

PROSPECTUS

Dated 26 October 2017
(Replacement Prospectus dated 26 February 2018)

■ Nikko AM Shenton Eight Portfolios

This Prospectus dated 26 February 2018 is a replacement prospectus lodged pursuant to Section 298 of the Securities and Futures Act, Chapter 289 of Singapore and replaces the prospectus registered by the Monetary Authority of Singapore on 26 October 2017.

NIKKO AM SHENTON EIGHT PORTFOLIOS – EIGHT PORTFOLIO C

MANAGERS

Nikko Asset Management Asia Limited
Company Registration No.: 198202562H
12 Marina View
#18-02, Asia Square Tower 2
Singapore 018961

SOLICITORS TO THE MANAGERS

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

TRUSTEE

BNP Paribas Trust Services Singapore Limited
Company Registration No.: 200800851W
20 Collyer Quay
#01-01
Singapore 049319

SOLICITORS TO THE TRUSTEE

Tan Peng Chin LLC
30 Raffles Place
#11-00 Chevron House
Singapore 048622

AUDITORS

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

REGISTRAR

BNP Paribas Trust Services Singapore Limited
Company Registration No.: 200800851W
20 Collyer Quay
#01-01
Singapore 049319

CUSTODIAN

BNP Paribas Securities Services, operating
through its Singapore branch
Company Registration No.: T08FC7287D
20 Collyer Quay
#01-01
Singapore 049319

NIKKO AM SHENTON EIGHT PORTFOLIOS – EIGHT PORTFOLIO C IMPORTANT INFORMATION

The collective investment scheme offered in this Prospectus is an authorised scheme under the Securities and Futures Act (Cap. 289). A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the "**Authority**"). The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the Securities and Futures Act (Cap. 289), 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.

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 this offering of securities to which it relates by distribution as contemplated herein.

The units in the Eight Portfolio C (the "**Sub-Fund**"), which is a sub-fund of Nikko AM Shenton Eight Portfolios (the "**Trust**"), may not be directly or indirectly offered or sold in the United States of America or any of its states, territories, possessions or other areas subject to its jurisdiction (the "**United States**") or for the benefit of a United States person (as defined in the United States' Securities Act of 1933, as amended) ("**US Person**"). If at any time it shall come to the knowledge of Nikko Asset Management Asia Limited (the "**Managers**") that any of the units in the Sub-Fund (the "**Units**") are held by or in the beneficial ownership or under the control of a US Person, the Managers shall have the right, on giving written notice, to purchase from the holder such Units at the Realisation Price or to require the holder of such Units to transfer all such Units to a person who is not a US Person.

The Managers accept full responsibility for the accuracy of information contained and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

You should seek professional advice to ascertain (a) the possible tax consequences, (b) the legal requirements which may be relevant to the subscription, holding or disposal of Units and (c) any foreign exchange restrictions or exchange control requirements which you may encounter under the laws of the country of your citizenship, residence, domicile and which may be relevant to the subscription, holding or disposal of Units.

You should carefully consider the risks of investing in the Sub-Fund which are set out in paragraphs 26 to 29 of this Prospectus.

The Units are not listed on any stock exchange and can be purchased from, sold or exchanged through the approved distributors of the Managers, subject to the Managers' ultimate discretion to accept or reject all applications or other instructions in respect of the Units in accordance with the trust deed constituting the Sub-Fund (as amended). Institutional investors may also apply for, redeem or exchange Units through the Managers directly. You should direct all enquiries about the Sub-Fund to the Managers or their approved distributors.

The RIC Sub-Funds (as defined in paragraph 22 of this Prospectus) may use or invest in financial derivative instruments ("FDIs**") for efficient portfolio management and/or investment**

purposes. The other underlying funds of the Sub-Fund (referred to in paragraph 21 of this Prospectus) may also use or invest in FDIs.

Personal Data Protection

You consent and acknowledge that any personal data provided to the Managers, the Trustee (as defined in paragraph 3 of this Prospectus), the Custodian (as defined in paragraph 11 of this Prospectus), the Registrar (as defined in paragraph 12 of this Prospectus) and/or such other appointed representatives, agents and/or service providers of the Managers and/or each of their affiliates and related corporations (as defined under Section 6 of the Companies Act, Chapter 50 of Singapore) ("**Recipients**", each a "**Recipient**") whether directly or through appointed distributors or agents or otherwise collected by or on behalf of a Recipient in connection with the subscription for Units, including any personal data relating to third party individuals (e.g. beneficial owners, directors or authorised signatories of investors who are not individuals) ("**Data**") may be collected, used and disclosed by a Recipient for the following purposes: (i) updating and maintaining the register of unitholders of the Sub-Fund; (ii) processing instructions or trades of investors or persons acting on behalf of investors; (iii) complying with any applicable rules, laws or regulations, regulatory policies, guidelines or industry codes, orders, directions or requests issued by any court, legal or regulatory bodies (whether in Singapore or otherwise) including rules and regulations relating to anti-money laundering and countering the financing of terrorism and the carrying out of audit checks, surveillance and investigation; (iv) preventing, detecting and investigating crime, offence or unlawful activity including but not limited to fraud, money-laundering, terrorist financing and bribery, and analysing and managing commercial risks; (v) complying with any applicable treaty or agreement with or between Singapore and a foreign jurisdiction; (vi) fulfilling a judgment or order of court or of any other tribunal within Singapore and in an applicable foreign jurisdiction; (vii) providing client-related services, including providing customer support, responding to queries or feedback given by investors or persons acting on behalf of investors, and generating, communicating with and disseminating notices, reports, correspondence, statements, invoices, confirmations and advices to investors or persons acting on behalf of investors; (viii) verifying the identity of investors or persons acting on behalf of investors; (ix) reviewing and approving investors' account(s), and the conduct of initial and anticipatory credit checks and assessments, relevant checks, ongoing assessment and verification of ongoing credit worthiness and standing; (x) legal claims, actions or proceedings including but not limited to drafting and reviewing documents, obtaining legal advice and facilitating dispute resolution or exercising or enforcing the rights of a Recipient under contract or pursuant to applicable laws and regulations; (xi) administering, operating, processing or managing the Units, the Trust or the Sub-Fund; (xii) meeting or complying with the Recipient's internal policies and procedures; (xiii) handling feedback, queries or complaints; (xiv) maintaining the security of the Recipient's premises including but not limited to the use of forms of surveillance such as security cameras; (xv) facilitating any proposed or actual business assignment, transfer, participation or sub-participation in any of the Recipient's rights or obligations in respect of your relationship with the Recipient; (xvi) all purposes reasonably related to one or more of the foregoing; and (xvii) conducting general administration in relation to the foregoing. Where you provide personal data relating to third party individuals to a Recipient, you warrant that the prior consent of such third party individual, which will allow a Recipient to collect, use and disclose that personal data in the manner and for the purposes described above, has been obtained, and consent to and acknowledge all such collection, use and disclosure on behalf of that third party individual.

You consent and acknowledge that Data may be disclosed and transferred to the following parties, in Singapore or in a foreign jurisdiction, for the purposes set out above: (i) any person or entity including government authorities, regulatory bodies, courts and tribunals to whom a Recipient is under an obligation to make disclosure pursuant to any domestic or foreign legal process, legal obligation or regulatory obligation; (ii) related corporations of the Managers, the Trustee (as defined in paragraph 3 of this Prospectus), the Custodian (as defined in paragraph 11 of this Prospectus) or the Registrar (as defined in paragraph 12 of this Prospectus); and (iii) any agent, contractor or third party service provider who provides administrative, mailing, data processing, business process, human resource, information technology or other services to a Recipient in connection with the operation of the business of a Recipient or the administration and operation of the Trust and/or the Sub-Fund.

You may, after consenting to the collection, use and disclosure of your Data, withdraw your consent by giving notice in writing to the Managers, whether directly or through your appointed agents or distributors. You should note that a notice of withdrawal of consent submitted by a unitholder shall be deemed to be a request for redemption of all Units held by such unitholder.

You undertake to ensure that all information provided to the Recipient is true, accurate and complete and that changes to any such information shall be notified to the Recipient in a timely manner.

Foreign Account Tax Compliance

You acknowledge that you shall notify the Managers or their approved distributors immediately in writing if you are a US Person or if you have subscribed for or hold any Units on behalf of any US Person. You shall further notify the Managers or their approved distributors not later than thirty (30) days of any change under FATCA or any laws or regulations that affects your tax status or the tax status of any US Person on whose behalf you have subscribed for or hold any Units.

You represent and warrant that you have provided or shall provide to the Managers or their approved distributors all documentation or other information required for compliance with FATCA and in connection with any change in tax status and shall otherwise provide all required documentation (including the completion of any FATCA related forms and documents) and other information not later than seven (7) days of any request in writing by the Managers or their approved distributors.

You acknowledge that if you fail to provide accurate and timely information the Managers and their approved distributors have the right to deem you recalcitrant and/or reportable and shall be entitled to take all necessary action(s) against you to be compliant with requirements under FATCA, including but not limited to any local legislation enacted in connection with FATCA as the same may be modified, amended, supplemented, re-enacted or re-constituted from time to time. You should note that the Managers may compulsorily realise all or any of your Units in any of the circumstances set out in paragraph 56 of this Prospectus.

You consent to the collection, storage, and disclosure of any confidential information including personal data to persons to whom payments are made or from whom payments are received for your account and to governmental authorities as required by laws and regulations or other agreement by or between governments pursuant to FATCA. You represent that you have secured from any third party whose information may be provided to the Managers and their approved distributors all necessary consents and/or waivers to permit the Managers and their approved distributors to carry out the actions required pursuant to FATCA, and that you shall secure such consents and waivers prior to furnishing such information to the Managers and their approved distributors.

You acknowledge that the Managers and their approved distributors are entitled to take all necessary action determined by the Managers and the approved distributors to be and remain compliant with FATCA as is required by law or other agreement by or between governments. You authorise the Managers and their approved distributors to withhold or otherwise deduct from any payment any required tax or other government assessment, including but not limited to any requirement to withhold or deduct an amount pursuant to FATCA.

The Managers and their approved distributors shall have the right to determine and carry out any action which they consider to be appropriate to meet any obligations or requirements, whether in Singapore or elsewhere, for the purpose of the prevention of tax evasion. Such actions may include, but shall not be limited to, investigating and intercepting payments into and out of investors' account(s) (particularly in the case of international transfer of funds), investigating the source of or intended recipient of funds, sharing information and documents with any tax or regulatory authorities and withholding income from investors' accounts and transferring it to such tax authorities. If there is any doubt as to whether a payment in or out of your account is lawful, the Managers and their approved distributors reserve the right to cease all dealings with you in relation to such account.

For the purposes of this section relating to foreign account tax compliance, the following words and expressions shall have the following meanings:

"FATCA" means sections 1471 through 1474 of the United States Internal Revenue Code and any regulations and other guidance issued in connection thereto or any other agreement entered into with or between authorities and governments arising out of or in connection with FATCA or the implementation thereof, as each may be modified, amended, supplemented, re-enacted or re-constituted from time to time.

"US Person" means a United States citizen or resident individual, a partnership or corporation organised in the United States or under the laws of the United States or any state of the United States, or a trust if (i) a court within the United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (ii) one or more US Persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States. This definition shall be interpreted in accordance with the United States Internal Revenue Code. Please note that persons who have lost their United States citizenship and who live outside the United States may nonetheless in some circumstances be treated as US Persons.

Common Reporting Standard and Automatic Exchange of Information

Following the development by the Organisation for Economic Cooperation and Development of a common reporting standard ("**CRS**") to achieve a comprehensive and multilateral automatic exchange of information, the Income Tax (International Tax Compliance Agreements) (Common Reporting Standard) Regulations 2016 (the "**CRS Regulations**") have been promulgated to allow Singapore to implement the CRS with effect from 1 January 2017. Singapore has committed to commence exchange of information under the CRS in 2018.

The CRS Regulations require certain Singapore financial institutions (as defined in the CRS Regulations) to identify financial asset holders and establish if they are resident for tax purposes in countries with which Singapore has a tax information sharing agreement. Singapore financial institutions will then report financial account information of the asset holder to the Singapore tax

authorities, which will thereafter automatically transfer this information to certain competent foreign tax authorities on a yearly basis.

Accordingly, the Managers and/or the Trustee (as defined in paragraph 3 of this Prospectus) will require investors to provide, amongst other things, information in relation to their identities and tax residences of their accounts (and the controlling persons, if any), account details, reporting entity, account balance/value and income/sale or redemption proceeds and any additional documentation or information, which will then be reported to the Inland Revenue Authority of Singapore and the other relevant tax authorities for purposes of complying with FATCA, the CRS Regulations and any similar automatic exchange of tax information regimes.

You should consult your professional advisers on the possible tax and other consequences with respect to the implementation of FATCA and CRS.

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I BASIC INFORMATION

1. The Nikko AM Shenton Eight Portfolios (the "**Trust**") is an open-ended umbrella unit trust constituted in Singapore. Currently, only one sub-fund established under the Trust, i.e. the Eight Portfolio C (the "**Sub-Fund**") is offered pursuant to this Prospectus.
2. This Prospectus is a replacement prospectus lodged with the Authority on 26 February 2018. This Prospectus replaces the prospectus that was registered with the Authority on 26 October 2017 (the "**Registered Prospectus**") and shall be valid for a period of 12 months after the date of registration of the Registered Prospectus with the Authority (i.e. up to and including 25 October 2018) and shall expire on 26 October 2018.
3. The Sub-Fund is constituted as a unit trust in Singapore pursuant to the trust deed dated 3 January 2000 (the "**Trust Deed**") entered into between Nikko Asset Management Asia Limited (previously known as "DBS Asset Management Ltd") (the "**Managers**") and RBC Investor Services Trust Singapore Limited (previously known as "RBC Dexia Trust Services Singapore Limited", "Dexia Trust Services Singapore Limited" and "BIL Trust (Singapore) Limited") (the "**Retired Trustee**"), as amended and supplemented by a First Supplemental Deed dated 25 May 2001, a Second Supplemental Deed dated 27 June 2003, a Third Supplemental Deed dated 25 June 2004, a Fourth Supplemental Deed dated 29 December 2004, a Fifth Supplemental Deed dated 23 June 2006, a Sixth Supplemental Deed dated 12 March 2009, a First Amended and Restated Deed dated 23 September 2011, a First Supplemental Deed to the First Amended and Restated Deed dated 17 October 2011 and a Second Amended and Restated Deed dated 31 October 2012, each entered into between the same parties, a Supplemental Deed of Retirement and Appointment of Trustee dated 4 April 2013 entered into between the Managers, the Retired Trustee and BNP Paribas Trust Services Singapore Limited (the "**Trustee**") and a Third Amended and Restated Deed dated 1 July 2013, a Fourth Amended and Restated Deed dated 28 October 2015, a Seventh Supplemental Deed dated 18 November 2015, an Eighth Supplemental Deed dated 28 September 2016, a Ninth Supplemental Deed dated 6 January 2017 and a Tenth Supplemental Deed dated 23 February 2018, each entered into between the Managers and the Trustee. You may inspect copies of the Trust Deed, First Supplemental Deed, Second Supplemental Deed, Third Supplemental Deed, Fourth Supplemental Deed, Fifth Supplemental Deed, Sixth Supplemental Deed, First Amended and Restated Deed, First Supplemental Deed to the First Amended and Restated Deed, Second Amended and Restated Deed, Supplemental Deed of Retirement and Appointment of Trustee, Third Amended and Restated Deed, Fourth Amended and Restated Deed, Seventh Supplemental Deed, Eighth Supplemental Deed, Ninth Supplemental Deed and Tenth Supplemental Deed at the registered and business address of the Managers at 12 Marina View, #18-02, Asia Square Tower 2, Singapore 018961. The Trust Deed, as amended and supplemented by the First Supplemental Deed, Second Supplemental Deed, Third Supplemental Deed, Fourth Supplemental Deed, Fifth Supplemental Deed, Sixth Supplemental Deed, First Amended and Restated Deed, First Supplemental Deed to the First Amended and Restated Deed, Second Amended and Restated Deed, Supplemental Deed of Retirement and Appointment of Trustee, Third Amended and Restated Deed, Fourth Amended and Restated Deed, Seventh Supplemental Deed, Eighth Supplemental Deed, Ninth Supplemental Deed and Tenth

Supplemental Deed shall be referred to as the "**Deed**". Unless specifically defined in this Prospectus, all terms used in this Prospectus (including the Appendix) shall have the same meanings as used in the Deed.

4. You may obtain the latest semi-annual report and accounts and annual report and accounts and the auditor's report on the annual accounts of the Sub-Fund at the business address of the Managers indicated in paragraph 5 below.

