

# PROSPECTUS

Dated 24 April 2018

## ■ Nikko AM Global Multi Asset Conservative Fund

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## **DIRECTORY**

### **Managers**

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

### **Trustee**

BNP Paribas Trust Services Singapore Limited  
20 Collyer Quay, #01-01, Singapore 049319  
(Company Registration Number: 200800851W)

### **Auditors**

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

### **Custodian**

BNP Paribas Securities Services, operating through its Singapore branch  
20 Collyer Quay, #01-01, Singapore 049319  
(Company Registration Number: T08FC7287D)

### **Solicitors to the Managers**

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

### **Solicitors to the Trustee**

Dentons Rodyk & Davidson LLP  
80 Raffles Place, #33-00, UOB Plaza 1, Singapore 048624

## NIKKO AM GLOBAL MULTI ASSET CONSERVATIVE 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 Global Multi Asset Conservative 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, as amended from time to time (the “**Deed**”) and obtain independent professional advice if there is any doubt or ambiguity. You may inspect copies of the Deed 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 and regulatory requirements; and (c) any foreign exchange restrictions or exchange control requirements which you may encounter under the laws of the country of your citizenship, residence, licensing or domicile, and which may be relevant to the subscription, holding or disposal of Units and should inform yourself of and observe all applicable laws and regulations of any relevant jurisdiction that may be applicable to you.

You should consider the normal risks involved in investing and participating in collective investment schemes before investing in the Fund. You should also carefully consider the risks of investing in the Fund, details of which are set out in paragraph 9 of this Prospectus. You should note that your investments can be volatile and that the value of Units may decline as well as appreciate. Therefore there is 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. You should only make an investment if you can sustain losses on your investment. You should also satisfy yourself as to whether an investment in the Fund is suitable for you 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 with such investments.

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, realise or exchange your Units through the approved distributors of the Managers, subject to the ultimate discretion of the Managers in respect of the purchase, realisation or exchange of your Units in accordance with the provisions in the Deed. Institutional investors may also apply for, realise or exchange Units through the Managers directly.

You should direct all enquiries in relation to the Fund to the Managers or their approved distributors.

### **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. beneficial owners, directors or authorised signatories of investors who are not individuals) (“**Data**”) may be collected, used and disclosed by a Recipient for the following purposes: (i) updating and maintaining the register of unitholders of the Fund; (ii) processing instructions or trades of investors or persons acting on behalf of investors; (iii) complying with any applicable rules, laws or regulations, regulatory policies, guidelines or industry codes, orders, directions or requests issued by any court, legal or regulatory bodies (whether in Singapore or otherwise) including rules and regulations relating to anti-money laundering and countering the financing of terrorism and the carrying out of audit checks, surveillance and investigation; (iv) preventing, detecting and investigating crime, offence or unlawful activity including but not limited to fraud, money-laundering, terrorist financing and bribery, and analysing and managing commercial risks; (v) complying with any applicable treaty or agreement with or between Singapore and a foreign jurisdiction; (vi) fulfilling a judgment or order of court or of any other tribunal within Singapore and in an applicable foreign jurisdiction; (vii) providing client-related services, including providing customer support, responding to queries or feedback given by investors or persons acting on behalf of investors, and generating, communicating with and disseminating notices, reports, correspondence, statements, invoices, confirmations and advices to investors or persons acting on behalf of investors; (viii) verifying the identity of investors or persons acting on behalf of investors; (ix) reviewing and approving investors’ account(s), and the conduct of initial and anticipatory credit checks and assessments, relevant checks, ongoing assessment and verification of ongoing credit worthiness and standing; (x) legal claims, actions or proceedings including but not limited to drafting and reviewing documents, obtaining legal advice and facilitating dispute resolution or exercising or enforcing the rights of a Recipient under contract or pursuant to

applicable laws and regulations; (xi) administering, operating, processing or managing the Units 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 to and acknowledge all such collection, use and disclosure on behalf of that third party individual.

You consent and acknowledge that Data may be disclosed and transferred to the following parties, in Singapore or in a foreign jurisdiction, for the purposes set out above: (i) any person or entity including government authorities, regulatory bodies, courts and tribunals to whom a Recipient is under an obligation to make disclosure pursuant to any domestic or foreign legal process, legal obligation or regulatory obligation; (ii) related corporations of the Managers, the Trustee (as defined in paragraph 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 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 a unitholder shall be deemed to be a request for redemption of all Units held by such unitholder.

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

### **Foreign Account Tax Compliance**

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

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

You acknowledge that if you fail to provide accurate and timely information the Managers and their approved distributors have the right to deem you recalcitrant and/or reportable and shall be entitled

to take all necessary action(s) against you to be compliant with requirements under FATCA, including but not limited to any local legislation enacted in connection with FATCA as the same may be modified, amended, supplemented, re-enacted or re-constituted from time to time. You should note that the Managers may compulsorily realise all or any of your Units in any of the circumstances set out in paragraph 20.7 of this Prospectus.

