check with your SRS operator bank on whether a RSP using SRS monies is available.
When payment is debited:	<p>Payment will be debited from the relevant account on:</p> <ul style="list-style-type: none"> • <u>for monthly RSP subscriptions</u>: the 25th calendar day of each month; • <u>for quarterly RSP subscriptions</u>: the 25th calendar day of the last month of each calendar quarter. <p>If the 25th calendar day is not a Business Day, payment will be debited on the next Business Day.</p>
Allotment of Units:	<p>Your investment will be made on the same Business Day (or the next Dealing Day if that day is not a Dealing Day) after payment has been debited, with the allotment of Units made normally within 2 Business Days after the debit.</p>
Unsuccessful debits:	<p>If a debit is unsuccessful, no investment will be made for that month or quarter (as the case may be).</p> <p>After 2 consecutive unsuccessful debits, the RSP will be terminated.</p> <p>You will not be notified of any unsuccessful debit or termination.</p>
Termination of RSP by you:	<p>You may terminate your participation in any RSP without penalty by giving 30 days' prior written notice to the authorised agent or distributor from whom you applied for the RSP.</p>

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

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

10. REALISATION OF UNITS

10.1 How to realise Units

How to request for realisation:	<p>You may request to realise your Units through the following channels:</p> <ul style="list-style-type: none"> • authorised agents and distributors through whom your Units were originally purchased • ATMs (as and when available) • designated websites • other channels made available by us
Minimum realisation amount:	<p>100 Units per request.</p> <p>You may not realise part of your holding of Units if, as a result of the realisation, your holding would be less than the minimum holding set out in paragraph 8.2.</p>
Dealing Deadline:	<p>3 p.m. Singapore time on any Dealing Day.</p> <p>For requests received and accepted by us or our authorised agents or distributors by the Dealing Deadline of a Dealing Day, Units will be realised at the realisation price applicable to that Dealing Day.</p> <p>For requests received and accepted after the Dealing Deadline or on a day that is not a Dealing Day, Units will be realised at the realisation price applicable to the next Dealing Day.</p>
Pricing basis:	Units are realised on a forward pricing basis.
Realisation price:	<p>The realisation price per Unit shall be ascertained by:</p> <ul style="list-style-type: none"> (a) calculating the net asset value as at the Valuation Point in relation to the Dealing Day on which the realisation request is received of the proportion of the Deposited Property then represented by one Unit; and (b) truncating the resultant amount to 3 decimal places. <p>We may use another method of determination or adjustment or number of decimal places with the approval of the Trustee.</p> <p>Any adjustments shall be retained by the Fund.</p>
Deduction of Realisation Charge:	A Realisation Charge may be deducted from the Gross Realisation Proceeds, and the Net Realisation Proceeds will be paid to you.

Conversion of realisation price:	<p>We may convert the realisation price to any foreign currency at the applicable rate of exchange. The cost of the currency exchange, if any, will be borne by you.</p> <p>Currently, we permit realisations in SGD and USD, and we will quote the realisation price in SGD and its equivalent in USD at the applicable rate of exchange.</p> <p>If we decide to permit realisations in any other currency in the future, we will quote the realisation price in such currency at the applicable rate of exchange determined by us.</p>
When will Net Realisation Proceeds be paid to you:	<p>Within 7 Business Days after the relevant Dealing Day, or such other period as may be permitted by the Authority. There may be delays in cases where the realisation of Units has been limited or suspended in accordance with <u>paragraphs 10.3 or 13</u>.</p> <p>Proceeds will be paid by cheque or (where applicable) credited to your designated bank account or SRS account.</p>
Other salient terms:	<ul style="list-style-type: none"> You will bear all bank charges incurred for any telegraphic transfer of realisation proceeds to your designated bank account. If you are resident outside Singapore, we will deduct from your Gross Realisation Proceeds any expenses actually incurred by us over the amount of expenses which we would have incurred if you had been resident in Singapore. If we receive and accept a realisation request for Units before the Trustee receives your subscription monies for such Units, we may refuse to realise such Units until the next Dealing Day after the Dealing Day on which your subscription monies for such Units are received by the Trustee. Subject to the prior approval of the Trustee, we may change the method of determining the realisation price and the Trustee shall determine if the Holders should be informed of such change.