II THE MANAGERS

5. The managers for the Sub-Fund are Nikko Asset Management Asia Limited (Company Registration No.: 198202562H) and their registered and business address is at 12 Marina View, #18-02, Asia Square Tower 2, Singapore 018961. The Managers are responsible for investing the assets of the Sub-Fund in accordance with the Deed. The Managers will remain as the managers of the Sub-Fund until they retire or are removed or replaced in accordance with the provisions of the Deed. The Managers are licensed and regulated by the Authority. The Managers are domiciled in Singapore.

6. The Managers have managed collective investment schemes or discretionary funds in Singapore since 1982.

7. To achieve the investment policy of the Sub-Fund, the Managers may in their sole discretion invest the assets of the Sub-Fund in sub-funds of the Nikko AM Shenton Horizon Investment Funds and the Russell Investment Company plc ("**RIC**"). The Nikko AM Shenton Horizon Investment Funds is a Singapore authorised umbrella collective investment scheme also managed by the Managers. The RIC is a foreign investment company registered in Dublin, Ireland. The manager of the RIC is Russell Investments Ireland Limited ("**RIL**") which is domiciled in Ireland. RIL was incorporated on 25 February 1994 under the laws of Ireland as a limited liability company. The financial supervisory authority of RIL is the Central Bank of Ireland. RIL is a part of Russell Investments¹, which specialises in the selection of specialist fund managers. Russell Investments has been managing collective investment schemes or discretionary funds worldwide since 1969. Further details of the Nikko AM Shenton Horizon Investment Funds sub-funds and the RIC sub-funds can be found in paragraph 21 below.

8. Directors of the Managers

David Jonathan Semaya

David is a non-executive director of the Managers and the Representative Director and Executive Chairman of Nikko Asset Management Co., Ltd ("**Nikko AM**") in Japan.

He joined Nikko AM in April 2014, and is primarily responsible for overseeing corporate governance. He also contributes to overall corporate strategy and builds the reputation of the business by leveraging his extensive experience and broad network in the global asset management industry.

¹ "**Russell Investments**" means any or all of Russell Investments Systems Limited and its subsidiaries, including Russell Investments Limited and any other affiliates conducting business under the name "Russell Investments" including RIL or any successor entity of those entities.

Prior to Nikko AM, David was most recently at Barclays Plc in various executive leadership positions, since he joined the bank in 2004. He was Head of the Wealth Management business in the United Kingdom and Ireland, Chairman of Barclays Asset Management Ltd., and Chief Executive Officer of Europe and Asia for Barclays Global Investors (“**BGI**”). From 2004 to 2007, David was President of BGI Japan Trust & Banking Co., Ltd. Prior to that, he was with Merrill Lynch and Co. for 12 years in a variety of roles in Asset Management and Capital Markets in both New York and Tokyo. He served as President of Merrill Lynch Investment Managers Japan from 2002 to 2004.

David has served as a Director of the Investment Management Association and the Wealth Management Association in the United Kingdom and as a Trustee Director for one of Europe’s largest private pension funds. He currently is a Director of Rongtong Fund Management Co., Ltd. (China), Affin Hwang Asset Management Berhad (Malaysia), Ambit Investment Advisors Private Limited (India) and Nikko Asset Management Luxembourg S.A..

David holds a Bachelor of Arts from the University of Florida and a Master of Arts from Temple University and has completed the Stanford-NUS executive program in International Management. He holds dual nationality in the United States and the United Kingdom and is fluent in Japanese.

Lim Soon Chong

Soon Chong is a non-executive director of the Managers.

Soon Chong is the Regional Head of Investment Products and Advisory, Consumer Banking Group and Wealth Management in DBS Bank Ltd (“**DBS**”). In his current role, Soon Chong oversees the discretionary portfolio management, investment advisory as well as investment product teams responsible for designing and executing investment solutions for DBS’ wealth customers.

Immediately prior to assuming his current role, Soon Chong headed the regional balance sheet management function within DBS Corporate Treasury with responsibilities for group asset and liability composition, liquidity transfer pricing, term wholesale funding and structural portfolio management. As the Head of Regional Balance Sheet Management, Soon Chong was a member of the DBS Group Asset and Liability Management Committee and a member of the DBS Singapore Country Management Committee. Soon Chong also served in DBS’ Risk Management Department, working on integrating risk management practices, risk capital measurement and Basel II implementation, and partnering Group Finance on financial planning and strategy.

Soon Chong also worked at Algorithmics Inc (now part of IBM) as well as at the Authority and has experience in a range of areas including bank capital and prudential policy, macroeconomic surveillance, monetary policy research and international financial cooperation.

Soon Chong holds a degree in Economics from the National University of Singapore.

Seet Oon Hui Eleanor

Eleanor joined the Managers in 2011 as the President and as an executive director of the Managers. She is also the Head of Asia ex-Japan at the Managers and is responsible for driving the growth of the Managers in the region. Eleanor has spent her entire career in the asset management industry and has a strong background in the sales and marketing of investment products.

Prior to joining the Managers, Eleanor held the role of Senior Director for iShares, Private Wealth Distribution, Asia ex-Japan from 2009. Previously, she spent 12 years at AllianceBernstein, where she was responsible for building and developing the firm's distribution channels and business. She earned her role as Director of South East Asia with her strong performance in business development and strategic outlook. In that capacity, she was responsible for the overall strategy and execution of the firm's product offerings in South East Asia via intermediaries.

Eleanor graduated with a Bachelor of Economics from the University of New South Wales, Sydney and holds NASD certification in Series 6.

Yu-Ming Wang

Yu-Ming is a non-executive director of the Managers.

He is a Deputy President, the Global Head of Investment and the Chief Investment Officer - International at Nikko AM and is responsible for overseeing Nikko AM's investment teams, which comprise more than 200 seasoned professionals spanning four continents and seven locations (Tokyo, Singapore, Sydney, Auckland, Hong Kong, London and New York) and which cover all global markets and asset classes. Joining Nikko AM as Chief Investment Officer - International in January 2013, Yu-Ming assumed the additional position of Deputy President in April 2014.

Based in Asia since 2007, Yu-Ming was previously Head of Fixed Income at Manulife Asset Management (Hong Kong) Limited. Prior to that, he worked at Wachovia Bank for nine years in senior roles in the capital markets division in New York, before moving to Hong Kong to head the global markets business for the Asian region.

Yu-Ming earned his Bachelor's degree at the Massachusetts Institute of Technology and his Master of Business Administration from New York University. He is a United States national and is fluent in Mandarin Chinese.

Junichi Sayato

Junichi is a non-executive director of the Managers.

In June 2015, Junichi joined Nikko AM as Representative Director and Executive Deputy President, where he oversees risk management, legal, compliance, information technology ("IT") and operations.

Before joining Nikko AM, Junichi most recently served as Representative Director and President of Sumitomo Mitsui Trust General Service Co., Ltd. He previously held the position of President at Sumitomo Mitsui Trust Research Institute Co., Ltd., and also oversaw investor relations at Sumitomo Mitsui Trust Holdings, Inc. as Director and Managing Executive Officer.

At the former Sumitomo Trust & Banking Co., Ltd. (now Sumitomo Mitsui Trust Bank, Limited), he oversaw finance, operations, IT, compliance, and client services as Director and Managing Executive Officer. Before that, he served as Executive Officer and Regional Executive for the Americas, as well as General Manager of the New York branch and General Manager of the Risk Management Department, at the same bank.

He has over 13 years of extensive experience in working outside of Japan namely in London, New York and Washington D.C.

He graduated from the School of Law at Kyoto University in March 1978 and received his master's degree from the London School of Economics (Department of Economics, International Relations Major) in August 1982.

9. **Key executives of the Managers**

The key executives of the Managers are Seet Oon Hui Eleanor (whose description is set out in paragraph 8 above), Peter Sartori and Koh Liang Choon.

Peter Sartori

Peter heads the Asian ex-Japan equity team at the Managers. Based in Singapore, he manages a team of Asian equity specialists and co-manages the Asian regional product.

An investment veteran with over 25 years of fund management experience, Peter joined the Managers from Treasury Asia Asset Management ("**TAAM**") which was acquired by Nikko AM in 2013. TAAM was launched in 2005 in both Sydney and Singapore by Peter and quickly gained a reputation as an institutional quality asset manager.

Prior to the establishment of TAAM, Peter was in Australia where he headed Asian equities at Credit Suisse Asset Management from 2002 to 2004. In 2004, Peter was promoted to Head of Australian and Asian Equities. In 2001, before relocating to Australia, Peter joined Scudder Investments Singapore where he assumed the role of lead portfolio manager for their Asia Pacific equity products.

Between 1990 and 2000, Peter was with Colonial Investments in Australia in various roles. He began his career in 1990 at Colonial Investments in Melbourne, Australia, where in 1993 he was handed responsibility for managing Colonial Investments' Asian equity portfolios. In 1997, he relocated to Hong Kong establishing Colonial Investments' first office in the Asian region. In 1998, Colonial Investments was merged into First State Investments. In 1999, Peter played a key role in Colonial First State's acquisition of Nicholas Applegate's Asian business. Following this acquisition, he relocated to Singapore where he headed the Asian investment team for the group.

Peter holds a Bachelor of Business from RMIT (Phillip) and is a Fellow of the Financial Institute of Australia (FINSIA).

Koh Liang Choon

Liang Choon is the Head of Fixed Income at the Managers, and he leads a team of experienced analysts and portfolio managers. He is responsible for managing active Asian fixed income portfolios covering Asian local currency fixed income, Asian credits and Asian currencies.

An investment veteran with more than 20 years of investment experience, he has been with the Managers since October 2010 when it was known as DBS Asset Management Ltd prior to its acquisition by Nikko Asset Management Group. Prior to this, Liang Choon has worked with APS Komaba Asset Management Pte Ltd ("**APS**"), DBS Asset Management Ltd, Nomura Singapore Limited and Dresdner Bank. Liang Choon joined APS as a founding member in 2005. Before that, Liang Choon spent four years with DBS Asset Management Ltd managing institutional mandates covering Singapore, Asian and global bond markets. Liang Choon began his career at the trading desks of Nomura Singapore Limited and Dresdner Bank where he gained trading experience in Asian fixed income and currency markets.

He holds a Bachelor of Business Administration with majors in Finance and International Business from Simon Fraser University, Canada, and a Master of Science (Applied Finance) from the National University of Singapore. Liang Choon is also a Chartered Financial Analyst charterholder.

III THE TRUSTEE AND CUSTODIAN

10. The trustee for the Sub-Fund is BNP Paribas Trust Services Singapore Limited (Company Registration No.:200800851W) and its registered address is at 20 Collyer Quay, #01-01, Singapore 049319. Under the Deed, the Trustee is responsible for the safekeeping of the assets of the Sub-Fund. The Trustee, may, however, appoint any person or persons to be custodian of such assets. The Trustee is approved and regulated by the Authority.
11. The custodian of the Trust is BNP Paribas Securities Services, operating through its Singapore branch (the "**Custodian**"), with its registered office at 20 Collyer Quay, #01-01, Singapore 049319. The Custodian is a global custodian with direct market access in certain jurisdictions and for other markets it engages selected sub-custodians. Any sub-custodian engaged by the Custodian must be regulated in its home jurisdiction. In respect of its sub-custodians, the Custodian operates a selection and on-going monitoring program based on defined criteria which include financial strength, reputation, and breadth and quality of services provided, such as communication capabilities, settlement, safekeeping, corporate action notification and processing, dividend collection and payment, client service delivery, market information management, asset segregation and business continuity planning. The Custodian is licensed and regulated by the Authority.

IV OTHER PARTIES

12. The registrar of the Sub-Fund is BNP Paribas Trust Services Singapore Limited (Company Registration No.: 200800851W) (the "**Registrar**"). Unitholders of the Sub-Fund (the "**Holder**s") may inspect the register of Holders of the Sub-Fund at 20 Collyer Quay, #01-01, Singapore 049319 during usual business hours subject to such closure of the register in accordance with the Deed and such reasonable restrictions as the Trustee may impose.
13. The auditors of the Sub-Fund are PricewaterhouseCoopers LLP of 7 Straits View, Marina One, East Tower, Level 12, Singapore 018936 (the "**Auditors**").

14. The Managers have delegated their fund administration and valuation functions in respect of the Sub-Fund to BNP Paribas Securities Services, operating through its Singapore branch.
15. Counterparties, brokers and/or prime brokers (if any) that are used by the Sub-Fund are selected from an approved panel and their appropriateness for continuous use by the Managers is reviewed on a regular basis. The Managers must complete due diligence on the counterparties, brokers and/or prime brokers and obtain the relevant internal approvals for their inclusion onto the panel. However, for inclusion onto the panel of counterparties, brokers and/or prime brokers to transact in foreign exchange, over-the-counter derivatives, secured /unsecured call loan or securities lending, approval must also be sought from the risk management department of the Managers' parent company, Nikko AM.

V STRUCTURE OF THE SCHEME

16. It is the Managers' current policy that the Sub-Fund will invest in four sub-funds of the Nikko AM Shenton Horizon Investment Funds listed in paragraph 21(a) to (d). Nikko AM Shenton Horizon Investment Funds is a Singapore-domiciled unit trust and is also managed by the Managers. Currently, the Sub-Fund may also invest in six sub-funds of the RIC listed in paragraph 21(e) to (j). The RIC is a foreign investment company registered in Dublin, Ireland and is managed by RIIL which is also registered in Dublin, Ireland.
17. The Managers have the discretion to establish different classes (each a "**Class**" and collectively the "**Classes**") of Units in the Sub-Fund from time to time. There are currently three Classes of Units in the Sub-Fund, namely the Singapore dollar ("**S\$**" or "**SGD**") Class Units (denominated in SGD), the United States dollar ("**US\$**" or "**USD**") Class Units (denominated in USD) and the Renminbi ("**RMB**") Class Units (denominated in RMB).
18. The Classes differ in terms of their currency of denomination and minimum initial and subsequent investment amounts. You should refer to section XII of this Prospectus on the availability of a regular savings plan for the Classes.

VI INVESTMENT OBJECTIVES, FOCUS & APPROACH

19. The investment objective of the Sub-Fund is to achieve medium to long term capital appreciation for the investors.

The Sub-Fund is suitable for investors who seek medium to long-term capital appreciation by investing in global bonds and equities through investments in other schemes, seek portfolio diversification across geographical regions, sectors and industries, believe in the multi-manager approach in achieving the Sub-Fund's objective and are willing and able to accept that their principal will be at risk and that the value of their investment and any derived income may fall as well as rise.

20. The investment focus of the Sub-Fund is to invest its assets in one or more different mutual fund(s) and unit trust(s) reflecting an underlying investment in equities and bonds in the proportion of approximately 60 : 40. This proportionate allocation could be lower or higher within a 20 per cent variance of the ratio. A certain percentage of the Sub-Fund's assets will

also be held in cash and this portion will not be taken into account in the calculation of the aforesaid equities to bonds ratio.