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

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

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

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

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

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

who have lost their United States citizenship and who live outside the United States may nonetheless in some circumstances be treated as US Persons.

### **Common Reporting Standard and Automatic Exchange of Information**

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

The CRS Regulations require certain Singapore financial institutions (as defined in the CRS Regulations) to identify financial asset holders and establish if they are resident for tax purposes in countries with which Singapore has a tax information sharing agreement. Singapore financial institutions will then report financial account information of the asset holder to the Singapore tax authorities, which will thereafter automatically transfer this information to certain competent foreign tax authorities on a yearly basis.

Accordingly, the Managers and/or the Trustee (as defined in paragraph 1.3 of this Prospectus) will require investors to provide, amongst other things, information in relation to their identities and tax residences of their accounts (and the controlling persons, if any), account details, reporting entity, account balance/value and income/sale or redemption proceeds and any additional documentation or information, which will then be reported to the Inland Revenue Authority of Singapore and the other relevant tax authorities for purposes of complying with FATCA, the CRS Regulations and any similar automatic exchange of tax information regimes.

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

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## NIKKO AM GLOBAL MULTI ASSET CONSERVATIVE 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 April 2018. This Prospectus shall be valid for 12 months after the date of registration (i.e., up to and including 23 April 2019) and shall expire on 24 April 2019.
- 1.3 The Fund is constituted as a standalone unit trust in Singapore on 21 August 2014 pursuant to the trust deed dated 21 August 2014 (the "**Principal Deed**") entered into between the Managers and BNP Paribas Trust Services Singapore Limited (the "**Trustee**"). The Principal Deed has been amended by a First Supplemental Deed dated 25 August 2014, a Second Supplemental Deed dated 12 December 2014, a Third Supplemental Deed dated 26 April 2016 and a Fourth Supplemental Deed dated 25 April 2017, each made between the Managers and the Trustee (the Principal Deed as amended by the First Supplemental Deed, the Second Supplemental Deed, the Third Supplemental Deed and the Fourth Supplemental Deed shall be referred to as the "**Deed**"). You may inspect copies of the Deed 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](http://www.nikkoam.com.sg).

### 2. THE MANAGERS

- 2.1 The managers for the Fund are Nikko Asset Management Asia Limited (Company Registration No.: 198202562H) and their registered and business address is at 12 Marina View, #18-02, Asia Square Tower 2, Singapore 018961. The Managers are licensed and regulated by the Authority.

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

**2.3 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.

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

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

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

#### Junichi Sayato

Junichi is a non-executive director of the Managers.

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

Before joining Nikko AM, Junichi most recently served as Representative Director and President of Sumitomo Mitsui Trust General Service Co., Ltd. He previously held the position of President at Sumitomo Mitsui Trust Research Institute Co., Ltd., and also oversaw investor relations at Sumitomo Mitsui Trust Holdings, Inc. as Director and Managing Executive Officer. At the former Sumitomo Trust & Banking Co., Ltd. (now Sumitomo Mitsui Trust Bank, Limited), he oversaw finance, operations, IT, compliance, and client services as Director and Managing Executive Officer. Before that, he served as Executive Officer and Regional Executive for the Americas, as well as General Manager of the New York branch and General Manager of the Risk Management Department, at the same bank.

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

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

### 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.

Wey Fook is responsible for investment strategies including global strategic and tactical asset allocations for DBS' clients. He leads a team of investment strategists and communications specialists within the Chief Investment Office of DBS to formulate and publish the bank's house view on asset allocation, investment strategies and thematic trading ideas across asset classes of equities, bonds and currencies.

Wey Fook has 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, Head of Discretionary Portfolio Management ("**DPM**") and Funds. During Wey Fook's tenure as DPM head, assets under management grew substantially to SGD 9 billion and was voted as the best in DPM by Asiamoney Private Banking Poll 2016. 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.

## **2.4 Key executives of the Managers**

The key executives of the Managers in relation to the Fund are Seet Oon Hui Eleanor (whose description may be found in paragraph 2.3 above) and Robert Samson.

### Robert Samson

Robert is responsible for managing the various Multi-Asset portfolios of the Managers, forming relative asset views based on team research and constructing portfolios to meet the risk parameters for each mandate. Prior to the launch of the Managers' Multi-Asset effort in Singapore, Robert was a Senior Portfolio Manager with Nikko Asset Management Americas, Inc. ("**Nikko AM Americas**") responsible for asset allocation with a focus on emerging market mandates. He has worked at Nikko AM Americas for over 9 years and has been in the industry since 1995.

Prior to Nikko AM Americas, he worked at Arden Asset Management LLC where he was responsible for portfolio construction and risk management. He also founded and ran an investment technology company, providing asset allocation and fund recommendations to individuals planning for retirement in an integrated web-based delivery platform. Prior to this, Robert built and managed a team at Ernst & Young to provide asset allocation and manager recommendations to high net worth individuals.

