DIRECTORY

Managers
Nikko Asset Management Asia Limited
(Company Registration Number: 198202562H)
12 Marina View, #18-02, Asia Square Tower 2, Singapore 018961

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

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

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

Solicitors to the Managers
Chan & Goh LLP
50 Craig Road, #03-01, Singapore 089688

Solicitors to the Trustee
Dentons Rodyk & Davidson LLP
80 Raffles Place, #33-00, UOB Plaza 1, Singapore 048624
NIKKO AM ALL CHINA EQUITY FUND

Important Information

Nikko Asset Management Asia Limited (the “Managers”) accepts full responsibility for the accuracy of the information contained in this Prospectus of the Nikko AM All China Equity Fund (the “Fund”), and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, there are no material facts the omission of which would make any statement herein misleading.

You should refer to the relevant provisions of the trust deed constituting the Fund (the “Deed”) and obtain independent professional advice in the event of any doubt or ambiguity. Copies of the Deed are available for inspection at the business address of the Managers at 12 Marina View, #18-02, Asia Square Tower 2, Singapore 018961 at all times during usual business hours (subject to such reasonable restrictions as the Managers may impose).

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and may only be used in connection with the offering of units in the Fund (“Units”). No representation is made as to the tax status of the Fund.

The Units 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 resident. If at any time it shall come to the knowledge of the Managers that any Units are held by or in the beneficial ownership or under the control of a United States resident, the Managers shall have the right, on giving written notice, to purchase from the Holder such Units at the Realisation Price (as described in paragraph 11 of this Prospectus) or to require the Holder of such Units to transfer all such Units to a person who is not a United States resident.

You should seek independent professional advice to ascertain (a) the possible tax consequences; (b) the legal requirements; and (c) any foreign exchange restrictions or exchange control requirements which they may encounter under the laws of the countries of their citizenship, residence or domicile, and which may be relevant to the subscription, holding or disposal of Units and should inform themselves of and observe all applicable laws and regulations of any relevant jurisdiction that may be applicable to them.

Investment in the Fund requires consideration of the normal risks involved in investing and participating in collective investment schemes. You should carefully consider the risks of investing in the Fund. Details of the risks involved are set out in paragraph 9 of this Prospectus. You should consider these risks carefully before making an investment decision. You should note that your investments can be volatile and that the value of Units may decline as well as appreciate. Hence there can be no assurance that the Fund will be able to attain its objective. The prices of Units as well as income from them may go up as well as down to reflect changes in the value of the Fund. An investment should only be made by those persons who can sustain losses on their investments. You should also satisfy yourself of the suitability of an investment in the Fund based on your personal circumstances.

The Managers may in their absolute discretion, subject to the applicable investment restrictions as may from time to time be prescribed by the Monetary Authority of Singapore (the “Authority”), invest in financial derivative instruments (“FDIs”) for the purposes of hedging and/or efficient portfolio management. Please refer to paragraph 9.3 of this Prospectus for further details, including the risks in connection therewith.
No person, other than the Managers, has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, subscription or sale of Units, other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Managers.

You should note that the Units are not listed on any stock exchange and that there is no secondary market for the Fund. You may purchase, cancel or realise your Units through the approved distributors of the Managers subject to the ultimate discretion of the Managers in respect of the purchase or realisation of your Units in accordance with the provisions in the Deed.

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

**Personal Data Protection**

You consent and acknowledge that any personal data provided to the Managers, the Trustee (as defined in paragraph 1.3 of this Prospectus), the Custodian (as defined in paragraph 4.3 of this Prospectus), the registrar of the Fund (the “Registrar”) 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. your beneficial owners, directors or your authorised signatories if you are not an individual) (“Data”) may be collected, used and disclosed by a Recipient for the following purposes: (i) updating and maintaining the register of unitholders of the Fund; (ii) processing instructions from you or persons acting on your behalf or processing your trades or those of persons acting on your behalf; (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 you or persons acting on your behalf, and generating, communicating with and disseminating notices, reports, correspondence, statements, invoices, confirmations and advices to you or persons acting on your behalf; (viii) verifying your identity or the identity of persons acting on your behalf; (ix) reviewing and approving your 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) administrating, operating, processing or managing the Units or the 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 and acknowledge to 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 1.3 of this Prospectus), the Custodian (as defined in paragraph 4.3 of this Prospectus) or the Registrar; 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 Fund. You should note that the Managers may compulsorily realise all or any of your Units in any of the circumstances set out in paragraph 20.7 of this Prospectus.

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 their appointed agents or distributors. You should note that a notice of withdrawal of consent submitted by you shall be deemed to be a request for redemption of all Units held by you.

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 (as defined hereinafter) and 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 days of any change under FATCA (as defined hereinafter) or any laws or regulations that affect 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 days of any request in writing by the Managers or their approved distributors.

You acknowledge that in the event of any failure 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 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 your 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 your account(s) 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 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 ("OECD") of a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information ("AEOI"), 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 will require you to provide, amongst other things, information in relation to your identity and tax residence(s) of your account(s) (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.

All enquiries in relation to the Fund should be directed to the Managers or their approved distributors.

WARNING

The Fund may be offered to professional investors in Hong Kong or to Hong Kong investors via the private placement exemption. Hong Kong investors should note that the contents of this document have not been reviewed by any regulatory authority in Hong Kong and are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.
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NIKKO AM ALL CHINA EQUITY FUND

The Fund offered in this Prospectus is an authorised scheme under the Securities and Futures Act, Chapter 289 ("SFA"). A copy of this Prospectus has been lodged with and registered by the Authority. The Authority assumes no responsibility for the contents of this Prospectus. The registration of this Prospectus by the Authority does not imply that the SFA or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the Fund.

1. BASIC INFORMATION

1.1 The Fund is a Singapore authorised open-ended standalone unit trust.

1.2 The date of registration of this Prospectus with the Authority is 24 October 2019. This Prospectus shall be valid for 12 months after the date of registration (i.e., up to and including 23 October 2020) and shall expire on 24 October 2020.

1.3 The Fund is constituted as an open-ended standalone unit trust in Singapore on 28 October 2015 pursuant to a trust deed dated 28 October 2015 (the "Principal Deed") entered into between the Managers and BNP Paribas Trust Services Singapore Limited (the "Trustee"). The Principal Deed has been amended by the First Supplemental Deed dated 26 October 2017 (the “Amending Deed”) entered into between the Managers and the Trustee. The Principal Deed as amended by the Amending Deed shall hereinafter be referred to as the "Deed". Copies of the Deed may be inspected at the business address of the Managers at 12 Marina View, #18-02, Asia Square Tower 2, Singapore 018961 at all times during usual business hours (subject to such reasonable restrictions as the Managers may impose). Unless specifically defined herein, all defined terms used in this Prospectus shall have the same meaning as used in the Deed.

1.4 The Deed is binding on the Managers, the Trustee and all unitholders of the Fund (the "Holders") (and all persons claiming through such Holders) as if such persons had each been a party to the Deed. Much of the information in this Prospectus is a summary of corresponding provisions in the Deed. You should read the Deed for further details and for further information which is not contained in this Prospectus.

1.5 Accounts and Reports

You may obtain the latest annual and semi-annual reports, annual and semi-annual accounts and the auditors’ report on the annual accounts relating to the Fund from the Managers’ website at www.nikkoam.com.sg.

2. THE MANAGERS

The Managers of the Fund

2.1 The Managers 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 licensed and regulated by the Authority.

2.2 The Managers have managed collective investment schemes or discretionary funds in Singapore since 1982.
The Managers may be removed by the Trustee, by notice in writing, if the Managers go into liquidation (other than voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously notified in writing to the Trustee). Please refer to Clause 38 of the Deed for more details.

**Directors of the Managers**

**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. Additionally, she leads in the management of Nikko Asset Management group’s joint venture relationships in China and Malaysia. A pioneer in the asset management industry, Eleanor 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. In 2017, she was conferred the IBF Fellow distinction by the Institute of Banking and Finance Singapore.
Yu-Ming Wang

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

Yu-Ming is responsible for senior investment counsel focused on developing the firm's external and joint venture investment capabilities, as well as supporting international sales communications. In this capacity, he is also focused on advising clients on potential future investment opportunities. After joining Nikko Asset Management Co., Ltd (“Nikko AM”) as International Chief Investment Officer in January 2013, Yu-Ming assumed the additional position of Deputy President in April 2014. Since June 2019, he was appointed as Senior Executive Investment Advisor of Nikko Asset Management Americas, Inc.

Based in Asia from 2007 to 2019, Yu-Ming was previously Head of Fixed Income at Manulife Asset Management (Hong Kong). 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.

Kiyotaka Ryu

Kiyotaka is a non-executive director of the Managers.

Kiyotaka was appointed as Chief Administrative Officer of Nikko AM in July 2018 and as Acting Chief Risk Officer of Nikko AM in December 2018. He is responsible for overall business planning and management to support Middle and Back Office functions, as well as leading the global risk management function in Nikko AM.

Kiyotaka joined the Internal Audit Department of Nikko AM in September 2007 and went on to become the Head of Internal Audit where he led the Nikko AM group’s Internal Audit practice for three and a half years.

Before joining Nikko AM, he worked for KPMG, as a financial and technology auditor. He served clients from various industries including the financial sector.

He is a qualified accountant and a member of the American Institute of Certified Public Accountants.

He graduated from Waseda University with a Bachelor of Arts in Human Sciences and has also received a Master of Professional Accounting degree from the University of New South Wales.

Hou Wey Fook

Wey Fook is a non-executive director of the Managers.

Wey Fook joined DBS as Chief Investment Officer, Consumer Banking & Wealth Management in September 2017.

As the Chief Investment Officer, he leads a team of investment strategists in formulating portfolio strategies that involve asset allocation across global equities, fixed income, alternatives investments and foreign exchange. He also leads a team of communications specialists in the Chief Investment Office that publishes DBS’ house view on market outlook, asset and regional allocation, as well as thematic strategies.
Wey Fook has more than 30 years of fund management experience, and was most recently at Bank of Singapore where he held various senior management roles including Chief Investment Officer and Head of Discretionary Portfolio Management. He started his career at Government of Singapore Investment Corp (GIC) followed by OCBC Asset Management before joining ING Asia Private Bank, later renamed Bank of Singapore.

Wey Fook graduated with a Bachelor of Engineering from the National University of Singapore and is a Chartered Financial Analyst charterholder.

2.5 Key executives of the Managers

The key executives of the Managers in relation to the Fund are Seet Oon Hui Eleanor (whose description is set out in paragraph 2.4 above) and Robert Mann.

Robert Mann

Robert heads the Asia ex-Japan equity team of the Managers and is responsible for macro research. He has 36 years of experience in the securities industry. His experience spans a wide spectrum of roles including managing equities, fixed income and balanced funds, as well as product management. Robert joined the Managers from Treasury Asia Asset Management (“TAAM”) which was acquired by Nikko AM in 2013. He was at TAAM for around 3 years where he was running an absolute return fund.