10.2 Numerical example of calculation of Net Realisation Proceeds

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

1,000 Units	x	S\$0.900*	=	S\$900.00
Your realisation request		Realisation price		Gross Realisation Proceeds
S\$900.00	-	S\$0.00	=	S\$900.00
Gross Realisation Proceeds		Realisation Charge (0%)*		Net Realisation Proceeds

* Based on a realisation price of S\$0.900. There is currently no Realisation Charge payable for the Fund. This example is a hypothetical and is not indicative of any future realisation price. The actual realisation price will fluctuate according to the net asset value of the Fund.

10.3 Limitation on realisation

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

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

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

10.4 Compulsory realisations

We may compulsorily realise your holding of Units in certain circumstances. See paragraph 20.2 for further details.

11. SWITCHING OF UNITS

How to switch your Units:	You may request to switch your Units for units of any other Group Fund (the “ new units ”) by giving us or our authorised agents or distributors a switching request in the prescribed form.
When switches are made:	<p>Switches will only be made on a day (“Common Switching Dealing Day”) which is both a Dealing Day for your Units and a dealing day for the new units.</p> <p>For requests received and accepted by us or our authorised agents or distributors by the Dealing Deadline of a Common Switching Dealing Day, Units will be switched on that Common Switching Dealing Day.</p> <p>For requests received and accepted after the Dealing Deadline or on a day that is not a Common Switching Dealing Day, Units will be switched on the next Common Switching Dealing Day.</p>
How switches are carried out:	<p>A switch of Units will be effected as follows:</p> <p>(a) your Units will be realised at the realisation price calculated under <u>paragraph 10</u>;</p> <p>(b) the net realisation proceeds shall then be used (after deducting any switching fee payable) to subscribe for new units at the prevailing issue price of such new units. For the purposes of the switch, we may waive in whole or in part the subscription fee for the new units and/or the Realisation Charge (if any).</p>

Other salient terms:	<ul style="list-style-type: none"> • Switches will be subject to such terms as we may determine provided that the Trustee is of the opinion that the terms are such as not to prejudice the interests of Holders. • You may withdraw a switching request only with our consent. • Switching is subject to the terms of the Deed and the constitutive documents of the Group Fund, including the provisions relating to the issue and realisation of Units. • Switches will not be allowed if it results in you holding Units below any applicable minimum holding. • Switches will not be allowed during any period where the realisation of Units has been limited or suspended in accordance with <u>paragraphs 10.3 or 13</u>, or when the issue of new units is suspended. • Units purchased with cash or SRS monies (as the case may be) may only be switched to new units which may be purchased with the same payment method. • The Trustee shall have no responsibility or liability to ensure that the provisions of the constitutive documents of the Group Fund relating to the issue, realisation or switching of units are complied with.
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12. OBTAINING PRICES OF UNITS

You may obtain indicative prices of Units:

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

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

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

13. SUSPENSION OF DEALINGS

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

- any period when the Recognised Stock Exchange or the OTC Market on which any Authorised Investments forming part of the Deposited Property for the time being are listed or dealt in is closed (otherwise than for ordinary holidays) or during which dealings are restricted or suspended;
- the existence of any state of affairs which, in the Trustee's and our opinion, might seriously prejudice the interests of the Holders as a whole or of the Deposited Property;
- any breakdown in the means of communication normally employed in determining the price of any of such

Authorised Investments in the Trustee's and our opinion or the current price thereof on that Recognised Stock Exchange or that OTC Market or when for any reason the prices of any of such Authorised Investments cannot be promptly and accurately ascertained (including any period when the fair value of a material portion of the Authorised Investments cannot be determined);

- (d) any period when remittance of moneys which will or may be involved in the realisation of such Authorised Investments or in the payment for such Authorised Investments cannot, in the Trustee's and our opinion, be reasonably carried out at normal rates of exchange;
- (e) any 48-hour period (or such other longer period as may be agreed between the Trustee and us) prior to the date of any meeting of Holders (or any adjourned meeting thereof);
- (f) any period when the dealings of Units is suspended pursuant to any order or direction of the Authority;
- (g) in the case where the Fund invests all or substantially all of its assets in another collective investment scheme, any period when the issue, realisation, cancellation or switching of all or a substantial portion of the units or shares of such underlying collective investment scheme is suspended;
- (h) any period when the Trustee's or our business operations in relation to the operations of the Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolutions, civil unrest, riots, strikes or acts of God;
- (i) exceptional circumstances, where the Managers have determined that such suspension is in the best interest of the Holders; or
- (j) such other circumstances as may be required under the provisions of the Code.