21. To achieve the investment policy of the Sub-Fund, the Managers may in their sole discretion invest the assets of the Sub-Fund in:
- (a) the Horizon Global Bond Fund (S\$ Hedged), a sub-fund of Nikko AM Shenton Horizon Investment Funds. The investment objective of the Horizon Global Bond Fund (S\$ Hedged) is to achieve medium to long term capital appreciation. The Horizon Global Bond Fund (S\$ Hedged) will as a Feeder Fund invest all or substantially all of its assets in the shares of Russell Investments Global Bond Fund (formerly known as "Russell Global Bond Fund"), a sub-fund within the RIC;
 - (b) the Singapore Dividend Equity Fund, a sub-fund of Nikko AM Shenton Horizon Investment Funds. The investment objective of the Singapore Dividend Equity Fund is to achieve medium to long term capital appreciation by investing primarily in equities listed on the Singapore Exchange Securities Trading Limited that offer attractive and sustainable dividend payments. In addition, the Singapore Dividend Equity Fund may also invest in equities listed outside of Singapore offering attractive and sustainable dividend payments. The Singapore Dividend Equity Fund will invest more than 55% of its assets in shares of corporations (the effect of which would be that investments by the Singapore Dividend Equity Fund in other equities such as real estate investment trusts, business trusts, exchange traded funds and collective investment schemes which are in the nature of equities would be limited by having to meet the more than 55% requirement). For the Singapore Dividend Equity Fund, the Managers manage the portfolio by selecting Singapore listed equities which offer attractive and sustainable dividend payments with the potential for long term capital appreciation. The Managers may also invest in non-Straits Times Index component stocks as well as stocks listed outside of Singapore with these characteristics. All the stocks are selected on the basis of a mixture of top-down and bottom-up analysis;
 - (c) the Horizon Singapore Fixed Income Enhanced Fund, a sub-fund of Nikko AM Shenton Horizon Investment Funds. The investment objective of the Horizon Singapore Fixed Income Enhanced Fund is to achieve medium to long term capital appreciation by investing primarily in money market and fixed income instruments in Singapore which provide income (which shall be reinvested at the present moment) and capital growth. In addition, the Horizon Singapore Fixed Income Enhanced Fund may also invest in money market and fixed income instruments outside of Singapore. For the Horizon Singapore Fixed Income Fund, the Managers select securities on the basis of a mixture of top-down and bottom-up analysis with a focus on both the macro-economic and micro-economic factors driving the bond market;

- (d) the Nikko AM Global Dividend Equity Fund, a sub-fund of Nikko AM Shenton Horizon Investment Funds. The investment objective of the Nikko AM Global Dividend Equity Fund is to provide a total return of capital growth and income over the medium to long term by investing in shares or securities equivalent to shares listed on stock exchanges globally in developed markets² and emerging markets³. The Nikko AM Global Dividend Equity Fund will invest in a diversified portfolio of dividend-producing equity investments that offer attractive and sustainable dividends from companies with relatively strong sustainable cash flows, stable growth and stable dividend payout. There will be no target industry or sector;
- (e) Russell Investments U.S. Equity Fund (formerly known as “Russell U.S. Equity Fund”), a sub-fund of the RIC. The investment objective of Russell Investments U.S. Equity Fund is to achieve capital appreciation by investing in U.S. equity securities, including common stock, convertibles, American depositary receipts, global depositary receipts and warrants listed on the stock exchange(s) in the United States;
- (f) Russell Investments Japan Equity Fund (formerly known as “Russell Japan Equity Fund”), a sub-fund of the RIC. The investment objective of Russell Investments Japan Equity Fund is to achieve capital appreciation by investing primarily in Japanese equity securities, including common stock, convertibles, American depositary receipts and warrants listed on the stock exchange(s) in Japan;
- (g) Russell Investments Asia Pacific Ex Japan Fund (formerly known as “Russell Asia Pacific Ex Japan Fund” and prior to that, “Russell Pacific Basin Equity Fund”), a sub-fund of the RIC. The investment objective of Russell Investments Asia Pacific Ex Japan Fund is to achieve capital appreciation by investing primarily in equity securities, including common stocks, convertibles, American depositary receipts and warrants listed on the stock exchanges in countries in the Pacific Basin (ex Japan) region;
- (h) Russell Investments Continental European Equity Fund (formerly known as “Russell Continental European Equity Fund”), a sub-fund of the RIC. The investment objective of Russell Investments Continental European Equity Fund is to achieve capital appreciation by investing principally in equity securities, including common stock, convertibles, American depositary receipts and warrants, listed on the stock exchange(s) in Europe (ex UK);
- (i) Russell Investments U.K. Equity Fund (formerly known as “Russell U.K. Equity Fund”), a sub-fund of the RIC. The investment objective of Russell Investments U.K. Equity Fund is to achieve capital appreciation by investing primarily in U.K. equity securities, including common stock, convertibles, American depositary receipts, global depositary receipts and warrants listed on the stock exchange(s) in the United Kingdom;

² These include but are not limited to Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom and United States of America.

³ These include but are not limited to Brazil, Chile, China, Colombia, Czech Republic, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and the United Arab Emirates.

- (j) Russell Investments Global Bond Fund, a sub-fund of the RIC. The investment objective of Russell Investments Global Bond Fund is to provide income and capital growth by investing primarily in transferable debt instruments in a variety of currencies, including municipal and government bonds, agency debt, mortgage related debt and corporate debt, that are traded on stock exchanges in the Organisation for Economic Co-operation and Development; and
- (k) Authorised Investments (as defined in the Deed) directly.

22. Russell Investments Global Bond Fund, Russell Investments U.S. Equity Fund, Russell Investments Continental European Equity Fund, Russell Investments Japan Equity Fund, Russell Investments U.K. Equity Fund and Russell Investments Asia Pacific Ex Japan Fund (each a “**RIC Sub-Fund**” and collectively, the “**RIC Sub-Funds**”) are managed by multiple specialist fund managers expertly selected by Russell Investments. This research process is rigorous and sophisticated and aimed at identifying suitable fund managers who are likely to perform well in the future as opposed to those who performed well in the past. Each fund manager appointed by the RIC Sub-Funds is chosen for their expertise in a particular investment region, style and approach. Russell Investments’ in-depth knowledge of investment markets, styles and fund managers is used in selecting suitable fund managers with complementary styles for each of the RIC Sub-Funds. A comprehensive investment plan implemented using the Sub-Fund will have 3 levels of diversification: Multi-Asset, Multi-Style and Multi-Manager. The benefit to an investor is an increased likelihood of reaching their goals and financial objectives.

22A. Currently, the following percentages of the assets of the Sub-Fund (excluding such assets held in cash) are invested in the sub-funds of Nikko AM Shenton Horizon Investment Funds as follows:

Nikko AM Shenton Horizon Investment Funds			
Horizon Global Bond Fund (S\$ Hedged)	Horizon Singapore Fixed Income Enhanced Fund	Nikko AM Global Dividend Equity Fund	Singapore Dividend Equity Fund
20%	20%	50%	10%

VII DISTRIBUTION POLICY

23. Currently, the Managers do not intend to make any distributions in respect of the Sub-Fund.

VIII INCLUSION UNDER THE CENTRAL PROVIDENT FUND INVESTMENT SCHEME (“CPFIS”)

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

IX FEES AND CHARGES

25. The fees and charges payable by the Holders or out of the assets of the Sub-Fund are as follows:

Fees & charges payable by the Holders	
Initial Sales Charge ⁴	Current: Up to 5%; Maximum: 5%
Realisation Charge	Current: Nil; Maximum: 1%
Exchange Fee (for exchange of Units for units of any other Group Trust (as defined in paragraph 34))	Where Initial Sales Charge for the Units being exchanged is less than the initial sales charge payable for the units of the Group Trust being acquired, the difference will be charged.

Fees & charges payable by the Sub-Fund													
Annual Management Participation	Current: 1.50%; Maximum: 2.0%												
Annual Trustee's Fee	Currently below 0.05%; Maximum: 0.2%												
Fees charged by underlying funds which the Sub-Fund invests in	(i) Current: Up to 5.00%; Maximum: 5.00% (ii) Current: Nil; Maximum: 1% (iii) <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Underlying fund</th> <th>Current</th> <th>Maximum</th> </tr> </thead> <tbody> <tr> <td>Horizon Global Bond Fund (S\$ Hedged)</td> <td>1.25%</td> <td rowspan="4" style="text-align: center; vertical-align: middle;">2.0%</td> </tr> <tr> <td>Horizon Singapore Fixed Income Enhanced Fund</td> <td>1.00%</td> </tr> <tr> <td>Nikko AM Global Dividend Equity Fund</td> <td>1.50%</td> </tr> <tr> <td>Singapore Dividend Equity Fund</td> <td>1.25%</td> </tr> </tbody> </table>	Underlying fund	Current	Maximum	Horizon Global Bond Fund (S\$ Hedged)	1.25%	2.0%	Horizon Singapore Fixed Income Enhanced Fund	1.00%	Nikko AM Global Dividend Equity Fund	1.50%	Singapore Dividend Equity Fund	1.25%
Underlying fund		Current	Maximum										
Horizon Global Bond Fund (S\$ Hedged)		1.25%	2.0%										
Horizon Singapore Fixed Income Enhanced Fund		1.00%											
Nikko AM Global Dividend Equity Fund		1.50%											
Singapore Dividend Equity Fund	1.25%												
(i) subscription fee or preliminary charge*													
(ii) realisation fee*													
(iii) management fee**													

⁴ "Initial Sales Charge" means a charge upon the issue of Units of such amount as the Managers may from time to time determine generally or in relation to any specific transaction or class of transaction Provided That it shall not exceed five per cent. of the gross investment sum. Such expression in the context of a given date shall refer to the charge or charges determined by the Managers pursuant to the Deed and applicable on that date.

Fees & charges payable by the Sub-Fund

(iv) performance fee (if applicable)	(iv) Nil
(v) trustee/custodian fee	(v) Currently below 0.05%; Maximum: 0.2%
(vi) any other substantial fee/charge (i.e. 0.1% or more of the underlying fund's asset value)	
(i) Nikko AM Global Dividend Equity Fund (a) Transaction costs	(i) For the financial year ended 31 December 2016: 0.40%
(ii) Horizon Global Bond Fund (S\$ Hedged)	(ii) For the financial year ended 31 December 2016: Nil
(iii) Singapore Dividend Equity Fund (a) Professional fees (b) Transaction costs	(iii) For the financial year ended 31 December 2016: (a) 0.11% (b) 0.20%
(iv) Horizon Singapore Fixed Income Enhanced Fund	(iv) For the financial year ended 31 December 2016: Nil
Any other substantial fee/charge (i.e. 0.1% or more of the Sub-Fund's asset value)	For the financial year ended 31 December 2016: Nil

* The subscription fee or preliminary charge and the realisation charge in respect of the Sub-Fund's investment into each underlying Fund are currently waived.

** The management fee charged by each underlying fund that the Sub-Fund invests in is currently borne by the Managers.

The Initial Sales Charge and the Exchange Fee where applicable, is paid to the approved distributors of the Managers and/or the Managers or will be shared between the approved distributors and the Managers. Any rounding differences due to the adjustment in the calculation of the Issue Price and Realisation Price will be retained by the Sub-Fund. Any commission, remuneration or other sum payable to the approved distributors in respect of the issue or sale of any Units shall not be added to the price of such Units but will be paid by the Managers. The approved distributors may also charge additional fees not listed in this Prospectus. You should therefore check with the approved distributors before subscribing for Units.

X RISKS

26. The general risks of investing in the Sub-Fund are as follows:

- (a) while the Managers believe that the Sub-Fund offers potential for capital appreciation, there is no assurance that this objective will be achieved. You should read this Prospectus and discuss all risks with your financial and legal advisers before making an investment decision; and
- (b) you should be aware that the price of Units can go down as well as up and that past performance is not necessarily a guide to the future performance of the Sub-Fund. You may not get back your original investment. Investment in the Sub-Fund is designed to produce returns over the long term and is not suitable for short term speculation.

27. The risks specific to investing in the Sub-Fund are as follows:

- (a) Market Risk

The price of the securities comprised in the portfolio of the Sub-Fund and the Units, and the income from them, may be influenced by political and economic conditions, changes in interest rates, the earnings of the corporations whose securities are comprised in the portfolio, and the market's perception of the securities.

- (b) Interest Rate Risk and Credit Risk

Investments in debt securities are subject to interest rate fluctuations and credit risks, such as risk of default by the issuer, and are subject to adverse changes in general economic conditions, the financial condition of the issuer, or both, or an unanticipated rise in interest rates, which may impair the issuer's ability to make payments of interest and principal, resulting in a possible default by the issuer.

- (c) Foreign Currency Risk

As the assets of the Sub-Fund may be directly or indirectly invested in the shares of the RIC Sub-Funds (which are denominated in various currencies), you should be aware that since the Sub-Fund is denominated in SGD and the Classes of the Sub-Fund are denominated in SGD, USD or RMB (as the case may be), any appreciation of the SGD, USD or RMB against the relevant currencies would have a negative effect on the value of the Units of the relevant Classes of the Sub-Fund. This foreign exchange risk is however mitigated to the extent that the Sub-Fund invests in the Horizon Global Bond Fund (S\$ Hedged). Save as aforesaid, the Managers do not actively hedge the foreign currency exposure of investments in the Sub-Fund and therefore, you will be exposed to exchange rate risks.

- (d) Liquidity Risk

The extent of market liquidity depends on the size and state of the markets and therefore affects the Sub-Fund's ability to acquire or dispose of assets at the price and time it so desires. Securities listed on the smaller emerging markets are generally less liquid in comparison to those listed on more developed markets and may therefore affect the Sub-Fund's ability to acquire or dispose of securities at the price and time

desired. There may also be state regulations governing the outward remittance by foreign investors of their share of net profits and dividends and the repatriation of their investments in a foreign currency.

In addition, the Sub-Fund is not listed on any stock exchange and there is no ready secondary market for the Units in the Sub-Fund. Holders can only redeem their Units by completing a realisation request and forwarding the same to the Managers through their approved distributors. If there is a surge in realisations at any particular time, the Managers may impose a gate on realisations. If that happens, realisation of Units and/or the payment of realisation proceeds may be delayed. In addition, Holders may not realise their Units during any period when realisation is suspended.

(e) Emerging Market Risk

Any investment by the Sub-Fund into the Nikko AM Global Dividend Equity Fund, or in Russell Investments Asia Pacific Ex Japan Fund directly will expose the Sub-Fund to investment risks in emerging markets. Investments in emerging markets securities are generally more volatile than those of developed countries, with the result that Units in the Sub-Fund may be subject to greater price volatility.

Some emerging markets do not have well-developed or consolidated bodies of securities laws and regulatory frameworks. There may be less public information on companies listed on such markets as compared to other stock markets. The auditing and financial reporting methods used in some emerging markets may differ from internationally recognised standards, and information on the accounts of some companies listed on such markets may not be an accurate reflection of their financial strength.

You would also have to take into account that trading volume in emerging markets may be substantially less than in the world's leading stock markets and may have to be conducted at unfavourable prices. Securities of companies domiciled in emerging markets are less liquid and more volatile than those domiciled in more developed stock markets and this may result in fluctuations in the price of the Units. Emerging markets may not have fully developed custodian and settlement services and therefore investments in such markets are subject to a greater degree of risk.

There may also be state regulations governing the outward remittance by foreign investors of their share of net profits and dividends and the repatriation of their investments in a foreign currency.

(f) Equity Risk

The Sub-Fund may invest in stocks and other equity securities, which are subject to market risks and are in general more volatile than investment-grade fixed income securities. Units in the Sub-Fund may therefore be subject to greater price volatility.

(g) Country Specific Risk

The Sub-Fund may invest in securities of a limited number of countries. Where the Sub-Fund invests in a few, selected countries, it will be exposed to fluctuations in the economies of these countries, and the market, currency, political, social environment and other risks related specifically to these countries, which may affect the market

price of its investments in these countries. Exposure to a limited number of countries also increases the potential volatility of the Sub-Fund due to the increased concentration risk as it is less diversified as compared to exposure to specific regional or global markets.

(h) Risk Associated with the Investment Strategy of the Sub-Fund

The performance of the Sub-Fund is subject to the performance of the underlying funds which it invests in and also to the proportion of its assets allocated to each of the underlying funds. Holders should be aware that the Managers have limited discretion to vary the allocations between equities and bonds for the Sub-Fund and this will in turn limit the Managers' ability to react to changes in market conditions.

28. The risks specific to the Sub-Fund's investments in the RIC Sub-Funds are as follows:

The following are the principal risks which may affect the RIC Sub-Funds but the list is not exhaustive:

(a) Investment Risks

Past performance is not necessarily a guide to the future. The price of shares in the RIC Sub-Funds ("**Shares**") and the income from them may fall as well as rise and an investor may not recover the full amount invested. There is no assurance that any RIC Sub-Fund will achieve its investment objective or that a holder of Shares ("**Shareholder**") will recover the full amount invested in a RIC Sub-Fund. As the capital return and income of each RIC Sub-Fund are based on the capital appreciation and income on the securities it holds (less expenses incurred), the RIC Sub-Fund's return may be expected to fluctuate in response to changes in such capital appreciation or income.

(b) Equity Risks

Prices of equities fluctuate daily depending on market conditions. Markets can be influenced by a series of factors such as political and economic news, corporate earnings reports, demographic trends, catastrophic events and wider market expectations. Potentially a RIC Sub-Fund investing in equities could incur significant losses.

(c) Default and Liquidity Risk of Below Investment Grade Debt Securities

Below investment grade debt securities are speculative and involve a greater risk of default and price changes due to changes in the issuer's creditworthiness. The market prices of these debt securities fluctuate more than investment grade debt securities and may decline significantly in periods of general economic difficulty. The market for such securities may not be liquid at all times. In a relatively illiquid market a RIC Sub-Fund may not be able to acquire or dispose of such securities quickly and as such a RIC Sub-Fund may experience adverse price movements upon liquidation of its investments. Settlement of transactions may be subject to delay and administrative uncertainties.

(d) Political Risks

The value of the RIC's assets may be affected by uncertainties such as political developments, changes in government policies, taxation, currency repatriation restrictions and restrictions on foreign investment in some of the countries in which the RIC may invest.

(e) Currency Risks

The investments of some RIC Sub-Funds may be acquired in a wide range of currencies and changes in exchange rates between currencies may cause the value of an investment in such RIC Sub-Funds to fluctuate. The RIC may use hedging, cross-hedging and other techniques and instruments in such RIC Sub-Funds within the limits laid down, from time to time, by the Central Bank⁵.

(f) Foreign Exchange Transaction Risk

The RIC Sub-Funds may use foreign exchange contracts to alter the currency exposure characteristics of transferable securities they hold. Consequently it is possible that the performance of a RIC Sub-Fund may be strongly influenced by movements in foreign exchange rates because the currency position held by the RIC Sub-Fund may not correspond with the securities position.