Prior to joining TAAM in 2010, Robert was with Aberdeen Asset Management in Singapore. This followed the sale in mid-2009 of parts of Credit Suisse Asset Management (“CSAM”) to Aberdeen. Between 1995 and 2007, Robert was with CSAM in Sydney, first as Fixed Interest Portfolio Manager, then Head of Fixed Interest, and subsequently Chief Investment Officer and Deputy Chief Executive Officer. In 2007, he took on the Singapore based role of Head of Investments Asia Pacific, where he was responsible for a team spread across Australia, Singapore and Tokyo, which managed around S$20 billion in assets. He was also indirectly responsible for the investment side of Woori CS Asset Management in Seoul which had about US$ 10 billion of assets under management.

Between 1986 and 1995, Robert was with Credit Suisse First Boston in varied roles, moving between Japan and Australia. During those years, he started out in sales and product management and worked his way up to become Head of Fixed Income Research Asia Pacific overseeing a team of 19 professionals in Tokyo and Sydney.

Robert holds a Bachelor of Commerce with majors in Accounting and Economics from the University of Melbourne and a Graduate Diploma from Securities Institute of Australia. His professional memberships are FCPA (Fellow of Australian Society of CPA’s) and F Fin (Fellow of Financial Services Institute of Australasia).

3. THE TRUSTEE

3.1 The Trustee is BNP Paribas Trust Services Singapore Limited (Company Registration No.: 200800851W) and its registered address is at 20 Collyer Quay, #01-01, Singapore 049319. The Trustee is regulated by the Authority.

3.2 In accordance with the provisions of the Deed, in the event the Trustee goes into liquidation, the Trustee may be removed by notice in writing from the Managers and replaced by a new
trustee who shall be appointed by the Managers. Please refer to Clause 39 of the Deed for more details.

4. OTHER PARTIES

4.1 The Registrar

The registrar of the Fund is the Trustee (the “Registrar”) and the register of Holders (the “Register”) maintained by the Registrar can be inspected 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 Managers or the Registrar may impose.

4.2 The Auditors

The auditors for the Fund are PricewaterhouseCoopers LLP of 7 Straits View, Marina One, East Tower, Level 12, Singapore 018936.

4.3 The Custodian

The custodian of the Fund is BNP Paribas Securities Services, operating through its Singapore Branch (Company Registration No.: T08FC7287D) (the “Custodian”), and its registered address is at 20 Collyer Quay, #01-01, Singapore 049319. The Custodian is licensed and regulated by the Authority.

The Custodian is a global custodian with direct market access in certain jurisdictions and for other markets it engages selected sub-custodians. 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. Any sub-custodian that is appointed by the Custodian will be licensed and regulated in its home jurisdiction.

4.4 The Managers have delegated their administration and valuation functions in respect of the Fund to BNP Paribas Securities Services, operating through its Singapore Branch.

4.5 Counterparties, brokers and/or prime brokers (if any) that are used by the Fund are selected from an approved panel and their appropriateness for continuous use by the Managers is reviewed on a regular basis. For inclusion onto the panel, due diligence on the counterparties, brokers and/or prime brokers must be completed by the Managers and the relevant internal approvals must be obtained. However, for inclusion onto the panel and the use of any counterparties, brokers and/or prime brokers to transact in foreign exchange, over-the-counter derivatives, secured/unsecured call loan or securities lending, additional approval must be sought from the risk management department of the Managers’ parent company, Nikko AM.

4.6 In the event the Custodian goes into liquidation, the Trustee may, terminate the appointment of the Custodian and, in accordance with the Deed, appoint such other person as the new custodian to provide custodial services to the Fund.
5. STRUCTURE OF THE FUND

5.1 The Fund is a Singapore-authorised standalone unit trust. The base currency of the Fund is USD1.

5.2 The Managers have the discretion to establish different classes of Units (each a “Class” and collectively the “Classes”) from time to time. The Classes established within the Fund are as follows:

- USD Class S Units (denominated in USD)
- USD Class A Units (denominated in USD)
- SGD Class A Units (denominated in SGD2)
- RMB Class A Units (denominated in RMB3)
- JPY Class Units (denominated in JPY4)

5.3 The Classes in the Fund may differ, amongst other things, in terms of the currency of denomination, minimum initial investment amount and minimum subsequent investment amount, types of investors etc.

5.4 All Classes will constitute the Fund and are not separate funds. Any expense, income and/or gain which is attributable to a particular Class shall be deducted from or added to (as the case may be) the value of the Fund which is attributable to that Class.

5.5 A separate net asset value per Unit will be calculated for each Class. The net asset value per Unit of each Class will be calculated on each Dealing Day5 in the currency of the relevant Class. It is calculated based on forward pricing and is determined based on the Value6 as at the Valuation Point7 on the relevant Dealing Day on which applications for Units are received, of the proportion of the Deposited Property8 of the Fund or Class represented by 1 Unit and rounding such amount to (in the case of all Classes except for the JPY Class) the nearest 3 decimal places and (in the case of the JPY Class) the nearest 4 decimal places (or such other number of decimal places or such other method of rounding as the Managers may from time to time determine with the approval of the Trustee).

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1 “USD” means the lawful currency of the United States of America.
2 “SGD” means the lawful currency of the Republic of Singapore.
3 “RMB” means Renminbi, the lawful currency of the PRC.
4 “PRC” means the People’s Republic of China.
5 “JPY” means the lawful currency of Japan.
6 “Dealing Day” in relation to the subscription and realisation of Units means a Business Day or such other day as provided in the Deed. “Business Day” means any day (other than a Saturday, Sunday or public holiday) on which commercial banks in Singapore, Hong Kong and the PRC are open for business, or any other day as the Managers and the Trustee may agree in writing.
7 “Value” means with reference to any Deposited Property or any part thereof, or with reference to any investment comprised or to be comprised in any Deposited Property, its net asset value or its value respectively as determined in accordance with paragraph 20.4.
8 “Valuation Point” means the close of business of the last market relevant to the Fund on a Dealing Day or such other time as the Managers with the prior approval of the Trustee may from time to time determine, and the Trustee shall determine if the Holders should be informed of such change and the Managers shall notify the Holders of such change if required by the Trustee.
9 “Deposited Property” means all of the cash assets and other property for the time being comprised in the Fund or deemed to be held upon the trusts of the Deed for account of the Fund excluding any amount for the time being standing to the credit of the Distribution Account (as defined in the Deed) of the Fund.
6. THE CENTRAL PROVIDENT FUND INVESTMENT SCHEME ("CPFIS")

The Fund is currently not included under the CPFIS.

7. INVESTMENT OBJECTIVE, FOCUS AND APPROACH

7.1 Investment Objective and Strategy

The investment objective of the Fund is to achieve medium to long-term capital appreciation by investing primarily in the listed equities of corporations listed on the Recognised Stock Exchanges\(^9\) in any part of the world (as may from time to time be agreed between the Managers and the Trustee) and which carry on significant business in, whose operations are in, or which derive substantial revenue from, or whose subsidiaries, related or associated corporations derive substantial revenue from the PRC.

The investments of the Fund will be broadly diversified with no specific industry or sectoral emphasis.

The Managers believe that active management based on in-depth fundamental stock research can add value to investors. The Managers are benchmark agnostic and invest in high conviction stocks to deliver outperformance relative to the benchmark over the medium to long term.

The Managers seek to identify high conviction stocks through bottom-up stock research. Stock ideas are generated via (1) screening, (2) considerations of company specific factors such as growth profiles, profitability, balance sheet and valuations and (3) sector-specific research on industry developments and their impact on companies’ businesses. The Managers conduct thorough research on the stock ideas and seek to identify high conviction companies with positive characteristics such as the ability to deliver sustainable shareholder returns, positive fundamental changes with early recognition, healthy financials, strong management and attractive valuation.

In order to achieve its investment objective, the Fund will invest and have direct access to certain eligible China A-shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (collectively, the “Stock Connect”) and may in the future at the Managers’ discretion invest through the Managers’ quota and capacity under the RQFII\(^{10}\) framework in listed equities in the China A-shares market.

The Fund shall comply with Appendix 1 of the Code on Collective Investment Schemes issued by the Authority, as amended from time to time (the “Code”).

Stock Connect

The Stock Connect is a securities trading and clearing linked program developed by Hong Kong Exchanges and Clearing Limited (“HKEx”), Shanghai Stock Exchange (“SSE”) /

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\(^9\) “Recognised Stock Exchange” means subject to the provisions of the Code, any stock exchange or over the counter market, any futures exchange and any organised securities market which is open to the public and on which securities are regularly traded, being in each case an exchange or market in any part of the world (including SGX-ST and Catalist) and in relation to any particular Investment includes any responsible firm, corporation or association in any country in the world so dealing in the Investment as to be expected generally to provide, in the opinion of the Managers, a satisfactory market for the Investment and is approved by the Trustee and in such case the Investment shall be deemed to be the subject of an effective permission to deal or be dealt in on the market deemed to be constituted by such firm, corporation or association.

\(^{10}\) “RQFII” means a RMB qualified foreign institutional investor approved pursuant to the relevant PRC regulations (as amended from time to time).
Shenzhen Stock Exchange ("SZSE") and China Securities Depository and Clearing Corporation Limited ("ChinaClear"), with an aim to achieve mutual stock market access between mainland China and Hong Kong.

The Stock Connect comprises a Northbound Trading Link (for investment in China A-shares) by which the Fund may be able to place orders to trade eligible shares listed on SSE / SZSE (as the case may be).

Under the Stock Connect, overseas investors (including the Fund) may be allowed, subject to rules and regulations issued/amended from time to time, to trade certain China A-shares listed on the SSE (the “SSE Securities”) / SZSE (the “SZSE Securities”) (as the case may be) through the Northbound Trading Link. The SSE Securities include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China A-shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on the Stock Exchange of Hong Kong Limited ("SEHK"), except (i) those SSE-listed shares which are not traded in RMB and (ii) those SSE-listed shares which are included in the “risk alert board”. The SZSE Securities include all the constituent stocks of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which has a market capitalisation of not less than RMB 6 billion, and all the SZSE-listed China A-Shares which have corresponding H-Shares listed on the SEHK, except (i) those SZSE-listed shares which are not traded in RMB and (ii) those SZSE-listed shares which are included in the “risk alert” or under delisting arrangement. The list of eligible securities may be changed subject to the review and approval by the relevant mainland China regulators from time to time.

RQFII

Regulations in the PRC

Under current regulations in the PRC, foreign investors (such as the Fund) may invest in certain eligible onshore PRC investments, in general, only through entities that have obtained status as a QFII11 or RQFII from the China Securities Regulatory Commission ("CSRC"). The Fund may invest directly into listed equities in the China A-shares market through the Managers’ status as a RQFII, using an investment quota granted to the Managers by SAFE12.

RMB Qualified Foreign Institutional Investor ("RQFII")

Under current RQFII regulations in the PRC, foreign institutional investors seeking to invest directly in the PRC domestic securities market may apply for a RQFII licence. The Managers have obtained a RQFII licence in the PRC and may use the RQFII quota of the Managers to obtain exposure to securities and instruments issued within the PRC. The Managers may from time to time make available their RQFII quota for the purpose of the Fund’s direct investment into the PRC. Under the SAFE’s RQFII quota administration policy, the Managers have the flexibility to allocate their RQFII quota across different open-ended fund products or to products and/or accounts that are not open-ended funds. The Managers may therefore allocate additional RQFII quota to the Fund, or allocate RQFII quota which may

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11 "QFII" means a qualified foreign institutional investor approved under the “Regulations on Domestic Securities Investments by Qualified Foreign Institutional Investors” issued by the CSRC, the People’s Bank of China and SAFE and effective from 1 September 2006.