Robert graduated with a Bachelor of Arts in Economics from Middlebury College and a Juris Doctor from the Dickinson School of Law. He is a member of the New York Bar and is a Chartered Financial Analyst charter holder.

### 3. THE TRUSTEE

The trustee for the Fund is BNP Paribas Trust Services Singapore Limited (Company Registration Number: 200800851W) and its registered address is at 20 Collyer Quay, #01-01, Singapore 049319. The Trustee is approved and regulated by the Authority.

### 4. OTHER PARTIES

#### The Registrar

- 4.1 The Registrar is the Trustee. Holders may inspect the register of Holders (the “**Register**”) 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 Trustee may impose.

#### The Auditors

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

#### The Custodian

- 4.3 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. Any sub-custodian engaged by the Custodian must be regulated in its home jurisdiction. In respect of its sub-custodians, the Custodian operates a selection and on-going monitoring program based on defined criteria which include financial strength, reputation, and breadth and quality of services provided, such as communication capabilities, settlement, safekeeping, corporate action notification and processing, dividend collection and payment, client service delivery, market information management, asset segregation and business continuity planning.

- 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. The Manager must complete due diligence on the counterparties, brokers and/or prime brokers and obtain the relevant internal approvals for their inclusion onto the panel. However, for inclusion onto the panel of counterparties, brokers and/or prime brokers to transact in foreign exchange, over-the-counter (“**OTC**”) derivatives, secured/unsecured call loan or securities lending, approval must also be sought from the risk management department of the Managers’ parent company, Nikko AM.

## **5. STRUCTURE OF THE FUND**

- 5.1** The Fund is a Singapore authorised standalone unit trust. The base currency of the Fund is the Singapore dollar (“**SGD**” or “**S\$**”).
- 5.2** The Managers have the discretion to establish different classes of Units (each a “**Class**” and collectively the “**Classes**”) from time to time. There are currently four Classes of Units established within the Fund, namely the SGD Class A Units (denominated in SGD), the SGD Class B Units (denominated in SGD), the United States dollar (“**USD**” or “**US\$**”) Class Units (denominated in USD) and the Renminbi (“**RMB**”) Class Units (denominated in RMB).
- 5.3** The Classes may differ in terms of their currency of denomination, management fee, initial sales charge, minimum initial and subsequent investment amounts, minimum realisation amount and minimum holding. In addition, the SGD Class B Units will only be available for subscription by such persons as the Managers may determine from time to time. Please refer to paragraph 10.10 of this Prospectus on the availability of a regular savings plan for the Classes.

## **6. INCLUSION UNDER 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 of the Fund**

The investment objective of the Fund is to provide capital preservation and protection against inflation, whilst allowing for capital appreciation of investments. The Fund shall seek to optimise its overall investment returns at acceptable risk levels through adequate risk diversification.

### **7.2 Investment focus and approach of the Fund**

Subject to the provisions of the Deed, the investment universe of the Fund will include:

- (a) fixed income or debt instruments that are issued by governments, quasi-sovereign entities, government agencies, supranationals, banks and corporations globally;
- (b) money market instruments;
- (c) equities listed on exchanges globally in developed markets and emerging markets;
- (d) preference shares;
- (e) unlisted shares offered through an initial public offering which have been approved for listing within 6 months from the date of investment by the Fund;
- (f) cash and cash-equivalents; and
- (g) exchange-traded funds (“**ETFs**”) and unit trusts.

To protect returns in SGD terms, the foreign currency exposure of the Fund will be significantly hedged.

FDIs may be used for the purposes of hedging and/or efficient portfolio management.

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 as amended from time to time is referred to as the “**Code**”).

### **Allocations and Constraints**

The Fund’s investments are subject to the following conditions:

- (a) Equities allocation: Maximum 30% of the net asset value (“**NAV**”) of the Fund;
- (b) Fixed income, cash and money market instruments allocation: Minimum 60% of the NAV of the Fund:
  - i. Only investment-grade fixed income instruments will be allowed. The Fund shall not invest in ETFs that track indices which include non-investment grade fixed income instruments. For the avoidance of doubt, “investment-grade fixed income instruments” refer to fixed income instruments rated at least BBB- by Standard & Poor’s (“**S&P**”), Baa3 by Moody’s Investors Service (“**Moody’s**”), or BBB- by Fitch Ratings (“**Fitch**”).
  - ii. Money market instruments must be rated at least A1 by S&P, P1 by Moody’s or F1 by Fitch.
- (c) Preference shares: The Fund may only invest in preference shares which have a minimum credit rating of A- by S&P, A3 by Moody’s or A- by Fitch.
- (d) ETFs and unit trusts: The Fund may only invest in ETFs and unit trusts that either:
  - i. invest in any of the investments listed in paragraph 7.2 (a) to (f) above; or
  - ii. invest in physical gold
- (e) Not more than 10% of the NAV of the Fund may be invested in physical gold-backed ETFs or physical gold-backed unit trusts.
- (f) Not more than 5% of the NAV of the Fund may be invested in securities issued by any single issuer provided that such limit shall not apply where the issuer of fixed income securities is a government that has a credit rating of AA+ by S&P or an equivalent rating by Moody’s or Fitch.
- (g) With the exception of Singapore equities, not more than 30% of the equity portion of the Fund may be invested in a single country.
- (h) The Value-at-Risk (“**VaR**”) threshold shall be kept at 5% at 95% confidence level. Ex-ante VaR is to be calculated, over a 1 year period, at 95% confidence level.
- (i) The Fund shall not engage in margin trading and short-selling of securities.
- (j) The Fund shall not invest in the following:
  - i. sub-prime securities and/or derivatives;