(g) Counterparty and Settlement Risks

The RIC will be exposed to a credit risk on parties with whom it trades and will also bear the risk of settlement default.

(h) Custody Risks

As the RIC may invest in markets where custodial and/or settlement systems are not fully developed, the assets of the RIC which are traded in such markets and which have been entrusted to sub-custodians in circumstances where the use of sub-custodians is necessary may be exposed to risk in circumstances where the custodian of the RIC and trustee of the RIC will have no liability.

(i) Umbrella structure of the RIC and Cross Liability Risk

Each RIC Sub-Fund will be responsible for paying its fees and expenses regardless of the level of its profitability. The RIC is an umbrella fund with segregated liability between the RIC Sub-Funds. Under Irish law the RIC generally will not be liable as a whole to third parties and there generally will not be the potential for cross liability between the RIC Sub-Funds. Notwithstanding the foregoing, there is no assurance that, should an action be brought against the RIC in the courts of another jurisdiction, the segregated nature of the RIC Sub-Funds would necessarily be upheld.

(j) Risks associated with FDIs

The RIC Sub-Funds may use or invest in FDIs for efficient portfolio management and/or investment purposes. The types of FDIs that may be used by the RIC

⁵ "Central Bank" means the Central Bank of Ireland and any successor regulatory authority with responsibility for the authorisation and supervision of the RIC.

Sub-Funds include futures, forwards, swaps, spot foreign exchange transactions, caps and floors, contracts for differences and credit derivatives. While the prudent use of FDIs can be beneficial, FDIs also involve risks different from, and in certain cases greater than, the risks presented by more traditional investments. Each RIC Sub-Fund may enter transactions in over-the-counter ("**OTC**") markets that expose it to the credit of its counterparties and their ability to satisfy the terms of such contracts. Where the RIC Sub-Funds enter into credit default swaps and other swap arrangements and derivative techniques, they will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. If a counterparty becomes bankrupt or insolvent, the RIC Sub-Funds could experience delays in liquidating the position and may incur significant losses. It is also possible that ongoing derivative transactions will be terminated unexpectedly as a result of events outside the control of the RIC, for instance, bankruptcy, supervening illegality or a change in the tax or accounting laws relative to those transactions at the time the agreement was originated.

Since many FDIs have a leverage component, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the derivative itself. Certain FDIs have the potential for unlimited loss regardless of the size of the initial investment. If there is a default by the other party to any such transaction, there will be contractual remedies; however, exercising such contractual rights may involve delays or costs which could result in the value of the total assets of the related portfolio being less than if the transaction had not been entered. The swap market has grown substantially in recent years with a large number of banks and investment banking firms acting both as principals and as agents utilising standardised swap documentation. As a result, the swap market has become liquid but there is no assurance that a liquid secondary market will exist at any specified time for any particular swap. Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, the RIC's use of derivative techniques may not always be an effective means of, and sometimes could be counter-productive to, the RIC's investment objective. An adverse price movement in a derivative position may require cash payments of variation margin by the RIC that might in turn require, if there is insufficient cash available in the portfolio, the sale of the RIC's investments under disadvantageous conditions. Also, there are legal risks involved in using FDIs which may result in loss due to the unexpected application of a law or regulation or because contracts are not legally enforceable or documented correctly.

Collateral or margin may be passed by or on behalf of a RIC Sub-Fund to a counterparty or broker in respect of OTC derivative transactions. Assets deposited as collateral or margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers if such brokers become insolvent or bankrupt.

Limitations on the use of FDIs

Each RIC Sub-Fund's global exposure (as prescribed in the UCITS⁶ notices) relating to FDIs must not exceed its total net asset value.

Position exposure to the underlying assets of FDIs, including embedded FDIs in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the UCITS notices. (This provision does not apply in the case of index based FDIs provided the underlying index is one which meets with the criteria set out in the UCITS notices.)

A RIC Sub-Fund may invest in FDIs dealt in OTC provided that:

- The counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
- Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

(k) Risks associated with Futures and Options

The RIC Sub-Funds may from time to time use both exchange-traded and over the counter futures and options as part of its investment policy or for hedging purposes. These instruments are highly volatile, involve certain special risks and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a futures position permit a high degree of leverage. As a result, a relatively small movement in the price of a futures contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in un-quantifiable further loss exceeding any margin deposited. Further, when used for hedging purposes there may be an imperfect correlation between these instruments and the investments or market sectors being hedged. Transactions in OTC derivatives may involve additional risk as there is no exchange or market on which to close out an open position. It may be impossible to liquidate an existing position, to assess or value a position or to assess the exposure to risk.

(l) Risks associated with investment in other collective investment schemes

Each RIC Sub-Fund may invest in one or more collective investment schemes including schemes managed by RIIL and/or affiliates of RIIL. Non-Irish domiciled collective investment schemes may not provide a level of investor protection equivalent to that provided by collective investment schemes authorised by the Central Bank. As a shareholder of another collective investment scheme, a RIC Sub-Fund would bear, along with other shareholders, its *pro rata* portion of the expenses of the other collective investment scheme, including management and/or other fees. These fees would be in addition to the management fees and other expenses which a RIC Sub-Fund bears directly in connection with its own operations.

⁶ "UCITS" means an undertaking for collective investment in transferable securities established pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as such may be further amended, supplemented or replaced from time to time and any rules made by the Central Bank pursuant to them.

(m) Emerging Market Risk

A portion of the assets of a RIC Sub-Fund may be invested in Emerging Markets⁷. The risks involved in Emerging Market investment are likely to exceed the risks of investment in more mature markets. This higher degree of risk may be associated with: the adverse effect on investment sentiment which could result from military conflict, civil commotion, nationalisation of foreign-held assets or other unfavourable political developments such as indirect expropriation through high taxation; the difficulty of obtaining an accurate view of a company's prospects where accounting standards are such that those prospects are not fairly reflected by published accounts; the difficulty of selling, or selling at a fair price, securities in which an efficient market is not made; potential difficulties in obtaining prompt settlement and the possibility that a local currency might cease to be readily convertible into any major freely-negotiable trading currency. In some Emerging Markets there may be foreign ownership restrictions which may restrict the ability of a RIC Sub-Fund to secure some corporate action entitlements (including rights issues). In addition, a RIC Sub-Fund may face significant registration, settlement and custody risks in purchasing and selling securities in Emerging Markets.

(n) Charging of Fees and Expenses to Capital rather than Income

Russell Investments Global Bond Fund seeks to generate income in addition to capital growth and in order to increase the amount of income that can be distributed all of the fees and expenses of Russell Investments Global Bond Fund may be charged to its capital. There is an increased risk that on the repurchase of shares of Russell Investments Global Bond Fund, the Sub-Fund may not receive back the full amount invested. In particular, as Russell Investments Global Bond Fund invests predominantly in debt instruments, this expense policy means that there is a greater risk of capital erosion for this RIC Sub-Fund given the lack of potential for capital growth and the value of future returns may be diminished as a result of capital erosion.

(o) Fixed Income Risk

Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Lower-rated securities will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which respond primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities and it may be harder to buy and sell such securities at an optimum time. The volume of transactions effected in certain international bond markets may be appreciably below that of the world's largest markets, such as the United States. Accordingly, the relevant RIC Sub-Fund's investment in such markets may be less liquid and their prices may be more volatile than comparable investments in securities trading in markets with larger trading

⁷ "**Emerging Markets**" means markets that are typically those of poorer or less developed countries which exhibit lower levels of economic and/or capital market development, and higher levels of share price and currency volatility.

volumes. Moreover, the settlement periods in certain markets may be longer than in others which may affect portfolio liquidity. Investment grade securities may be subject to the risk of being downgraded to a rating that is below investment grade. Where investment grade securities are downgraded to a rating that is below investment grade after acquisition, there is no specific requirement to sell such securities unless otherwise stated in the investment policy outlined of the relevant RIC Sub-Fund. If there is such a downgrading, RIIL or its delegates will promptly analyse such securities and the financials of the issuer of such securities to determine the action to be taken (i.e. hold, reduce or buy).

Many fixed income securities especially those issued at high interest rates provide that the issuer may repay them early. Issuers often exercise this right when interest rates decline. Accordingly, holders of securities that are pre-paid may not benefit fully from the increase in value that other fixed income securities experience when rates decline. Furthermore, in such a scenario the relevant RIC Sub-Fund may re-invest the proceeds of the pay-off at the then current yields, which will be lower than those paid by the security that was paid off. Pre-payments may cause losses on securities purchased at a premium, and unscheduled pre-payments, which will be made at par, will cause the relevant RIC Sub-Fund to experience loss equal to any unamortized premium.

An investment in sovereign debt securities, including, but not limited to, those issued by sovereign / government bodies of countries in the Eurozone, may be subject to credit and / or default risks. Particularly high (or increasing) levels of government fiscal deficit and / or high levels of government debts, amongst other factors, may adversely affect the credit rating of such sovereign debt securities and may lead to market concerns of higher default risk. In the unlikely event of downgrading or default, the value of such securities may be adversely affected resulting in the loss of some or all of the sums invested in such securities.

(p) Eurozone Crisis

It is possible that a country may leave the Eurozone and return to a national currency, and as a result may leave the EU and/or that the euro, the European single currency, will cease to exist in its current form and/or lose its legal status in one or more countries in which it currently has such status. The effect of such potential events on the portfolio holdings of the RIC Sub-Funds, particularly those holdings which are denominated in euro or which are predominantly tied to Europe, is impossible to predict.

(q) Dilution Adjustment on the NAV per Share

The actual cost of purchasing and selling the underlying investment in an RIC Sub-Fund may be higher or lower than the last traded price used in calculating the net asset value per share. The effect of dealing charges, commissions and dealing at prices other than the last traded price may have a materially disadvantageous effect on the interest of the Shareholders of the affected RIC Sub-Fund. To prevent this effect, known as "dilution" and to protect Shareholders, the RIC may charge a dilution adjustment when there are net inflows into a RIC Sub-Fund or net outflows from a RIC

Sub-Fund, so that the price of a share in the relevant RIC Sub-Fund is above or below that which would have been resulted from a valuation based on the last traded price. The charging of a dilution adjustment may either reduce the repurchase price or increase the subscription price of the shares in a RIC Sub-Fund. Where a dilution adjustment is made, it will increase the net asset value per share where the RIC Sub-Fund receives net subscriptions and will reduce the net asset value per share where the RIC Sub-Fund receives net repurchases.

You may obtain supplementary information relating to the risk management methods employed by the RIC Sub-Funds, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments of the RIC Sub-Funds, upon request to the Managers.

29. Financial Derivatives Risk of the Sub-Fund

(a) The Managers may in their absolute discretion, invest in FDIs including, but not limited to, options on securities, forward contracts, over-the counter options, interest rate swaps and swaptions, credit default swaps and swaptions, index futures and options, futures or options of any kind of financial instrument or structured notes such as credit-linked notes, equity-linked notes and index-linked notes for the purposes of hedging, efficient portfolio management and/or optimising returns. The Managers may make use of FDIs as allowed in the Code on Collective Investment Schemes issued by the Authority pursuant to the Securities and Futures Act, as may be amended, modified, or supplemented from time to time by the Authority (the "**Code**"). The Managers may invest in FDIs for the purposes of hedging existing positions in a portfolio, where there is a strong correlation to the underlying investments or tactical asset allocation or efficient portfolio management. FDIs shall not be used to gear the overall portfolio. The Sub-Fund may net its OTC financial derivative positions.

(b) Where FDIs are used by the Sub-Fund, the global exposure of the Sub-Fund to financial derivatives or embedded financial derivatives will not exceed 100% of the net asset value of the Sub-Fund at all times. If FDIs are used, such exposure would be calculated using the commitment approach as described, and in accordance with, the provisions of the Code.

(c) Risks associated with the use of FDIs

While the prudent and judicious use of derivatives by investment professionals can be beneficial, derivatives involve risks different from, and in some cases, greater than, the risks presented by more traditional investments. Some of the risks associated with derivatives are market risk, management risk, credit risk, liquidity risk, moratorium risk, capital control risk, tax risk and leverage risk. The Managers have the necessary expertise and controls for investments in derivatives and have in place systems to monitor the derivative positions for the Sub-Fund, if any.

The viability of exercising derivative instruments depends on the market price of the investments to which they relate, and accordingly, the Managers may from time to time decide that it is not viable to exercise certain derivatives held by the Sub-Fund within the prescribed period, in which case, any costs incurred in obtaining the

derivatives will not be recoverable. Additionally, the market price of the relevant investment may not exceed the exercise price attached to the derivative instrument at any time during the exercise period or at the time at which the warrants or options are exercised and if this happens, this may result in an immediate loss to the Sub-Fund.

The Sub-Fund may invest into underlying funds which use or invest in FDIs, and it is possible that the Sub-Fund's NAV may be subject to volatility due to the Sub-Fund's and/or the relevant underlying funds' usage or investment in FDIs.

- (d) The Managers will ensure that the risk management and compliance procedures and controls adopted are adequate and have been or will be implemented and that they have the necessary expertise to control and manage the risks relating to the use of financial derivatives.

The above is not an exhaustive list of the risks which you should consider before investing in the Sub-Fund. You should be aware that an investment in the Sub-Fund may be exposed to other risks of an exceptional nature from time to time.

XI SUBSCRIPTION OF UNITS

30.1 How to purchase Units

(a) Cash subscriptions

You may apply to subscribe for Units by submitting a completed application form, together with such other documents as may be required by, and the subscription monies in full to the Managers through their approved distributor(s).

(b) Subscriptions through use of supplementary retirement scheme ("SRS") monies

Subject to the applicable terms and conditions imposed by the relevant SRS Account operator and any relevant competent authority, if you wish to subscribe for Units with your SRS monies, you will have to give a written authorisation to the relevant SRS Account operator for monies to be withdrawn from your SRS Account to pay for the subscription of Units. Currently, only the SGD Class Units are available for subscription using SRS monies.

In respect of institutional investors, an application form may also be obtained directly from the Managers and, once duly completed, forwarded to the Managers, together with the subscription monies in respect of the application for Units.

30.2 Applications through an Automated Teller Machine ("ATM")

When you apply for Units through an ATM of the Relevant Participating Bank, the making of the application shall be treated as:

- (a) your confirmation that you have read a copy and understood the contents of this Prospectus; and
- (b) your permission to the Relevant Participating Bank to disclose relevant particulars of your account to the Managers, the Trustee, relevant authorities and any other person to whom the Relevant Participating Bank or Relevant Participating Distributor (as

defined in paragraph 30.3) deems it necessary to disclose information about your bank account for the purposes of paragraphs 30.2 and 30.3 (the "**Relevant Parties**").

Neither the Managers nor the Trustee shall be liable to you for the consequences of any such disclosure of information.

During any period when the realisation of Units is suspended pursuant to paragraph 36.1, the application for Units through the ATM will also be suspended. Any charges to be imposed by the Relevant Participating Bank in connection with any application for Units through the ATM will be borne by you and such charges shall not be taken out of the Deposited Property⁸ or form part of the Initial Sales Charge. The Managers will provide you with hard copies of this Prospectus, the Deed and any supplemental deed for the time being in force upon your request. However, the Managers may levy a charge for providing you with a copy of the Deed or supplemental deed.

30.3 Applications through the internet

The Relevant Participating Distributors (as defined below) may offer Units through the internet. By making an electronic online application for the subscription of Units through the website of any distributor in Singapore which the Managers may, after giving notice to the Trustee, appoint for the purpose of this paragraph (the "**Relevant Participating Distributor**") (as the case may be), or by an application form printed from such a website, you confirm:

- (a) you have read a copy and understand the contents of this Prospectus;
- (b) you are making the application for the subscription of Units while being present in Singapore; and
- (c) your permission to the Relevant Participating Distributor to disclose relevant particulars of your account to the Relevant Parties.

Neither the Managers nor the Trustee shall be liable to you for the consequences of any such disclosure of information.

During any period when the realisation of Units is suspended pursuant to paragraph 36.1, the application for subscription of Units through the internet will also be suspended. Any charges to be imposed by the Managers or the Relevant Participating Distributor in connection with any application for the subscription or realisation of Units through the internet will be borne by you and such charges shall not be taken out of the Deposited Property or form part of the Initial Sales Charge. The Managers will provide you with hard copies of this Prospectus, the Deed and any supplemental deed for the time being in force upon your request. However, the Managers may levy a charge for providing you with a copy of the Deed or supplemental deed.

- 30.4 Notwithstanding receipt of the application forms, the Managers shall retain the absolute discretion to accept or reject any application for Units in accordance with the provisions of the Deed. If an application for Units is rejected by the Managers, the application monies shall be refunded (without interest) to you within a reasonable time in such manner as the Managers or

⁸ **Deposited Property**" means all the assets for the time being held or deemed to be held upon the trusts of the Deed excluding any amount for the time being standing to the credit of the Distribution Account (as defined in the Deed).

the relevant approved distributor shall determine. No certificates will be issued by the Managers.