12 "SAFE" means the State Administration of Foreign Exchange of the PRC.
otherwise have been available to the Fund to other products and/or accounts. The Managers may also apply to SAFE for additional RQFII quota which may be used by the Fund, other clients of the Managers or other products managed by the Managers. However, there is no assurance that the Managers will make available RQFII quota that is sufficient for the Fund’s investments at all times.

7.2 Product Suitability

The Fund is suitable for investors who:

- seek investment opportunities in corporations that are listed on stock exchanges in any part of the world which carry on significant business in or derive substantial revenue from the PRC;
- seek to participate in the growth of corporations that are well managed and profitable; and
- are willing and able to accept that their principal will be at risk.

Investors should consult their financial advisers if in doubt as to whether investments into the Fund are suitable for them.

7.3 Distribution Policy

In respect of each of the USD Class S Units, USD Class A Units, SGD Class A Units, RMB Class A Units and JPY Class Units, the Managers have the absolute discretion to determine whether any distributions should be made to Holders of Units in the relevant Class. Should the Managers decide to make distributions in respect of any Class, the quantum available for distribution will be calculated in accordance with the provisions of the Deed.

Sources of income for distribution include dividend and/or interest income and/or capital gains derived from the investments of the Fund (collectively, the "Investment Income"). The Managers will decide whether a distribution is to be made based on various factors, including the Investment Income. If the Investment Income is insufficient to fund a distribution for the Fund, the Managers may determine that such distributions should be paid from the capital of the Fund.

Where distributions are paid out of capital of a Class, the net asset value of the relevant Class will be reduced and this will be reflected in the Realisation Price of the Units of that Class. Holders redeeming their Units may therefore receive an amount less than their initial investment. Such distributions may also result in reduced future returns to Holders.

You should note that the distributions are not guaranteed and are at the discretion of the Managers.

7.4 Investment Restrictions

The Fund is subject to investment and borrowing restrictions in the Investment and Borrowing Guidelines as set out in Appendix 1 of the Code, which guidelines may be amended from time to time.
# 8. FEES AND CHARGES

8.1 The fees and charges applicable to the Fund are set out in the tables below:

<table>
<thead>
<tr>
<th>Fees and charges payable by you</th>
<th></th>
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| Initial Sales Charge<sup>13</sup> | **All Classes except the JPY Class Units:** Current: Up to 5.00%  
JPY Class Units*: Current: Nil  
Maximum: 5.00% |
| Realisation Charge | Current: Nil; Maximum: 1.00% |
| Exchange Fee | Where the Initial Sales Charge paid for the Units being exchanged is less than the initial sales charge payable for the units being acquired, the Managers shall be entitled to charge for the difference.  
For the avoidance of doubt, where the Initial Sales Charge paid for the Units being exchanged is more than the initial sales charge payable for the units being acquired, the Managers shall be entitled to retain the difference. |

<table>
<thead>
<tr>
<th>Fees and Charges payable by the Fund</th>
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| Annual Management Fee | **USD Class S Units**: 0%  
USD Class A Units: 1.50%  
SGD Class A Units: 1.50%  
RMB Class A Units: 1.50%  
JPY Class Units: 0.30%  
Maximum: 2.00% |
| (a) Retained by Managers | (a) 40% to 100% of the Annual Management fee. |
| (b) Paid by Managers to financial adviser (trailer fee) | (b) 0% to 60%<sup>14</sup> of the Annual Management fee. |
| Annual Trustee Fee | Current: 0.03% (subject always to a minimum fee of SGD5,000 p.a.)  
Maximum: 0.10%. |
| Other Substantial Fees/Charges | For the financial year ended 30 June 2019:  
(a) Transaction cost | 0.53%  
(b) Professional fees | 0.10% |

<sup>13</sup> JPY Class Units are only available to certain institutional investors from Japan at the Managers’ discretion.  
<sup>14</sup> USD Class S Units are only available to certain investors who are seeding the Fund’s investments or at the Managers’ discretion.

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"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 transactions provided that such charge 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.

Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Managers.
The Initial Sales Charge and the Exchange Fee where applicable, will be retained by or paid to the approved distributors of the Managers and/or the Managers for their own benefit 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 Fund. Any commission, remuneration or other sum payable to 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.

The Managers may at any time differentiate between investors as to the amount of the Initial Sales Charge and the Exchange Fee (where applicable), subject to the maximum permitted, or allow discounts on such basis or on such scale as the Managers may think fit.

The fees and charges above exclude any goods and services tax or other value added tax (whether imposed in Singapore or elsewhere).

RISKS

General risks of investing in collective investment schemes

While the Managers believe that the Fund offers the potential to achieve its stated objective, no assurance can be given 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 you should assess for yourself the risks of the Fund’s investments in general.

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 Fund. You may not get back your original investment. An investment in the Fund is designed to produce returns over the medium to long-term. Investments in the Fund are not suitable for short-term speculation. The value of the Fund and its distributions (if any) may rise or fall.

You should be aware that the price of Units may go down as well as up in response to changes in interest rates, foreign exchange, economic and political conditions.

Dealings in the Units and the calculation of the net asset value thereof may be suspended in certain circumstances and the redemption of Units may be suspended or deferred in certain circumstances as provided for in the Deed.

Risks specific to the Fund

Market Risk:

The prices of securities in the portfolio of the Fund and its Units and the income derived therefrom may be influenced by economic and political conditions, changes in interest rates, the earnings of the corporations whose securities are comprised in the portfolio of the Fund and the market’s perception of the securities. These may cause the prices of Units to go up or down as the prices of Units are based on the current market value of the investments of the Fund.
9.2.2 **Equity Risk:** The Fund invests primarily 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 may therefore be subject to greater price volatility.

9.2.3 **PRC Market Risk:** Investing in the securities markets in the PRC is subject to the risks of investing in emerging markets generally and the risks specific to the PRC market. For many years, the central government of the PRC has adopted a planned economic system. Since 1978, the PRC government has implemented economic reform measures which emphasise decentralisation and the utilisation of market forces in the development of the PRC economy. Such reforms have resulted in significant economic growth and social progress.

Many of the PRC economic reforms are unprecedented or experimental and are subject to adjustment and modification, and such adjustment and modification may not always have a positive effect on investments in listed securities.

The national regulatory and legal framework for capital markets and joint stock companies in the PRC is still developing as compared to those of developed countries.

PRC companies are required to follow PRC accounting standards and practice which, to a certain extent, follow international accounting standards. However, there may be significant differences between financial statements prepared by accountants following PRC accounting standards and practice and those prepared in accordance with international accounting standards.

9.2.4 **Single Country Risk:** The Fund may invest in securities of a single or a limited number of countries. Where the Fund invests in a single or a few, select 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 single or limited number of countries also increases the potential volatility of the Fund due to the increased concentration risk as they are less diversified compared to exposure to specific regional or global markets.

9.2.5 **Stock Connect Risk:** In addition to the risks associated with the Chinese market and risks related to investments in RMB, investments through the Stock Connect are subject to additional risks, namely, quota limitations, suspension risk, operational risk, restrictions on selling imposed by front-end monitoring, recalling of eligible stocks, clearing and settlement risks, nominee arrangements in holding China A-shares and regulatory risk.

*Quota limitations*

The Stock Connect is subject to quota limitations on investments, which may restrict the Fund’s ability to invest in China A-shares through the Stock Connect on a timely basis, and the Fund may not be able to effectively pursue its investment policy.

*Suspension risk*

The SEHK and SSE / SZSE (as the case may be) reserve the right to suspend trading if necessary for ensuring an orderly and fair market and managing risks prudently which could adversely affect the Fund’s ability to access the mainland China market.
Differences in trading day

The Stock Connect only operates on days when both the mainland China and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the mainland China market but Hong Kong investors (such as the Fund) cannot carry out any China A-shares trading. The Fund may be subject to a risk of price fluctuations in China A-shares during the time when the Stock Connect is not trading as a result.

Restrictions on selling imposed by front-end monitoring

Mainland China regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise SSE / SZSE (as the case may be) will reject the sell order concerned. SEHK will carry out pre-trade checking on China A-shares sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

Clearing settlement and custody risks

The Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of HKEx ("HKSCC") and ChinaClear establish the clearing links and each is a participant of each other to facilitate clearing and settlement of cross-boundary trades. As the national central counterparty of the mainland China’s securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote.

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear’s liquidation. In that event, the Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

The China A-shares traded through Stock Connect are issued in scripless form, so investors, such as the Fund, will not hold any physical China A-shares. Hong Kong and overseas investors, such as the Fund, who have acquired SSE Securities / SZSE Securities (as the case may be) through Northbound trading should maintain the SSE Securities / SZSE Securities (as the case may be) with their brokers’ or custodians’ stock accounts with the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK. Further information on the custody set-up relating to the Stock Connect is available upon request at the registered office of the Company.

Operational risk

The Stock Connect provides a new channel for investors from Hong Kong and overseas, such as the Fund, to access the China stock market directly. The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.
It should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the trial program to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the “connectivity” in the Stock Connect program requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system (“China Stock Connect System”) to be set up by SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted. The Fund’s ability to access the China A-share market (and hence to pursue their investment strategy) will be adversely affected.

Nominee arrangements in holding China A-shares
HKSCC is the “nominee holder” of the SSE Securities / SZSE Securities (as the case may be) acquired by overseas investors (including the Fund) through the Stock Connect. The CSRC Stock Connect rules expressly provide that investors such as the Fund enjoy the rights and benefits of the SSE Securities / SZSE Securities (as the case may be) acquired through the Stock Connect in accordance with applicable laws. The CSRC has clarified in Frequently Asked Questions published on 15 May 2015 that (i) the concept of nominee shareholding is recognised in mainland China, (ii) overseas investors shall hold SSE Securities / SZSE Securities (as the case may be) through HKSCC and are entitled to proprietary interests in such securities as shareholders, (iii) mainland China law does not expressly provide for a beneficial owner under the nominee holding structure to bring legal proceedings, nor does it prohibit a beneficial owner from doing so, (iv) as long as certification issued by HKSCC is treated as lawful proof of a beneficial owner’s holding of SSE Securities / SZSE Securities (as the case may be) under the Hong Kong Special Administrative Region law, it would be fully respected by CSRC and (v) as long as an overseas investor can provide evidential proof of direct interest as a beneficial owner, the investor may take legal actions in its own name in mainland China courts.