See the Deed for the full meaning of the terms **Recognised Stock Exchange** and **OTC Market**.

- 13.2 We and/or the Trustee may also in certain situations suspend the issue and realisation of Units in accordance with Clauses 10(B)(V), 13(F)(ii) and 13(G)(ii) of the Deed.
- 13.3 Subject to the provisions of the Code, any such suspension will take effect upon our written declaration to the Trustee (or vice versa, as the case may be) and will end as soon as practicable when the condition giving rise to the suspension no longer exists and no other condition under which suspension is authorised under this paragraph 13 or the applicable provisions of the Deed exists upon our (or, as the case may be, the Trustee's) written declaration of the same and in any event, within such period as may be prescribed by the Code. The period of suspension may be extended in accordance with the Code.

14. PERFORMANCE OF THE FUND

14.1 Performance of the Fund

The past performance of the Fund and its benchmark as at 30 July 2020, and its expense ratio are set out below.

Inception date: 10 April 2000	1 year (%)	3 years (%)	5 years (%)	10 years (%)	Since inception (%)	Expense ratio (%) ⁽³⁾
(NAV-NAV) ⁽¹⁾	-0.64	-4.00	-1.91	3.59	-0.11	4.06
(NAV-NAV [^]) ⁽²⁾	-5.61	-5.63	-2.91	3.06	-0.36	
Benchmark (in SGD): MSCI Europe Small Companies Index ⁽⁴⁾	1.68	-1.35	1.73	6.09	5.48	

Notes:

Source: Morningstar.

[^] Taking into account the Subscription Fee.

- (1) Calculated on a NAV-to-NAV basis as at 30 July 2020, with all dividends and distributions reinvested (net of reinvestment charges). Figures for one year show the percentage change, while figures for more than one year show the average annual compounded return.
- (2) Calculated on a NAV-to-NAV basis as at 30 July 2020, taking into account the Subscription Fee and Realisation Charge (if any), with all dividends and distributions reinvested (net of reinvestment charges). Figures for one year show the percentage change, while figures for more than one year show the average annual compounded return.
- (3) The expense ratio is calculated in accordance with the requirements in the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios (the "**IMAS Guidelines**") and is based on the Fund's latest audited accounts for the financial year ended 30 June 2020. The following expenses (where applicable) as set out in the IMAS Guidelines (as may be updated from time to time), are excluded from the calculation of the expense ratio:
 - (a) brokerage and other transaction costs associated with the purchase and sales of investments (such as registrar charges and remittance fees);
 - (b) interest expense;
 - (c) foreign exchange gains and losses of the Fund, whether realised or unrealised;
 - (d) front-end loads, back-end loads and other costs arising from the purchase or sale of a foreign unit trust or mutual fund;
 - (e) tax deducted at source or arising from income received, including withholding tax; and
 - (f) dividends and other distributions paid to Holders.
- (4) Changes to benchmarks during the life of Fund and reasons for changes:
 - (a) from inception to 31 December 2001 – MSCI Europe Small Cap USD;
 - (b) from 1 January 2002 to 31 July 2008 – Citigroup Broad Market Index Europe less than US\$2 billion (formerly known as Salomon Smith Barney Broad Market European Index Market Cap less than US\$2 billion);
 - (c) from 1 August 2008 to 30 November 2014 – MSCI Europe Mid Cap Index (Reason for change from previous benchmark: the benchmark was changed as a result of the amendment to the investment objective of the Fund);
 - (d) from 1 December 2014 – MSCI Europe Small Companies Index (Reason for change from previous benchmark: following the change in the investment focus and approach of the Fund, the benchmark of the Fund was changed to reflect the benchmark of the Underlying Fund).

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

14.2 Turnover ratio of the Fund

The turnover ratio of the Fund for the financial year ended 30 June 2020 is 16.59%.

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

14.3 Turnover ratio of the Underlying Fund

The turnover ratio for the Underlying Fund for the period ending 30 June 2020 is 56.24%.