- 30.5 In relation to the SGD Class, (i) the minimum initial investment is S\$5,000 or such other amount as the Managers may determine from time to time upon giving prior notice to the Trustee and as permitted by the relevant authorities and (ii) the minimum subsequent investment is S\$1,000. The minimum initial investment will be lowered to S\$1,000 (or such other amount as the Managers may determine from time to time) for investors participating in the Regular Savings Plan (as defined in paragraph 31).

In relation to the USD Class, (i) the minimum initial investment is US\$1,000 or such other amount as the Managers may determine from time to time upon giving prior notice to the Trustee and as permitted by the relevant authorities and (ii) the minimum subsequent investment is US\$100.

In relation to the RMB Class, (i) the minimum initial investment is RMB 5,000 or such other amount as the Managers may determine from time to time upon giving prior notice to the Trustee and as permitted by the relevant authorities and (ii) the minimum subsequent investment is RMB 500.

- 30.6 The initial offer period for the USD Class will be for such period or at such time as the Managers may decide from time to time upon prior notification to the Trustee and as at the date of registration of this Prospectus, the initial offer period is expected to be within the next 6 to 12 months. During the initial offer period, the USD Class Units will be offered at the initial issue price of US\$1.000 per Unit.

The initial offer period for the RMB Class will be for such period or at such time as the Managers may decide from time to time upon prior notification to the Trustee and as at the date of registration of this Prospectus, the initial offer period is expected to be within the next 6 to 12 months. During the initial offer period, the RMB Class Units will be offered at the initial issue price of RMB 5.000 per Unit.

- 30.7 The Managers reserve the right not to proceed with the launch of the USD Class and/or the RMB Class if:
- (i) the capital raised for the relevant Class as at the close of its initial offer period is less than S\$10,000,000 or its equivalent; or
 - (ii) the Managers are of the view that it is not in the interest of the investors or it is not commercially viable to proceed with the relevant Class(es).

In such event, the Managers may at their discretion declare the relevant Class(es) to be deemed not to have commenced, and shall notify the relevant investors of the same and return the subscription monies received (without interest) to the relevant investors no later than 30 Business Days after the close of the initial offer period for the relevant Class(es).

30.8 The Issue Price of the Units of a Class is calculated based on forward pricing and is determined based on the Value of the Units of the Class at 7 a.m. Singapore time on the Business Day⁹ immediately following the relevant Dealing Day¹⁰ on which the application for Units of the Class is received. The dealing deadline in relation to any Dealing Day is currently 5 p.m. on the said Dealing Day but this may be changed subsequently to any other time of the day by the Managers with the approval of the Trustee (the “**Dealing Deadline**”). This means that if an application is received and accepted by the Managers through their approved distributor(s) by the Dealing Deadline on the Dealing Day, the price will be based on the Value of the Class for that Dealing Day. If an application is received and accepted by the Managers through their approved distributor(s) after the Dealing Deadline on that Dealing Day, it shall be deemed to be received and accepted by the Managers through their approved distributor(s) only on the immediately following Dealing Day. The Issue Price will be determined only on the Business Day following the Dealing Day.

30.9 The following is an illustration of the number of Units that you will receive based on a hypothetical investment amount of \$1,000* and a notional Issue Price of \$1.000 (the actual Issue Price of the Units will fluctuate according to the Value of the relevant Class):

\$1,000*	- \$50	= \$950	÷ \$1.000	= 950 Units
Gross Investment Sum	Initial Sales Charge* (5%)	Net Investment Sum	Issue Price (i.e. NAV per Unit)	Number of Units
<p>* The Initial Sales Charge currently payable is up to 5% in respect of all Classes. N.B.: All numerical figures used for the purpose of this illustration are hypothetical.</p>				

The Managers may from time to time give a discount or discounts on the Initial Sales Charge payable by prospective investors in accordance with the provisions of the Deed. Such discounts would be deducted from the amount of the Initial Sales Charge payable by the investors. The Managers reserve the right to differentiate between applicants as to the quantum of discount or discounts given to them.

30.10 If your application is successful, a confirmation of your purchase will be sent to you within 7 Business Days of the Managers' receipt of the application.

⁹ “**Business Day**” means any day (other than a Saturday or a Sunday) on which commercial banks in Singapore and the Singapore Exchange Securities Trading Limited are open for business.

¹⁰ “**Dealing Day**” in relation to Units of the Sub-Fund, means such day or days as the Managers may from time to time with the approval of the Trustee determine, but so that:-

(i) unless and until the Managers (with the approval of the Trustee) otherwise determine, each Business Day after the Commencement Date (as defined in the Deed) in relation to the Sub-Fund shall be a Dealing Day in relation to the Sub-Fund; and

(ii) without prejudice to the generality of the foregoing, if on any day which would otherwise be a Dealing Day in relation to Units of the Sub-Fund the Recognised Stock Exchange or Exchanges on which the Authorised Investment or other property comprised in, and having in aggregate Values amounting to at least 50 per cent. of the Value (as of the immediately preceding Valuation Point) of the Sub-Fund are quoted, listed or dealt in is or are not open for normal trading, the Managers may, with the approval of the Trustee, determine that such day shall not be a Dealing Day in relation to Units of the Sub-Fund.

30.11 The Managers shall have the exclusive right to effect the creation and issue of Units for the account of any Class and the acceptance and non-acceptance of any initial or subsequent application for Units in any Class shall be at the absolute discretion of the Managers, acting in consultation with the Trustee. However, a new investor¹¹ may cancel his subscription of Units by sending (by post or by hand) a cancellation request to the Managers through the approved distributor(s) from whom he purchased his Units within 7 calendar days of the date on which he signed the subscription agreement or such other longer period as may be agreed between the Managers and the Trustee or as the Authority may prescribe (the "**Cancellation Period**"). A cancellation request form is included with the application form for the subscription of Units, or you may obtain a copy from the approved distributors. Where the last day of the Cancellation Period falls on a Sunday or a public holiday, the Cancellation Period is deemed to be extended to the next calendar day, not being a Sunday or public holiday.

30.12 The cancellation proceeds payable for the cancellation of a subscription of Units under paragraph 30.11 above will be determined as the lower of:

- (a) the Market Value¹²; or
- (b) the Original Subscription Amount¹³.

Any excess in the Market Value over the Original Subscription Amount, or in the Original Subscription Amount over the Market Value (as the case may be), will be retained by the Sub-Fund. The Managers are also entitled to deduct from the cancellation proceeds any administrative expenses incurred in cancelling the subscription so long as such expenses are reasonably related to the original purchase and subsequent cancellation of the new investor's Units. A new investor is only entitled to receive his cancellation proceeds arising from the cancellation of his subscription of Units in the same currency as that in which such Units are denominated. Any Initial Sales Charge paid by the investor will be refunded to him. However, he will have to take the risk for any price changes in the net asset value of the relevant Class since he purchased the Units.

30.13 Under the provisions of the Deed, the Managers may terminate the Trust in their absolute discretion by giving not less than three (3) months' prior notice in writing to the Trustee and the Holders if the aggregate Value of the Deposited Property of the Trust is less than S\$30,000,000.

¹¹ A "**new investor**" is an investor who:

- (i) is an individual;
- (ii) is not an existing Holder who is purporting to cancel a subsequent subscription made after the Cancellation Period applicable to his first subscription;
- (iii) is not an existing Holder participating in a Regular Savings Plan of the Sub-Fund and effecting a second or any subsequent payment towards the Regular Savings Plan; and
- (iv) has not previously switched or exchanged his units in any other fund managed by the Managers to Units in the Sub-Fund during the cancellation period applicable to the first-mentioned fund.

¹² "**Market Value**" in relation to Units the subscription of which is being cancelled by a new investor means the value of such Units on the relevant Dealing Day calculated as the aggregate of (a) the total value of such Units based on the Realisation Price on such Dealing Day but without deducting the Realisation Charge (if any) and (b) the total Initial Sales Charge paid for such Units.

¹³ "**Original Subscription Amount**" in relation to Units the subscription of which is being cancelled by a new investor means the total amount (including the total Initial Sales Charge) paid by the new investor for the subscription of those Units.

XII REGULAR SAVINGS PLAN (RSP)

31. The approved distributors of the Managers may make available a Regular Savings Plan (“**RSP**”) for the SGD Class. To participate in a RSP, you must first invest S\$1,000 and the minimum monthly investment under the RSP is S\$100. The monthly contribution for the RSP will be deducted from your bank account or SRS Account (where applicable) on the 10th day of each month (or the next Dealing Day if that day is not a Dealing Day), or as determined by the Managers from time to time. Units will normally be allotted within two Business Days after the date on which the monthly contribution is deducted, but this may be exceeded in the case of Units purchased through the Managers' approved distributors. For the avoidance of any doubt, a RSP is currently not available for the USD Class and the RMB Class.
32. You may cease your participation in the RSP, without suffering any penalty, by giving the approved distributor from whom you purchased your Units 30 days' prior notice in writing but the Managers reserve the right to compulsorily realise your Units if your holdings are below the Minimum Holding for the SGD Class.

XIII REALISATION OF UNITS

- 33.1 A Holder may redeem Units by completing the Realisation Request (or such other form as the Managers may approve from time to time) and forwarding the same to the Managers through the approved distributor(s) from whom he purchased the Units. Institutional investors who had purchased their Units directly from the Managers may redeem their Units by completing the Realisation Request and forwarding the same to the Managers.

A Holder may also make an electronic online application for the realisation of Units on or through the website of the Relevant Participating Distributor (as defined in paragraph 30.3) or on an application form printed from such website.

- 33.2 The net realisation proceeds are calculated by multiplying the number of Units of the Class to be realised by the Realisation Price of the Units of such Class. The Realisation Price is calculated based on forward pricing and is determined based on the Value of the Units of such Class at 7 a.m. Singapore time on the Business Day immediately following the relevant Dealing Day on which the Realisation Request is received. This means that if an application is received and accepted by the Managers through their approved distributor(s) by the Dealing Deadline on the Dealing Day, the price will be based on the Value of the relevant Class for that Dealing Day. If an application is received and accepted by the Managers through their approved distributor(s) after the Dealing Deadline on that Dealing Day, it shall be deemed to be received and accepted by the Managers through their approved distributor(s) only on the immediately following Dealing Day. This Realisation Price will be determined only on the Business Day following the Dealing Day.
- 33.3 In respect of the SGD Class, the Minimum Holding is 2,000 Units or such other number as the Managers may from time to time determine in accordance with the Deed. In respect of each of the USD and RMB Classes, the Minimum Holding is 500 Units or such other number as the Managers may from time to time determine in accordance with the Deed. There is no minimum realisation amount.

- 33.4 The following is an illustration of the realisation proceeds that a Holder will receive based on a realisation of 1,000 Units and a notional Realisation Price of \$1.050*:

1000	x	\$1.050	=	\$1,050
Units to be Realised		Realisation Price (i.e. NAV per Unit)		Realisation Proceeds
N.B.: All numerical figures used for the purpose of this illustration are hypothetical.				

- 33.5 The Realisation Price used in the illustration above excludes the Realisation Charge as currently, there is no Realisation Charge payable in respect of any of the Classes. However, under the provisions of the Deed, the Managers may impose a Realisation Charge of up to 1%.
- 33.6 Payment will be made within 7 Business Days after the relevant Dealing Day subject to the provisions of the Deed. For Units purchased with cash, the net realisation proceeds shall be paid to the Holder. For Units purchased with CPF funds (where applicable), the net realisation proceeds shall be paid to the Holder's CPF agent bank or credited to his CPF special account, as the case may be. For Units purchased with SRS monies, the net realisation proceeds shall be credited to the Holder's SRS Account.

XIV EXCHANGE OF UNITS WITHIN GROUP TRUST

34. The Managers may, at their discretion and on such terms and conditions as they may impose (including the levying of fees or charges), on the application of a Holder, effect the exchange of Units of the Sub-Fund for units of any other Group Trust (referred to as "**units**") and on notification by the managers of a Group Trust of an application by the holder of units in that Group Trust, exchange such units for Units. The following provisions will apply to such an exchange:
- (a) the exchange of Units for units is exercised by a Holder giving to the Managers through the approved distributor(s) from whom he purchased the Units a notice in such form as the approved distributor may from time to time require and accompanied by a duly completed and executed application form for the subscription of units in the relevant Group Trust. Institutional investors who had purchased their Units directly from the Managers may exchange their Units by giving to the Managers a notice in such form as the Managers may from time to time require and accompanied by a duly completed and executed application form for the subscription of units in the relevant Group Trust;
 - (b) unless permitted otherwise by the Managers at their absolute discretion, no exchange is permitted between Units of the Sub-Fund and units of a Group Trust which are denominated in different currencies;

- (c) the exchange of Units for units specified in the relevant notice (the "**Exchange Notice**") will be made on the Common Exchange Dealing Day on which the Exchange Notice is received by the Managers through their approved distributor(s) up to 5.00 p.m. Singapore time on such Common Exchange Dealing Day. If an Exchange Notice is received after 5.00 p.m. Singapore time on a Common Exchange Dealing Day or on a day that is not a Common Exchange Dealing Day, the Exchange Notice will be treated as having been received before 5.00 p.m. Singapore time on the next Common Exchange Dealing Day. For this purpose, "**Common Exchange Dealing Day**" is a day which is both a Dealing Day in relation to Units and a dealing day (as defined in the relevant trust deed) in relation to units of the Group Trust;
- (d) no Units will be exchanged during any period when the right of Holders to require the realisation of Units is suspended pursuant to the suspension provisions set out in section XVI of this Prospectus or when the issue of units in the Group Trust is suspended pursuant to the suspension provisions set out in the trust deed of the relevant Group Trust;
- (e) a Holder is not entitled, without the consent of the Managers, to withdraw an Exchange Notice;
- (f) any exchange of Units for units will be effected subject to any requirements or restrictions applicable to the realisation of Units, the issue of units, any applicable Minimum Holding requirements, any applicable minimum initial investment sum or minimum subsequent investment sum;
- (g) CPF Units may only be exchanged to units of a Group Trust that may be purchased with CPF monies;
- (h) each Unit to be exchanged shall be valued at not less than the Realisation Price per Unit and each Unit to be issued shall be valued at not more than the Issue Price per Unit;
- (i) an exchange of Units for units will be effected by the Holder realising his Units. The net proceeds of this realisation will then be utilised to subscribe for units of the relevant Group Trust at the prevailing issue price of the units of the relevant Group Trust;
- (j) an exchange of units for Units will be effected by the managers of that Group Trust realising the units of that Group Trust and paying the net proceeds of the realised units to the Managers. The Managers will then issue Units at the prevailing Issue Price;
- (k) where the Initial Sales Charge paid for the Units being exchanged (the "**First Initial Sales Charge**") is less than the initial sales charge payable for the units being acquired (the "**Second Initial Sales Charge**"), the Managers shall be entitled to charge for the difference, but where the Second Initial Sales Charge is less than the First Initial Sales Charge, the Managers shall be entitled to retain the difference;

- (l) the Trustee shall have no responsibility or liability to ensure that the provisions of the trust deed constituting the Group Trust relating to the issue, realisation or exchange of units are complied with; and
- (m) the Managers may, at their discretion, reject any Exchange Notice.

For the purpose of this paragraph 34, "**Group Trust**" means a unit trust scheme the managers of which:

- (i) are the Managers or a corporation under their control or under common control with them or at least 50 per cent of the share capital of which is held by a corporation which is a shareholder of the Managers; and
- (ii) approve the terms of any exchange which may be made pursuant to Clause 12(JA) of the Deed.

XV OBTAINING PRICES OF UNITS

35. The Issue Price and Realisation Price of Units will be available on the Business Day following each Dealing Day.

You may check such prices on the Managers' website at <http://www.nikkoam.com.sg>. You should note however that the Issue Price and Realisation Price of the relevant Units will be made available on the Managers' website only after such Units are made available for subscription in Singapore.

XVI SUSPENSION OF DEALINGS

- 36.1 Subject to the provisions of the Code, the Managers or the Trustee may, with the prior written approval of the other suspend the issue of Units in relation to the Sub-Fund or any Class or of the Trust and the Managers may, and shall, at the request of the Trustee, temporarily suspend the realisation of Units of the Sub-Fund or any Class during:

- (a) any period when any Recognised Stock Exchange on which any Authorised Investment forming part of the Deposited Property for the time being is listed or dealt in is closed (otherwise than for ordinary holidays) or during which dealings are restricted or suspended;
- (b) the existence of any state of affairs which, in the opinion of the Managers or the Trustee, as the case may be, might seriously prejudice the interest of the Holders (whether of the Sub-Fund or any particular Class) as a whole or of the Deposited Property;
- (c) any breakdown in the means of communication normally employed in determining the price of any of such Authorised Investments or the current price on any Recognised Stock Exchange or when for any reason the prices of any of such Authorised Investments cannot be promptly and accurately ascertained;

- (d) any period when remittance of money which will or may be involved in the realisation of such Authorised Investments or in the payment for such Authorised Investments cannot, in the opinion of the Managers or the Trustee, as the case may be, be carried out at normal rates of exchange;
- (e) any period when the fair value of a material portion of the Authorised Investments cannot be determined;
- (f) the period of 48 hours (or any longer period that the Managers and the Trustee agree) prior to the date of any meeting (or adjourned meeting) of Holders of the Trust or the Sub-Fund or the Class convened in accordance with the provisions of the Deed;
- (g) any period pursuant to an order or direction by the Authority; or
- (h) such circumstances as may be required under the provisions of the Code.

