

Schroder Advantage Series

# Schroder Dynamic Allocation Fund

# Prospectus

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Dated: 22 December 2010  
Valid till: 21 December 2011



**Schroders**

**SCHRODER ADVANTAGE SERIES  
- SCHRODER DYNAMIC ALLOCATION FUND**

(constituted in the Republic of Singapore pursuant to a  
Deed of Trust relating to Schroder Advantage Series dated 26 January 2004  
as amended by  
a First Amendment Deed dated 31 January 2005,  
a Second Amendment Deed dated 24 August 2005,  
a Third Amendment Deed dated 22 August 2006,  
a Fourth Amendment Deed dated 3 January 2008,  
a Fifth Amendment Deed dated 12 February 2008,  
a Sixth Amendment Deed dated 1 June 2009,  
a Seventh Amendment Deed dated 19 October 2009,  
a Eighth Amendment Deed dated 2 February 2010,  
a Ninth Amendment Deed dated 27 December 2010,  
a Tenth Amendment Deed dated 22 July 2011 and  
an Eleventh Amendment Deed dated 29 September 2011)

**SUPPLEMENTARY PROSPECTUS DATED 21 OCTOBER 2011**

A copy of this Supplementary Prospectus has been lodged with the Monetary Authority of Singapore (the "**MAS**") who takes no responsibility for its contents.

This Supplementary Prospectus is lodged with the MAS pursuant to Section 298 of the Securities and Futures Act, Chapter 289 of Singapore and is supplemental to the prospectus relating to Schroder Advantage Series - Schroder Dynamic Allocation Fund (the "**Fund**") registered by the MAS on 27 December 2010 (the "**Prospectus**").

Terms used in this Supplementary Prospectus will have the meaning and construction ascribed to them in the Prospectus. This Supplementary Prospectus should be read and construed in conjunction and as one document with the Prospectus.

This Supplementary Prospectus sets out the amendments made to the Prospectus to, inter alia, provide for the change in the registrar of the Fund with effect from 31 October 2011.

In this connection, the Prospectus will be amended as follows with effect from the date of this Supplementary Prospectus:

**(a) Paragraph 1.1 of the Prospectus**

The existing paragraph 1.1 of the Prospectus is deleted in its entirety and replaced with the following paragraph 1.1:

"This Prospectus is in relation to "**Schroder Dynamic Allocation Fund**" (the "**Sub-Fund**"), a sub-fund of the Singapore constituted umbrella fund known as the Schroder Advantage Series (the "**Fund**"). The Fund has four sub-funds established as at the date of registration of this Prospectus and Schroder Investment Management (Singapore) Ltd (the "**Manager**") is presently offering units in the Sub-Fund as well as in two other sub-funds known as "**Schroder LiveSure 2025 Fund**" and "**Schroder Multi-Asset Advantage**". This Prospectus relates only to the offering of units in respect of the Sub-Fund ("**Units**"). Units of "**Schroder LiveSure**

**2025 Fund**” and **“Schroder Multi-Asset Advantage”** are currently being offered pursuant to separate prospectuses which may be obtained from the Manager or its authorised distributors.”.

**(b) Paragraph 1.3 of the Prospectus**

The existing paragraph 1.3 of the Prospectus is deleted in its entirety and replaced with the following paragraph 1.3:

**“1.3 Trust Deed and Amendment Deeds**

The Fund is constituted as a unit trust by way of a deed of trust dated 26 January 2004 (the **“Deed of Trust”**), as amended and restated by the following amendment deeds (collectively, the **“Amendment Deeds”**), entered into between the Manager and HSBC Institutional Trust Services (Singapore) Limited (the **“Trustee”**):

- 1.3.1 the First Amendment Deed dated 31 January 2005;
- 1.3.2 the Second Amendment Deed dated 24 August 2005;
- 1.3.3 the Third Amendment Deed dated 22 August 2006;
- 1.3.4 the Fourth Amendment Deed dated 3 January 2008;
- 1.3.5 the Fifth Amendment Deed dated 12 February 2008;
- 1.3.6 the Sixth Amendment Deed dated 1 June 2009;
- 1.3.7 the Seventh Amendment Deed dated 19 October 2009;
- 1.3.8 the Eighth Amendment Deed dated 2 February 2010;
- 1.3.9 the Ninth Amendment Deed dated 27 December 2010;
- 1.3.10 the Tenth Amendment Deed dated 22 July 2011; and
- 1.3.11 the Eleventh Amendment Deed dated 29 September 2011.”.

**(c) Paragraph 4 of the Prospectus**

The existing paragraph 4 of the Prospectus is deleted in its entirety and replaced with the following paragraph 4:

**“4 REGISTER OF HOLDERS**

Prior to 31 October 2011, the registrar of the Fund is RBC Dexia Trust Services Singapore Limited. The register of Holders of the Sub-Fund (the **“Register”**) can be inspected at 20 Cecil Street, #28-01 Equity Plaza, Singapore 049705 during usual business hours subject to such reasonable closure of the Register and such restrictions as the Manager or the Trustee may impose.

With effect from 31 October 2011, the registrar of the Fund will be Schroder Investment Management (Luxembourg) S.A. (**“SIMLUX”**). SIMLUX will in turn delegate its duties in relation to the Register to Schroder Investment Management (Hong Kong) Limited. The Register may be inspected at 65 Chulia Street, #46-00 OCBC Centre, Singapore 049513 during usual business hours subject to such reasonable closure of the Register and such restrictions as the Manager or the Trustee may impose.

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

**(d) Paragraph 7.3 of the Prospectus**

The existing second paragraph of paragraph 7.3 of the Prospectus is deleted in its entirety and replaced with the following paragraph:

“The Manager intends to make annual distributions payable on or around 31 December each year, subject to the provisions of this sub-paragraph 7.3. For the first three years commencing from the close of the initial offer period of the Sub-Fund, the Manager intends to distribute a fixed rate of 3.96 cents per Unit per annum to Holders.”.

**(e) Paragraph 8 of the Prospectus**

The existing paragraph 8 of the Prospectus is deleted in its entirety and replaced with the following paragraph 8:

**“8. AUTHORISED INVESTMENTS**

Subject to the investment objective of the Sub-Fund, the authorised investments of the Sub-Fund (“**Authorised Investments**”) are subject to the provisions of the Code (as defined below), any of the following investments:

- (i) any Quoted Investment<sup>2</sup> which is selected by the Manager for the purpose of investment of the Deposited Property<sup>3</sup>; or
- (ii) any investment in respect of which application for listing or for permission to deal has been made to a Recognised Stock Exchange<sup>4</sup> and the subscription for or purchase of which is either conditional upon such listing or permission to deal being granted within a specified period not exceeding 12 weeks (or such other period as may be agreed between the Manager and the Trustee) or in respect of which the Manager is satisfied that the subscription or other transactions will be cancelled if the application is refused; or
- (iii) any Unquoted Investment<sup>5</sup> which is selected by the Manager for the purpose of investment of the Deposited Property; or

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<sup>2</sup> “**Quoted Investment**” means any investment which is quoted, dealt with or listed or in respect of which permission to deal is effective on a Recognised Stock Exchange.

<sup>3</sup> “**Deposited Property**” means all the assets (cash and other property) for the time being held or deemed to be held upon the trusts of the Deed (or if the context so requires, the part thereof attributable to the Sub-Fund).

<sup>4</sup> “**Recognised Stock Exchange**” means any stock exchange and in relation to any particular investment shall be deemed to include any responsible market maker and authorised dealer in the market in which the investment is traded and any over-the-counter or electronic or telephone market of repute and any responsible firm, corporation or association in any part of the world dealing in the investment and any responsible mutual fund or subsidiary thereof or unit trust scheme issuing and redeeming participations or Units (as the case may be) so as to provide in the opinion of the Manager with the approval of the Trustee a satisfactory market for the investment and in such a case the investment shall be deemed to be the subject of an effective permission to deal or listing on a Recognised Stock Exchange deemed to be constituted by such person, firm, corporation, association, mutual fund, subsidiary thereof or unit trust scheme.

<sup>5</sup> “**Unquoted Investment**” means any investment which is not quoted, listed or dealt in on any Recognised Stock Exchange.