Such turnover ratio is calculated based on the lesser of purchases or sales of the Underlying Fund's underlying investments expressed as a percentage of the daily average net asset value of the Underlying Fund.

15. SOFT DOLLAR COMMISSIONS/ARRANGEMENTS

15.1 Soft dollar disclosures relating to the Managers

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

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

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

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

15.2 Soft dollar disclosures relating to the Management Company and Investment Manager

The Management Company and the Investment Manager may use soft commission arrangements to enable them to obtain goods, services or other benefits (such as research) that are beneficial to the management of the SICAV, in the best interest of the shareholders. All transactions undertaken on a soft commission basis in respect of the SICAV will be subject to the fundamental rule of best execution and will also be disclosed in the shareholder reports of the Underlying Fund, which we will, on request, procure to be provided to investors.

16. CONFLICTS OF INTEREST

16.1 Managers' conflicts of interest disclosures

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

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

orders that are partially fulfilled on a particular day will be allotted proportionately among the funds based on their respective initial order size and such quantity allotted will be at the average price of such investments on that particular day.

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

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

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

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

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

- (i) invest monies of the Fund in the securities of any of our related corporations (as defined in Section 4 of the Companies Act, Chapter 50 of Singapore) (each, a "**related corporation**");
- (ii) invest monies of the Fund in other collective investment schemes managed by us or our related corporations; and
- (iii) deposit monies of the Fund in the ordinary course of business of the Fund with our related corporations which are banks licensed under the Banking Act, Chapter 19 of Singapore, finance companies licensed under the Finance Companies Act, Chapter 108 of Singapore, merchant banks approved as financial institutions under Section 28 of the Monetary Authority of Singapore Act, Chapter 186 of Singapore or any other deposit-taking institution licensed under an equivalent law in a foreign jurisdiction.

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

16.2 Trustee's conflicts of interest disclosures

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

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

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

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

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

16.3 Management Company' conflicts of interest disclosures

In order to protect the UCITS' and its shareholders' interests and comply with applicable regulations, the Management Company has a policy and procedures designed to prevent situations of conflicts of interest (Amundi Policy for Prevention and Management of Conflicts of Interest), which we will, on request, procure to be provided to investors.

16.4 Investment Manager's conflicts of interest disclosures

The Investment Manager or its designees may at times find their obligations to the Underlying Fund to be in conflict with their obligations to other investment portfolios they manage (although in such cases, all portfolios will be dealt with equitably).

17. **REPORTS**

The financial year-end of the Fund is 30 June.

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

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

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

18. QUERIES AND COMPLAINTS

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

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

19. OTHER MATERIAL INFORMATION

19.1 Market timing

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

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

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

19.2 Information on investments

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

19.3 Indemnities

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

19.4 Liquidation of the Managers, the Trustee or the custodian

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

Custodial Risk

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

20. PROVISIONS OF THE DEED

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

20.1 Valuation

Except where otherwise expressly stated in the Deed and subject always to the requirements of the Code, with reference to either the Deposited Property or any part thereof of any Authorised Investment which is:

- (a) a Quoted Investment, shall be calculated as the case may be by reference to the official closing price, the last known transacted price or the last transacted price on such Recognised Stock Exchange or OTC Market on which the investment is listed, dealt or traded as at the Valuation Point on the relevant Dealing Day. Where such Quoted Investment is listed, dealt or traded in more than one Recognised Stock Exchange or OTC Market, the Managers (or such person as the Managers may appoint for the purpose) may in their absolute discretion select any one of such Recognised Stock Exchange or OTC Market for the foregoing purposes and, if there is no such official closing price, last known transacted price or last transacted price, the value shall be calculated by reference to the last available prices quoted by responsible firms, corporations or associations on a Recognised Stock Exchange or an OTC Market as at the Valuation Point on the relevant Dealing Day;
- (b) an Unquoted Investment, shall be calculated by reference to, where applicable: (1) the initial value thereof being the amount expended in the acquisition thereof; (2) the price of the relevant Investment as quoted by a person, firm or institution making a market in that Investment, if any (and if there shall be more than one such market maker, then such particular market maker as the Managers may designate), as may be determined by the Managers to represent the fair value of such Investment; or (3) the sale prices of recent public or private transactions in the same or similar investments, valuations of comparable companies or discounted cash flow analysis, as may be determined to represent the fair value of such Investment. In the valuation of such Investment, the Managers may take into account relevant factors including, without limitation, significant recent events affecting the issuer such as pending mergers and acquisitions and restrictions as to saleability or transferability;
- (c) cash, deposits and similar assets shall be valued (by a person approved by the Trustee as qualified to value such cash, deposits and similar assets) at their face value (together with accrued interest) unless, in the opinion of the Managers, any adjustment should be made to reflect the value thereof;
- (d) a unit or share in a unit trust scheme or mutual fund or collective investment scheme shall be valued at the latest published or available net asset value per unit or share, or if no net asset value per unit or share is published or available, then at their latest available realisation price; and
- (e) an Investment other than as described above, shall be valued (by a person approved by the Trustee as qualified to value such an investment) in such manner and at such time as the Managers after consultation with the Trustee shall from time to time determine,