- ii. privately held securities (i.e. not publicly-traded) with the exception of unlisted shares offered through initial public offerings which have been approved for listing within 6 months from the date of investment by the Fund;
- iii. physical real estate or properties (other than real estate investment trusts and publicly-traded stocks in real estate companies);
- iv. physical commodities such as gold and silver (other than commodity funds);
- v. hedge funds;
- vi. equity-linked notes;
- vii. convertible bonds;
- viii. warrants and promissory notes; and
- ix. asset-backed securities or mortgage-backed securities, including but not limited to collateralised debt obligations or collateralised loan obligations, that are underwritten by the Managers, their subsidiaries, affiliates or related companies.

Unrated issues are allowed if the Managers' internal credit assessment of such unrated issues is equivalent to or above the relevant minimum rating by any of the 3 credit rating agencies (namely S&P, Moody's and Fitch) as set out in this paragraph 7.2.

### **FDIs**

The Fund will not use FDIs, except for spots, forwards, non-deliverable forwards, swaps, futures and/or options, for hedging and efficient portfolio management purposes. The Fund's use of FDIs is subject to the following conditions:

- (a) FDIs shall not be used to gear the Fund.
- (b) The Fund may not invest in uncovered option strategies.
- (c) Currency derivatives shall only be used to hedge the Fund's currency exposure to the base currency of the Fund. The amount hedged in any one currency shall not exceed the amount invested in that currency.
- (d) Interest rate derivatives may be used to hedge the interest rate risk of the Fund provided that the overall duration of the Fund is not negative.
- (e) The Fund may buy credit protection via credit default swaps for credit risk management purposes. The aggregate gross notional values of the credit default swaps shall not exceed 10% of the NAV of the Fund. The Fund may not sell credit protection via credit default swaps.
- (f) OTC derivatives entered into by the Fund shall be subject to the following conditions:
  - i. Counterparties for the OTC derivatives (which may include, but are not limited to, banks) (the "**OTC Counterparties**") must be rated at least A- by S&P, A3 by Moody's or A- by Fitch. An OTC Counterparty which is not rated may still be used, provided that its obligations are explicitly guaranteed by an entity which has a long-term rating of A (including sub-categories or gradations therein).

- ii. In the case of an OTC Counterparty that satisfies sub-paragraph i. above, the total exposure of the Fund to such OTC Counterparty may not exceed 10% of the NAV of the Fund.
- iii. An OTC Counterparty that does not satisfy sub-paragraph i. above, is rated below A- by S&P, A3 by Moody's or A- by Fitch and whose obligations are explicitly guaranteed by an entity that has a long-term rating of A (including sub-categories or gradations therein) may be used provided that the total exposure of the Fund to such OTC Counterparty may not exceed 5% of the NAV of the Fund.

The investment approach of the Managers is to apply an absolute return strategy which:

- (a) adds value via a specialist team of asset allocators who seek to identify opportunities while reducing risk through diversification;
- (b) targets income and capital appreciation via the Fund's investment in fixed income; and
- (c) seeks to capture upside in the equity market via the Fund's investment in equities.

### **7.3 Product Suitability**

The Fund is suitable for investors who:

- seek to achieve capital preservation and protection against inflation, whilst allowing for capital appreciation of investments;
- seek to optimise their overall investment returns at acceptable risk levels through adequate risk diversification; and
- are willing and able to accept that their principal will be at risk.

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

### **7.4 Distribution Policy**

In respect of each of the SGD Class A, the SGD Class B, the USD Class and the RMB Class, 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 proceed with a distribution exercise, the quantum that is available for distribution will be calculated in accordance with the provisions of the Deed.

## 8. FEES AND CHARGES

8.1 The following fees and charges are applicable to the Fund:

### Fees and charges payable by a Holder/an investor

	SGD Class A, USD Class and RMB Class	SGD Class B
Initial Sales Charge <sup>1</sup>	Current: Up to 5.00%; Maximum: 5.00%  (Subject to the terms and conditions applicable to the exchange of units set out in paragraph 12)	Current: Nil; Maximum: Nil  (Subject to the terms and conditions applicable to the exchange of units set out in paragraph 12)
Realisation Charge	Current: Nil; Maximum 1%	
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.	