- (iv) any investment denominated in any currency; or
- (v) any investment which is a unit in any unit trust scheme or a share or participation in an open-ended mutual fund or other collective investment scheme; or
- (vi) any investment which is a future, option, forward, swap, collar, floor or other derivative or a repurchase agreement; or
- (vii) the currency of any country or any contract for the spot purchase or sale of any such currency, any foreign exchange transaction or any forward contract of such currency; or
- (viii) if the Sub-Fund is subsequently included under the Central Provident Fund Investment Scheme (“**CPFIS**”), any investment for the time being approved by the relevant authority for the purposes of unit trust schemes included under the CPFIS under the CPFIS Regulations; or
- (ix) any investment which is not covered by paragraphs (i) to (viii) above but is selected by the Manager for the purpose of investment of the Deposited Property of the Sub-Fund and approved by the Trustee.

For the avoidance of any doubt, as the Sub-Fund is structured as a structured product fund, “**Code**” means (prior to 1 April 2012) the Code on Collective Investment Schemes issued by the Authority under section 321 of the Securities and Futures Act on 23 May 2002 (last updated on 11 November 2009), and (2) with effect from 1 April 2012, the Code on Collective Investment Schemes issued by the Authority under section 321 of the Securities and Futures Act in April 2011 as the same may be modified, amended, supplemented, revised or replaced from time to time.”.

**(f) Paragraph 11.2.2 of the Prospectus**

The existing second paragraph of paragraph 11.2.2 of the Prospectus is deleted in its entirety and replaced with the following paragraph:

“Investors should note that financial derivatives will be used for hedging and efficient portfolio management purposes and/or for meeting the investment objective of the Sub-Fund in accordance with the Code. These instruments are highly volatile instruments and their market values may be subject to wide fluctuations.”.

**(g) Paragraph 12.5 of the Prospectus**

The existing paragraph above the example in paragraph 12.5 of the Prospectus is deleted in its entirety and replaced with the following paragraph:

“The following example shows how the number of Units allotted to an investor of the Sub-Fund is derived. The number of Units (prior to 31 October 2011, truncated to 2 decimal places and with effect from 31 October 2011, rounded to the nearest 2 decimal places) an investor will receive is calculated by dividing the application monies less any preliminary charge by the Issue Price. An example of the number of Units which an investor will receive with an investment of S\$1,000, based on a notional Issue Price of S\$1.0100 will be calculated as follows:”.

**(h) Paragraph 13 of the Prospectus**

The existing first paragraph of paragraph 13 of the Prospectus is deleted in its entirety and replaced with the following paragraph:

“The Manager may from time to time at its sole discretion offer a monthly investment plan for the Sub-Fund (“**MIP**”). For investors who wish to participate in the MIP, the minimum monthly investment is S\$100. There is no minimum initial subscription amount for investment in the Sub-Fund via MIP.”.

**(i) Paragraph 17 of the Prospectus**

The existing paragraph 17 of the Prospectus is deleted in its entirety and replaced with the following paragraph 17:

**“17. SUSPENSION OF DEALINGS**

**17.1** Subject to the provisions of the Code, the Manager or the Trustee may, with the prior written approval of the other, suspend the issuance and realisation of Units in relation to the Sub-Fund during:-

**17.1.1** any period when any Recognised Stock Exchange on which any investments of the Deposited Property of the Sub-Fund for the time being are listed or dealt in is closed (otherwise than for ordinary holidays) or during which dealings are restricted or suspended;

**17.1.2** the existence of any state of affairs which, in the opinion of the Manager and the Trustee constitutes an emergency as a result of which disposition by the Sub-Fund of its investments is not reasonably practicable or might seriously prejudice the interests of the Holders as a whole or of the Deposited Property (whether of the Sub-Fund or the Fund);

**17.1.3** any breakdown in the means of communication normally employed in determining the price of any of such investments or the current price on any market or when for any reason the prices of any investments cannot be promptly and accurately ascertained (including any period when the fair value of a material portion of such investments cannot be determined);

**17.1.4** any period when the remittance of money which will or may be involved in the realisation of such investments or in the payment for such investments cannot, in the opinion of the Manager and the Trustee, be effected at normal rates of exchange;

**17.1.5** any period when the dealing of Units is suspended pursuant to any order or direction issued by the Authority;

**17.1.6** any 48 hours (or such longer period as may be agreed between the Manager and the Trustee) prior to the date of any meeting of Holders (or any adjourned meeting thereof);

**17.1.7** any period when the business operations of the Manager or the Trustee in relation to the operations of the Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God; or

**17.1.8** such circumstances as may be required under the provisions of the Code.

**17.2** Such suspension shall take effect forthwith upon the declaration in writing from the Manager to the Trustee or the Trustee to the Manager (as the case may be) and subject to the provisions of the Code, shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other conditions under which suspension is authorised under the Deed shall exist upon the declaration in writing thereof by the Manager or the Trustee (as the case may be). Subject to the provisions of the Code, the Manager may temporarily suspend the realisation of Units for such reasonable period as may be necessary to effect an orderly realisation of Units in accordance with clause 9(D)(ii) of the Deed.

**17.3** Any payment for any Units realised before the commencement of any such suspension but for which payment has not been made before the commencement thereof may, if the Manager and the Trustee so agree, be deferred until immediately after the end of such suspension.”.

**(j) Paragraph 21.3 of the Prospectus**

The existing paragraph 21.3 of the Prospectus is deleted in its entirety and replaced with the following paragraph 21.3:

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

**BOARD OF DIRECTORS OF THE MANAGER**

**Signed**

**Signed**

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**SUSAN SOH SHIN YANN**

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**THAM EE MERN LILIAN**

**Signed**

**Signed**

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**TAN JUI TONG**

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**GWEE SIEW PING**

**SCHRODER ADVANTAGE SERIES**

**- SCHRODER DYNAMIC ALLOCATION FUND**

SUPPLEMENTARY PROSPECTUS LODGED ON 21 OCTOBER 2011

**SCHRODER ADVANTAGE SERIES  
- SCHRODER DYNAMIC ALLOCATION FUND**

**Directory**

**Manager**

Schroder Investment Management (Singapore) Ltd  
Registered and operating address:  
65 Chulia Street #46-00  
OCBC Centre  
Singapore 049513  
(Company Registration Number: 199201080H)

**Directors of the Manager**

Susan Soh Shin Yann  
Tham Ee Mern Lilian  
Tan Jui Tong  
Gwee Siew Ping

**Trustee**

HSBC Institutional Trust Services (Singapore) Limited  
21 Collyer Quay #14-01  
HSBC Building  
Singapore 049320  
(Company Registration Number: 194900022R)

**Auditors**

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

**Solicitors to the Manager**

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

**Solicitors to the Trustee**

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

**SCHRODER ADVANTAGE SERIES**  
**- SCHRODER DYNAMIC ALLOCATION FUND**

**Important Information**

The manager of the Schroder Dynamic Allocation Fund (the “**Sub-Fund**”), a sub-fund of the Schroder Advantage Series (the “**Fund**”) offered pursuant to this Prospectus, Schroder Investment Management (Singapore) Ltd (the “**Manager**”), accepts full responsibility for the accuracy of the information contained in this Prospectus and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, this Prospectus contains all information with respect to the Sub-Fund which are material in the context of the offer of units in the Sub-Fund (“**Units**”) in this Prospectus and the statements contained in this Prospectus are in every material respect true and accurate and not misleading and there are no facts the omission of which would make any statement in this Prospectus misleading.

Investors should refer to the relevant provisions of the trust deed (as amended or supplemented) relating to the Fund (the “**Deed**”) and obtain professional advice in the event of any doubt or ambiguity relating thereto. A copy of the Deed is available for inspection at the Manager’s office at all times during usual business hours (subject to such reasonable restrictions as the Manager may impose).

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and may only be used in connection with the offering of Units as contemplated herein. All capitalised terms and expressions used in this Prospectus shall, unless the context otherwise requires, have the same meanings ascribed to them in the Deed.

Investors should seek independent professional advice to ascertain (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange transactions or exchange control requirements which they may encounter under the laws of the countries of their citizenship, residence, domicile and which may be relevant to the subscription, holding or disposal of Units and should inform themselves of and observe all such laws and regulations in any relevant jurisdiction that may be applicable to them. Investors should carefully consider the risks of investing in the Sub-Fund which are set out in paragraph 11 of this Prospectus.