provided that, if the quotations referred to in (a), (b), (c), (d) and (e) above are not available, or if the value of the Authorised Investment determined in the manner described in (a), (b), (c), (d) or (e) above, in the opinion of the Managers, is not representative, then the value shall be such value as the Managers may consider with due care and in good faith in the circumstances to be fair value subject to the consent of the Trustee and the Trustee shall decide if a notice to notify the Holders of such determination by the Managers is required to be given by the Managers. For the purposes of this proviso, the “**fair value**” shall be determined by the Managers in consultation with a Stockbroker or an Approved Valuer and with the approval of the Trustee in accordance with the Code. Where the fair value of a material portion of the Deposited Property cannot be determined, the Managers shall, subject to the provisions of the Code, suspend valuation and dealing in the Units.

20.2 Compulsory realisations

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

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

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

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

The Managers, the Trustee and their respective delegates, agents or associates shall not be liable for any loss (whether direct or consequential and including, without limitation, loss of profit or interest) or damage suffered by any Holder or any party arising out of or caused in whole or in part by any actions which are taken by the Managers, Trustee and/or any of their respective delegates, agents or associates under this paragraph 20.2.

20.3 Custody of Deposited Property

The Trustee shall be responsible for the safe custody of the Deposited Property. Any Authorised Investments forming part of the Deposited Property shall, whether in bearer or registered form, be paid or transferred to or to the order of the Trustee forthwith on receipt by the Managers and be dealt with as the Trustee may think proper for the purpose of providing for the safe custody thereof. The Trustee may from time to time upon notification in writing to the Managers appoint such person or persons as it thinks fit (including itself or its associates) as agents, nominees, custodians or subcustodians in respect of any of the Deposited Property and (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 in respect of any of the Deposited Property, and the fees and expenses of such agents, nominees, custodians and subcustodians shall be paid out of the Deposited Property. Subject to Clause 26(D) of the Deed, the Trustee shall remain liable for any act or omission of any agent, nominee, custodian or sub-custodian with whom bearer Authorised Investments or documents of title to registered Authorised Investments are deposited as if the same were the act or omission of the Trustee. In relation to any investment in registered form, the Trustee shall not be liable for any act or omission of any agent, nominee, custodian, joint custodian or sub-custodian appointed by it except where the Trustee shall have been negligent or in default in the appointment and monitoring thereof. The Trustee may at any time procure that:

- (a) the Trustee; or
- (b) any officer or responsible official of the Trustee jointly with the Trustee; or
- (c) any agent or nominee appointed by the Trustee; or
- (d) any such agent or nominee of the Trustee; or
- (e) any custodian, joint custodian or sub-custodian (or in each case its nominee) appointed pursuant to the provisions of this paragraph; or
- (f) any company operating a recognised clearing system (including its nominee) in respect of the Authorised Investments of the Fund; or
- (g) any broker, financial institution or other person (or in each case, its nominee, its custodian or its custodian's nominee) with whom the same is deposited in order to satisfy any requirement to deposit margin or security,

takes delivery of and retains and/or be registered as proprietor of any Authorised Investment or other property held upon trusts of the Deed.