### Fees and Charges payable by the Fund

	SGD Class A, USD Class and RMB Class	SGD Class B
Annual Management Fee	Current: 1.00% of the Class' NAV; Maximum: 2.00% of the Class' NAV	Current: 0.30% of the Class' NAV; Maximum: 0.80% of the Class' NAV
Annual Trustee Fee	Current: 0.03% of the Fund's NAV; Maximum 0.10% of the Fund's NAV. Subject always to a minimum fee of S\$5,000 per annum or such lower amount as the Managers and the Trustee may agree from time to time.	

<sup>1</sup> "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 (in the case of all the Classes except for the SGD Class B) 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.

Other Fees and Charges*	Subject to agreement with the relevant parties, other fees and charges, including, <i>inter alia</i> the custodian fee, the fund administration fee and the audit fee may each amount to or exceed 0.10% per annum, depending on the proportion that each fee or charge bears to the Fund's NAV.
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\* Based on the audited accounts of the Fund for the year ended 31 December 2017, the professional fees and the audit fees amounted to approximately 0.18% and approximately 0.10% respectively of the average NAV of the Fund for the year ended 31 December 2017.

**8.2** 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 the approved distributors in respect of the issue or sale of any Units shall not be added to the price of such Units but will be paid by the Managers. The approved distributors may also charge additional fees not listed in this Prospectus. You should therefore check with the approved distributors before subscribing for Units.

**8.3** 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.

## **9. RISKS**

### **9.1** General risks of investing in collective investment schemes

**9.1.1** While the Managers believe that the Fund offers the potential to achieve its stated objective, there is no assurance that this objective will be achieved. You should read this Prospectus and discuss all risks with your financial and legal advisers before making an investment decision, and you should also assess for yourself the risks of investing in equities and FDIs in general.

**9.1.2** You should be aware that the price of Units can go down as well as up and this may be in response to changes in interest rates, foreign exchange, economic and political conditions. 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 and is not suitable for short-term speculation. The value of the Fund and its distributions (if any) may rise or fall.

**9.1.3** Dealings in the Units and the calculation of the NAV 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.

## 9.2 Risks specific to the Fund

**9.2.1 Market and Interest Rate Risk:** The investments by the Fund are subject to market risks. Investments in debt securities are also subject to interest rate risks and default risks by the issuers. Investments with shorter maturities generally carry less price risks than those with longer maturities. A rise in overall interest rates can lead to a decline in bond prices. Conversely, a decline in interest rates can lead to an increase in bond prices. There is no assurance that the Fund's investment objective will be realised.

You should also carefully consider the usual risks of investing and participating in unlisted securities. Prices of securities may go up or down in response to changes in the economic conditions, the interest rates, and the market's perception of securities of the relevant country. 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 Liquidity Risk:** The extent of market liquidity would depend 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.

**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. The legal infrastructure and accounting, auditing and reporting standards in certain countries in which an investment may be made by the Fund may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. Foreign ownership restrictions in some markets may mean that corporate action entitlements may not always be secured or may be restricted.

**9.2.3 Foreign Exchange Risk:** As the investments of the Fund may be denominated in foreign currencies, fluctuations of the exchange rates of such foreign currencies against the base currency of the Fund (i.e. SGD) may affect the value of 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 if no hedging or partial hedging is made, the value of the Fund may be affected. If the foreign currency exposure of the Fund is hedged, a passive hedging policy is usually adopted.

If any investments of the Fund are denominated in currencies 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 NAV 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. If any such currency exposure is hedged, an active hedging strategy is usually adopted.

- 9.2.4 Emerging Markets Risks:** The Fund may invest in emerging markets 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.

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

- 9.2.6 Counterparty Risk:** The Trustee may (upon the instructions of the Managers), on behalf of the Fund, enter into transaction(s) with one or more counterparties which may expose the Fund to the credit risk of the counterparties with whom it trades and the risk of settlement default. The aforementioned counterparties may also be issuers of the securities in which the Fund invests. If any counterparty becomes bankrupt or insolvent, the Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Trustee seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. Also, fraud, regulatory sanctions or a refusal to complete a transaction by any of these counterparties could significantly impair the operational capabilities or the capital position of the Fund. The Managers intend that the counterparties with which the Trustee deals on behalf of the Fund must have reasonable financial soundness at the time of entering into the relevant transaction. It is also possible that the above transactions will be terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the

agreement was entered into. The Managers will use reasonable efforts to mitigate such risks but there can be no guarantee that transactions with such counterparties will always be completed in the manner contemplated by, and favourable to, the Fund.

**9.2.7 Changes in Applicable Law and Regulation:** The Fund must comply with various legal and regulatory requirements imposed by the jurisdictions under which it operates. Should any of those laws change over the life of the Fund, the legal requirements to which the Fund and its Holders may be subject, could differ materially from current requirements.