Under the rules of the Central Clearing and Settlement System operated by HKSCC for the clearing of securities listed or traded on SEHK, HKSCC as nominee holder shall have no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the SSE Securities / SZSE Securities (as the case may be) in the mainland China or elsewhere. Therefore, although the Fund’s ownership may be ultimately recognised, the Fund may suffer difficulties or delays in enforcing their rights in China A-shares. Moreover, whether China courts will accept the legal action independently initiated by the overseas investor with the certification of holding in SSE Securities / SZSE Securities (as the case may be) issued by HKSCC has yet to be tested.
Investor compensation
Investments of the Fund through Northbound trading under the Stock Connect will not be covered by Hong Kong’s Investor Compensation Fund. Hong Kong’s Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong.

Since default matters in Northbound trading via the Stock Connect do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. On the other hand, since the Fund is carrying out Northbound trading through securities brokers in Hong Kong but not mainland China brokers, therefore it is not protected by the China Securities Investor Protection Fund in the mainland China.

Trading costs
In addition to paying trading fees and stamp duties in connection with China A-share trading, the Fund may be subject to new portfolio fees, dividend tax and tax concerned with income arising from stock transfers which are yet to be determined by the relevant authorities.

Mainland China tax consideration
The Managers reserve the right to provide for tax on gains of the Fund that invests in mainland China securities thus impacting the valuation of the Fund. With the uncertainty of whether and how certain gains on mainland China securities are to be taxed, the possibility of the laws, regulations and practice in the mainland China changing, and the possibility of taxes being applied retrospectively, any provision for taxation made by the Managers may be excessive or inadequate to meet final mainland China tax liabilities on gains derived from the disposal of mainland China securities. Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of how such gains will be taxed, the level of provision and when they purchased and/or sold their shares in/from the Fund.

On 14 November 2014, the Ministry of Finance, the State of Administration of Taxation and CSRC jointly issued a notice in relation to the taxation rule on the Shanghai-Hong Kong Stock Connect under Caishui [2014] No.81 (“Notice No.81”). Under Notice No.81, Corporate income tax, individual income tax and business tax will be temporarily exempted on gains derived by Hong Kong and overseas investors (such as the Fund) on the trading of China A-shares through the Shanghai-Hong Kong Stock Connect with effect from 17 November 2014. However, Hong Kong and overseas investors of Shanghai-Hong Kong Stock Connect (such as the Fund) are required to pay tax on dividends and/or bonus shares at the rate of 10% which will be withheld and paid to the relevant in-charge mainland China tax authorities by the listed companies.

On 24 March 2016, the Ministry of Finance and the State of Administration of Taxation jointly released Caishui [2016] No. 36, which provided that capital gain realised by Hong Kong market investors (such as the Fund) from the trading of China A-shares through the Shanghai-Hong Kong Stock Connect are exempted
from value-added Tax after the business tax to value-added tax reform with effect from 1 May 2016.

On 1 December 2016, the Ministry of Finance, the State of Administration of Taxation and the CSRC also jointly issued a circular in relation to the taxation rule on the Shenzhen-Hong Kong Stock Connect under Caishui [2016] No.127 (“Notice No. 127”). Under Notice No. 127, corporate income tax, individual income tax and value-added tax will be temporarily exempted on gains derived by Hong Kong market investors (such as the Fund) on the trading of China A-Shares through the Shenzhen-Hong Kong Stock Connect with effect from 1 December 2016. Similar to Shanghai-Hong Stock Connect, the Hong Kong market investors of Shenzhen-Hong Kong Stock Connect are also required to pay tax on dividends and/or bonus shares at the rate of 10% which will be withheld and paid to the relevant in-charge mainland China tax authorities by the listed companies.

Mainland China tax consideration for RQFIIs
On 14 November 2014, the Ministry of Finance, the State Administration of Taxation and CSRC jointly issued a notice under Caishui [2014] No.79 (“Notice No. 79”) to address gains realised by QFIIs/RQFIIs from the transfer of equity investment assets. Pursuant to Notice No. 79, effective from 17 November 2014, gains realised by a QFII/RQFII from the disposal of equity investment assets (including China A-shares) will be temporarily exempt from mainland China corporate income tax. The above is on the basis that the QFII/RQFII is not a mainland China tax resident enterprise and does not have an establishment or place in the mainland China or having an establishment or place in the mainland China but the income so derived is not effectively connected with such establishment or place in the mainland China.

On 30 June 2016, the Ministry of Finance and the State of Administration of Taxation released Caishui [2016] No. 70 to clarify that gains realised by RQFIIs from trading of mainland China marketable securities (including China A-shares) are also exempted from value-added tax with retrospective effect from 1 May 2016.

Stamp duty
Stamp duty under the mainland China laws generally applies to the execution and receipt of all taxable documents listed in the mainland China Provisional Rules on Stamp Duty. Stamp duty is levied on the execution or receipt in mainland China of certain, including contracts for the sale of A-Shares and B-Shares traded on the mainland China stock exchanges. Stamp duty is generally imposed on the sale of the mainland China-listed shares of the mainland China companies at a rate of 0.1% of the sales consideration. The Fund will be subject to this tax on each disposal of the mainland China listed shares.

Regulatory risk
The CSRC Stock Connect rules are departmental regulations having legal effect in the mainland China. However, the application of such rules is untested, and there is no assurance that mainland China courts will recognise such rules, e.g. in liquidation proceedings of mainland China companies.

The Stock Connect is novel in nature, and is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the
mainland China and Hong Kong. Further, new regulations may be promulgated from
time to time by the regulators in connection with operations and cross-border legal
enforcement in connection with cross-border trades under the Stock Connect.

The regulations are untested so far and there is no certainty as to how they will be
applied. Moreover, the current regulations are subject to change. There can be no
assurance that the Stock Connect will not be abolished. The Fund which may invest
in the mainland China markets through Stock Connect may be adversely affected
as a result of such changes.

9.2.6 Risks regarding RQFII status and RQFII quota: You should note that the
Managers’ RQFII status may be suspended or revoked and that this may adversely
affect the Fund’s performance by requiring the Fund to dispose of its securities
holdings.

You should note that there can be no assurance that the Managers will continue to
maintain their RQFII status or to make available their RQFII quota. You should also
note that the Fund may not be allocated a sufficient portion of the RQFII quota from
the Managers to meet all applications for subscription into the Fund and that
redemption requests may not be processed in a timely manner due to adverse
changes in relevant laws or regulations. The Fund may not have exclusive use of
the entire RQFII quota granted by SAFE to the Managers, as the Managers may in
their discretion allocate the RQFII quota which may otherwise have been available
to the Fund to other products. Such restrictions may result in a rejection of
subscription applications and a suspension of dealings of the Fund. In extreme
circumstances, the Fund may incur significant losses due to the insufficiency of the
RQFII quota, its limited investment capabilities, or its inability to fully implement or
pursue its investment objective or strategy, due to RQFII investment restrictions, the
illiquidity of the Chinese domestic securities market, and/or delay or disruption in the
execution of trades or in the settlement of trades.

RQFII quotas are generally granted to RQFIIs (such as the Managers). The rules
and restrictions under RQFII regulations generally apply to the Managers (in their
capacity as a RQFII) as a whole and not simply to the investments made by the
Fund. SAFE is vested with the power to impose regulatory sanctions if the RQFII or
the RQFII custodian violates any provision of the applicable rules and regulations
issued by SAFE (“SAFE Rules”). Any violations could result in the revocation of the
RQFII’s quota or other regulatory sanctions and may adversely impact the portion
of the Managers’ RQFII quota made available for investment by the Fund.

9.2.7 Repatriation and liquidity risks: In addition, certain restrictions imposed by the
Chinese government on RQFIIs may have an adverse effect on the Fund’s liquidity
and performance. The SAFE regulates and monitors the repatriation of funds out of
the PRC by RQFIIs pursuant to its SAFE Rules. No lock-up period is imposed on
the capital remitted by an open-ended RQFII fund (such as the Fund). Repatriations
by RQFIIs in respect of an open-ended RQFII fund (such as the Fund) conducted in
RMB are currently not subject to repatriation restrictions or prior approval, although
authenticity and compliance reviews will be conducted, and monthly reports on
remittances and repatriations will be submitted to SAFE by the RQFII custodian.
There is no assurance, however, that the PRC rules and regulations will not change.
or that repatriation restrictions will not be imposed in the future. Any restrictions on repatriation of the invested capital and net profits may impact the Fund’s ability to meet redemption requests from Holders. Furthermore, as the RQFII custodian’s review on authenticity and compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the RQFII custodian in case of non-compliance with the RQFII rules and regulations. In such case, it is expected that redemption proceeds will be paid to the redeeming Holder as soon as practicable and after the completion of the repatriation of funds concerned. It should be noted that the actual time required for the completion of the relevant repatriation will be beyond the Managers’ control.

9.2.8 **Liquidity Risk:** The extent of market liquidity would be dependent on the size of the market and therefore affect the Fund’s ability to acquire or dispose of assets at the price and time desired. There may be state regulations governing the outward remittance by foreign investors of their share of net profits and dividends and repatriation of their investments in foreign currency.

9.2.9 **Foreign Securities Risk:** The investments of the Fund may be affected by political instability as well as exchange controls, changes in taxation, foreign investment policies and other restrictions and controls which may be imposed by the relevant authorities in the other countries. Fluctuations in foreign exchange rates may have an impact on the outcome of the Fund and may affect the value of Units.

9.2.10 **Currency Risk:** As the investments of the Fund may be denominated in currencies other than USD, fluctuations of the exchange rate of such currencies against the base currency of the Fund (i.e. USD) may have an impact on the income of the Fund and affect the value of the Units.

The Managers reserve the discretion to hedge, whether fully, partially or not at all, the foreign currency exposure of the Fund depending on the prevailing foreign exchange rates, and in the event no hedging or partial hedging is made, the value of the Fund may be affected. In the event that the foreign currency exposure of the Fund is hedged, an active hedging strategy is usually adopted. Currently, the Managers have no intention to hedge the foreign currency exposure of the Fund.

In addition, as the Fund is denominated in USD, foreign currency exchange rate movements may affect the returns to investors in Singapore, and investors may be exposed to exchange rate risks.

In the event that any investments of the Fund are denominated in a currency other than the currency in which the relevant Class of the Fund is denominated, fluctuations in the exchange rates of the currency of the investment against the currency of denomination of the relevant Class may affect the net asset value of the relevant Class. The Managers reserve the discretion to hedge, whether fully, partially or not at all, the currency exposure of the assets of the Fund that are attributable to any of the Classes to the relevant currency in which it is denominated. In the event that any such currency exposure is hedged, an active hedging strategy is usually adopted.
9.2.11 **Emerging Markets Risks:** The Fund may invest in emerging markets securities (i.e. PRC securities) which are in general more volatile than those of developed countries, with the result that the Units 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 trading 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.

9.2.12 **Sole Broker / Counterparty Risk:** While the Managers will endeavour to take all reasonable steps to obtain the best possible result for each transaction entered into by the Fund, there may be circumstances requiring transactions to be executed through the use of a sole broker or counterparty which may not be consistent with best execution standards.

9.2.13 **Tax Risk:** Investing in the Fund may have tax implications depending on your particular circumstances. You are strongly urged to consult your own tax advisers and counsel with respect to the possible tax consequences to you of an investment in the Units.

By investing in securities issued by PRC tax resident enterprises, irrespective of whether such securities are issued or distributed onshore or offshore, the Fund may be subject to PRC taxes.