36.2 The Managers may, with the approval of the Trustee, limit the total number of Units of the Sub-Fund or any Class which Holders may realise and which the Managers are entitled to have cancelled pursuant to Clause 11 of the Deed on any Dealing Day to 10% of the total number of Units of the Sub-Fund or such Class then in issue (disregarding any Units in the Sub-Fund or such Class which have been agreed to be issued), such limitation to be applied pro rata to all Holders of the Sub-Fund or such Class who have validly requested realisations in relation to their Units of the Sub-Fund or such Class on such Dealing Day including the Managers where applicable, so that the proportion so requested to be realised or cancelled pursuant to Clause 11 of the Deed is the same for all Holders of the Sub-Fund or such Class and the Managers. Any Units of the Sub-Fund or such Class which, by virtue of the powers conferred on the Managers by Clause 12(l) of the Deed, are not realised or cancelled (as the case may be) shall be realised or cancelled (subject to any further application of Clause 12(l)) on the next succeeding Dealing Day Provided That if on such next succeeding Dealing Day, the total number of Units of the Sub-Fund or such Class to be cancelled or realised (as the case may be), including those carried forward from any earlier Dealing Day, exceeds such limit, the Managers may further carry forward the requests for realisation or cancellation (as the case may be) until such time as the total number of Units of the Sub-Fund or such Class to be realised or cancelled (as the case may be) on a Dealing Day falls within such limit. If Realisation Requests are carried forward as aforesaid, the Managers shall, within 7 days, give notice to the Holders affected thereby that such Units in the Sub-Fund or such Class have not been realised or cancelled and that (subject as aforesaid) they shall be realised or cancelled on the next succeeding Dealing Day.

36.3 If, immediately after any Business Day, the number of Units of the Sub-Fund or a Class in issue or deemed to be in issue, having regard to realisations and issues of the Sub-Fund or such Class falling to be made by reference to that Business Day, would be less than such proportion (not exceeding 90%), as may be determined by the Managers from time to time, of the number of Units of the Sub-Fund or such Class in issue or deemed to be in issue on that Business Day, the Managers may, with a view to protecting the interests of all Holders of the Sub-Fund or any Class and with the approval of the Trustee, elect that the Realisation Price in relation to all (but not some only) of the Units of the Sub-Fund or such Class falling to be

realised by reference to that Business Day shall, instead of being the price calculated as hereinbefore mentioned, be the price per Unit of the Sub-Fund or such Class which, in the opinion of the Managers, reflects a fairer value for the Deposited Property attributable to the Sub-Fund or such Class having taken into account the necessity of selling a material proportion of the Investments at that time constituting part of the Deposited Property attributable to the Sub-Fund or such Class; and the Managers may by giving notice to the Holders of Units of the Sub-Fund or such Class affected thereby within 2 Business Days after the relevant day, suspend the realisation of those Units for such reasonable period as may be necessary to effect an orderly realisation of the Authorised Investments (provided that such suspension is subject to the provisions of the Code). For the purposes of this paragraph, the "fairer value" for the Deposited Property shall be determined by the Managers in consultation with a Stockbroker (as defined in the Deed) or an approved valuer and with the approval by the Trustee. The "material proportion" of the Authorised Investments means such proportion of the Authorised Investments which when sold will cause the reduction of the net asset value of the Deposited Property attributable to the Sub-Fund or such Class.

XVII PERFORMANCE OF THE SCHEME

37. The performance of the SGD Class as at 31 August 2017 is shown in the table below:

Return 1 year (% change)	Return 3 years (A.C.R.)	Return 5 years (A.C.R.)	Return 10 years (A.C.R.)	Return Since Inception (A.C.R.)
2.37%	0.76%	4.44%	1.10%	1.42%

The performance of the Sub-Fund is calculated on a NAV-to-NAV basis (taking into account the maximum Initial Sales Charge and the Realisation Charge where applicable), SGD, with all net dividends and distributions (if any) reinvested.

Source: ©2017 Morningstar. All Rights Reserved.

Inception Date: 21 February 2000

"A.C.R." means Average Annual Compounded Return

38. As the USD Class and the RMB Class have not been incepted as at the date of registration of this Prospectus, a track record of at least one year is not available for these Classes.
39. There is no Realisation Charge for the SGD Class payable presently or during the duration of the periods for which the returns are calculated.
40. The returns for the Sub-Fund are calculated on the assumption that all dividends and distributions (if any) made by the Sub-Fund are reinvested, taking into account all charges which would have been payable upon such reinvestment.
41. You should note that the investment objective, policy, focus and approach of one of the underlying funds which the Sub-Fund invests in, namely the Nikko AM Global Dividend Equity Fund was changed with effect from 16 December 2013 and that the relevant returns for the

Sub-Fund (as shown in the table in paragraph 37) also relate to a period prior to the change of investment objective, policy, focus and approach of the Nikko AM Global Dividend Equity Fund.

42. The returns for the Sub-Fund as shown in the table in paragraph 37 are not necessarily indicative of the future performance of the Sub-Fund.
43. As required under the regulations made under the Securities and Futures Act (Cap. 289), this Prospectus does not contain any information on past performance based on simulated results of a hypothetical collective investment scheme.
44. Prior to 17 March 2017, the performance of the Sub-Fund was measured against the following benchmarks:
 - 20% Barcap Global Aggregate Index (SGD Hedged) (Previously known as the Lehman Brothers' Global Aggregate (SGD Hedged) Index)
 - 20% UOB Singapore Government Bond All Index
 - 50% composite index comprising 5 regional equity indexes:
 - (1) FTSE All Share Index
 - (2) TOPIX Dividend Included Index
 - (3) Russell Developed Europe ex-UK Large Cap Index (net)
 - (4) Russell Asia Pacific ex Japan (All cap) Index
 - (5) Russell 1000® Net 30% Indexaccording to their regional weights from time to time
 - 10% Straits Times Index

With effect from 17 March 2017, the benchmarks for the Sub-Fund were removed as Russell Investments (which had been providing the benchmark returns for the Sub-Fund) had ceased to provide the benchmark returns for the Sub-Fund. As the Managers have not been able to find suitable replacement benchmarks for the Sub-Fund, the Sub-Fund has ceased to have any benchmarks with effect from 17 March 2017.

- 45.1 Until 30 June 2001, the DBS 50 Index was used as a component in the composite benchmarks of the Sub-Fund instead of the Straits Times Index and the switch was made due to the discontinuation of the DBS 50 Index. Until 30 September 2001, the SSB World Government Bond Index was used as a component in the composite benchmarks of the Sub-Fund instead of the Lehman Brothers' Global Aggregate (SGD Hedged) Index and the switch was done as the Managers believe it provides a broader coverage of the investments compared to the SSB World Government Bond Index. Until 30 March 2003, the MSCI World Free Index (in S\$ terms) was used as a component in the composite benchmarks of the Sub-Fund instead of the composite of 5 regional equity indexes comprising FT-SE-A All Share Index, TOPIX Index, FT/S&P Europe ex-UK Index, MSCI All Country Pacific Basin ex-Japan Free Index and Russell 1000 Net 30% Index, according to their regional weights from time to time, and the switch was done as the underlying fund which the Sub-Fund invests in, namely, the Nikko AM Global Dividend Equity Fund, is benchmarked against the composite of the 5 regional equity indexes. Until 1 May 2003, the TOPIX Index was used as a component in the

composite benchmarks of the Sub-Fund instead of the TOPIX Dividend Included Index and the switch was done as the Managers believe it is more appropriate to use the TOPIX Dividend Included Index which takes into account the dividends of the component stocks.

45.2 The benchmark index of Russell Investments Asia Pacific Ex Japan Fund, a sub-fund within the RIC, was changed from the MSCI All Country Pacific Basin ex-Japan Free Index to the MSCI All Country Asia Pacific ex-Japan Index in 2006 and was changed from the MSCI All Country Asia Pacific ex-Japan Index to the Russell Asia Pacific ex Japan (All cap) Index with effect from 1 April 2011. The revision in respect of Russell Investments Asia Pacific Ex Japan Fund in 2006 was to improve representation of the underlying region and to increase investment opportunities for Russell Investments Asia Pacific Ex Japan Fund. Accordingly, the portion of the composite benchmarks of the Sub-Fund which previously reflected the MSCI All Country Pacific Basin ex-Japan Free Index was changed to the MSCI All Country Asia Pacific ex-Japan Index with effect from 1 August 2006. In order to ensure that the benchmarks continue to reflect the investments of the Sub-Fund, the portion of the composite benchmarks of the Sub-Fund which previously reflected the MSCI All Country Asia Pacific ex-Japan Index was changed to the Russell Asia Pacific ex Japan (All cap) Index with effect from 1 April 2011. The portion of the composite benchmarks of the Sub-Fund which previously reflected the 3-month SIBID rate was also changed to the UOB Singapore Government Bond All Index with effect from 1 August 2006. This allowed the Managers further flexibility to invest along the duration curve in order to better meet the investment objectives of the Sub-Fund.

45.3 Effective from 1 April 2011, the benchmark index of Russell Investments Continental European Equity Fund, a sub-fund within the RIC, was changed from the FTSE World Europe ex-UK Index to the Russell Developed Europe ex-UK Large Cap Index (net). Accordingly, to ensure that the benchmarks continue to reflect the investments of the Sub-Fund, the portion of the composite benchmarks of the Sub-Fund which previously reflected the FTSE World Europe ex-UK Index was also changed to the Russell Developed Europe ex-UK Large Cap Index (net) with effect from 1 April 2011.

46. **Expense ratio**

The expense ratio of the SGD Class (calculated in accordance with Investment Management Association of Singapore's guidelines on the disclosure of expense ratios and based on figures in the Sub-Fund's latest audited accounts) for the financial year ended 31 December 2016 is 2.01%.

The following expenses are excluded from the calculation of the expense ratio:

- (a) brokerage and other transaction costs associated with the purchase or sales of investments (such as registrar charges and remittance fees);
- (b) foreign exchange gains and losses, whether realised or unrealised;
- (c) front-end loads or back-end loads and other costs arising from the purchase or sale of a foreign unit trust or mutual fund;
- (d) tax deducted at source or arising from income received, including withholding tax;
- (e) interest expenses; and

- (f) dividend and other distributions paid to Holders.

As the USD Class and the RMB Class have not been incepted as at the date of registration of this Prospectus, the expense ratios for these Classes are not available.

47. Turnover ratio

The turnover ratio of the Sub-Fund (calculated based on the lesser of purchases or sales of underlying investments of the Sub-Fund expressed as a percentage of daily average net asset value) for the financial year ended 31 December 2016 is 12.37%.

The turnover ratios of the underlying funds into which the Sub-Fund invests (calculated based on the lesser of purchases or sales of underlying investments of the relevant underlying fund expressed as a percentage of daily average net asset value of that underlying fund) for the financial year ended 31 December 2016) are shown in the table below.

Horizon Global Bond Fund (S\$ Hedged)	28.42%
Singapore Dividend Equity Fund	38.44%
Horizon Singapore Fixed Income Enhanced Fund	137.86%
Nikko AM Global Dividend Equity Fund	154.77%

XIII SOFT DOLLAR COMMISSIONS/ARRANGEMENTS

48.1 Appointment of soft dollar brokers

The Managers will only appoint soft dollar brokers onto their broker panel after they have ensured that:

- (a) full disclosure of the practice of accepting soft dollars is made;
- (b) the commission rates charged are comparable with the market rates;
- (c) there is no conflict of interest;
- (d) the soft dollar credits are used only for clearly defined services;
- (e) at all times trades are executed through the respective brokers only on the basis of best execution regardless whether soft dollar benefits will accrue. Best execution shall include competitive prices with smooth execution ability; and
- (f) relevant regulations and guidelines are complied with.

The procedures for the appointment of the brokers shall be no different from that of normal full service brokers.

Execution and allocation

If the Trustee objects to the use of the soft dollar brokers, the trades of the Sub-Fund shall be segregated from the rest of the trades that are executed through the relevant soft dollar broker(s). The Managers will execute trades for such accounts only with authorised full service brokers.

The Managers are responsible for ensuring that the allocation quotas are adhered to. In addition, the Managers will monitor the execution ability of the soft dollar brokers and assign the business strictly on a “best execution” basis.

48.2 Subject to the provisions of the Code, in its management of the Sub-Fund, the Horizon Global Bond Fund (S\$ Hedged), the Singapore Dividend Equity Fund, the Horizon Singapore Fixed Income Enhanced Fund and the Nikko AM Global Dividend Equity Fund, the Managers may receive soft dollar commissions from, or may enter into soft dollar arrangements with, stockbrokers who execute trades on behalf of the Sub-Fund, the Horizon Global Bond Fund (S\$ Hedged), the Singapore Dividend Equity Fund, the Horizon Singapore Fixed Income Enhanced Fund and the Nikko AM Global Dividend Equity Fund and the soft dollars received would be restricted to the following kinds of services:

- (a) specific advice as to the advisability of dealing in, or of the value of any investments;
- (b) research and advisory services;
- (c) economic and political analysis;
- (d) portfolio analysis including valuation and portfolio measurements;
- (e) market analysis;
- (f) data and quotation services;
- (g) computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and
- (h) custodial services in relation to the investments managed for clients.

The following are, however, prohibited:

- (a) travel, accommodation and entertainment expenses;
- (b) general administrative goods and services including office equipment and premises;
- (c) membership fees;
- (d) employee salaries;
- (e) direct money payments / rebates.

The Managers will retain the records of the payments made using soft dollar commissions.

Please note that with effect from 25 January 2018, the Managers have ceased to receive soft dollar commissions, or enter into soft dollar arrangements, in its management of the Sub-Fund.

48.3 **Russell Investments' underlying investment advisers' participation in soft dollars/soft commissions**

Each of the Money Managers¹⁴ and/or the Investment Managers¹⁵ may enter into transactions on a soft commission basis, i.e., utilise the services and expertise of brokers in return for the execution of trades through such brokers, provided that the transactions are entered into on the principle of best execution, the benefits provided in the transaction will assist in the provision of investment services to the RIC, and such transactions are disclosed in the next succeeding annual or half-yearly report of the RIC. Where appropriate, any such arrangements will comply with the requirements of Article 11 of the MiFID II Delegated Directive. Any transaction must be in the best interests of holders of shares in the capital of the RIC and must provide benefits that will assist in the provision of investment services to the RIC.

Russell Investments' soft commission and commission recapture programme

The Investment Managers and/or the Money Managers may have effected transactions through brokers with whom it had arrangements whereby each broker agreed to use a proportion of the commission earned on such transactions to discharge the broker's own costs or the costs of third parties providing certain services to the Investment Managers and/or relevant Money Managers, as the case may be. The services which were paid for under such arrangements were those permitted under regulatory rules applicable to the relevant Investment Manager and/or Money Manager, namely those that relate to the execution of transactions on behalf of customers or the provision of investment research to the relevant Investment Manager and/or Money Manager.

The Investment Managers and/or some or all of the Money Managers may be required to participate in Russell Investments' soft commission and commission recapture programme (the "**Programme**") by executing a portion of their securities transactions through certain brokers (the "**Correspondent Broker Networks**"). Any such participation in the Programme is not mandatory and the appropriate participation percentage target is determined on a Money Manager by Money Manager basis, based upon asset class, investment mandate, trading habits, and tolerance for participation and is always subject to a Money Manager's ability to obtain best execution. The Programme, including the Correspondent Broker Network, is administered by Recapture Services, a division of BNY ConvergeX Execution Solutions LLC ("**BNY**") and State Street Global Markets ("**SSGM**"). A portion of the commission earned by the Correspondent Broker Network as a result of this trading activity will be set aside in the Programme as "credits". These credits are then earmarked for purchase of third party research ("**Soft Commission Credits**") or commission recapture ("**Commission Credits**"). All soft commission use through the Programme is overseen by Russell Investments' soft commission committee (the "**Committee**") which is made up of senior level investment personnel. The Committee, with the guidance of Russell Investments' investment strategy committee, establishes an annual soft commission research budget for

¹⁴ "**Money Manager**" means the person or persons from time to time appointed by RIIL to act as a money manager which may include affiliates of RIIL.