**9.2.8 Country Specific Risk:** The Fund may invest in securities of a limited number of countries. Where the Fund invests in 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 limited number of countries also increases the potential volatility of the Fund due to the increased concentration risk as it is less diversified as compared to being exposed to specific regional or global markets.

### **9.3 Financial Derivative Risk**

**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. Where such FDIs are financial derivatives on commodities, such transactions shall be settled in cash at all times. 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 NAV 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 ongoing 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 NAV 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 Risk associated with the use of FDIs**

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

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

**The above is not 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 use of Supplementary Retirement Scheme (“SRS”) monies**

Subject to the applicable terms and conditions imposed by the relevant SRS operator and any relevant competent authority, if you wish to subscribe for Units with your SRS monies, you will have to give a written authorisation to the relevant SRS operator for monies to be withdrawn from your SRS account to pay for the subscription of Units. Subscriptions using SRS monies are currently not available for any Class of Units but may be available for the SGD Class A Units, once this Class is incepted.

### 10.1.3 Subscriptions 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 any distributor in Singapore which the Managers may, after giving notice to the Trustee, appoint for the purpose of this paragraph (the “**Relevant Participating Distributor**”), or by an application form printed from such a website, you confirm:

- (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 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 your 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. The Managers will provide you with hard copies of this Prospectus, the Deed and any supplemental deed for the time being in force upon your request. However, the Managers may levy a charge for providing you with a copy of the Deed and any such supplemental 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 your 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**

	<b>Minimum initial investment</b>	<b>Minimum subsequent investment</b>
<b>SGD Class A Units</b>	S\$1,000*	S\$100*
<b>SGD Class B Units</b>	S\$1,000,000*	S\$100,000*

<b>USD Class Units</b>	US\$1,000*	US\$100*
<b>RMB Class Units</b>	RMB 5,000*	RMB 500*

\* 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

The initial offer period for each of the SGD Class A, the USD Class and the RMB Class will be for such period and at such time as the Managers may decide from time to time upon notification to the Trustee and as at the date of registration of this Prospectus, each such initial offer period is expected to be within the next 6 to 12 months. During the relevant initial offer period, the SGD Class A Units will be offered at the initial issue price of S\$1.000 per Unit, the USD Class Units will be offered at the initial issue price of US\$1.000 per Unit and the RMB Class 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 any of the SGD Class A, the USD Class and the RMB Class if:

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

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

### 10.5 Pricing and Dealing Deadline

The issue price per Unit ("**Issue Price**") of each Class (following the close of its initial offer period) is calculated based on forward pricing and is determined based on the Value<sup>2</sup> as at the Valuation Point<sup>3</sup> on the relevant Dealing Day<sup>4</sup> on which an application for Units is received, of the proportion of the Deposited Property of the relevant Class represented by 1 Unit of such Class and rounding such amount to the nearest 3 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

<sup>2</sup> "**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.

<sup>3</sup> "**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.

<sup>4</sup> "**Dealing Day**" in relation to the subscription and realisation of Units of the Fund or any Class, means a Business Day or such other day as provided in the Deed.

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, 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 (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 any 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<sup>5</sup> following the Dealing Day.

## 10.6 How the number of Units is allotted

The number of Units you will be issued is determined by dividing the gross investment sum paid by you (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 Units that you will receive based on a hypothetical investment amount of \$1,000\* and a notional Issue Price of \$1.000\*\*:

\$1,000*	-	\$50.00	=	\$950.00	÷	\$1.000**	=	950
Gross Investment Sum		Initial Sales Charge*** (5.00%)		Net Investment Sum		Issue Price (i.e. NAV per Unit)		Number of Units
<p>* This sum is used for the purposes of illustration only, and the actual investment sum for a Class may be of a different amount.</p> <p>** The actual Issue Price of a Class will fluctuate according to the NAV of the relevant Class.</p> <p>*** The maximum Initial Sales Charge currently payable is 5.00%.</p> <p>N.B.: All numerical figures used for the purpose of this illustration are hypothetical.</p>								

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.

<sup>5</sup> “**Business Day**” means a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Singapore are open for business, or any other day as the Managers and the Trustee may agree in writing.

### **10.7 Confirmation of purchase**

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

### **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 your application is rejected by the Managers, the subscription monies will be refunded (without interest) to you or 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 may cancel your subscription for Units by giving written notice to the Managers through the approved distributor(s) from whom you purchased your Units within 7 calendar days from the date of subscription or purchase of the 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). 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 NAV of the relevant Class since you purchased the Units. The cancellation proceeds will be paid within 7 Business Days after the relevant Dealing Day on which the cancellation request is received 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 make available a Regular Savings Plan ("RSP") for the SGD Class A Units (after the SGD Class A is incepted).

You may apply for the SGD Class A Units through a RSP upon satisfying the minimum initial investment amount applicable to the SGD Class A Units.

The current minimum monthly contribution for the RSP is S\$100. The monthly contribution for the RSP will be deducted from your 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 you. After 2 consecutive unsuccessful deductions, the RSP will be terminated and no notification of such termination will be sent to you.