9.3 **Financial Derivative Instruments ("FDIs")**

9.3.1 In respect of the Fund, subject to the Code, the Managers may in their absolute discretion, invest in FDIs for the purposes of hedging and/or efficient portfolio management, provided that FDIs are not used to gear the overall portfolio. The Fund may net its OTC financial derivative positions.

9.3.2 Where FDIs are used, the global exposure of the Fund to FDIs or embedded FDIs will not exceed 100% of the net asset value of the Fund at all times and such exposure will be calculated using the commitment approach as described in, and in accordance with the provisions of, the Code.
9.3.3 The Managers employ a risk management process in the investment of FDIs. The risks related to each FDI the Managers invest in are duly measured, monitored and managed on an on-going basis.

9.3.4 All open positions/exposure in FDIs will be marked to market at a frequency at least equal to the frequency of the calculation of the net asset value of the Fund.

9.3.5 The Managers have a dedicated team which is responsible for oversight of, amongst other things, the monitoring of the Fund for compliance with the investment guidelines. This team will be responsible for setting up and maintaining the checks on the investment guidelines and restrictions on both the automated and manual compliance systems, which cover pre-trade and on-going review of the Fund.

9.3.6 The Managers also have an established procedure to report breaches of the investment guidelines, if any.

9.3.7 The Managers will ensure that the risk management and compliance procedures and controls adopted in paragraphs 9.3.3 to 9.3.6 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 FDIs.

9.3.8 Risks associated with the use of FDIs

As the volatility of prices of derivative instruments may be higher than that of their underlying assets, these derivative instruments may be riskier.

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 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 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 in such an event, this may result in an immediate loss to the Fund.

The Fund may invest into underlying funds which use or invest in FDIs, and there is a possibility that the Fund’s net asset value may be subject to volatility due to usage or investment in FDIs.

The above should not be considered to be an exhaustive list of the risks which you should consider before investing in the Fund. You should be aware that an investment in the Fund may be exposed to other risks of an exceptional nature from time to time.
10. SUBSCRIPTION OF UNITS

10.1 How to purchase Units

10.1.1 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 distributors.

10.1.2 Subscriptions through the use of Supplementary Retirement Scheme ("SRS") monies

Subject to the applicable terms and conditions imposed by the Inland Revenue Authority of Singapore, the relevant SRS operator and any other 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 operator for monies to be withdrawn from your SRS account to pay for the subscription of Units. You should note that subscriptions through SRS monies are not available for the USD Class S Units, USD Class A Units, RMB Class A Units and JPY Class Units of the Fund but is available for SGD Class A Units.

10.1.3 Applications through the internet

The Managers may, at their absolute discretion, offer Units through the internet subject to applicable laws, regulations, practice directions and other requirements by the relevant authorities. By making an electronic online application for the subscription of Units on or through the website of a Relevant Participating Distributor, or by an application form printed from such a website, you confirm that:

(a) you have obtained a copy of this Prospectus and have read and understood its contents;

(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 Persons and neither the Managers nor the Trustee shall be liable to you for the consequences of any such disclosure.

During any period when the issue of Units is suspended pursuant to paragraph 14.1 of this Prospectus, the application for subscription of Units through the internet will also be suspended. Any charges to be imposed by the Relevant Participating Distributor in connection with any application for the subscription 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. Upon your request, the Managers will provide him with hard copies of this Prospectus, the Deed and any supplemental deed for the time being in force subject to any charge which may be levied for a copy of the Deed and any such supplemental deed pursuant to the Deed.

For the purposes of this paragraph 10.1.3, “Relevant Persons” means the Managers, the Trustee, the relevant authorities and any other person to whom the Relevant Participating Distributors deem it necessary to give, divulge or reveal information about your bank account, for the purpose of an application for Units via the internet.
10.1.4 Institutional investors

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.

10.2 Minimum Initial Investment and Minimum Subsequent Investment

The Minimum Initial Investment amount and the Minimum Subsequent Investment amount of the Fund are as follows:

<table>
<thead>
<tr>
<th></th>
<th>USD Class S Units</th>
<th>USD Class A Units</th>
<th>SGD Class A Units</th>
<th>RMB Class A Units</th>
<th>JPY Class Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Initial</td>
<td>Nil</td>
<td>USD 1,000</td>
<td>SGD 1,000</td>
<td>RMB 5,000</td>
<td>JPY 1,000,000</td>
</tr>
<tr>
<td>Investment amount</td>
<td></td>
<td>USD 100</td>
<td>SGD 100</td>
<td>RMB 500</td>
<td>Nil</td>
</tr>
<tr>
<td>Minimum Subsequent</td>
<td></td>
<td>USD 100</td>
<td>SGD 100</td>
<td>RMB 500</td>
<td>Nil</td>
</tr>
<tr>
<td>Investment amount</td>
<td></td>
<td>USD 100</td>
<td>SGD 100</td>
<td>RMB 500</td>
<td>Nil</td>
</tr>
</tbody>
</table>

or such other amount as the Managers may determine from time to time upon giving prior notice to the Trustee.

10.3 Initial offer period and initial issue price of the Fund

The USD Class S Units have been incepted on 2 November 2015. The JPY Class Units have been incepted on 29 June 2018. The SGD Class A Units have been incepted on 22 October 2018.

The initial offer periods for the USD Class A Units and the RMB Class A Units will each be for such period and at such time as the Managers may decide from time to time upon notification to the Trustee. During the initial offer period, the USD Class A Units will be offered at the initial issue price of USD 1.000 per Unit and the RMB Class A Units will be offered at the initial issue price of RMB 5.000 per Unit.

10.4 Minimum size and other conditions

The Managers reserve the right not to proceed with the launch of the Fund in the event that the capital raised as at the close of the initial offer period for the Fund is less than SGD 10 million or its equivalent.

The Managers reserve the right not to proceed with the launch of the Fund or Class in the event that 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 Fund or Class.

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

10.5 Pricing and Dealing Deadline

Following the close of the initial offer period, the issue price per Unit ("Issue Price") of the Fund or Class is calculated based on forward pricing and is determined based on the Value as at the Valuation Point on the relevant Dealing Day on which applications for Units are
received, of the proportion of the Deposited Property of the Fund or Class represented by 1 Unit and rounding such amount to (in the case of all Classes except for the JPY Class) the nearest 3 decimal places and (in the case of the JPY Class) the nearest 4 decimal places (or such other number of decimal places or such other method of rounding as the Managers may from time to time determine with the approval of the Trustee). The Managers shall be entitled to convert the Issue Price to any applicable foreign currency at the prevailing rate of exchange. The Managers may, subject to the prior approval of the Trustee, change the method of determining the Issue Price provided in this paragraph, and the Trustee shall determine if the Holders should be informed of such changes.

The dealing deadline in respect of the Fund is, in relation to any Dealing Day, currently 5 p.m. (Singapore time) on the said Dealing Day (the “Dealing Deadline”) but this may be changed subsequently to any other time of the day by the Managers with the approval of the Trustee. 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 Fund 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 or on a day not being a Dealing Day, it shall be deemed to be received and accepted by the Managers only on the immediately following Dealing Day. The Issue Price will be determined only on the Business Day following the Dealing Day.

10.6 How the number of Units is allotted

The number of Units to be issued in respect of any investment sum paid by an applicant shall be the number of Units (including fractions) determined by dividing the gross investment sum (less the Initial Sales Charge) by the Issue Price per Unit, and then rounding the number of Units to the nearest 2 decimal places (or such other number of decimal places or such other method of rounding as the Managers may from time to time determine with the approval of the Trustee).

The following is an illustration of the number of USD Class A Units that you will receive based on a hypothetical investment amount of USD 1,000* and a notional Issue Price of USD 1.000**:

<table>
<thead>
<tr>
<th>USD 1,000* - USD 50.00</th>
<th>USD 950.00</th>
<th>USD 1,000***</th>
<th>950.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Investment Sum</td>
<td>Initial Sales Charge</td>
<td>Net Investment Sum (i.e. net asset value per Unit)</td>
<td>Number of Units</td>
</tr>
<tr>
<td>USD 1,000</td>
<td>USD 50.00</td>
<td>USD 950.00</td>
<td>USD 1,000***</td>
</tr>
<tr>
<td>(5.00%)**</td>
<td>(5.00%)**</td>
<td>(5.00%)**</td>
<td>(5.00%)**</td>
</tr>
</tbody>
</table>

* This sum is used for the purposes of illustration only, and the actual investment sum may be of a different amount.

** The Initial Sales Charge currently payable is up to 5.00%.

*** The actual Issue Price will fluctuate according to the net asset value of the Deposited Property of the relevant Class.

N.B.: All numerical figures used for the purpose of this illustration are hypothetical.

In the case where a Unit is to be issued to an applicant resident outside Singapore and additional expenses are incurred, which would not have been incurred if such applicant had been resident in Singapore (the “overseas expense”), the overseas expense may be deducted out of the investment sum in addition to the Initial Sales Charge.
10.7 Confirmation of purchase

A trade confirmation will normally be sent to each successful applicant within 7 Business Days of the receipt of his or her application by the Managers.

10.8 Issue of Units

The Managers have the exclusive right to effect the creation and issue of Units and the acceptance or non-acceptance of applications for purchase of Units are at the absolute discretion of the Managers acting in consultation with the Trustee and in the best interest of the Fund. If any application is rejected by the Managers, the subscription monies will be refunded (without interest) to the applicant or (where applicable) the relevant SRS operator within a reasonable period of time in such manner as the Managers may determine.

No certificates will be issued by the Managers in respect of Units issued.

10.9 Cancellation of Units

Subject to the provisions of the Deed and to the terms and conditions for cancellation of Units in the application form for Units, you shall have the right to cancel your subscription for Units within 7 calendar days from the date of subscription or purchase of Units (or such longer period as may be agreed between the Managers and the Trustee or such other period as may be prescribed by the Authority) by providing notice in writing to the Managers through the approved distributor(s) from whom you purchased your Units. Any Initial Sales Charge paid by you will be refunded to you. However, you will have to take the risk for any price changes in the net asset value of the Fund since you purchased the Units. The cancellation proceeds will be paid within 7 Business Days (in the case of all Classes except for the JPY Class) or 5 Business Days (in the case of the JPY Class) of receipt of the cancellation request or within such other time as may be permitted by the Authority unless cancellation of Units has been suspended in accordance with the Deed.

10.10 Regular Savings Plan

The approved distributors of the Managers may in their absolute discretion make available a Regular Savings Plan (“RSP”) for SGD Class A Units. You should note that a RSP is currently not available in respect of the USD Class S Units, USD Class A Units, the RMB Class A Units and the JPY Class Units of the Fund.

When available, you may apply for the Units of the relevant Class through a RSP upon satisfying the minimum initial investment amount applicable to that Class of Units.

The current minimum monthly contribution for the RSP is S$100. The monthly contribution for the RSP will be deducted from your relevant bank account or SRS account (as the case may be) on the 8th day of each month (or the next Business Day if that day is not a Business Day). Units will normally be allotted within 2 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 or when Units are purchased using SRS monies.