¹⁵ "**Investment Manager**" means a person appointed by RIIL to act as an Investment Manager of a RIC Sub-Fund which may include affiliates of RIIL.

the use of the Soft Commission Credits. Soft Commission Credits are used to purchase third party research that will aid Russell Investments in its investment decision-making process. Research purchased through the Programme is obtained from unaffiliated third parties at market rates. Once the soft commission research budget has been met the Committee will instruct BNY and SSGM to recapture the Commission Credits which are then rebated directly back to the relevant RIC Sub-Fund from which the commission was generated. Russell Investments does not receive any revenue (directly or indirectly from BNY or any broker) from the commission recapture component of the Programme.

XIX CONFLICTS OF INTEREST

- 49.1 The Managers may from time to time have to deal with competing or conflicting interests arising from other funds managed by the Managers. For example, the Managers may make a purchase or sale decision on behalf of some or all of the other funds managed by them 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 Managers will use their 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 the relevant investment guidelines of the other funds managed by the Managers and the Sub-Fund, the Managers will endeavour to ensure that securities bought and sold will be allocated proportionally as far as possible among the other funds managed by the Managers and the Sub-Fund. The Managers may also transact on the Sub-Fund's behalf with its affiliates. The Managers intend to deal with any conflicts of interests, whether arising from the Sub-Fund's investments in the underlying funds or otherwise, in a manner consistent with any applicable guidelines which may be issued from time to time by the Investment Management Association of Singapore.
- 49.2 The Managers are of the view that they are not in a position of conflict in managing their other funds as these funds and the Sub-Fund have different investment universes and investment restrictions. To the extent that there are overlapping investment objectives, the Managers will, as far as practicable, endeavour to have the same securities holdings for such overlapping areas with such securities allocated on a pro-rata basis among the funds. The Deed provides that the Trustee and the Managers shall conduct all transactions with or for the Sub-Fund on an arm's length basis. In respect of voting rights where the Managers may face a conflict between their own interest and that of the Holders, the Managers shall cause such voting rights to be exercised in consultation with the Trustee.
- 49.3 The Trustee is presently also offering registrar services to the Sub-Fund while the Custodian (which is a party related to the Trustee) is presently also providing fund administration and valuation services to the Sub-Fund. These services are provided on an arm's length basis and the fees for these services are permitted to be paid out of the Deposited Property of the Sub-Fund under the provisions of the Deed.
- 49.4 The Managers or their affiliates (together the "**Parties**") are or may be involved in other financial, investment and professional activities which may on occasion cause conflicts of interest with the management of the Sub-Fund. Each of the Parties will ensure that the

performance of their respective duties will not be impaired by any such involvement. If a conflict of interest does arise, the Parties will endeavour to ensure that it is resolved fairly and in the interest of the Holders.

- 49.5 Associates of the Trustee (the "**Trustee's Associates**") may be engaged to provide financial, banking and brokerage services to the Sub-Fund. Such services where provided, will be on an arm's length basis and the Trustee's Associates shall not be liable to account to any person for any profits or benefits made or derived by them in connection with any such services. If there is a conflict of interest, the Trustee will endeavour to resolve such conflict quickly and in the interest of the Holders in an equitable manner.
- 49.6 The Managers or the Trustee may own, hold, dispose or otherwise deal with Units as though they were not a party to the Deed. If any conflict of interest arises as a result of such dealing, the Managers and the Trustee, following consultation with the other, will resolve such conflict in a just and equitable manner as they shall deem fit. Such dealings, where entered into, will be on an arm's length basis.

XX REPORTS

50. The financial year-end of the Sub-Fund falls on 31 December of every calendar year. Holders may obtain electronic copies of the annual accounts of the Sub-Fund, reports of the Auditors on the annual accounts of the Sub-Fund and the annual reports of the Sub-Fund for the financial year (collectively, the "**Reports**") from the Managers' website at www.nikkoam.com.sg. The Reports will be made available on the Managers' website within three (3) months of the financial year-end of the Sub-Fund and will remain on the Managers' website for at least 12 months from the date of posting on the Managers' website. Printed copies of the Reports are not sent to Holders. However, Holders who would like to receive printed copies of the Reports may submit the relevant request to the Managers or the relevant distributor.
51. Holders may obtain electronic copies of the semi-annual report and semi-annual accounts of the Sub-Fund (collectively, the "**Semi-Annual Reports**") from the Managers' website at www.nikkoam.com.sg. The Semi-Annual Reports will be made available on the Managers' website within two (2) months of the end of the period covered by the relevant report and accounts and will remain on the Managers' website for at least 12 months from the date of posting on the Managers' website. Printed copies of the Semi-Annual Reports are not sent to Holders. However, Holders who would like to receive printed copies of the Semi-Annual Reports may submit the relevant request to the Managers or the relevant distributor.

XXI QUERIES AND COMPLAINTS

52. You should contact the distributor from whom you purchased your Units if you have any queries regarding your investment in the Sub-Fund. You may also contact the Managers at 1800 535 8025 or visit the Managers' website at www.nikkoam.com.sg.

XXII OTHER MATERIAL INFORMATION

53. Valuation policy and performance measurement standards of the Managers

Valuations shall be done on every Dealing Day. There will not be a suspension of valuation by reason of an exchange holiday. In such cases, the last available security prices shall continue to be applied for valuation purposes.

Notwithstanding the foregoing, the Managers' pricing committee will subject to the provisions of the Code and the conditions set out in section XVI of this Prospectus retain the discretion to suspend valuation if deemed necessary. The Managers' pricing committee is responsible for considering and arriving at a consensus decision to address any pricing disputes or valuation methodology that requires ad hoc decision due to market situation. Subject to the provisions of the Code, the Managers may request for approval to suspend the valuation and dealing of the Sub-Fund if the fair value of a material portion of the Sub-Fund's assets cannot be determined.

The Managers collate and maintain portfolio and series data in the performance systems on a periodic basis and generate performance results to meet reporting requirements. Time-weighted rate of return (TWRR) methodology is adopted for portfolio returns calculation.

54. Hard-to-value or illiquid assets

If the most recent available price for a security invested into by the Sub-Fund exceeds one month for reasons of non-availability of prices from regular market sources and/or counterparties, an appropriate liquidity reserve shall be applied on the last available price in accordance with the Managers' pricing and valuation policy. The adjusted price shall be approved by the Managers' pricing committee prior to application.

55. You and your professional advisers should refer to the Appendix where certain selected provisions of the Deed are reproduced. The Deed is a legal document which sets out the rights, responsibilities and obligations of the Managers, Trustee and Holders. It also sets out the investment limits and restrictions for the Managers and the method for valuing the assets of the Sub-Fund. You may wish to inspect a copy of the Deed at the address of the Managers indicated in paragraph 5 above. If you are in any doubt regarding the contents of this Prospectus, you should contact the Managers at the telephone number provided in paragraph 52 above, or consult your solicitor, financial adviser or other professional adviser.

56. Compulsory realisation of Units

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

(a) any Holder:

(i) whose subscription for or holding of Units, in the opinion of the Managers, is or may be in breach of any applicable law or regulation in any jurisdiction; or

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

providers to perform their respective services and/or duties to or in respect of (i) the Sub-Fund and/or (ii) the Holder in relation to his holdings of Units in the Sub-Fund.

- 56.2 If the Managers and/or the Trustee are required to account to any duly empowered fiscal authority of Singapore or elsewhere for any income or other taxes, charges or assessments whatsoever on the value of any Units held by a Holder, the Managers (in consultation with the Trustee) shall be entitled to compulsorily realise such number of Units held by that Holder as may be necessary to discharge the liability arising. The Managers and/or the Trustee (as the case may be) shall be entitled to apply the proceeds of such realisation in payment, reimbursement and/or set-off against the liability.
- 56.3 Any compulsory realisation under paragraphs 56.1 or 56.2 may be carried out by the Managers on any Dealing Day after giving prior written notice to the relevant Holder, and shall be carried out in accordance with, and at the realisation price determined under, the relevant provisions of the Deed.
- 56.4 The Managers, the Trustee and their respective delegates, agents or Associates (as defined in the Deed) shall not be liable for any loss (whether direct or consequential and including, without limitation, loss of profit or interest) or damage suffered by any Holder or any party arising out of or caused in whole or in part by any actions which are taken by the Managers, the Trustee and/or any of their respective delegates, agents or associates under paragraphs 56.1, 56.2 or 56.3.
57. The Sub-Fund currently does not intend to carry out securities lending or repurchase transactions but may in the future do so, in accordance with the applicable provisions of the Code and the Deed.

APPENDIX

This appendix reproduces in summary form certain provisions of the Deed. You may inspect a copy of the Deed at the address specified in paragraph 5 of this Prospectus during office hours. In this appendix, "**Sub-Funds**" means the sub-funds of the Trust (including Eight Portfolio C) and "**Sub-Fund**" means any one of them.

1. Removal or Retirement of Manager or Trustee

1.1 The following is a summary of the provisions in the Deed regulating the retirement, removal and replacement of the Managers:

- (A) The Managers shall be subject to removal by notice in writing given by the Trustee in any of the following events:
- (i) if the Managers go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver or judicial manager is appointed in respect of any of their assets or if the Managers cease to carry on business;
 - (ii) if for good and sufficient reason the Trustee is of the opinion and so states in writing that a change of Managers is desirable in the interests of the Holders; Provided Always That if the Managers shall be dissatisfied with such opinion the matter shall be referred to arbitration in Singapore in accordance with the Arbitration Rules of the Singapore International Arbitration Centre, for the time being in force, which Rules shall be deemed to be incorporated by reference into this Clause. The tribunal shall consist of a single arbitrator, to be appointed by the Chairman of the Singapore International Arbitration Centre, whose decision shall be final and binding; or
 - (iii) if the Holders by Extraordinary Resolution passed at a meeting of Holders of all the Sub-Funds duly convened and held in accordance with the provisions of the Schedule to the Deed shall so decide.

In any of the cases aforesaid the Managers shall upon notice by the Trustee as aforesaid (but subject as in Clause 1(A)(ii) above provided) *ipso facto* cease to be the Managers and the Trustee shall by writing under its seal appoint some other corporation which holds a valid capital markets services licence under the provisions of the Securities and Futures Act (Cap. 289) upon and subject to such corporation entering into such deed or deeds as the Trustee may be advised to be necessary or desirable to be entered into by such corporation in order to secure the due performance of its duties as Managers which deed shall if so required by the Managers provide that the Managers to be appointed thereunder shall purchase from the retiring Managers all Units of which they are the Holder or deemed to be the Holder at the Realisation Price referred to in Clause 12 of the Deed Provided That this provision shall not prejudice the right of the Trustee herein contained to terminate the Trust in any of the events in which in accordance with the provisions herein contained the right of terminating the Trust is vested in the Trustee and Provided Further That if

pursuant to Clause 1(A)(ii) above the Managers shall have referred the matter to arbitration the cesser of the Managers to be Managers shall be delayed until the decision of the arbitrators is known unless the Trustee shall certify in writing that such delay is prejudicial to the interests of the Holders.

- (B) The Managers shall have power to retire in favour of a corporation which holds a valid capital markets services licence under the provisions of the Securities and Futures Act (Cap. 289) and is approved by the Trustee upon and subject to such corporation entering into such deed or deeds as mentioned in the last preceding sub-Clause. Upon such deed or deeds being entered into and upon payment to the Trustee of all sums due by the retiring Managers to the Trustee under the Deed at the date thereof the retiring Managers shall be absolved and released from all further obligations under the Deed but without prejudice to the rights of the Trustee or of any Holder, former Holder or other person in respect of any act or omission prior to such retirement.
- (C) Upon any removal or retirement of the Managers in accordance with sub-Clauses (A) and (B) above, the Managers shall, upon receipt of a request in writing from the Trustee, deliver to the Trustee the Registers and all subsidiary documents and records relating thereto.

1.2 The following is a summary of the provisions in the Deed regulating the retirement, removal and replacement of the Trustee:

- (A) The Trustee shall not be entitled to retire voluntarily except upon the appointment of a new trustee. In the event of the Trustee desiring to retire the Managers shall use their best endeavours to find a new trustee (being a corporation duly approved as may be required by the law for the time being applicable to the Deed) as Trustee for the Holders and upon doing so shall by deed supplemental thereto appoint such new trustee to be the Trustee in place of the retiring Trustee. If no new trustee is appointed by the Managers as aforesaid within a period of three months after the date of receipt by the Managers of the Trustee's notice of retirement, the Trustee shall be entitled to appoint such person selected by it (duly approved as aforesaid) as the new Trustee on the same basis as aforesaid or to terminate the Trust in accordance with Clause 2(F)(iii).
- (B) The Trustee may be removed and another trustee (duly approved as may be required by the law for the time being applicable to the Deed) may be appointed (i) by Extraordinary Resolution duly passed at a meeting of Holders of all the Sub-Funds held in accordance with the provisions contained in the Schedule to the Deed and of which not less than twenty-one days' notice has been given to the Trustee and the Managers or (ii) if for good and sufficient reason the Managers are of the opinion and so states in writing that a change of Trustee is desirable in the interest of the Holders; Provided Always That if the Trustee shall be dissatisfied with such opinion the matter shall be referred to arbitration in Singapore in accordance with the Arbitration Rules of the Singapore International Arbitration Centre, for the time being in force, which Rules

shall be deemed to be incorporated by reference into this Clause. The tribunal shall consist of a single arbitrator, to be appointed by the Chairman of the Singapore International Arbitration Centre, whose decision shall be final and binding; and Provided Further That if the Trustee shall have referred the matter to arbitration, the cesser of the Trustee as Trustee shall be delayed until the decision of the arbitrator is known. In such an event the Trustee shall upon receipt of notice by the Managers execute such deed as the Managers shall require under the common seal of the Trustee appointing the new Trustee to be Trustee of the Trust and shall thereafter *ipso facto* cease to be the Trustee.

- (C) If the Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Managers) or if a receiver or judicial manager is appointed in respect of any of its assets or if the Trustee ceases to carry on business, the Managers shall forthwith by instrument in writing remove the Trustee from its appointment under the Deed and shall by the same or some other instrument in writing appoint as Trustee hereof some other trustee duly approved as may be required by the law for the time being applicable to the Deed. The Manager shall notify the Holders of the appointment of any new Trustee within 14 days of the appointment of such Trustee specifying the new Trustee's name, address and date of appointment.
- (D) In the event the Authority revokes the status of the Trustee as an approved trustee under Section 289 of the Securities and Futures Act (Cap. 289), then the Managers shall be at liberty immediately to terminate the services of the Trustee and appoint another trustee in its place within a period of three (3) months from the date of the notice of such revocation from the Authority. Upon termination of the Trustee, the Managers may take all necessary steps to transfer the Deposited Property to the new trustee and to obtain any approval needed from the relevant authority for the replacement of the Trustee.

2. The open-ended unit trust constituted by the Deed is of indeterminate duration. However, under the provisions of the Deed, the Trust may be terminated as follows:

- (A) Either the Trustee or the Managers may in their absolute discretion terminate the Trust by not less than six (6) month's notice in writing to the other given so as to expire at the end of the Accounting Period (as defined in the Deed) current at the end of the year 2014 or thereafter at the end of each fifteen year period. In the event that the Trust shall fall to be terminated or discontinued the Managers shall give notice thereof to all Holders not less than three (3) months in advance.
- (B) The Trust may be terminated by the Trustee by notice in writing as hereinafter provided in any of the following events, namely:
 - (i) if the Managers shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver or judicial manager is appointed in

respect of any of their assets or if any encumbrancer shall take possession of any of their assets or if they shall cease business; or

- (ii) if in the opinion of the Trustee the Managers shall be incapable of performing or shall in fact fail to perform their duties satisfactorily or shall do any other thing which in the opinion of the Trustee is calculated to bring the Trust into disrepute or to be harmful to the interests of the Holders; Provided Always That if the Managers shall be dissatisfied with such opinion the matter shall be referred to arbitration in Singapore in accordance with the Arbitration Rules of the Singapore International Arbitration Centre, for the time being in force, which Rules shall be deemed to be incorporated by reference into this Clause. The tribunal shall consist of a single arbitrator, to be appointed by the Chairman of the Singapore International Arbitration Centre, whose decision shall be final and binding.

Subject as mentioned in Clause 2(B)(ii) above the decision of the Trustee in any of the events specified in this Clause 2(B) shall be final and binding upon all the parties concerned but the Trustee shall be under no liability on account of any failure to terminate the Trust pursuant to this Clause or otherwise. The Managers shall accept the decision of the Trustee and relieve the Trustee of any liability to them therefor and hold it harmless from any claims whatsoever on their part for damages or for any other relief.