No application has been made for the Units to be listed on any stock exchange. Units can be purchased from or sold through the Manager or any agent or distributor appointed by the Manager, subject to the ultimate discretion of the Manager in respect of the purchase, sale, switching, conversion or redemption of an investor’s Units in accordance with the provisions of the Deed.

As the Fund is not registered under the United States Securities Act of 1933 (the “**Securities Act**”) or under the securities laws of any state of the United States of America (“**US**”), the Fund (as defined in Clause 1 of this Prospectus) may not be offered or sold to or for the account of any US Person (as defined in Rule 902 of Regulation S under the Securities Act).

Rule 902 of Regulation S under the Securities Act defines a US Person to include, inter alia, any natural person resident in the US and with regard to investors other than individuals (i) a corporation or partnership organised or incorporated under the laws of the US or any state thereof; (ii) a trust: (a) of which any trustee is a US Person except if such trustee is a professional fiduciary and a co-trustee who is not a US Person has sole or shared investment discretion with regard to trust assets and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person or (b) where a court is able to exercise primary jurisdiction

over the trust and one or more US fiduciaries have the authority to control all substantial decisions of the trust; and (iii) an estate: (a) which is subject to US tax on its worldwide income from all sources or (b) for which any US Person is executor or administrator except if an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with regard to the assets of the estate and the estate is governed by foreign law.

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

If you are in doubt as to your status, you should consult your financial or other professional adviser.

All enquiries in relation to the Fund or the Sub-Fund should be directed to the Manager, Schroder Investment Management (Singapore) Ltd, or any agent or distributor appointed by the Manager.

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## **SCHRODER ADVANTAGE SERIES - SCHRODER DYNAMIC ALLOCATION FUND**

*The collective investment scheme offered in this Prospectus is an authorised scheme under the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”). A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of this Prospectus. This Prospectus has been prepared in accordance with the requirements of the SFA. 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 collective investment scheme. The meaning of terms not defined in this Prospectus can be found in the deed of trust (as may be amended or supplemented) constituting the Schroder Advantage Series.*

### **1. BASIC INFORMATION**

#### **1.1 Name of Fund**

This Prospectus is in relation to the “**Schroder Dynamic Allocation Fund**” (the “**Sub-Fund**”), a sub-fund of the Singapore constituted umbrella fund known as the Schroder Advantage Series (the “**Fund**”). The Fund has four sub-funds established as at the date of registration of this Prospectus and Schroder Investment Management (Singapore) Ltd (the “**Manager**”) is presently offering units in the Sub-Fund as well as in three other sub-funds, known as “**Schroder Multi-Asset Advantage**”, “**Schroder Global Elite Fund**” and “**Schroder LiveSure 2025 Fund**”. This Prospectus relates only to the offering of units in respect of the Sub-Fund (“**Units**”). Units of “**Schroder Multi-Asset Advantage**”, “**Schroder Global Elite Fund**” and “**Schroder LiveSure 2025 Fund**” are currently being offered pursuant to separate prospectuses which may be obtained from the Manager or its authorised distributors.

#### **1.2 Date of Registration and Expiry Date of Prospectus**

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

#### **1.3 Trust Deed and Amendment Deeds**

The Fund is constituted as a unit trust by way of a deed of trust dated 26 January 2004 (the “**Deed of Trust**”), as amended and restated by the following amendment deeds (collectively, the “**Amendment Deeds**”), entered into between the Manager and HSBC Institutional Trust Services (Singapore) Limited (the “**Trustee**”):

- 1.3.1** the First Amendment Deed dated 31 January 2005;
- 1.3.2** the Second Amendment Deed dated 24 August 2005;
- 1.3.3** the Third Amendment Deed dated 22 August 2006;
- 1.3.4** the Fourth Amendment Deed dated 3 January 2008;
- 1.3.5** the Fifth Amendment Deed dated 12 February 2008;
- 1.3.6** the Sixth Amendment Deed dated 1 June 2009;

- 1.3.7** the Seventh Amendment Deed dated 19 October 2009;
- 1.3.8** the Eighth Amendment Deed dated 2 February 2010; and
- 1.3.9** the Ninth Amendment Deed dated 22 December 2010.

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

Copies of the Deed are available for inspection at the office of the Manager at 65 Chulia Street, #46-00, OCBC Centre, Singapore 049513 at all times during usual business hours (subject to such reasonable restrictions as the Manager may impose) and shall be supplied by the Manager to any person on application at a charge of S\$50 per copy of the document (or such other amount as the Trustee and the Manager may from time to time agree in writing), such charge being payable to the Manager.

## **1.5 Accounts and Reports**

Copies of the latest annual and semi-annual reports and the auditor’s report on the annual accounts and the annual and semi-annual accounts relating to the Sub-Fund may be obtained from the Manager upon request, at 65 Chulia Street, #46-00, OCBC Centre, Singapore 049513. Please refer to paragraph 22 of this Prospectus for details of accounts and reports of the Sub-Fund.

## **2. THE MANAGER**

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

The Manager of the Fund is Schroder Investment Management (Singapore) Ltd, whose registered office is at 65 Chulia Street, #46-00, OCBC Centre, Singapore 049513.

### **2.2 Track Record of the Manager and the Sub-Manager**

The Manager was incorporated in Singapore in 1992 and has been managing collective investment schemes and discretionary funds in Singapore since 1992. The Manager has appointed Schroder Investment Management Limited (“**SIML**”) as the sub-manager to fully manage all of the investments of the Sub-Fund. SIML is domiciled in the United Kingdom and has been managing collective investment schemes and discretionary funds in the United Kingdom for more than 70 years.

Both the Manager and SIML are part of the Schroder group (“**Schroders**”). Schroders has been managing collective investment schemes and discretionary funds in Singapore since the 1970s. Schroders is a leading global asset management company, whose history dates back over 200 years. The group’s holding company, Schroders Plc is and has been listed on the London Stock Exchange since 1959.

Schroders aims to apply its specialist asset management skills in serving the needs of its clients worldwide, through its large network of offices and over 300 portfolio managers and analysts covering the world’s investment markets.

***Investors should note that the past performance of the Manager or SIML is not necessarily indicative of the future performance of the Manager or SIML.***

### **3. THE TRUSTEE**

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

### **4. REGISTER OF HOLDERS**

The registrar of the Fund is RBC Dexia Trust Services Singapore Limited. The register of Holders of the Sub-Fund (the “**Register**”) can be inspected at 20 Cecil Street, #28-01, Equity Plaza, Singapore 049705 during usual business hours subject to such reasonable closure of the Register and such restrictions as the Manager or the Trustee may impose. The Register is conclusive evidence of the number of Units held by each Holder.

### **5. THE AUDITORS**

The auditors of the Fund are PricewaterhouseCoopers LLP whose registered office is at 8 Cross Street, #17-00, PWC Building, Singapore 048424.

### **6. STRUCTURE OF THE FUND AND SUB-FUND**

**6.1** The Fund is structured as an umbrella fund and the Sub-Fund is an open-ended non-specialised unit trust established under the umbrella structure. The base currency of the Sub-Fund is Singapore dollars (“**SGD**”).

**6.2** There is currently one class of Units (each, a “**Class**”), namely SGD Class Units.

### **7. INVESTMENT OBJECTIVE, FOCUS AND APPROACH**

#### **7.1 Investment Objective**

The investment objective of the Sub-Fund is to generate potential annual payouts and potential capital growth through exposure to global fixed income and a dynamic allocation strategy linked to the performance of global equity markets.

#### **7.2 Investment Focus and Approach**

The Sub-Fund aims to achieve its objective by combining exposure to:

- (1) global fixed income instruments and money market instruments; and
- (2) the Dynamic Allocation Strategy (as defined below) linked to the performance of global equity markets.

The Sub-Fund aims to extract returns through its holdings of money market instruments and swaps linked to returns on fixed income instruments and three groups of equity markets (the “**Equity Markets**”) based on a quantitative allocation approach.