If the deduction of these contributions is unsuccessful, no investment will be made for that month. No notification relating to the unsuccessful deduction will be sent to Holders. After 2 consecutive unsuccessful deductions, the RSP will be terminated and no notification of such termination will be sent to the affected Holders.
You may terminate your participation in the RSP without penalty upon giving not less than 30 days’ prior written notice in writing to the approved distributor(s) from whom you purchased your Units. The Managers reserve the right to terminate the RSP at any time at their absolute discretion by giving at least one month’s notice to the affected Holders.

The Managers shall not assume any liability for any losses arising from the Holders’ payment for the RSP via direct debit transactions.

You should contact the approved distributors of the Managers for further details of how to participate in a RSP.

11. REALISATION OF UNITS

11.1 How to sell Units

You may realise your Units by submitting a written realisation request in such form and together with such other documents as may be required to the Managers through the approved distributor(s) from whom you purchased your Units. Institutional investors who have purchased Units directly from the Managers may realise their Units by submitting a realisation request in such form and together with such other documents as may be required to the Managers.

The Managers may refuse any realisation requests where all relevant documentation has not been submitted or if such realisation would result in non-compliance with the Minimum Holding and/or the Minimum Realisation requirement or in any other circumstances agreed with the Trustee and notified to the Holders.

You may make an electronic online application for the realisation of Units on or through the website of the Relevant Participating Distributor, or on an application form printed from such website.

Units of any Class of the Fund may be realised on a Dealing Day, subject to paragraph 14.1 of this Prospectus.

11.2 Minimum Holding and Minimum Realisation

You shall not be entitled to realise only part of your holding of Units without the approval of the Managers and the Trustee if such realisation is less than the Minimum Realisation as set out in the table below or if due to such realisation, your holding would be reduced to less than the Minimum Holding as set out in the table below:

<table>
<thead>
<tr>
<th>Minimum Holding (Units)</th>
<th>USD Class S Units and JPY Class Units</th>
<th>USD Class A Units, SGD Class A Units and RMB Class A Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nil</td>
<td>USD Class A Units, SGD Class A Units</td>
<td>500</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Minimum Realisation (Units)</th>
<th>USD Class S Units and JPY Class Units</th>
<th>USD Class A Units, SGD Class A Units and RMB Class A Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nil</td>
<td>USD Class A Units, SGD Class A Units</td>
<td>500</td>
</tr>
</tbody>
</table>
11.3 Pricing and Dealing Deadline

The net realisation proceeds are calculated by multiplying the number of Units to be realised by the realisation price of the Units ("Realisation Price"). The Realisation Price per Unit of the Fund or Class is calculated based on forward pricing and is determined based on the Value of the Deposited Property of the Fund or Class as at the Valuation Point on the relevant Dealing Day on which the realisation request is received, divided by the number of Units in issue or deemed to be in issue then, and rounding such amount to (in the case of all Classes except for the JPY Class) the nearest 3 decimal places and (in the case of the JPY Class) the nearest 4 decimal places (or such other number of decimal places or such other method of rounding as the Managers may from time to time determine with the approval of the Trustee). The Managers shall be entitled to convert the Realisation Price to any applicable foreign currency at the prevailing rate of exchange. The Managers may, subject to the prior approval of the Trustee, change the method of determining the Realisation Price provided in this paragraph, and the Trustee shall determine if the Holders should be informed of such changes.

The Dealing Deadline is, in relation to any Dealing Day, currently 5 p.m. (Singapore time) 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. This means that if your realisation request 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 Fund for that Dealing Day. If a realisation request is received and accepted by the Managers through their approved distributor(s) after the Dealing Deadline on that Dealing Day or on a day not being a Dealing Day, it shall be deemed to be received and accepted by the Managers only on the immediately following Dealing Day. This Realisation Price will be determined only on the Business Day following the Dealing Day.

11.4 How realisation proceeds are calculated

The following is an illustration of the realisation proceeds that you will receive based on a holding of 1,000 Units and a notional Realisation Price of USD 2.000*.

<table>
<thead>
<tr>
<th>Units to be realised</th>
<th>Realisation Price*</th>
<th>Gross Realisation</th>
<th>Realisation Charge**</th>
<th>Net realisation proceeds payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,000</td>
<td>USD 2.000</td>
<td>2,000.00</td>
<td>Nil</td>
<td>USD 2,000.00</td>
</tr>
</tbody>
</table>

* The actual Realisation Price will fluctuate according to the net asset value of the Deposited Property of the relevant Class.

** There is currently no Realisation Charge imposed.

N.B.: All numerical figures used for the purpose of this illustration are hypothetical.

If you are resident outside Singapore, the Managers shall be entitled to deduct from the realisation proceeds, an amount equal to the excess of the expenses actually incurred over the amount of expenses which would have been incurred if you had been resident in Singapore.
11.5 Payment of realisation proceeds

11.5.1 The realisation proceeds will be paid to you within 7 Business Days (in the case of all Classes except for the JPY Class) or 5 Business Days (in the case of the JPY Class) after the relevant Dealing Day on which the realisation request is received or within such other time as may be permitted by the Authority unless realisation of Units has been suspended in accordance with the Deed.

11.5.2 In the case of a Holder who has purchased Units with cash, any monies payable to a Holder under the provisions of the Deed in respect of his Units will be paid by cheque sent through the post to his address appearing on the Register or by telegraphic transfer to a nominated bank account. The redemption proceeds will be paid in the currency of the Class being redeemed.

11.5.3 In the case of a Holder who has purchased Units with SRS monies, any monies payable to him under the provisions of the Deed in respect of his Units will be paid by transferring the monies to the relevant bank for credit of the Holder's SRS account or otherwise in accordance with the provisions of any applicable laws, regulations or guidelines. Where his SRS account has been closed, the monies will be paid to the Holder in accordance with paragraph 11.5.2 or otherwise in accordance with any applicable laws, regulations or guidelines.

11.5.4 Payment of realisation proceeds made in accordance with the provisions of this paragraph 11.5 will be a satisfaction of the monies payable and shall be a good discharge to the Managers or the Trustee (as the case may be).

11.6 Limits on Realisations

11.6.1 The Managers may, with the approval of the Trustee, limit the total number of Units of the Fund or any Class which Holders may realise and which the Managers are entitled to have cancelled pursuant to the Deed (as the case may be) on any Dealing Day to 10% of the total number of Units of the Fund or Class (disregarding any Units of the Fund or Class which have been agreed to be issued), such limitation to be applied pro rata to all Holders of the Fund or Class who have validly requested realisations in relation to their Units of the Fund or Class on such Dealing Day so that the proportion realised of each holding of the Fund or Class so requested to be realised or cancelled pursuant to the Deed is the same for all Holders of the Fund or Class. Any Units of the Fund or Class which, by virtue of the powers conferred on the Managers by this paragraph, are not realised or cancelled (as the case may be) shall be realised or cancelled (subject to any further application of the provisions of this sub-paragraph) on the next succeeding Dealing Day PROVIDED THAT if on such next succeeding Dealing Day, the total number of Units of the Fund or 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) in relation to the Fund or Class until such time as the total number of Units of the Fund or Class to be realised or cancelled (as the case may be) on a Dealing Day falls within such limit. If realisation requests in relation to the Fund or Class are carried forward as aforesaid, the Managers shall give notice to the Holders of the Fund or Class affected thereby within 7 days that such Units have not been realised or cancelled and that (subject as aforesaid) they shall be realised or cancelled on the next
succeeding Dealing Day. Requests for realisations which have been carried forward from an earlier Dealing Day shall be dealt with in priority to later requests.

11.6.2 If, immediately after any relevant day, the number of Units of the Fund or any Class in issue or deemed to be in issue, having regard to realisations and issues in respect of Units of the Fund or Class falling to be made by reference to that relevant 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 Fund or Class in issue or deemed to be in issue on that relevant day, the Managers may with the approval of the Trustee, with a view to protecting the interests of all Holders of the Fund or Class, elect that the Realisation Price per Unit of the Fund or Class in relation to all (but not some only) of the Units of the Fund or Class falling to be realised by reference to that relevant day shall be the price per Unit of the Fund or Class which, in the opinion of the Managers, reflects a fairer value for the Deposited Property having taken into account the necessity of selling a material proportion of the Investments as at that time constituting part of the Deposited Property, and by giving notice to the Holders of Units of the Fund or Class affected thereby within 2 Business Days after the relevant day, the Managers may, subject to the Trustee’s approval and the provisions of the Code, suspend the realisation of those Units of the Fund or Class for such reasonable period as may be necessary to effect an orderly realisation of Investments. For the purposes of this paragraph the “fairer value” for the Deposited Property shall be determined by the Managers in consultation with an approved broker and upon notification to the Trustee. The “material proportion” of the Investments means such proportion of the Investments which when sold would in the opinion of the Managers in consultation with the Trustee cause the Value of the Deposited Property to be significantly reduced.

12. EXCHANGE OF UNITS WITHIN GROUP TRUST

12.1 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 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.

12.2 The following provisions will apply to such an exchange:

12.2.1 the exchange of Units for units is exercised by a Holder giving to the Managers through the approved distributor(s) from whom the Holder had purchased the Units a notice in such form as the relevant 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 submitting 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;

12.2.2 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

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“Group Trust” means such collective investment scheme which the Managers may at their discretion from time to time allow the exchange of Units into or units from pursuant to paragraph 12. The list of Group Trusts may vary from time to time and is available from the Managers upon request.
Exchange Notice is received by the Managers up to 5.00 p.m. Singapore time on such Common Exchange Dealing Day. If an Exchange Notice is received by the Managers 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;

12.2.3 no Units shall be exchanged during any period when the right of Holders to require the realisation of Units is suspended pursuant to the Deed or when the issue of units in the relevant Group Trust is suspended pursuant to the suspension provisions set out in the trust deed of that Group Trust or on any Common Exchange Dealing Day on which the number of Units that can be realised by any Holder is limited pursuant to the Deed;

12.2.4 a Holder is not entitled, without the consent of the Managers, to withdraw an Exchange Notice;

12.2.5 any exchange of Units for units will be effected subject to any requirements or restrictions applicable to the realisation of Units and the issue of units, including without limitation, any minimum holding requirement, any minimum initial investment sum or minimum subsequent investment sum requirement;

12.2.6 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;

12.2.7 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 (subject to the discretion of the manager of the Group Trust to reject any applications for units) to subscribe for units of the relevant Group Trust at the prevailing issue price of the units of the relevant Group Trust;

12.2.8 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;

12.2.9 the Managers are entitled to impose an Exchange Fee, as described under paragraph 8.1 of this Prospectus;

12.2.10 the Trustee shall have no responsibility or liability to ensure that the provisions of the trust deed constituting the Group Trust relating to issue, realisation or exchange of units are complied with;

12.2.11 the Managers may, at their discretion, reject any Exchange Notice; and

12.2.12 no exchange is permitted between Units and units that are denominated in different currencies.