You may terminate your participation in the RSP without penalty upon giving not less than 30 days' notice in writing to the approved distributor from whom you purchased your Units.

The Managers reserve the right to terminate the RSP at any time in 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.

For the avoidance of doubt, you should note that participation in a RSP is currently not available in respect of the SGD Class B Units, the USD Class Units and the RMB Class Units.

## **11. REALISATION OF UNITS**

### **11.1 How to sell Units**

Holders may realise their 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 the Holders had purchased their Units. Institutional investors who had purchased their 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.

Holders 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.

### **11.2 Minimum Holding and Minimum Realisation**

A Holder may not realise only part of his holding of Units without the approval of the Managers and the Trustee if such realisation is less than the minimum realisation amount for the relevant Class, or if due to such realisation, his holding of Units in the relevant Class would be reduced to less than the minimum holding for that Class.

Currently, in respect of the SGD Class A Units, the USD Class Units and the RMB Class Units, the minimum realisation amount is 500 Units and the minimum holding is 500 Units.

Currently, in respect of the SGD Class B Units, the minimum realisation amount is 100,000 Units and the minimum holding is S\$1,000,000.

### **11.3 Pricing and Dealing Deadline**

The net realisation proceeds are calculated by multiplying the number of Units of the relevant Class to be realised by the realisation price of the Units ("**Realisation Price**"). The Realisation Price per Unit of a Class of the Fund is calculated based on forward pricing and is determined based on the Value of the Deposited Property of the Class as at the Valuation

Point on the relevant Dealing Day on which the realisation request is received, divided by the number of Units of the Class in issue or deemed to be in issue then, and rounding such amount to the nearest 3 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, 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 a realisation request is received and accepted by the Managers through their approved distributor(s) by the Dealing Deadline on any 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. The 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 a Holder of Units will receive based on a realisation of 1,000 Units and a notional Realisation Price of \$1.050\*.

1,000	x	\$1.050	=	\$1,050.00	-	Nil	=	\$1,050.00
Units to be realised		Realisation Price*		Gross realisation proceeds		Realisation Charge**		Net realisation proceeds payable
* The actual Realisation Price of a Class will fluctuate according to the NAV 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 a Holder is resident outside Singapore, the Managers may 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 the Holder had been resident in Singapore.

#### 11.5 Payment of realisation proceeds

**11.5.1** The realisation proceeds will be paid to Holders within 7 Business Days 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 him under the provisions of the Deed in respect of such 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.
- 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 such 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 the Holder's SRS account has been closed, the monies will be paid to him 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<sup>6</sup> (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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<sup>6</sup> "**Group Trust**" means such collective investment scheme which the Managers may at its discretion from time to time allow the exchange of Units/units into or 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 through their approved distributor(s) up to 5.00 p.m. Singapore time on such Common Exchange Dealing Day. If an Exchange Notice is received by the Managers through their approved distributor(s) 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 will 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 Group Trust is suspended pursuant to the suspension provisions set out in the trust deed of the relevant 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 their sole discretion.

### **13. OBTAINING PRICES OF UNITS**

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

You may obtain the Issue Price and Realisation Price of the SGD Class B Units from the Managers. You may check the Issue Price and Realisation Price of Units of the SGD Class A, the USD Class and the RMB Class on the Managers' website at <http://www.nikkoam.com.sg>, after the relevant Class is accepted.

### **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, but not limited to, 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<sup>7</sup> 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 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** 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 SGD Class B as at 28 February 2018 is shown in the table below:

	<u>Return 1 year (% change)</u>	<u>Return over 3 years (A.C.R.)</u>	<u>Return over 5 years (A.C.R.)</u>	<u>Return over 10 years (A.C.R.)</u>	<u>Return Since Inception (A.C.R.)</u>
SGD Class B	3.03%	2.08%	N.A.	N.A.	2.42%
12-month SIBOR <sup>8</sup> +3% per annum	4.42%	4.33%	N.A.	N.A.	4.24%

<sup>7</sup> "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.

<sup>8</sup> "SIBOR" refers to the Singapore Interbank Offered Rate.

Calculated on a NAV-NAV basis, SGD, 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. There is currently no Initial Sales Charge for the SGD Class B.

Source: Nikko Asset Management Asia Limited

Inception Date: 1 September 2014

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

As at 28 February 2018, the SGD Class A, the USD Class and the RMB Class have each not been incepted yet. Accordingly, a track record of at least one year is not available for any of these Classes as at 28 February 2018.

The benchmark against which the Fund's performance is measured is the 12-month SIBOR + 3% per annum.

## **15.2 Expense ratio**

The expense ratio of the SGD Class B (calculated in accordance with the guidelines issued by the Investment Management Association of Singapore on the disclosure of expense ratios and based on figures in the Fund's latest audited accounts) for the financial year ended 31 December 2017 is 0.76%.