The assets of the Sub-Fund will be invested in:

- short term cash or floating rate bonds and/or money market instruments, or other securities or funds which aim to generate similar money market returns, denominated in SGD or hedged into SGD (using currency forwards, swaps or options) and issued by corporations, asset-backed vehicles, governments, government agencies or supranationals; and
- one or more total return swap agreements (the “**Swaps**”) negotiated at arm’s length with financial institutions (the “**Swap Counterparties**”) that have a minimum long term issuer rating of “A” by Standard & Poor’s or equivalent (including such sub-categories or gradations therein), under which, the Swap Counterparties will from time to time pay the Sub-Fund the aggregate returns of the global fixed income instruments and the global equity markets achieved through the Dynamic Allocation Strategy and in return the Swap Counterparties will receive from the Sub-Fund floating rate payments reflecting the market price of such total returns. These floating rate payments will be denominated in SGD and based on the prevailing 1-month Singapore Interbank Offer Rate (SIBOR) or similar. These payments will be netted off and the Swap Counterparties will pay the Sub-Fund the net amount if it is positive and the Sub-Fund will pay the Swap Counterparties the net amount if it is negative.

The market prices or valuations for the Swaps will be provided by the Swap Counterparties and adopted by the Trustee (in its capacity as the Sub-Fund’s accounting and valuation agent) for the valuation of the Sub-Fund. The Swaps will generally be valued using the market standard principles of swap pricing with the value to the Sub-Fund at any time calculated as the difference between the present value of the net amount to be received at the following payment date based on prevailing market prices for the underlying assets minus the net amount to be paid at the following payment date based on the prevailing market prices for SGD floating rate payments.

The initial aggregate notional amount of the Swaps will be approximately equivalent to the initial Net Asset Value (as defined in the Deed) of the Sub-Fund. The on-going aggregate notional amount of the Swaps will be adjusted regularly according to subsequent subscriptions and/or redemptions of Units and the fluctuations of the Net Asset Value.

The Manager or SIML, the sub-manager of the Sub-Fund, may also use other instruments to achieve the investment objective in the interest of efficient portfolio management. For example, the Dynamic Allocation Strategy may be achieved through investment in futures in place of total return swaps. The Sub-Fund may reference up to 100% of the performance of the Equity Markets through the Swaps calculated with reference to the Sub-Fund’s prevailing Net Asset Value.

#### Global Fixed Income Instruments

The investment in global fixed income instruments will be achieved by reference to the performance of one or more bond funds or bond indices. At inception, it is expected that the Swaps will reference the performance of the Schroder International Selection Fund (“**ISF**”) Global Bond.

The Schroder ISF Global Bond seeks to provide a return of capital growth and income primarily through investment in a portfolio of bonds and other fixed and floating rate securities denominated in various currencies issued by governments, government agencies, supra-national and corporate issuers worldwide, with a maximum of 20% of the net assets of the fund being invested in securities

with a credit rating below investment grade (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).

The Sub-Fund may reference up to 100% of the performance of the global fixed income instruments through the Swaps calculated with reference to the Sub-Fund's prevailing Net Asset Value.<sup>1</sup>

#### Dynamic Allocation Strategy

The Dynamic Allocation Strategy involves gaining exposure to three groups of Equity Markets, namely: (1) Developed Markets, (2) Emerging Markets and (3) China Markets based on a dynamic quantitative approach developed by the Royal Bank of Scotland plc.

The Sub-Fund will not invest directly in the respective Equity Markets but instead will implement the strategy through derivative instruments.

The Manager or SIML may select alternative underlying constituents for each Equity Market or change the weightings within each Equity Market from time to time if deemed appropriate. Initially the underlying constituents of the respective Equity Markets are expected to be as follows:

<b>Equity Markets</b>	<b>Constituents of Equity Markets</b>
Developed Markets	50% in S&P 500 Index (SPX Index)
	50% in Dow Jones Euro Stoxx 50 Index (SX5E Index)
Emerging Markets	100% in MSCI Emerging Markets Index (MXEF Index)
China Markets	50% in Hang Seng China Enterprises Index (HSCEI Index)
	50% in Hang Seng Index (HSI Index)

At the start of each monthly period, price moving averages of each Equity Market are compared with their prevailing prices. If one or more of the prevailing prices are higher than the price moving averages of the respective Equity Markets by 2.5% or more (or by any other percentage as determined by the Manager in its discretion from time to time), a buy signal is recorded for the Equity Markets. Otherwise a sell signal is recorded. Based on buy/sell signals generated from such moving average comparisons, the exposure to the Equity Markets will either be set at zero or at approximately 100% of the Net Asset Value with approximate proportional weightings of 70%, 20% and 10% respectively to the Equity Market with the highest signal receiving the highest weighting, the Equity Market with the next highest signal receiving the second highest weighting and the Equity Market with the lowest signal receiving the lowest weighting.

The buy/sell signals are generated and implemented on a monthly basis when the new exposure to the Equity Markets and the new weightings to the component Equity Markets are calculated in the same manner as described above.

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<sup>1</sup> Although the Sub-Fund may reference approximately 100% of the performance of the global fixed income instruments and 100% of the performance of the Equity Markets through the Swaps calculated with reference to the Sub-Fund's prevailing Net Asset Value, depending on the Dynamic Allocation Strategy, the absolute exposure (or maximum loss) of Sub-Fund will not be more than 100% of its Net Asset Value under the terms of the Swaps.

***Investors should note that notwithstanding the above (in particular, the buy/sell signals) and the illustrations below, the Manager and SIML shall have the sole discretion to determine the investments of the Sub-Fund, including its exposure to the Equity Markets.***

Illustration of how various returns translate to monthly performance of the Sub-Fund

**Illustration 1:**

Signal assumptions:

Dynamic Allocation buy/sell signal: Buy

Developed Equity Markets signal rank: 2<sup>nd</sup>

Emerging Equity Markets signal rank: 1<sup>st</sup>

China Equity Markets signal rank: 3<sup>rd</sup>

Equity Market exposure is set at 100% because of Buy signal and weighted 70% Emerging Equity Markets, 20% Developed Equity Markets and 10% China Equity Markets based on signal rankings.

Monthly return assumptions:

SGD money market portfolio return: 0.18%

Global fixed income portfolio return (net of swap costs): -0.10%

Developed Equity Markets: 2.00%

Emerging Equity Markets: 4.00%

China Equity Markets: -1.00%

The Equity Market return is calculated as follows:

$$\begin{aligned} \text{Equity Market return} &= (70\% \times 4.00\%) + (20\% \times 2.00\%) + (10\% \times -1.00\%) \\ &= 3.10\% \end{aligned}$$

Finally, the Sub-Fund return is calculated as follows:

$$\begin{aligned} \text{Sub-Fund return} &= \text{SGD money market return} + \text{Fixed Income return} + \text{Equity Market Return} \\ &= 0.18\% - 0.10\% + 3.10\% \\ &= 3.18\% \end{aligned}$$

**Illustration 2:**

Signal assumptions:

Dynamic Allocation buy/sell signal: Sell

Developed Equity Markets signal rank: 1<sup>st</sup>

Emerging Equity Markets signal rank: 2<sup>nd</sup>

China Equity Markets signal rank: 3<sup>rd</sup>

Equity Market exposure is set at 0% because of Sell signal.

Monthly return assumptions:

SGD money market portfolio return: 0.15%

Global fixed income portfolio return (net of swap costs): 1.10%

The Sub-Fund return is calculated as follows:

$$\begin{aligned}
 \text{Sub-Fund return} &= \text{SGD money market return} + \text{Fixed Income return} \\
 &= 0.15\% + 1.10\% \\
 &= 1.25\%
 \end{aligned}$$

### Illustration 3:

Signal assumptions:

Dynamic Allocation buy/sell signal: Buy

Developed Equity Markets signal rank: 3<sup>rd</sup>

Emerging Equity Markets signal rank: 2<sup>nd</sup>

China Equity Markets signal rank: 1<sup>st</sup>

Equity Market exposure is set at 100% because of Buy signal and weighted 70% China Equity Markets, 20% Emerging Equity Markets and 10% Developed Equity Markets based on signal rankings.

Monthly return assumptions:

SGD money market portfolio return: 0.20%

Global fixed income portfolio return (net of swap costs): 0.75%

Developed Equity Markets: -3.00%

Emerging Equity Markets: 1.00%

China Equity Markets: -2.50%

The Equity Market return is calculated as follows:

$$\begin{aligned}
 \text{Equity Market return} &= (70\% \times -2.50\%) + (20\% \times 1.00\%) + (10\% \times -3.00\%) \\
 &= -1.85\%
 \end{aligned}$$

Finally, the Sub-Fund return is calculated as follows:

$$\begin{aligned}
 \text{Sub-Fund return} &= \text{SGD money market return} + \text{Fixed Income return} + \text{Equity} \\
 &\quad \text{Market Return} \\
 &= 0.20\% + 0.75\% - 1.85\% \\
 &= -0.90\%
 \end{aligned}$$

***All figures are used for illustrative purposes only and should not be construed as a forecast, prediction or projection of the future or likely performance of the Sub-Fund.***

## 7.3 Distribution Policy

The Manager shall have the absolute discretion to determine whether a distribution is to be made in respect of the Sub-Fund.