12.3 For the avoidance of doubt, any fee or charge (including any portion thereof) which the Managers are entitled to charge or retain pursuant to this paragraph 12 may generally or in any particular case be waived by the Managers at its sole discretion.
13. **OBTAINING PRICES OF UNITS**

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


14. **SUSPENSION OF DEALINGS**

14.1 Subject to the provisions of the Code, the Managers may at any time, with the approval of the Trustee, suspend the issue of Units, the right of Holders to require the realisation of Units and/or the valuation of Units and/or the Deposited Property of the Fund or any Class in the following circumstances:

14.1.1 during any period when the Recognised Stock Exchange on which any Authorised Investments forming part of the Deposited Property for the time being are listed or dealt in is closed (otherwise than for ordinary holidays) or during which dealings are restricted or suspended;

14.1.2 during any period when there exists 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 of the Fund or the relevant Class as a whole or of the Deposited Property;

14.1.3 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;

14.1.4 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;

14.1.5 any period when the fair value of a material portion of the assets of the Fund cannot be determined and for the purposes of this paragraph, “fair value” of an asset of the Fund is the price that the Fund would reasonably expect to receive upon the sale of the asset;

14.1.6 if applicable, during any period when dealings in the units or shares of any Underlying Entity are restricted or suspended;

14.1.7 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 Fund or the relevant Class convened in accordance with the provisions of the Deed;

14.1.8 any period pursuant to an order or direction by the Authority;

14.1.9 during any period when the Managers or the Trustee is unable to conduct their/its business activities or their/its ability to conduct their/its business activities is substantially impaired, as a direct or indirect result of local or foreign government

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16 “Underlying Entity” means a mutual fund company or a sub-fund of a mutual fund company or a unit trust or a sub-fund of a unit trust or any other collective investment scheme from time to time determined by the Managers to be invested into by the Fund and “Underlying Entities” shall be construed accordingly.
restrictions, the imposition of emergency procedures, civil disorder, acts or threatened acts of terrorism, war, strikes, pestilence, natural disaster or other acts of God; or

14.1.10 during such circumstances as may be required under the provisions of the Code, and payment for any Units of the Fund or the relevant Class realised before the commencement of any such suspension but for which payment has not been made before the commencement thereof may, if the Managers and the Trustee so agree, be deferred until immediately after the end of such suspension. Such suspension shall take effect forthwith upon the declaration in writing thereof to the Trustee by the Managers and subject to the provisions of the Code, shall terminate as soon as practicable when the condition giving rise to the suspension shall have ceased to exist and no other conditions under which suspension is authorised under this paragraph 14.1 shall exist upon the declaration in writing thereof by the Managers, and in any event, within 21 days of the commencement of the suspension. The period of suspension may be extended if the Managers satisfy the Trustee that it is in the best interest of the Holders for the dealing in Units to remain suspended. Such extension is subject to weekly review by the Trustee.

15. PERFORMANCE OF THE FUND

15.1 Past performance

The performance of the USD Class S Units and JPY Class Units as at 31 July 2019 is shown in the tables below:

<table>
<thead>
<tr>
<th></th>
<th>Return over 1 year</th>
<th>Return over 3 years (A.C.R.)</th>
<th>Return over 5 years (A.C.R.)</th>
<th>Return over 10 years (A.C.R.)</th>
<th>Return since Inception (A.C.R.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD Class S Units</td>
<td>-9.76%</td>
<td>10.97%</td>
<td>N.A.</td>
<td>N.A.</td>
<td>3.88%</td>
</tr>
<tr>
<td>Benchmark*</td>
<td>-4.86%</td>
<td>12.83%</td>
<td>N.A.</td>
<td>N.A.</td>
<td>8.36%</td>
</tr>
</tbody>
</table>

*Benchmark: MSCI China Index. Benchmark returns are using net total return version.

Calculated on a NAV-NAV basis, USD, based on the assumption that all dividends and distributions are reinvested, if any, and taking into account the maximum Initial Sales Charge and the Realisation Charge where applicable.

Source: Nikko Asset Management Asia Limited and MSCI.

Inception Date: 2 November 2015.

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

<table>
<thead>
<tr>
<th></th>
<th>Return over 1 year</th>
<th>Return over 3 years (A.C.R.)</th>
<th>Return over 5 years (A.C.R.)</th>
<th>Return over 10 years (A.C.R.)</th>
<th>Return since Inception (A.C.R.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>JPY Class Units</td>
<td>-12.71%</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
<td>-12.07%</td>
</tr>
<tr>
<td>Benchmark*</td>
<td>-7.72%</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
<td>-6.21%</td>
</tr>
</tbody>
</table>

*Benchmark: MSCI China Index. Benchmark returns are using net total return version.
Calculated on a NAV-NAV basis, JPY, based on the assumption that all dividends and distributions are reinvested, if any, and taking into account the maximum Initial Sales Charge and the Realisation Charge where applicable.

Source: Nikko Asset Management Asia Limited and MSCI.

Inception Date: 29 June 2018.

“A.C.R.” means Average Annual Compounded Return.

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As (i) the SGD Class A Units was incepted on 22 October 2018 and (ii) the USD Class A Units and RMB Class A Units of the Fund have not been incepted as at the date of this Prospectus, a track record of at least one year is not available for these Classes.

15.2 Expense ratio

The expense ratio of the USD Class S Units of the Fund for the financial year ended 30 June 2019 is 0.37%.

The expense ratio of the JPY Class Units of the Fund for the financial year ended 30 June 2019 is 0.62%.

The annualised expense ratio of the SGD Class A Units of the Fund (computed for the period from 22 October 2018 to 30 June 2019) is 1.94%.

The expense ratio will be calculated in accordance with the requirements in the Investment Management Association of Singapore’s guidelines on the disclosure of expense ratios (the “IMAS Guidelines”) and based on figures in the latest audited accounts of the Fund. The following expenses (where applicable) are excluded from the calculation of the expense ratio:

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

15.3 Turnover ratio

The turnover ratio of the Fund for the financial year ended 30 June 2019 is 69.11%.
The turnover ratio is calculated based on the lesser of purchases or sales expressed as a percentage of average net asset value (“NAV”), i.e. average daily NAV over, as far as possible, the same period used for calculating the expense ratio.

16. **SOFT DOLLAR COMMISSIONS/ ARRANGEMENTS**

In their management of the Fund, the Managers currently do not receive or enter into any soft-dollar commissions or arrangements.

17. **CONFLICTS OF INTEREST**

17.1 Other than the Fund, the Managers are also the managers of other collective investment schemes including but not limited to:

(a) Nikko AM Shenton Japan Fund  
(b) Nikko AM Shenton Thrift Fund  
(c) Nikko AM Shenton Income Fund  
(d) Nikko AM Shenton Asia Pacific Fund  
(e) Nikko AM Global Green Bond Fund  
(f) Nikko AM Shenton Emerging Enterprise Discovery Fund  
(g) Nikko AM Shenton Global Opportunities Fund  
(h) Nikko AM Shenton Horizon Investment Funds  
(i) Nikko AM Shenton Eight Portfolios  
(j) Nikko AM Asia Investment Funds  
(k) Nikko AM Shenton Short Term Bond Funds  
(l) ABF Singapore Bond Index Fund  
(m) The Solidarity Fund  
(n) Nikko AM Singapore STI ETF  
(o) Nikko AM Japan Dividend Equity Fund  
(p) Nikko AM Asia High Yield Bond Fund  
(q) MSIG Asian Bond Fund  
(r) Nikko AM Global Multi Asset Conservative Fund  
(s) Nikko AM Asia Healthcare Fund  
(t) Nikko AM China Onshore Fund Series  
(u) Nikko AM ASEAN Equity Fund  
(v) NikkoAM-StraitsTrading Asia ex Japan REIT ETF  
(w) Nikko AM Asia Limited Investment Series  
(x) Nikko AM SGD Investment Grade Corporate Bond ETF
17.2 The Managers may from time to time have to deal with competing or conflicting interests of the other funds managed by the Managers with the Fund. For example, the Managers may make a purchase or sale decision on behalf of some or all of the other funds managed by the Managers without making the same decision on behalf of the Fund, as a decision whether or not to make the same investment or sale for the Fund depends on factors such as the cash availability and portfolio balance of the Fund. However, the Managers will use their reasonable endeavours at all times to act fairly and in the interests of the Fund. In particular, after taking into account the availability of cash and the relevant investment guidelines of the other funds managed by the Managers and the Fund, the Managers will endeavour to ensure that securities bought and sold will be allocated proportionately as far as possible among the other funds managed by the Managers and the Fund. The Managers may also transact on the Fund’s behalf with its affiliates. It is the Managers’ intention to deal with any conflicts of interests in a manner consistent with any applicable guidelines which may be issued from time to time by the Investment Management Association of Singapore.

17.3 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 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 Managers will conduct all transactions with or for the Fund at arm’s length. For the avoidance of doubt, please note that the Fund may invest in other funds managed by the Managers.

17.4 The Trustee is presently also offering registrar services to the Fund while the Custodian, a party related to the Trustee, is presently also providing fund administration and valuation services to the 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 Fund under the provisions of the Deed.

17.5 The Managers and the Trustee will conduct all transactions with or for the Fund on an arm’s length basis.

17.6 The Managers or their respective 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 Fund. Each of the Parties will ensure that the performance of their respective duties will not be impaired by any such involvement. In the event a conflict of interest does arise, the Parties will endeavour to ensure that it is resolved fairly and in the interest of the Holders.

17.7 Associates of the Trustee (the “Trustee’s Associates”) may be engaged to provide financial, banking and brokerage services to the 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 endeavor to resolve such conflict quickly and in the interest of the Holders in an equitable manner.

17.8 The Managers or the Trustee may own, hold, dispose or otherwise deal with Units as though they were not a party to the Deed. In the event of any conflict of interest arising 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.
18. REPORTS

18.1 The financial year-end for the Fund is 30 June. Holders may obtain electronic copies of the annual accounts of the Fund, reports of the auditors on the annual accounts of the Fund and the annual reports of the Fund for the relevant 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 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.

18.2 Holders may obtain electronic copies of the semi-annual report and semi-annual accounts of the 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.

19. QUERIES AND COMPLAINTS

You should contact the distributor from whom you purchased your Units if you have any queries regarding your investment in the Fund. You may also contact the Managers at 1800 535 8025.

20. OTHER MATERIAL INFORMATION

20.1 Investors should note that upon the Fund being terminated in accordance with the Deed, and unless a Holder of Units redeems or exchanges his/her Units in accordance with the provisions of the Deed prior to the effective date of the termination of the Fund (or such other date as the Managers and the Trustee may deem appropriate), the Managers may at their discretion (in consultation with the Trustee) automatically exchange such Holder’s Units to units/shares of any collective investment scheme that is authorised pursuant to section 286 of the SFA or recognised pursuant to section 287 of the SFA and that is managed by the Managers or any other entity in the Nikko AM group (the “New Scheme”), whether such New Scheme is constituted in Singapore or elsewhere and whether the units/shares of such New Scheme are denominated in the same currency as the currency of denomination of the Units being automatically exchanged or otherwise. The Holders shall not be liable for any Initial Sales Charge, Exchange Fee, Realisation Charge or other fees, charges or expenses (whether incurred by the Managers or otherwise) pursuant to such automatic exchange. Please refer to the Deed for more information.