- (C) The Trust may be terminated by the Managers in their absolute discretion by notice in writing as hereinafter provided if:
 - (i) the aggregate Value of the Deposited Property shall be less than S\$30,000,000;
 - (ii) the Trustee shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Managers) or if a receiver or judicial manager is appointed in respect of any of the assets of the Trustee or if any encumbrancer shall take possession of any of the assets of the Trustee or if they shall cease business; or
 - (iii) in the opinion of the Managers the Trustee shall be incapable of performing or shall in fact fail to perform their duties satisfactorily or shall do any other thing which in the opinion of the Managers is calculated to bring the Trust into disrepute or to be harmful to the interests of the Holders;

Provided Always That if the Trustee shall be dissatisfied with such opinion the matter shall be referred to arbitration in Singapore in accordance with the Arbitration Rules of the Singapore International Arbitration Centre, for the time being in force, which Rules shall be deemed to be incorporated by reference into this Clause. The tribunal shall

consist of a single arbitrator, to be appointed by the Chairman of the Singapore International Arbitration Centre, whose decision shall be final and binding.

- (D) The Trust may at any time after three (3) years from the date of the Deed be terminated by Extraordinary Resolution of a Meeting of the Holders of all the Sub-Funds duly convened and held in accordance with the provisions contained in the Schedule to the Deed and such termination shall take effect from the date on which the said Resolution is passed or such later date (if any) as the said Resolution may provide.
- (E) Subject to Clause 2(F), the party terminating the Trust shall give notice thereof to the other party and the Holders in the manner herein provided and by such notice fix the date at which such termination is to take effect which date shall not be less than three (3) months after the service of such notice.
- (F) Either the Managers or the Trustee may terminate the Trust by written notification to the other party without providing such notice as is specified in Clause 2(E) if:
 - (i) any law shall be passed which renders it illegal or, in the opinion of the Managers or the Trustee (as the case may be), impracticable or inadvisable to continue the Trust; or
 - (ii) either party removes the other pursuant to the provisions of this Deed and cannot find an acceptable replacement within a period of six (6) months of such removal; or
 - (iii) either party retires in accordance with the provisions of this Deed and an acceptable replacement cannot be found within a period of six (6) months of the notice of retirement.

3. Under the provisions of the Deed, upon the Trust being terminated the Trustee shall subject to authorisations or directions (if any) given to it by the Holders pursuant to their powers contained in the Schedule to the Deed proceed as follows:

- (A) The Trustee shall sell all Authorised Investments (as defined in the Deed) and assets then remaining in its hands as part of the Deposited Property and shall pay out of the Deposited Property all liabilities of the Trust so payable. The sale of such Authorised Investments and assets shall be carried out and completed in such manner and within such period after the termination of the Trust as the Trustee thinks advisable.
- (B) The Trustee shall from time to time distribute to the Holders in proportion to their respective interests in the Deposited Property all net cash proceeds derived from the realisation of the Deposited Property and available for the purposes of such distribution Provided That the Trustee shall not be bound (except in the case of the final distribution) to distribute any of the moneys for the time being in its hands the amount of which is insufficient to pay S\$1.00 (or its equivalent in any applicable currency), as the case may be, in respect of each undivided share in the Deposited

Property and Provided Also That the Trustee shall be entitled to retain out of any moneys in its hands as part of the Deposited Property under the provisions of Clause 33 of the Deed full provision for all fees, costs, charges, expenses, claims and demands incurred made or apprehended by the Trustee, in connection with or arising out of the liquidation of the Trust and out of the moneys so retained to be indemnified and saved harmless against any such fees, costs, charges, expenses, claims and demands. Any unclaimed proceeds or other cash held by the Trustee under the provisions of this Clause may at the expiration of twelve (12) months from the date upon which the same were payable be paid into court subject to the right of the Trustee to deduct therefrom any expenses it may incur in making such payment.

4. Under the provisions of the Deed, any Sub-Fund or Class may be terminated as follows:
- (A) Any Sub-Fund or Class may at any time after the expiry of three (3) years from the Commencement Date (as defined in the Deed) of the Sub-Fund or Class, be terminated by an Extraordinary Resolution of a Meeting of the Holders of such Sub-Fund or Class duly convened and held in accordance with the provisions contained in the Schedule to the Deed and such termination shall take effect from the day on which the said Resolution is passed or such later date (if any) as the said Resolution may provide.
 - (B) Subject to Clause 4(C), a Sub-Fund or Class may be terminated by the Managers in its absolute discretion by giving notice to the Trustee and thereafter by giving not less than three months' notice to the relevant Holders if:-
 - (i) on or after the second anniversary of the Commencement Date of the Sub-Fund or Class and for any successive three (3) month period thereafter ending not later than ninety days before the date of the notice the Value of Sub-Fund Property of such Sub-Fund or the part of the Sub-Fund Property attributable to such Class shall be less than S\$5,000,000; or
 - (ii) there are less than 25 Holders in that Sub-Fund or Class.
 - (C) Either the Managers or the Trustee may terminate any Sub-Fund or Class by written notification to the other party and the Holders of such Sub-Fund or Class without providing such notice as is specified in Clause 4(D) if any law shall be passed which renders it illegal or in the opinion of the Managers or the Trustee (as the case may be) impracticable or inadvisable to continue the Sub-Fund or Class.
 - (D) Subject as hereinafter provided the effective date of termination of the Sub-Fund or Class shall be the date specified as such by the Trustee or the Managers in the notice to be given to the other of them or where no such notice is required on the date specified in the notice to Holders. The effective date of termination shall not be less than three months after the date of despatch of notice to Holders unless the Trustee or the Managers are advised that the continuance of the Sub-Fund or Class is or will become illegal under the proper law of the Trust, in which case the effective date of

termination may be such earlier date as the Trustee or the Managers (whichever shall have given notice of termination) shall determine.

5. The Managers shall only be permitted to use derivatives for such purposes as may be permitted under the Code.
6. Every Holder shall be entitled to transfer all or any of the Units of any Sub-Fund or Class that are not CPF Units held by him by an instrument in writing in common form (or in such other form as the Managers and the Trustee may from time to time approve); Provided That no transfer of part of a holding of Units shall be registered without the approval of the Managers and the Trustee if in consequence thereof either the transferor or the transferee would be the Holder of less than the Minimum Holding. A fee may be charged by the Managers for the registration of a transfer.
7. An Applicant may, at such time as the Managers may determine, apply for Units in any Sub-Fund or Class via the Automatic Teller Machine ("**ATM**") of the Relevant Participating Bank. When an Applicant does so, the Applicant's confirmation, by pressing the "Enter" or "Confirm" key of the ATM, shall signify and shall be treated as:
 - (i) his written permission given in accordance with the relevant laws of Singapore, including Section 47(4) of the Banking Act (Cap. 19), to the disclosure by the Relevant Participating Bank of the relevant particulars of his account with that Relevant Participating Bank to the Relevant Persons and neither the Managers nor the Trustee shall be liable to the Applicant for the consequence of any such disclosure;
 - (ii) his written confirmation that he has obtained a copy of this Prospectus or other offering document in connection with the issue and offer to the public of Units of the relevant Sub-Fund or Class for subscription or sale and has read and understood its contents;
 - (iii) his written authorisation to the Relevant Participating Bank to pay the funds withdrawn from his bank account through the ATM to the Managers for the subscription of Units of the relevant Sub-Fund or Class.

During any period when the issue of Units in any Sub-Fund or Class is suspended in accordance with the provisions of the Deed, the application for Units in such Sub-Fund or Class via the ATM shall also be suspended. Any charges which may be imposed by the Relevant Participating Bank in connection with any application for Units in any Sub-Fund or Class via the ATM shall solely be borne by the Applicant.

For the purpose of this Clause, "**Applicant**" means a person who applies for Units in any Sub-Fund or Class via the ATM of a Relevant Participating Bank; "**Relevant Participating Bank**" means any bank in Singapore as the Managers may, after giving notice to the Trustee, from time to time prescribe for the purpose of this Clause; and "**Relevant Person**" means the Managers, the Trustee, the relevant authorities and any other person to whom the Relevant Participating Bank deems it necessary to give, divulge or reveal information in relation to the

Applicant's bank account, for the purposes of an application for Units in any Sub-Fund or Class via the ATM.

8. Under the provisions of the Deed, the Value of Authorised Investments and the Value of the Deposited Property are determined as follows:

"Value" except where otherwise expressly stated, with reference to any of the following investments which are authorised under the Deed shall be determined as follows:-

- (a) deposits placed with banks or other financial institutions in or outside Singapore, shall be determined by reference to the face value of such deposits and the accrued interest thereon for the relevant period;
- (b) certificates of deposit acquired at their nominal value shall be valued at cost plus accrued interest from the date of their acquisition on the nominal value at the coupon rate;
- (c) shares in any FR Fund¹⁶ shall be valued at the latest quoted net asset value per share as valued by the issuer thereof PROVIDED THAT if such latest quoted net asset value is not available or if the Managers do not consider such value to be appropriate, such Authorised Investments shall be valued at such amount as in the opinion of the Managers with the Trustee's approval gives a fair criterion at the relevant time;
- (d) Unquoted Securities shall be the fair value of the Unquoted Securities determined with due care and in good faith by an approved valuer approved by the Trustee as qualified to value such Unquoted Securities and the Managers shall document the basis for determining the price of the Unquoted Securities. The fair value should be the price that the Trust would reasonably expect to receive upon the current sale of the Unquoted Securities;
- (e) Quoted Securities shall be valued based on the official closing price or last know transacted price on the organised market on which the Quoted Securities are quoted; or the transacted price on the organised market on which the Quoted Securities are quoted at a cut-off time specified in the Trust's prospectus and applied constantly by the Managers; or in accordance with a method to be mutually agreed between the Trustee and the Managers; and
- (f) any other Authorised Investments shall be valued in such manner and at such time or times as the Managers and the Trustee shall from time to time agree;

¹⁶ **"FR Fund"** means (i) any unit trust or mutual fund or investment corporation managed or advised by an FR Company including the Existing Frank Russell Funds and any successor schemes thereto (ii) any sub-fund of the Nikko AM Shenton Horizon Investment Funds and (iii) with the approval of the Trustee and the relevant authorities (if applicable), such other trust schemes or mutual funds which are managed or advised by an FR Company or the Managers or any Associate of the Managers. **"FR Company"** means Russell Investments, a corporation organised under the laws of the State of Washington, USA and its related corporations (including Russell Investments Ireland Limited (formerly known as "Frank Russell Investments (Ireland) Limited").

Provided That, if the quotations referred to in sub-paragraph (e) are not available, or if the value of Authorised Investments determined in the manner described in the sub-paragraphs above (other than sub-paragraphs (d) and (f)), in the opinion of the Managers, do not represent a fair value of such Authorised Investment, then the Value shall be any reasonable value as may be determined by the Managers and approved by the Trustee.

Provided Further That the Managers shall inform the Holders of (a) any change in the method of determining the Value or (b) any changes in the timing of such valuation from the Valuation Point (as defined in the Deed), if so required by notice in writing from the Trustee. For the purposes of this paragraph, the Managers shall not make any such changes without the prior written approval of the Trustee.

In exercising in good faith the discretion given by the provision above, the Managers shall, subject to the provisions of the Code, not assume any liability towards the Trust. The Managers shall be entitled to rely upon such information provided by any custodian appointed in determining the Value of Authorised Investments and shall not incur any liability towards the Trust in reliance upon such information or where such information is not provided on a timely basis by such custodian. The Trustee shall not be under any liability, in accepting the opinion of the Managers, notwithstanding that the facts may subsequently be shown to have been different from those assumed by the Managers.

In calculating the Value of the Sub-Fund Property of any Sub-Fund or any proportion thereof:-

- (i) every Unit of such Sub-Fund agreed to be issued by the Managers shall be deemed to be in issue and the Sub-Fund Property shall be deemed to include not only property in the hands of the Trustee in respect of such Sub-Fund but also the value of any cash or other property to be received in respect of Units of such Sub-Fund agreed to be issued after deducting therefrom or providing thereout the Initial Sales Charge (or as the case may be, the Conversion Fee) and Anti-Dilution Levy (if any) attributable to such Sub-Fund and adjustment (if any) referred to in Clause 10(B) and (in the case of Units issued against the vesting of Authorised Investments) any moneys payable out of the Sub-Fund Property pursuant to Clause 10 of the Deed;
- (ii) where Authorised Investments attributable to such Sub-Fund have been agreed to be purchased or sold but such purchase or sale has not been completed, such Authorised Investments shall, wherever possible, be included or excluded on a trade date accounting basis;
- (iii) where in consequence of any notice or request in writing given pursuant to Clause 11 or 12 of the Deed a reduction of such Sub-Fund by the cancellation of Units of such Sub-Fund is to be effected but such reduction has not been completed the Units of such Sub-Fund in question shall not be deemed to be in issue and any amount payable in cash and the value of any Authorised Investments attributable to such Sub-Fund to be transferred out of the Sub-Fund Property in pursuance of such reduction shall be deducted from the Value of the Sub-Fund Property;

- (iv) there shall be deducted any amounts not provided for above which are payable out of the Sub-Fund Property including:-
 - (aa) any amount of Management Participation attributable to such Sub-Fund (which shall be deducted in accordance with sub-paragraph (ix) below if the Management Participation differs between the Classes within the same Sub-Fund) accrued to the date as at which the valuation is made but remaining unpaid;
 - (bb) the amount of tax attributable to such Sub-Fund, if any, on capital gains attributable to such Sub-Fund accrued up to the end of the last Accounting Period and remaining unpaid;
 - (cc) such sum in respect of tax attributable to such Sub-Fund, if any, on net capital gains attributable to such Sub-Fund realised during a current Accounting Period prior to the valuation being made as in the estimate of the Managers will become payable;
 - (dd) any amount of the remuneration of the Trustee attributable to such Sub-Fund accrued to the date as at which the valuation is made but remaining unpaid;
 - (ee) any other costs and expenses attributable to such Sub-Fund payable but not paid which are expressly authorised by the terms of the Deed to be payable out of the Sub-Fund Property; and
 - (ff) any appropriate allowance for any contingency liabilities attributable to such Sub-Fund;
- (v) there shall be taken into account such sum as in the estimate of the Managers will fall to be paid or reclaimed in respect of taxation related to Income attributable to such Sub-Fund down to the relevant date;
- (vi) there shall be added the amount of any tax attributable to such Sub-Fund, if any, on capital gains attributable to such Sub-Fund estimated to be recoverable and not received;
- (vii) any Value attributable to such Sub-Fund (whether of an Authorised Investment or cash) otherwise than in Dollars and any non-Dollar borrowing shall be converted into Dollars at the rate (whether official or otherwise) which the Managers shall after consulting or in accordance with a method approved by the Trustee deem appropriate to the circumstances having regard *inter alia* to any premium or discount which may be relevant and to the costs of exchange;
- (viii) where the current price of an Authorised Investment attributable to such Sub-Fund is quoted "ex" any dividend, interest or other rights to which the Sub-Fund Property is entitled but such dividend, interest or the property or cash to which the rights relate

has not been received and is not taken into account under any provisions of this definition, the amount of such dividend, interest or property or cash shall be taken into account; and

- (ix) in the case of a Sub-Fund which has more than one Class, the Value of the proportion of the Sub-Fund Property attributable to a Class shall be calculated by apportioning the Value of the Sub-Fund Property (obtained in accordance with sub-paragraphs (i) to (viii) above provided that no deduction or addition shall be made in respect of expenses, charges or other amounts which are not common to all the Classes) between the Classes and then deducting from or adding to the Value of the proportion of the Sub-Fund Property for each Class any expense, charge or other amount attributable to such Class (including, but not limited to, the Management Participation if it differs between Classes within the same Sub-Fund). For the avoidance of doubt, where any expense, charge or amount payable out of or payable into the Sub-Fund Property of a Sub-Fund pursuant to this Deed is attributable only to a particular Class within that Sub-Fund, such amount shall only be deducted from or added to the Value of the Sub-Fund Property which is attributable to that Class and shall not affect the calculation of the Value of the Sub-Fund Property attributable to other Classes within that Sub-Fund.

Name of the Fund: Nikko AM Shenton Eight Portfolios – Eight Portfolio C
Date of Lodgment:

NIKKO ASSET MANAGEMENT ASIA LIMITED

BOARD OF DIRECTORS

Signed:

Signed:

David Jonathan Semaya
Director
(Signed by Eleanor Seet Oon Hui
for and on behalf of
David Jonathan Semaya)

Seet Oon Hui Eleanor
Director

Signed:

Signed:

Lim Soon Chong
Director
(Signed by Eleanor Seet Oon Hui
for and on behalf of
for Lim Soon Chong)

Junichi Sayato
Director
(Signed by Seet Oon Hui Eleanor for and on behalf of
Junichi Sayato)

Signed:

Yu-Ming Wang
Director
(Signed by Seet Oon Hui Eleanor for and on
behalf of Yu-Ming Wang)