The Manager intends to make annual distributions payable on 31 December each year, subject to the provisions of this sub-paragraph 7.3. For the first three years commencing from the close of the initial offer period of the Sub-Fund, the Manager intends to distribute a fixed rate of 3.96 cents per Unit per annum to Holders.

A Holder may at any time make a request in writing for the reinvestment of all but not part of the net amount of distributions to be received by him in the purchase of further Units (including fractions of Units, if any) to be issued at the issue price calculated in accordance with Clause 10(B) of the Deed and subject to the right of the Manager to give discounts under the Deed.

Such investment request may not be withdrawn by the Holder otherwise than by notice in writing given at least 60 days in advance prior to the date of any particular distribution to the Manager. If a Holder has withdrawn the reinvestment request, the distribution to be made to such Holder shall be the relevant amount in cash available for distribution in respect of such Holder's holding of Units.

The Manager reserves the right to review and make changes to the distribution policy of the Sub-Fund from time to time (without giving any prior notice to Holders).

**Whilst fixed distributions provide the benefit of having a reliable and regular cash flow, investors should be aware that the distributions may exceed the net return of the Sub-Fund at times and lead to a reduction of the original amount invested, depending on the date of initial investment. Distributions are not guaranteed by the Manager and are subject to the performance of the Sub-Fund.**

## 8. AUTHORISED INVESTMENTS

Subject to the investment objective of the Sub-Fund, the authorised investments of the Sub-Fund ("**Authorised Investments**") are any of the following investments:

- (i) any Quoted Investment<sup>2</sup> which is selected by the Manager for the purpose of investment of the Deposited Property<sup>3</sup>; or
- (ii) any investment in respect of which application for listing or for permission to deal has been made to a Recognised Stock Exchange<sup>4</sup> and the subscription for or purchase of which is either conditional upon such listing or permission to deal being granted within a specified period not exceeding 12 weeks (or such other period as may be agreed between the Manager and the Trustee) or in respect of which the Manager is satisfied that the subscription or other transactions will be cancelled if the application is refused; or

<sup>2</sup> "**Quoted Investment**" means any investment which is quoted, dealt with or listed or in respect of which permission to deal is effective on a Recognised Stock Exchange.

<sup>3</sup> "**Deposited Property**" means all the assets (cash and other property) for the time being held or deemed to be held upon the trusts of the Deed (or if the context so requires, the part thereof attributable to the Sub-Fund).

<sup>4</sup> "**Recognised Stock Exchange**" means any stock exchange and in relation to any particular investment shall be deemed to include any responsible market maker and authorised dealer in the market in which the investment is traded and any over-the-counter or electronic or telephone market of repute and any responsible firm, corporation or association in any part of the world dealing in the investment and any responsible mutual fund or subsidiary thereof or unit trust scheme issuing and redeeming participations or Units (as the case may be) so as to provide in the opinion of the Manager with the approval of the Trustee a satisfactory market for the investment and in such a case the investment shall be deemed to be the subject of an effective permission to deal or listing on a Recognised Stock Exchange deemed to be constituted by such person, firm, corporation, association, mutual fund, subsidiary thereof or unit trust scheme.

- (iii) any Unquoted Investment<sup>5</sup> which is selected by the Manager for the purpose of investment of the Deposited Property; or
- (iv) any investment denominated in any currency; or
- (v) any investment which is a unit in any unit trust scheme or a share or participation in an open-ended mutual fund or other collective investment scheme; or
- (vi) any investment which is a future, option, forward, swap, collar, floor or other derivative or a repurchase agreement; or
- (vii) the currency of any country or any contract for the spot purchase or sale of any such currency, any foreign exchange transaction or any forward contract of such currency; or
- (viii) if the Sub-Fund is subsequently included under the Central Provident Fund Investment Scheme (“CPFIS”), any investment for the time being approved by the relevant authority for the purposes of unit trust schemes included under the CPFIS under the CPFIS Regulations; or
- (ix) any investment which is not covered by paragraphs (i) to (viii) above but is selected by the Manager for the purpose of investment of the Deposited Property of the Sub-Fund and approved by the Trustee.

## 9. SUB-FUND INCLUDED UNDER THE CPFIS

The Sub-Fund is not currently included under the CPFIS.

## 10. FEES AND CHARGES

- 10.1** The following table sets out the fees and charges payable by a Holder and payable out of the Sub-Fund to the Manager or the Trustee.

<b>Fees payable by a Holder</b>	
Preliminary charge	Currently 5%; Maximum 5%
Realisation charge	Currently 0%; Maximum 4%
Switching charge	For switching of Units with units of other funds managed by the Manager which are not sub-funds of the Fund: Currently 1%; Maximum 1% Switching of Units with units of other sub-funds of the Fund is not permitted as those sub-funds are distributed on an exclusive basis by other distributors
<b>Fees deducted from the assets of the Sub-Fund</b>	
Management fee	Currently 1.75% per annum; Maximum 1.75% per annum
Trustee and custody fee	Currently not more than 0.05% per annum (currently not subject to any minimum amount) Maximum 0.25% per annum

<sup>5</sup> “Unquoted Investment” means any investment which is not quoted, listed or dealt in on any Recognised Stock Exchange.

**10.2** Investors should note that the performance of the Sub-Fund is linked to the performance of one or more instruments referred to in paragraph 7.2 above and the returns to investors will be reduced to the extent that the Swap Counterparties suffer fees and expenses when hedging their exposure. Such instruments may pay fees, either directly or indirectly, to affiliates of the Manager.

**10.3** The Manager may at any time differentiate between investors as to the amount of the preliminary charge (subject to the maximum permitted under the Deed) payable for investments in the Sub-Fund or allow discounts on such basis or on such scale as the Manager shall deem fit. The preliminary charge will be retained by the Manager for its own benefit.

## **11. RISKS**

### **11.1 General Risks**

**11.1.1** Investments in the Sub-Fund are subject to different degrees of economic, political, foreign exchange, interest rate, liquidity, default, regulatory, industry and possible repatriation risks depending on the countries that the Sub-Fund invests into or has exposure to.

**11.1.2** Investments in the Sub-Fund are designed to produce returns over the medium term and are not suitable for short-term speculation. Investors should not expect to obtain short-term gains from such investment.

**11.1.3** Investors should be aware that the price of Units in the Sub-Fund, and the income from them, may fall or rise and that past performance is not necessarily a guide to future performance. Investors may not get back their original investment.

### **11.2 Specific Risks**

#### **11.2.1 Market Risk**

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

#### **11.2.2 Derivatives Risk**

The Sub-Fund may use futures, options, warrants, forwards, swaps or swap options. This involves increased risk. The Sub-Fund's ability to use such instruments successfully depends on the Manager's ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the Manager's predictions are wrong, or if the derivatives do not work as anticipated, the Sub-Fund could suffer greater losses than if the Sub-Fund had not used the derivatives. If the Sub-Fund invests in over-the-counter derivatives, there is increased risk that a counterparty may fail to honour its contract. In some instances, the use of the above-mentioned instruments may have the effect of leveraging the Sub-Fund. Leveraging adds increased risks because losses may be out of proportion to the amount invested on the instrument.

Investors should note that financial derivatives will be used for hedging and efficient portfolio management purposes and/or for meeting the investment objective of the Sub-Fund in accordance with the Code on Collective Investment Schemes (as may be amended from

time to time) (the “**Code**”). These instruments are highly volatile instruments and their market values may be subject to wide fluctuations.

The Manager will ensure that the risk management and compliance procedures and controls adopted are adequate and that they have the requisite expertise, experience and quantitative tools to manage and contain such investment risks.

The responsibility for risk management and compliance procedures and controls for the Sub-Fund is assumed by Schroders’ Structured Investments team. Risks are assessed prior to investment to ensure that the Manager has the appropriate processes and controls in place to mitigate operational, investment and credit risks. Risk and compliance monitoring of investment restrictions is performed on a regular basis.