20.2 You should refer to the Deed before investing in the Fund. The Deed is a legal document which sets out the rights, responsibilities and obligations of the Managers, Trustee and Holders. You may wish to inspect a copy of the Deed at the business address of the Managers indicated in paragraph 1.3 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 19 above, or consult your solicitor, financial adviser or other professional adviser.
The Fund currently does not intend to carry out securities lending or repurchase transactions but may in the future do so, in accordance with the applicable provisions of the Code and the Deed.

20.4 Valuation

20.4.1 Save as otherwise expressly provided in the Deed, and subject always to the requirements of the Code, for the purpose of determining the Value of any Deposited Property or any part thereof or any Investment (as defined in the Deed) comprised or to be comprised therein by the Managers or other agents on behalf of the Managers:-

(a) the Value shall be determined as at each Valuation Point in respect of the relevant Dealing Day;

(b) the Value of any Unquoted Investment (as defined in the Deed) shall be the initial value thereof ascertained as hereinafter provided or the value thereof as assessed on the latest revaluation thereof made in accordance with the following provisions:-

(i) the initial value of such Unquoted Investment shall be the amount expended out of the Deposited Property in the acquisition thereof (including in each case the amount of the stamp duties, commissions and other expenses incurred in the acquisition thereof and the vesting thereof in the Trustee for the purposes of the Fund); and

(ii) the Managers may at any time with the approval of the Trustee and shall at such times or at such intervals as the Trustee may request cause a revaluation to be made of any Unquoted Investment by an Approved Valuer (as defined in the Deed) approved by the Trustee as qualified to value such Unquoted Investment;

(c) the Value of any Quoted Investment (as defined in the Deed) shall be calculated, as the case may be, by reference to the price appearing to the Managers to be the official closing price, the last known transacted price or the last transacted price or if there is no such official closing price, last known transacted price or last transacted price and if bid and offer quotations are made or other appropriate closing prices determined by the Managers in consultation with the Trustee in relation to that Investment;

(d) cash, deposits and similar property shall be valued (by an Approved Valuer) at their face value (together with accrued interest) unless in the opinion of the Managers (after consultation with the Trustee), any adjustment should be made;

(e) units in any unit trust or shares or participations in open-ended mutual funds shall be valued at the latest available NAV per unit or share or participation as valued by the issuer thereof;

(f) futures contracts shall be valued:-

(i) in the case of a futures contract for the sale of the subject matter thereof, the amount equal to the contract value less the sum of the
amount required to close the contract and the amount spent by the Fund to enter into the contract; and

(ii) in the case of a futures contract for the purchase of the subject matter thereof, the amount equal to the amount required to close the contract less the sum of the contract value and the amount spent by the Fund to enter into the contract;

gold (to the extent permitted by the Code) shall be valued by reference to the mean of the bid and offered prices in USD per troy ounce of gold on the spot gold market in Singapore at the time of calculation; and

any other property forming part of the Authorised Investments (as defined in the Deed) shall be valued (by an Approved Valuer) at such time or times as the Managers and the Trustee shall from time to time agree;

PROVIDED THAT if the quotations referred to in sub-paragraphs (c), (e) and (g) above are not available or if the Value of the Authorised Investment determined in the manner described in sub-paragraphs (b) to (h) above, in the opinion of the Managers do not represent a fair value of the Authorised Investment, then the value of such Authorised Investment shall be any fair value as the Managers may determine with due care and in good faith and with the consent of the Trustee and in determining such fair value, the Managers may rely on quotations for the Investment on any Recognised Stock Exchange or telephone market or any certified valuation by an Approved Broker (as defined in the Deed) or an Approved Valuer. The method of calculation of the Value of any Investment may be changed to the extent permitted by the Authority and with the Trustee’s prior approval, and the Trustee shall determine if the Holders should be informed of such change and the Managers shall notify the Holders of such change if so required by the Trustee.

20.4.2 The Managers shall not, subject to the provisions of the Code, incur any liability by reason of the fact that a price reasonably believed by them to be the last sale price or other appropriate closing price may be found not to be such Provided That such liability shall not have arisen out of the negligence or wilful acts or omissions of the Managers, and the Trustee shall not assume any liability in accepting the opinion of the Managers in any case.

20.4.3 In calculating the Value of the Deposited Property or any part thereof:-

(a) subject to clause 9.6 of the Deed, every Unit agreed to be issued by the Managers before the relevant Valuation Point shall be deemed to be in issue and the Deposited Property shall be deemed to include not only property in the possession of the Trustee but also the value of any cash or other property to be received by the Trustee in respect of Units so agreed to be issued after deducting therefrom or providing thereout the Initial Sales Charge or any fee in connection with the exchange of Units (as the case may be) and the amount of any adjustments authorised by the Deed and (in the case of Units issued against the transfer of Authorised Investments) any amounts payable pursuant to clause 10 of the Deed;

(b) where Investments have been agreed to be sold or purchased but such sale or purchase has not been completed, such Investments shall be excluded or included and the net sale or gross purchase consideration included or
excluded (as the case may require) as if such sale or purchase had been duly completed;

c) where in consequence of any notice or request in writing given pursuant to clauses 13 or 14 of the Deed a reduction of the Fund by the cancellation of Units is to be effected but such reduction has not been completed those Units shall be deemed not to be in issue and any amount payable in cash and the Value of any Investments to be transferred out of the Deposited Property pursuant to such reduction shall be deducted from the Value of the Deposited Property;

d) there shall be deducted any amounts not provided for above which are payable out of the Deposited Property pursuant to clause 5 of the Deed, including but not limited to, the aggregate amount for the time being outstanding of any borrowings effected pursuant to clause 21 of the Deed together with the amount of any interest and expenses thereon accrued pursuant to clause 21.5 of the Deed remaining unpaid and the amount of any Management Fee (which shall be deducted in accordance with paragraph 20.4.4 below if the Management Fee differs between the Classes) accrued pursuant to clause 35 of the Deed, any fees payable to the Trustee accrued pursuant to clause 36 of the Deed, the Realisation Charge (if any), the registrar’s agent’s fees, the securities transactions fee, the inception fee of the Trustee and any other expenses accrued but remaining unpaid attributable to the Deposited Property;

e) there shall be adjusted such amount as the Managers estimate will become payable or recoverable in respect of taxation related to Income (as defined in the Deed) up to the Valuation Point;

f) where the current price of an Investment is quoted “ex” any dividend (including stock dividend), interest or other rights to which the Fund is entitled but such dividend, interest, property or cash to which such rights relates has not been received and is not otherwise taken into account, the amount of such dividend, interest, property or cash shall be included;

g) an amount equal to the expenses incurred by the Managers and the Trustee in establishing and terminating the Fund and/or any Class and referred to in clauses 5.5(r) and 5.5(s) of the Deed less the amount thereof which has previously been or is then to be written off shall be included;

h) subject to clause 21 of the Deed and the Authorised Funds Investment Guidelines (as defined in the Deed), any Value (whether of an Investment or cash) otherwise than in USD and any amounts to be deducted otherwise than in USD shall be translated into USD at the rate (whether official or otherwise) which the Managers, after consulting the Trustee or in accordance with a method approved by the Trustee, deem appropriate in all the circumstances having regard, *inter alia*, to any premium or discount which may be relevant and to the costs of exchange;

i) there shall be deducted the amount in respect of tax, if any, on net capital gains realised during a current Accounting Period (as defined in the Deed)
prior to the valuation being made as in the estimate of the Managers will become payable which is attributable to the Fund; and

(j) there shall be added the amount of tax, if any, on capital gains estimated to be recoverable and not received which is attributable to the Fund.

20.4.4 In respect of paragraph 20.4.3 above, the Value of the proportion of the Deposited Property attributable to each Class shall be calculated by apportioning the Value of the Deposited Property (obtained in accordance with paragraphs 20.4.1 and 20.4.3 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 Deposited Property for each Class any expense, charge or other amount attributable to such Class (including, but not limited to, the Management Fee if it differs between the Classes). For the avoidance of doubt, where any expense, charge or amount payable out of or payable into the Deposited Property pursuant to the Deed is attributable only to a particular Class, such amount shall only be deducted from or added to the value of the Deposited Property which is attributable to that Class and shall not affect the calculation of the Value of the Deposited Property attributable to the other Classes.

20.5 Valuation policy and performance measurement standards of the Managers

Valuations shall be done on a frequency in accordance to Dealing Day intervals stated in this Prospectus. 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 paragraph 14 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 Fund if the fair value of a material portion of the Fund’s assets cannot be determined.

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

20.6 Hard-to-value or illiquid assets

If the most recent available price for a security invested into by the 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.

20.7 Compulsory realisation of Units

20.7.1 The Managers have the right (in consultation with the Trustee) to compulsorily realise any holdings of Units in the 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 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 Fund to lose its authorised or registered status with any
       regulatory authority in any jurisdiction; or
   (ii) may cause the offer of the Units of the Fund, 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 Fund in any
       jurisdiction or on the tax status of the Holders of the Fund; or
   (ii) may result in the Fund or other Holders of the Fund suffering any other
        legal or pecuniary or administrative disadvantage which the Fund or
        the Holders might 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 Fund and/or (ii) the Holder in relation to his holdings of Units in the Fund.

20.7.2 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.

20.7.3 Any compulsory realisation under paragraphs 20.7.1 or 20.7.2 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.

20.7.4 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 20.7.1 or 20.7.2 or 20.7.3.

20.8 Liquidity risk management policies

20.8.1 The Managers have established liquidity risk management policies to identify, monitor and manage the liquidity risks of the Fund. Such policies, combined with the liquidity management tools available, seek to achieve fair treatment of Holders and safeguard the interests of remaining Holders against the redemption behaviour of other investors and mitigate against systemic risk.

20.8.2 The Managers’ liquidity risk management policies take into account the Fund’s liquidity terms, asset class, liquidity tools and regulatory requirements.

20.8.3 The liquidity risk management tools available to manage liquidity risk include the following:

(a) the Fund may, subject to the provisions of the Deed, borrow up to 10% of its latest available net asset value (or such other percentage as may be prescribed by the Code) at the time the borrowing is incurred and the borrowing period should not exceed one month, provided always and subject to the borrowing restrictions in the Code;

(b) the Managers may, pursuant to the Deed and subject to the provisions of the Code, suspend the realisation of Units of the Fund or any Class with the
approval of the Trustee and payment for any Unit of the Fund or the relevant
Class realised before the commencement of such suspension but for which
payment has not been made before the commencement of the suspension
may, if the Managers and the Trustee so agree, be deferred until immediately
after the end of such suspension; and

(c) the Managers may, pursuant to the Deed and subject to the approval of the
Trustee, limit the total number of Units which Holders are entitled to redeem
in cash on a Dealing Day to ten per cent (10%) of the total number of Units in
issue (disregarding any Units which have been agreed to be issued). Each
such limitation shall be applied pro rata to all Holders who have validly
requested redemptions in relation to their Units on such Dealing Day so that
the proportion redeemed of each holding so requested to be redeemed in
cash is the same for all Holders.
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PROSPECTUS
Dated 31 October 2012

Nikko AM Shenton
Horizon Investment Funds