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

- (a) interest expense;
- (b) brokerage and other transaction costs associated with the purchase and sales of investments (such as registrar charges and remittance fees);
- (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 on income received including withholding tax; and
- (f) dividends and other distributions paid to Holders.

As the SGD Class A, the USD Class and the RMB Class have each not been incepted yet, the expense ratios of these Classes for the financial year ended 31 December 2017 are not available as at the date of registration of this Prospectus.

## **15.3 Turnover ratio**

The turnover ratio of the Fund (calculated based on the lesser of purchases or sales of underlying investments of the Fund expressed as a percentage of daily average NAV of the Fund) for the financial year ended 31 December 2017, is 61.99%.

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

### **16.1 Appointment of soft dollar brokers**

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

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

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

#### **Execution and allocation**

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

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

**16.2** Subject to the provisions of the Code, in their management of the Fund, the Managers may receive soft dollar commissions from, or may enter into soft dollar arrangements with, stockbrokers who execute trades on behalf of the Fund and the soft dollars received would be restricted to the following kinds of services:

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

The following are, however, prohibited:

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

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

**16.3** The Managers will not accept or enter into soft-dollar commissions / arrangements unless:

- such soft-dollar commissions / arrangements can in the opinion of the Managers, reasonably be expected to assist in the Managers' provision of investment advice or related services to the Fund or assist the Managers in their management of the Fund;
- the Managers shall ensure at all times that best execution is carried out for the transactions; and
- no unnecessary trades are entered into in order to achieve a sufficient volume of transactions to qualify for such soft-dollar commissions / arrangements.

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

## **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 Shenton Greater China Fund
- (f) Nikko AM Shenton Global Opportunities Fund
- (g) Nikko AM Shenton World Bank Green Bond Fund
- (h) Nikko AM Shenton Emerging Enterprise Discovery Fund
- (i) Nikko AM Shenton Horizon Investment Funds

- (j) Nikko AM Shenton Eight Portfolios
- (k) Nikko AM Asia Investment Funds
- (l) Nikko AM Shenton Short Term Bond Funds
- (m) Nikko AM Asia Healthcare Fund
- (n) ABF Singapore Bond Index Fund
- (o) Nikko AM Singapore STI ETF
- (p) Nikko AM Asia Limited Investment Series
- (q) Nikko AM Japan Dividend Equity Fund
- (r) MSIG Asian Bond Fund
- (s) Nikko AM ASEAN Equity Fund
- (t) Nikko AM China Onshore Fund Series
- (u) Nikko AM All China Equity Fund
- (v) Nikko AM Asia Limited Fixed Term Investment Series
- (w) NikkoAM-StraitsTrading Asia ex Japan REIT 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. The Managers intend 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.

- 17.4** The Trustee is presently also offering registrar services to the Fund while the Custodian (which is 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 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 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. If a conflict of interest does arise, the Parties will endeavour to ensure that it is resolved fairly and in the interest of the Holders.
- 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 endeavour 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. If any conflict of interest arises as a result of such dealing, the Managers and the Trustee, following consultation with the other, will resolve such conflict in a just and equitable manner as they shall deem fit. Such dealings, where entered into, will be on an arm's length basis.

## **18. REPORTS**

- 18.1** The financial year-end for the Fund is 31 December. 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](http://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](http://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** You 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), such Holder's Units may at the discretion of the Managers (in consultation with the Trustee) be automatically exchanged to units of such other scheme managed by the Managers. 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 have 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.

**20.3** 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 relevant 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 a person approved by the Trustee as qualified to value such cash, deposits and similar property) 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 or if bid and offer prices are published, the latest published bid price;
- (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;
- (g) gold (to the extent permitted by the Code) shall be valued by reference to the mean of the bid and offered prices in United States dollars per troy ounce of gold on the spot gold market in Singapore at the time of calculation; and
- (h) any other property forming part of the Authorised Investments (as defined in the Deed) shall be valued (by a person approved by the Trustee as qualified to value such property) 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 5.6(r) and 5.6(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 SGD and any amounts to be deducted otherwise than in SGD shall be translated into SGD 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 attributable to the Fund; and
- (j) there shall be added the amount of any tax, if any, on capital gains estimated to be recoverable and not received 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 every Dealing Day. There will not be a suspension of valuation by reason of an exchange holiday. In such cases, the last available security prices shall continue to be applied for valuation purposes.

Notwithstanding the foregoing, the Managers' pricing committee will subject to the provisions of the Code and the conditions set out in 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 generate 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, 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, 20.7.2 or 20.7.3.

**NIKKO ASSET MANAGEMENT ASIA LIMITED**  
**BOARD OF DIRECTORS**

Signed:

Signed:

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Seet Oon Hui Eleanor  
Director

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

Signed:

Signed:

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

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

Signed:

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Hou Wey Fook  
Director  
(signed by Seet Oon Hui Eleanor for and on  
behalf of Hou Wey Fook)

**Prospectus of Nikko AM Global Multi Asset Conservative Fund**

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