The Manager’s fund managers have primary responsibility for ensuring that derivative transactions are consistent with the investment objective of a fund. Derivative positions are monitored to ensure that derivative usage is consistent with the fund’s investment objectives and communications to Schroders’ investors. The Manager’s fund managers liaise with the risk or compliance team where appropriate to agree how the derivative investments should be monitored and clarify any uncertainty in relation to interpretation of rules or monitoring requirements prior to investing or as soon as the uncertainty arises. The Manager ensures that the fund managers are made aware of changes to regulations, including those in relation to derivatives usage and the Manager ensures processes are put in place to monitor investment restrictions.

### **11.2.3 Interest Rate Risk**

Deposits in financial institutions and investments in bonds, debentures, loan stocks, convertibles and other debt securities may decline in value if interest rates change. In general, the price of debt securities rise when interest rates fall, and fall when interest rates rise.

### **11.2.4 Credit Risk**

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

In particular, investors should note that the short term floating returns depend, inter alia, on the non-default of the issuers of the bonds which the Sub-Fund invests in and/or the financial institutions in which deposits are placed.

### **11.2.5 Foreign Securities**

A fund that invests in securities throughout the world is subject to numerous risks resulting from market and currency fluctuations, future adverse political and economic

developments, the possible imposition of restrictions on the repatriation of currency or other governmental laws or restrictions, reduced availability of public information concerning issuers and the lack of uniform accounting, auditing and financial reporting standards or of other regulatory practices and requirements comparable to those applicable to companies in the investor's domicile. In addition, securities of companies or governments of some countries may be illiquid and their prices volatile and, with respect to certain countries, the possibility exists of expropriation, nationalisation, exchange control restrictions, confiscatory taxation and limitations on the use or removal of funds or other assets, including withholding of dividends. Some of the securities held by the Sub-Fund may be subject to government taxes that could reduce the yield on such securities, and fluctuation in foreign currency exchange rates may affect the value of securities and the appreciation or depreciation of investments. Certain types of investments may result in currency conversion expenses and higher custodial expenses.

### **11.2.6 Currency Risks**

The base currency of the Sub-Fund is SGD. The assets and liabilities of the Sub-Fund may be denominated in currencies different to the base currency and the Sub-Fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between such base currency and other currencies. If the currency in which a security is denominated appreciates against the base currency, the value of the security would increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security. The Manager may manage the currency risk of the Sub-Fund by hedging through forward currency contracts, currency futures, currency swap agreements or currency options.

### **11.2.7 Industry Risks**

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

### **11.2.8 Other Risks**

The value of the Units in the Sub-Fund will be affected by the performance of the Dynamic Allocation Strategy. In particular, investors in the Sub-Fund will experience losses when Equity Markets fall if the Dynamic Allocation Strategy has generated 100% long exposure to global equity markets. Investors are also subject to losses to the extent that the Equity Markets overweighted in the Dynamic Allocation Strategy from time fall by more than the Equity Markets underweighted.

**The above should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in the Sub-Fund.**

## **12. SUBSCRIPTION OF UNITS**

### **12.1 Subscription procedure**

Investors may apply for Units in the Sub-Fund from the Manager or its distributors using cash or Supplementary Retirement Scheme ("SRS") monies.

For subscriptions using cash, investors must complete the application form accompanying this Prospectus and send it, together with a cheque for the application monies made payable to the Manager or its distributors.

For subscriptions using SRS monies, investors must complete the application form accompanying this Prospectus and send the application form to the Manager or its distributors. An investor paying with SRS monies shall instruct his SRS operator bank to withdraw from his SRS account monies in respect of the Units applied for.

## 12.2 Cancellation of initial subscription

Subject to Clause 8(B) of the Deed and to the terms and conditions for cancellation of subscription in the cancellation form to be provided together with the application form for Units, every Holder shall have the right by notice in writing delivered to the Manager or its authorised agents to cancel his subscription for Units in the Sub-Fund within 7 calendar days (or such longer period as may be agreed between the Manager and the Trustee) from the date of his subscription. Cancellation of Units will be based on the Net Asset Value per Unit to be determined on the next Dealing Day (as defined in paragraph 12.4 below). Investors should refer to the terms and conditions for cancellation of subscription attached to the cancellation form before purchasing Units in the Sub-Fund.

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

<b>Minimum initial subscription amount</b>	S\$1,000*
<b>Minimum subsequent subscription amount</b>	S\$100

\* There is no minimum initial subscription amount for investments in the Sub-Fund made via MIP (Please refer to paragraph 13 below for more details).

## 12.4 Dealing Deadline and pricing basis

All Units are priced on a forward basis. For forward pricing, the issue price for Units ("**Issue Price**") cannot be calculated at the time of application. The Issue Price on any dealing day of the Sub-Fund (see below) ("**Dealing Day**") shall be the price per Unit ascertained by dividing the Net Asset Value of the Sub-Fund as at the Valuation Point on the Valuation Day<sup>6</sup> (calculated in accordance with the Deed) applicable to the relevant Dealing Day on which the subscription is received by the Manager by the number of Units then in issue and deemed to be in issue calculated to 4 decimal places (or such number of decimal places as may from time to time be determined by the Manager after consulting the Trustee). Any rounding adjustment shall be retained for the benefit of the Sub-Fund.

<sup>6</sup> "**Valuation Day**" means each Dealing Day (or such other day as the Manager with the approval of the Trustee shall otherwise determine on which the Net Asset Value of the Sub-Fund or the Net Asset Value of Units of the Sub-Fund is to be calculated, provided that not less than one calendar month's prior notice shall be given to the Holders of the Sub-Fund before any change in the Manager's determination).

Applications received on or before the Dealing Deadline in respect of a Dealing Day will be transacted at the price based on the Issue Price of the Units of that Dealing Day. Applications received after the Dealing Deadline in respect of a Dealing Day or on a day which is not a Dealing Day will be transacted at the price based on the Issue Price of the Units of the next Dealing Day.

“**Dealing Day**” shall mean every Tuesday or, if such day is not a Business Day, the next following day which is a Business Day.

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

“**Dealing Deadline**” shall mean 5 p.m. Singapore time two (2) Business Days prior to the Dealing Day, or such other time on such day as the Manager may from time to time determine with the approval of the Trustee.

The aforementioned Dealing Days or subscription intervals of the Sub-Fund may be changed to such other day or days or at such intervals, as the case may be, as the Manager may from time to time determine with the approval of the Trustee provided that reasonable prior notice of such determination shall be given by the Manager to all the Holders in the Sub-Fund at such time and in such manner as the Trustee may approve.

## 12.5 Numerical example

The following example shows how the number of Units allotted to an investor of the Sub-Fund is derived. The number of Units (truncated to 2 decimal points) an investor will receive is calculated by dividing the application monies less any preliminary charge by the Issue Price. An example of the number of Units which an investor will receive with an investment of S\$1,000, based on a notional Issue Price of S\$1.0100 will be calculated as follows:

S\$1,000	-	(S\$50)	=	S\$950.00
Application monies		Preliminary charge*		Net investment sum
S\$950.00	/	S\$1.0100	=	940.59 Units
Net investment sum		Notional Issue Price (Net Asset Value per Unit)**		No. of Units received

\*Preliminary charge of 5%.

\*\*Notional Issue Price used for illustrative purposes only and should not be construed as a forecast, prediction or projection of the future or likely performance of the Sub-Fund.

## 12.6 Confirmation of purchase

Upon receipt of the application monies from an investor, Units in the Sub-Fund will be purchased for the investor and the investor shall be sent a confirmation of his purchase within 10 Business Days from the date of receipt and acceptance of his application and the application monies by the Manager.

### 13. MONTHLY INVESTMENT PLAN

For investors who wish to participate in the monthly investment plan in respect of the Sub-Fund (“**MIP**”), the minimum monthly investment is S\$100. There is no minimum initial subscription amount for investment in the Sub-Fund via MIP.

Purchases of Units under the MIP may be made through (a) GIRO (for cash Units) or (b) SRS contributions (for SRS Units). Under the MIP (i) subscription monies will be deducted before the applicable Dealing Day under GIRO and (ii) subscription applications are submitted to the SRS operator on the Business Day following the applicable Dealing Day in respect of the SRS contribution. Units are allotted as at the applicable Dealing Day, subject to receipt of cleared funds from investors’ GIRO account or the SRS operator (as the case may be) thereafter.