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

20.4 Saving clause as to indemnities

Any indemnity expressly given to the Trustee and/or the Managers in the Deed is in addition to and without prejudice to any indemnity allowed by law; Provided Nevertheless That any provision of the Deed shall be void insofar as it would have the effect of exempting the Trustee or the Managers from or indemnifying them against

any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of duty or trust of which they may be guilty in relation to their duties where they fail to show the degrees of diligence and care required of them having regard to the provisions of the Deed

20.5 Termination of the Fund

- (a) The Fund is of indeterminate duration and may be terminated as provided in Clause 34 of the Deed, which is set out in this paragraph.
- (b) Either the Trustee or the Managers may in their absolute discretion terminate the Fund by not less than 6 months' notice in writing to the other given so as to expire at the end of the Accounting Period current at the end of the 5th year after the date of the Principal Deed or any year thereafter. Either the Trustee or the Managers shall be entitled by notice in writing as aforesaid to make the continuation of the Fund beyond any such date conditional on the revision to its or their satisfaction at least 3 months before the relevant date of its or their remuneration hereunder. In the event that the Fund shall fall to be terminated or discontinued the Managers shall give notice thereof to all Holders not less than 3 months in advance. Subject as aforesaid and subject to the revocation or withdrawal of the authorisation of the Fund by the relevant authority pursuant to Section 288 of the SFA, the Fund shall continue until terminated in the manner hereinafter provided.
- (c) Subject to Section 295 of the SFA, the Fund may be terminated by the Trustee by notice in writing as hereinafter provided in any of the following events, namely:
 - (i) if the Managers shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of their assets or if a judicial manager is appointed in respect of the Managers or if any encumbrancer shall take possession of any of their assets or if they shall cease business;
 - (ii) if any law shall be passed which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Fund;
 - (iii) if within the period of 3 months from the date of the Trustee expressing in writing to the Managers the desire to retire the Managers shall have failed to appoint a new trustee of the Fund within the terms of Clause 31 of the Deed; and
 - (iv) if the relevant authority so directs or if the authorisation of the Fund is revoked or withdrawn by the relevant authority pursuant to Section 288 of the SFA.

The decision of the Trustee in any of the events specified in this sub-paragraph (c) shall be final and binding upon all the parties concerned but the Trustee shall be under no liability on account of any failure to terminate the Fund pursuant to this sub-paragraph or otherwise. The Managers shall accept the decision of the Trustee and relieve the Trustee of any liability to them therefor and hold it harmless from any claims whatsoever on their part for damages or for any other relief.

- (d) The Fund may be terminated by the Managers by notice in writing as hereinafter provided:
 - (i) on the 3rd anniversary of the date of the Principal Deed or on any date thereafter if on such date the aggregate Value of the Deposited Property shall be less than S\$5,000,000; or
 - (ii) if any law shall be passed which renders it illegal or in the opinion of the Managers impracticable or inadvisable to continue the Fund; or
 - (iii) if the relevant authority so directs or if the authorisation of the Fund is revoked or withdrawn by the relevant authority pursuant to Section 288 of the SFA.

- (e) The party terminating the Fund shall give notice thereof to the Holders fixing the date at which such termination is to take effect which date shall not be less than 3 months after the service of such notice. The Managers shall give not less than 7 days (or such other notice period as may be permitted by the relevant authority) prior notice of such termination to the relevant authority.
- (f) The Fund may at any time after 5 years from the date hereof be terminated by Extraordinary Resolution of a meeting of the Holders duly convened and held in accordance with the provisions contained in the Schedule of the Deed and such termination shall take effect from the date on which the Extraordinary Resolution is passed or such later date (if any) as the Extraordinary Resolution may provide.
- (g) The Trustee may (with the consent of the Managers) move the Fund to the jurisdiction of a country other than Singapore, if it appears to the Trustee to be beneficial to the Fund and in the interests of the Holders to do so. The circumstances in which the Trustee may exercise its discretion hereunder are limited to the outbreak of war or grave civil unrest threatening the safe maintenance of the banking system or securities market in Singapore.

20.6 Voting

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

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

The phrase “**rights of voting**” or the word “**vote**” used in this paragraph 20.6 shall be deemed to include not only a vote at a meeting but any consent to or approval of any arrangement, scheme or resolution or any alteration in or abandonment of any rights attaching to any part of the Deposited Property and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.

See the Deed for other provisions relating to voting.

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