An investor may cease participation in the MIP, without any penalty by giving 30 days’ notice (or such other notice period as may from time to time be determined by the Manager) in writing to the Manager.

### 14. REALISATION OF UNITS

#### 14.1 Realisation Procedure

A Holder may at any time during the life of the Sub-Fund make a request in writing (a “**realisation request**”) for the realisation of all or any Units held by him, subject to the suspension of dealings as set out in paragraph 17 below.

Holders who wish to realise their Units in the Sub-Fund may do so on a Dealing Day by submitting a realisation request to the Manager or its distributors on or before the Dealing Deadline for the applicable Dealing Day of the Sub-Fund. Realisation of Units shall only be effected on the relevant Dealing Day of the Sub-Fund in respect of a realisation request received by the Manager on or before the Dealing Deadline in respect of such Dealing Day.

#### 14.2 Minimum holding and minimum realisation amount

The minimum holding of Units for the Sub-Fund is 100 Units (the “**Minimum Holding**”). A Holder shall not be entitled to realise part of his holding of Units without the approval of the Manager and the Trustee if, as a result of such realisation of Units, his holding would be reduced to less than the Minimum Holding. Unless the Manager in any particular case, or generally otherwise agrees, a Holder shall not be entitled to realise Units other than in amounts above 100 Units.

#### 14.3 Dealing Deadline and pricing basis

Holders may redeem Units in the Sub-Fund on a weekly basis. Please refer to sub-paragraph 12.4 above for details on the Dealing Day and Dealing Deadline. Where a realisation request has been received by the Manager or its duly authorised agents on or before the relevant Dealing Deadline, the Holder will be paid a price based on the Net Asset Value per Unit of the Sub-Fund at the close of the Dealing Day. Where a realisation request has been received by the Manager after the relevant Dealing Deadline or on a day which is not a Dealing Day, the Holder will be paid a price based on the Net Asset Value per Unit of the Sub-Fund at the close of the next Dealing Day.

As Units are priced on a forward basis, the realisation price for Units cannot be calculated at the time of request. The realisation price per Unit of the Sub-Fund shall be ascertained in accordance with Clause 9(D) of the Deed. The realisation price on any Dealing Day shall be the price per Unit ascertained by dividing the Net Asset Value of the Sub-Fund as at the Valuation Point on the Valuation Day applicable to the relevant Dealing Day on which the realisation request is received by the Manager by the number of Units then in issue and deemed to be in issue calculated to 4 decimal places (or such number of decimal places as may from time to time be determined by the Manager after consulting the Trustee). Any rounding adjustment shall be retained for the benefit of the Sub-Fund.

#### 14.4 Numerical example

The realisation proceeds paid to a Holder will be the realisation price per Unit less the applicable realisation charge multiplied by the number of Units to be realised. An example of the realisation proceeds a Holder will receive from realising 1,000 Units, based on a notional realisation price of S\$1.1032 is as follows:

1,000 Units	X	S\$1.1032	=	S\$1,103.20
No. of Units Realised		Notional Realisation Price (Net Asset Value Per Unit)**		Realisation Proceeds

*\*There is currently no realisation charge imposed.*

*\*\*Notional realisation price used for illustrative purposes only and should not be construed as a forecast, prediction or projection of the future or likely performance of the Sub-Fund.*

#### 14.5 Period and method of payment

The realisation proceeds are paid to investors within 6 Business Days (or such other period as may be prescribed by the Authority) following the relevant Dealing Day of receipt and acceptance of the realisation request.

Any monies payable to a Holder in respect of:

- (i) cash Units shall be paid by cheque or warrant sent through the post to the Holder at the address of such Holder, or in the case of Joint-All Holders<sup>7</sup>, the cheque or warrant shall be made payable to the Joint Holder first named in the Register and in the case of Joint-Alternate Holders<sup>8</sup>, to the Joint Holder signing the realisation request; and
- (ii) SRS Units shall be paid by transferring the said amounts to the relevant SRS operator for credit into such Holder's SRS account or where such account has been terminated, to the Holder in accordance with any applicable laws and regulations.

<sup>7</sup> "Joint-All Holders" means Joint Holders whose mandate the Manager and the Trustee shall act upon only if given by both of such Joint Holders.

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

For cash Units, payment of the cheque or warrant by the banker upon whom it is drawn shall be a satisfaction of the monies payable. For SRS Units, payment as set out in part (ii) above shall be a satisfaction of the monies payable and the receipt of the relevant SRS operator shall be a good discharge to the Manager or the Trustee (as the case may be). Where an authority in that behalf shall have been received by the Trustee or the Manager in such form as the Trustee shall consider sufficient, the Trustee or the Manager (as the case may be) shall pay the amount due to any Holder to his bankers or other agent and the receipt of such bankers or other agent shall be a good discharge therefor. No amount payable to any Holder shall bear interest.

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

## **15. SWITCHING OF UNITS**

- 15.1** Holders may switch Units in the Sub-Fund with units of any other fund managed by the Manager other than the other sub-funds of the Fund. Switching of Units shall be based on the prevailing realisation price ascertained in accordance with Clause 9(D) of the Deed, subject to a minimum switching of 100 Units and the Minimum Holding in the Sub-Fund being maintained. The switching fee currently imposed for switching of Units in the Sub-Fund with units of any other fund managed by the Manager other than the other sub-funds of the Fund is 1% (as set out in paragraph 10 of this Prospectus). The Manager may at its discretion, without assigning any reason, reject any application for switching of Units.

## **16. OBTAINING PRICES OF UNITS**

- 16.1** The Net Asset Value per Unit of the Sub-Fund will be published on the Manager's website at <http://www.schroders.com.sg>, and will also be available directly from the Manager, normally two Business Days after the relevant Dealing Day.
- 16.2** The Net Asset Value per Unit of the Sub-Fund is also published in The Straits Times, The Business Times and Lianhe Zaobao on a periodic basis.

*Investors should note that other than publications of the Manager, the Manager does not accept any responsibility for any errors on the part of the publisher of the prices published in the local newspapers or for any non-publication of prices by such publisher and shall incur no liability in respect of any action taken or loss suffered by the investors in reliance upon such publication.*

## **17. SUSPENSION OF DEALINGS**

- 17.1** The Manager or the Trustee may, with the prior written approval of the other, suspend the issuance and realisation of Units in relation to the Sub-Fund during:-

- 17.1.1** any period when any Recognised Stock Exchange on which any investments of the Deposited Property of the Sub-Fund for the time being are listed or dealt in is closed (otherwise than for ordinary holidays) or during which dealings are restricted or suspended;

- 17.1.2** the existence of any state of affairs which, in the opinion of the Manager and the Trustee constitutes an emergency as a result of which disposition by the Sub-Fund of its investments is not reasonably practicable or might seriously prejudice the interests of the Holders as a whole or of the Deposited Property (whether of the Sub-Fund or the Fund);
- 17.1.3** any breakdown in the means of communication normally employed in determining the price of any of such investments or the current price on any market or when for any reason the prices of any investments cannot be promptly and accurately ascertained (including any period when the fair value of a material portion of such investments cannot be determined);
- 17.1.4** any period when the remittance of money which will or may be involved in the realisation of such investments or in the payment for such investments cannot, in the opinion of the Manager and the Trustee, be effected at normal rates of exchange;
- 17.1.5** any period when the dealing of Units is suspended pursuant to any order or direction issued by the Authority;
- 17.1.6** any 48 hours (or such longer period as may be agreed between the Manager and the Trustee) prior to the date of any meeting of Holders (or any adjourned meeting thereof); or
- 17.1.7** any period when the business operations of the Manager or the Trustee in relation to the operations of the Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.
- 17.2** Such suspension shall take effect forthwith upon the declaration in writing from the Manager to the Trustee or the Trustee to the Manager (as the case may be) and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other conditions under which suspension is authorised under the Deed shall exist upon the declaration in writing thereof by the Manager or the Trustee (as the case may be). The Manager may temporarily suspend the realisation of Units for such reasonable period as may be necessary to effect an orderly realisation of Units in accordance with clause 9(D)(ii) of the Deed.
- 17.3** Any payment for any Units realised before the commencement of any such suspension but for which payment has not been made before the commencement thereof may, if the Manager and the Trustee so agree, be deferred until immediately after the end of such suspension.

## 18. PERFORMANCE AND BENCHMARK

- 18.1** The returns of the Sub-Fund since inception and over the last 1 year (as at 31 October 2010) are as follows:-

### Total Return

	1 year	Since inception
The Sub-Fund (NAV-to-NAV)	-13.96%	14.59%
The Sub-Fund (NAV-to-NAV (taking into account the preliminary charge))	-18.26%	8.86%

### Annualised Return

	Since inception
The Sub-Fund (NAV-to-NAV)	5.37%
The Sub-Fund (NAV-to-NAV (taking into account the preliminary charge))	3.32%

Source: Morningstar, Performance in SGD, net dividends reinvested.

The inception date of the Sub-Fund is 21 March 2008.

- 18.2** There is no benchmark for which the performance of the Sub-Fund should be measured against since the Sub-Fund is exposed to the performance of the Dynamic Allocation Strategy.

**Past performance of the Sub-Fund is not necessarily indicative of the future performance of the Sub-Fund.**

## 19. TURNOVER RATIO AND EXPENSE RATIO

- 19.1** The expense ratio of the Sub-Fund calculated in accordance with the Investment Management Association of Singapore's guidelines on disclosure of expense ratios and based on the Sub-Fund's audited accounts from 1 July 2009 to 30 June 2010 is 2.03%.

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

- (i) brokerage and other transaction costs associated with the purchase and sale of investments;
- (ii) interest expense arising from bank lending and other loans to the Sub-Fund;
- (iii) foreign exchange gains and losses of the Sub-Fund (whether realised or unrealised);
- (iv) tax deducted at source or arising from income received (including withholding tax);
- (v) front-end loads, back-end loads and other costs arising from the purchase or sale of a foreign unit trust or mutual fund; and
- (vi) dividends and other distributions paid to the Holders.

The turnover ratio of the Sub-Fund for the period from 1 July 2009 to 30 June 2010 calculated based on the lesser of purchases or sales expressed as a percentage over the average daily Net Asset Value of the Sub-Fund, is 172.49%.

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

**20.1** In the management of the Sub-Fund, the Manager and SIML may accept soft dollar commissions from, or enter into soft dollar arrangements with, stockbrokers who execute trades on behalf of the Sub-Fund and the soft dollars received are restricted to the following kinds of services:

**20.1.1** research and price information;

**20.1.2** performance measurement;

**20.1.3** portfolio valuations; and

**20.1.4** analysis administration services.

The Manager and SIML may not receive or enter into soft dollar commissions or arrangements unless (a) such soft dollar commissions or arrangements shall reasonably assist the Manager and SIML in their management of the Sub-Fund, (b) the Manager and SIML shall ensure at all times that the transactions are executed at the best available terms taking into account the relevant market at the time for transaction of this kind and size concerned, and (c) that no unnecessary trades are entered into in order to qualify for such soft dollar commissions or arrangements. The Manager and SIML shall not receive goods and services such as travel, accommodation and entertainment.

## **21. CONFLICTS OF INTEREST**

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

**21.2** The factors which the Manager and/or SIML will take into account when determining if there are any conflicts of interest as described in sub-paragraph 21.1 above include the assets of the Sub-Fund. To the extent that another fund managed by the Manager and/or SIML intends to purchase substantially similar assets, the Manager and/or SIML (as the case may be) will ensure that the assets are allocated fairly and proportionately and that the interests of all Holders are treated equally between the Sub-Fund and the other funds.

**21.3** Associates of the Trustee may be engaged to offer financial, banking and brokerage services to the Sub-Fund, but those services, where provided, will be on an arm's length basis.

## **22. REPORTS**

- 22.1** The financial year-end of the Sub-Fund is 30 June. The annual report, annual accounts and the auditor's report on the annual accounts will be prepared and sent to the Holders of the Sub-Fund within 3 months of the financial year-end (or such other periods as may be permitted by the Authority).
- 22.2** The semi-annual report and semi-annual accounts will be prepared and sent to the Holders within 2 months of the financial half-year end i.e. 31 December (or such other periods as may be permitted by the Authority).

## **23. QUERIES AND COMPLAINTS**

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

## **24. OTHER MATERIAL INFORMATION**

### **24.1 Change of investment policy**

The Manager may from time to time change the investment policy of the Sub-Fund in accordance with the Deed upon prior written notification of not less than one month (or such other period as may be required pursuant to the Code or other applicable law or regulation or agreed between the Manager and the Trustee if not prohibited by the Code or other applicable law or regulation) to the Holders of the Sub-Fund.

### **24.2 Custody of investments**

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

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

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

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

Notwithstanding any other provision in the Deed, the following provisions shall apply:

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

### **24.3 Termination of the Fund or a Sub-Fund**

The Fund or the Sub-Fund may be terminated by the Manager, the Trustee or the Holders under the circumstances stipulated under the Deed.

Investors should refer to the Deed for further information with respect to the events of termination and the manner in which the Fund or the Sub-Fund may be terminated.

### **24.4 Value of Authorised Investments**

Save as otherwise expressly provided in the Deed and subject to the provisions of the Code, for the purposes of determining the Net Asset Value of the Sub-Fund or any part thereof, any investment comprised or to be comprised therein shall be calculated as follows:

- (i) a Quoted Investment, the value shall be calculated by reference to the official closing price, or last quoted price on any Recognised Stock Exchange; where such Quoted Investment is listed, dealt or traded in more than one Recognised Stock Exchange, the Manager or any authorised agent appointed by the Manager may in its absolute discretion select any one of such Recognised Stock Exchange for the foregoing purposes.

- (ii) the value of any Unquoted Investments (other than any deposit or bank bill or unit or share in an open-ended collective investment scheme referred to in paragraphs (iii) and (iv) below) shall be calculated by reference to, where applicable, (1) the initial value thereof being the amount expended in the acquisition thereof or (2) the last bid prices quoted by responsible firms, corporations or associations on a **Recognised Stock Exchange or an over-the-counter market** at the time of calculation (or at such other time as the Managers may from time to time after consultation with the Trustee determine) or (3) the price quoted thereon by any person, firm or institution making a market in that Authorised Investment (and if there shall be more than one such market maker, then such market maker as the Managers may designate) or (4) 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 Authorised Investment, and in the valuation of such investment the Managers may take into account relevant factors including without limitation significant relevant events affecting the issuer such as pending mergers and acquisitions and restrictions as to saleability or transferability. For the consideration of what is fair value, the Managers may consult with a stockbroker or valuer approved by the Trustee. The Manager may at any time with the approval of the Trustee and shall at such times or at such intervals as the Trustee may request cause a revaluation to be made of any Unquoted Investment by an approved valuer approved by the Trustee as qualified to value such Unquoted Investment.
- (iii) cash, deposits and similar assets which shall be valued at their face value (together with accrued interest) unless in the opinion of the Manager (after consultation with the Trustee), any adjustment should be made to reflect the value thereof.
- (iv) a unit or share in a unit trust or mutual fund or collective investment scheme which 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.
- (v) an investment, other than as described above, which shall be valued in such manner and at such time as the Manager (after consultation with the Trustee) shall from time to time determine in accordance with the Code and all applicable laws and regulations.
- (vi) Provided That if the quotations referred to in (i) to (iv) above are not available or if such quotations, in the opinion of the Manager, are not representative then the value of such Investment shall be such value as the Manager, with due care and in good faith considers to be fair value, with the consent of the Trustee who shall decide if a notice to notify the Holders of such determination is required and, in determining such reasonable value, the Manager may rely on quotations for the investment on another Recognised Stock Exchange or in an over-the-counter or electronic or telephone market or by an authorised dealer for Singapore Government securities or other fixed income securities or any certified valuation by a member of repute of any Recognised Stock Exchange or any approved valuer or such other reasonable means as the Trustee may approve.

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

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

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

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

purporting to be conveyed by any such letter, facsimile or electronic message although the same contains some error or shall not be authentic.

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

**BOARD OF DIRECTORS OF THE MANAGER**

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**SUSAN SOH SHIN YANN**

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**THAM EE MERN LILIAN**

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**TAN JUI TONG**

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**GWEE SIEW PING**

